



HMUA MINUTES

REGULAR  
MEETING OF

October 09, 2018

ADMINISTRATION BUILDING  
424 Hurley Drive  
Hackettstown, NJ



REGULAR MEETING October 09, 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, Jerry DiMaio, John DiMaio, Harper and Kunz.

Also attending: Wassim Nader, Joseph Nader, 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 September 11<sup>th</sup> Regular Meeting to be the next agenda item. A motion to approve the minutes was made by John DiMaio, being seconded by Jerry DiMaio with Kuster, Jerry DiMaio, John DiMaio, Harper voting yea and Kunz abstaining.

Chairperson Kuster indicated approval of minutes of the September 11<sup>th</sup> Executive Session to be the next agenda item. A motion to approve the minutes was made by Harper being seconded by John DiMaio with Kuster, Jerry DiMaio, John DiMaio, Harper voting yea and Kunz abstaining.

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

Wassim Nader approached the Board; he indicated that his son Joseph had a problem with one of the equipment operators working on the water main project. He stated that his son was driving on Franklin and the backhoe driver came from Lafayette onto Franklin and was moving very fast. He stated the backhoe driver started yelling at his son and jumped out of the backhoe and words were exchanged between both of them. He stated the backhoe driver pushed his son and then threw him against his vehicle. The police were called and a report was made. It was confirmed that this was an employee of Pillari Brothers, the contractor for the HMUA water main project. He stated that he does not want to press charges or affect this person's job, but he feels this should never have happened. Mr. Nader stated that he would email pictures of the assault on his son and the police report to Executive Director Corcoran. Kathy stated she is sorry that Mr. Nader had this experience. The Board agreed that the Authority will not tolerate this type of behavior. Chairman Kuster suggested that the Authority obtain the police report, and if Mr. Nader said is confirmed, then this person should be removed from the job immediately.

Chairperson Kuster stated the next agenda item was discussion and possible action regarding any project change orders. Executive Director stated that there were no Change Orders at this time, but there are changes that are being reviewed currently, including a significant increase in HMA base course from the estimated contract amount.

Chairperson Kuster stated the next agenda item was discussion and possible action to amend the Capital Budget for FY 2017-2018. After a brief discussion, the following Resolution #18-3335



was proposed by Jerry DiMaio who moved its adoption.

Resolution #18-3335

WHEREAS, the Authority’s Fiscal Year 2018 Water Capital Budget for the year ending November 30, 2018 was adopted on the 14<sup>th</sup> day of November, 2017; and

WHEREAS, N.J.A.C. 5:31-2.8 provides that all amendments to the Fiscal Year 2018 Water Capital Budget shall be approved and adopted by Resolution of the Authority, passed by not less than a majority of the full membership.

THEREFORE, BE IT RESOLVED, that the following amendments be made to the Fiscal Year 2018 Water Capital Budget of the Hackettstown Municipal Utilities Authority for its year ended November 30, 2018:

	<u>FROM</u>	<u>TO</u>
Funding Sources:		
Water:		
Unrestricted Net Position	\$1,000,000	\$1,250,000
Capital Budget Appropriation:		
Water:		
Water Main Replacement	\$1,600,000	\$1,850,000

BE IT FURTHER RESOLVED, that two certified copies of this complete amendment and resolution be filed forthwith with the Director of the Division of Local Government Services for his certification of the Authority budget so amended.

This 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 to entertain Resolutions approving the Operations Expense Account requisitions #OEA-1141 and #OEA-1142 in the total amount aggregate amount of \$242,111.97. The following Resolution #18-3336 was proposed by Kunz who moved its adoption:

Resolution #18-3336

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

Dated:	September 14, 2018	OEA-1141	SL-21	\$123,877.37
Dated:	September 28, 2018	OEA-1142	SL-22	<u>118,234.60</u>
			Total	\$242,111.97

This Resolution 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 to entertain a Resolution approving Renewal & Replacement Fund Requisition #RR-250 in the aggregate amount of \$8,772.34. The following Resolution #18-3337 was proposed by Harper who moved its adoption.



Resolution #18-3337

BE IT RESOLVED, that the following Renewal and Replacement Fund Requisition #RR-250 be formally approved:

REQUISITION #RR-250

APG-Neuros	Treatment Plant Equipment	\$	6,650.05
Envirosight	Main Line Camera Repair		<u>2,122.29</u>
	Total	\$	8,772.34

The Resolution was seconded by John DiMaio 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 to entertain a Resolution approving Escrow Subaccount Requisition #ESR-282 in the amount of \$5,339.50. The following Resolution #18-3338 was proposed by John DiMaio who moved its adoption.

Resolution #18-3338

BE IT RESOLVED, that the following Escrow Subaccount Requisition #ESR-282 be formally approved:

REQUISITION #ESR-282

Mott MacDonald	BRIAN GURETSE	\$	1,387.00
Mott MacDonald	LION GATE		462.50
Mott MacDonald	QUICK CHEK		<u>3,490.00</u>
	Total	\$	5,339.50

This 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 to entertain a Resolution approving General Fund Requisition #GF-4 in the amount of \$174,823.01. The following Resolution #18-3339 was proposed by Jerry DiMaio who moved its adoption.

Resolution #18-3339

BE IT RESOLVED, that the following General Fund Requisition #GF-4 be formally approved:

REQUISITION #GF-4

Pillari Bros.	Contract 47W Application #5	\$	160,535.51
Suburban Consulting	Engineering Services		<u>14,287.50</u>
	Total	\$	174,823.01

This Resolution was seconded by Kunz and upon roll call vote carried: Ayes: Kuster, Jerry DiMaio, John DiMaio and Harper 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 #18-3340 was proposed by John DiMaio who moved its adoption.

Resolution #18-3340

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 Administration – Salaries (65101) is decreased by \$30,000.00. Water Administration– Professional Services (67201) is increased by \$30,000.00.

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

Chairperson Kuster stated the next agenda item was discussion and possible action to adopt the Annual and Capital Budgets for Fiscal Year 2018/2019. The following Resolution #18-3341 was proposed by Kunz, who moved its adoption.

#### Resolution #18-3341

WHEREAS, the Annual Budget and Capital Budget/Program for the Town of Hackettstown Municipal Utilities Authority for the fiscal year beginning December 1, 2018 and ending November 30, 2019 has been presented for adoption before the governing body of the Town of Hackettstown Municipal Utilities Authority at its open public meeting of October 9, 2018; and

WHEREAS, the Annual Budget and Capital Budget as presented for adoption reflects each item of revenue and appropriation in the same amount and title as set forth in the introduced and approved budget, including all amendments thereto, if any, which have been approved by the Director of the Division of Local Government Services; and

WHEREAS, the Annual Budget as presented for adoption reflects Total Revenues of \$4,771,500, Total Appropriations, including any accumulated Deficit, if any, of \$4,877,054 and Total Unrestricted Net Position utilized of \$105,554; and

WHEREAS, the Capital Budget as presented for adoption reflects Total Capital Appropriations of \$1,465,000 and Total Unrestricted Net Position planned to be utilized of \$0; total Renewal and Replacement Reserve funds planned to be utilized of \$1,465,000; and

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 9, 2018 that the Annual Budget and Capital Budget/Program of the Town of Hackettstown Municipal Utilities Authority for the fiscal year beginning December 1, 2018 and ending November 30, 2019 is hereby adopted and shall constitute appropriations for the purposes stated; and

BE IT FURTHER RESOLVED, that the Annual Budget and Capital Budget/Program as presented for adoption reflects each item of revenue and appropriation in the same amount and title as set forth in the introduced and approved budget, including all amendments thereto, if any, which have been approved by the Director of the Division of Local Government Services.

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 stated the next agenda item was discussion and possible action to proceed with the water and sewer rate increases.

Executive Director Corcoran explained she has been working with Robert McNinch to develop a



new water and sewer rate schedule. She confirmed that she has forwarded to the Board a study with many numbers and charts that provide a breakdown by water and sewer. It was suggested that the increase on the water side should be between 15-20% and 5-10% on the sewer side. Kathy explained that the HMUA rates have not kept up with cost increases. In addition, due to the decreasing water usage demand, and system maintenance requirements including the new requirements of the Water Quality Accountability Act, we will continue to draw down reserve funds, especially on the water side. After some discussion, the Board suggested that the Authority review the rate increase as to how it would affect industrial properties and possibly make the increase less and spread it over a longer period of time. Executive Corcoran stated she would work with Robert to come up with an overview effect on industrial properties and a softer impact increase, and get back to the Board at the next meeting.

Chairperson Kuster stated the next agenda item was discussion and possible action to purchase Valve Turning Equipment. Bud explained that he has been researching a number of options for the purchase of the valve turning equipment. He confirmed that the Authority has approximately 2,200 valves that will have to be exercised by 2021 under the WQAA. He stated he has compared a number of valve turning machines and found that the one from E.H. Wachs would be the best for the Authority. E.H. Wachs equipment also was the lowest quoted price for the requested equipment.

After a brief discussion, the following Resolution #18-3342 was proposed by Kunz who moved its adoption.

Resolution #18-3342

WHEREAS, the Authority has determined and certified in writing that the value of the acquisition will exceed \$17,500; and

WHEREAS, E.H. Wachs of Lincolnshire, IL has submitted a quotation indicating they will provide the valve turning equipment in the amount of \$34,955.25; and

WHEREAS, E.H. Wachs has completed and submitted a Business Entity Disclosure Certification which certifies that E.H. Wachs has not made any reportable contributions to a political or candidate committee in the Town of Hackettstown in the previous one year, and that the contract will prohibit E.H. Wachs from making any reportable contributions in the coming year; therefore

BE IT RESOLVED, the Hackettstown Municipal Utilities Authority authorizes the purchase of the valve turning equipment in the amount of \$34,955.25.

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

Chairperson Kuster requested the Water Utility Superintendent to proceed with his report.

Bud Volkert began by stating there have been five water main breaks, two since February and two service leaks so far this year. He stated they have a leak on a tapping saddle near Hastings Square, which is extremely rare. He said they are working with the Heath Village West contractor to coordinate the location and timing of their insertion valve installation with the saddle tap repair. This will limit the shutdown needed for the repair substantially.



Bud also stated the water main project is just about completed and they are working on the punch list items and will be doing a walk through tomorrow morning with the contractor. He confirmed that the contractor is currently doing the blacktop work on High Street. He also stated that they believe there was a leak on Franklin Street that never came to the surface. Since they have shut down the old main in Franklin St., usage has dropped by 100,000 gallons a day.

Bud also stated they have been hauling the old scrap to Newton and have gotten some good money back.

Bud continued by stating the new dump truck body will be installed tomorrow and he is happy to have this done before the winter.

Bud stated that the meter replacement project is going very well, but they do have a few customers that don't want the new meters in their homes. They believe the RF signal is bad for them. Kathy stated that she consulted John Zaiter regarding this issue. John Zaiter stated that after reviewing the Rules and Regulations, the Authority has the right to replace the meters. He suggested that the Authority forward certified letters along with a return receipt to these homeowners giving them ten days to set up an appointment or their water will be disconnected. If they do not wish to have this installed in their home, then they must install a meter pit outside at their own expense.

Bud also stated the JIF Safety Inspector visited our facilities last month and the inspection went very well. There were a few minor issues that had to be taken care of, which have been done.

Bud concluded by stating the Wawa project is moving forward and all of the water work has been completed.

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

Executive Director Corcoran began by stating she and the staff have finished working with the Auditor and are now set with all the new tracking in Quickbooks.

Kathy also stated they have begun interviewing for the accounts payable position. She stated she has completed two interviews and has three additional one set up for next week. She confirmed that one applicant looked very promising. She stated that once they complete the interviews, she will begin working on the job description for the Deputy Director position.

Kathy also stated Heliosage wishes to donate the solar system to HMUA at the WPCP. She confirmed that she has discussed this with John Zaiter and they are reviewing their options.

With regard to developer projects, Kathy continued by stating the WaWa water line construction is completed and they have passed all the testing. She also confirmed that the Sewer lines are close to final inspection. She also stated Heath Village West has started clearing the property, but has not started any utility work and shop drawings are being reviewed.

Kathy continued by stating the arsenic treatability study began in May and additional sampling was completed in June and July. The next step will be the jar testing. They have also scheduled a status meeting for October 16<sup>th</sup>.

Kathy also stated the nitrification system project has been in a holding pattern due to slow shop drawing production and the manufacture of the diffuser system is expected to also be delayed.



Kathy also stated Mott MacDonald provided a memo regarding Peracetic Acid (PAA) as the primary disinfectant at the WPCP instead of the current UV disinfection system. She is currently evaluating the memo. As discussed at a prior meeting, the PAA could be a replacement for the UV or possibly a temporary patch to get us through this period of existing before the UV model becomes obsolete.

Kathy stated that the HMUA received an email from NJ Cybersecurity & Communications Integration Cell. They have stated that the Authority must complete a WQAA submission form no later than November 16<sup>th</sup>. Mott MacDonald will complete the form with prior information they collected for the Cybersecurity Program and forward it to the Authority for submission.

Kathy concluded by stating that, as Bud indicated, the water main project is just about completed. They are doing restoration work on Willow Grove St. at Franklin St. and at High Street, which should be completed in a few days. She also stated line item costs for hot mixed asphalt (HMA) are going over estimated quantities significantly. The original cost of the contract was \$1,359,000 and with Change Orders the cost may be up to approximately \$1,530,000, and still have to deal with the contaminated soil, which we have budgeted for disposal starting next fiscal year.

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 stated he had nothing further to add.

At this point, it was suggested that the Board convene into Executive Session.

Chairperson Kuster stated he would entertain a motion to convene into Executive Session. Resolution #18-3343 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 #18-3343

BE IT RESOLVED, on this 11th day of September 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 9th day of October, 2018 by the Hackettstown Municipal Utilities Authority that the matters, as noted above, will be discussed in Executive Session, said session commencing at 8:50 PM.

Jerry DiMaio moved to end Executive Session and re-enter Regular Session, said motion being seconded by Kunz and all indicating approval at 8:58 PM. No formal action was taken during Executive Session.

After some discussion, Chairperson Kuster stated he would entertain a motion to release the Letters of Credit pledged by Heath Village for their prior application in 2008. John DiMaio





made a motion to release the Capital One Bank Letters of Credit pledged by Heath Village in the amounts of \$742,122.00 and \$334,386.00. This motion 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 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 Kunz and followed by a unanimous voice vote.

Time – 9:00 P.M.

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