
RARITAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
REGULAR MEETING MINUTES

APRIL 18, 2013

365 Old York Road, Flemington, New Jersey
(908) 782-7453 Office (908) 782-7466 Fax

1. **MEETING CALLED TO ORDER AT 5:00 PM**

The meeting of the Raritan Township Municipal Utilities Authority (RTMUA) was called to order stating that the meeting had been advertised in accordance with the Open Public Meetings Act setting forth the time with the RTMUA office as the place of said meeting. It was further stated that a copy of the Agenda was posted on the RTMUA office bulletin board.

2. **ATTENDANCE ROLL CALL:**

Chair Del Vecchio	Absent
Dr. Dougherty	Here
Mr. Kendzulak, Jr.	Here
Mr. Kinsella	Here
Mr. Tully	Here

Also present were Bruce Miller, RTMUA Executive Director; Greg LaFerla, RTMUA Chief Operator; Regina Nicaretta, RTMUA Executive Secretary; James G. Coe, PE, Hatch Mott MacDonald; C. Gregory Watts, Esquire, Watts, Tice & Skowronek.

3. **PLEDGE OF ALLEGIANCE**

4. **APPLICATIONS:**

None

5. **RESOLUTIONS:**

None

6. **Approval of Minutes:** Minutes of March 21, 2013

Dr. Dougherty – Any comments?

Mr. Kendzulak, Jr. – Yes, Mr. Miller, one of the things from the last meeting, page five, I had asked Mr. Schreck about cash flow and he was going to get back to me; where do we stand with that?

Mr. Miller – He'll be here at 8:30 Monday morning.

Mr. Kendzulak, Jr. – There was the thing on the debt too I'd asked about. And where do we stand with the Boch thing?

Mr. Coe – I'm prepared to discuss that in my report.

Mr. Tully made a motion to approve the minutes from the March 21, 2013 meeting. Mr. Kinsella seconded the motion. All were in favor. Dr. Dougherty abstained.

7. **Treasurer's Report / Payment of Bills:**

Mr. Kendzulak, Jr. - The bills totaled \$664,708.95.

Mr. Kendzulak, Jr. – The big items here are tied to Coppola for work on the Robin Hill Pump Station for about \$79,000.00 and DeMaio Electric for SCADA Phase II which is for about \$92,000.00. The other big one is the \$76,000.00 to New Jersey Utilities Authority for the insurance; the other half of the payment is due in May. We're a little over four months into the year and at about thirty – four percent of the budget.

Mr. Tully made a motion to approve the payment of bills. Mr. Kinsella seconded the motion.

Roll call vote:	Chair Del Vecchio	-	Absent
	Dr. Dougherty	-	Yes
	Mr. Kendzulak, Jr.	-	Yes
	Mr. Kinsella	-	Yes
	Mr. Tully	-	Yes

8. Citizens' Privilege:

Dr. Dougherty – Any citizens who'd like to be heard at this time? There are none. I thought there was going to be a representative from the Township Committee here tonight.

Mr. Miller – Mr. O'Brien; I told him specifically 5:00 pm.

Dr. Dougherty – What would you like to do? You all have the letter from the Township.

Mr. Kendzulak, Jr. – Is it something we can do if he shows up during the Work Session?

Mr. Watts – Yes.

Dr. Dougherty – Okay, then we'll do that.

9. Adjourn into Closed Session by Motion, if Needed

10. Adjournment of Regular Meeting:

Mr. Tully made a motion to adjourn the Regular Meeting. Mr. Kendzulak, Jr. seconded the motion. All were in favor.

**RARITAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
WORK SESSION MINUTES**

APRIL 18, 2013

365 Old York Road, Flemington, New Jersey
(908) 782-7453 Office (908) 782-7466 Fax

1. **The Work Session** of the Raritan Township Municipal Utilities Authority will be called to order upon the adjournment of the Regular Meeting.

2. **Correspondence:**

None

3. **Unfinished Business:**

None

4. **New Business:**

None

5. **Professional Reports:**
 - a) Attorney - none

 - b) Engineer –

Mr. Coe - I'd like to discuss the Robin Hill Pump Station. I've been advised that the light pole is up and operational. The other thing that was discussed last month and has been discussed over the past month was the fencing. The original plans for the project had fencing around the pump station area which would leave a six foot pathway between the fence and the property line which would continue to allow access to the footbridge. The residents were concerned about that and we agreed to make a little maze out of four foot fencing so four wheelers couldn't get through that six foot wide alley. In the meantime there has been some discussion with the school taking the bridge down. We didn't want to put the fence up and have a situation where the school couldn't get to the bridge to take it away. The easement provides easier access to the bridge from the pump station side than going across the school property to get there. We've now most recently heard that the school has taken the position that they don't own the bridge and that maybe there is a homeowner's association that owns the bridge. We have not been able to find a homeowner's association.

Mr. Miller – I called Mr. Don Scholl, who represented the Mortara's and he said he doesn't remember one and he called Mr. Ren Mortara but he never got back to me. Mr. Boch said in the twenty two years he's been there he hasn't ever heard of one.

Mr. Coe – I never saw the actual Easement or Deed or even if there is one for the bridge. If there was a homeowners association and they owned the bridge they would have been named as an easement holder. My understanding is it's only the Board of Education and the Authority that are on the easement.

Mr. Kinsella – Who actually built the bridge?

Mr. Coe – I'm sensing it might have been the developer as part of the improvements that were part of the development.

Mr. Kendzulak, Jr. – When was Desmares built and when was the development built?

Mr. Coe – The reason I bring it up is we want to have the Contractor finish, get the contract done and to stop dealing with it. From your point of view it's costing you and you're paying the bill for all of this back and forth. So, I want to let you know that we are inclined to tell the Contractor to get done, you agreed to put in the little maze so put in the little maze and then if the school decides to take down the bridge, they just take it down from the other side.

Dr. Dougherty – If we do that, in terms of liability does it show that we are involved and it's considered our bridge?

Mr. Watts – No. I have an Agreement that is only signed by Robin Hill, it's not signed by the Board of Education and it's from 1991 and it is granting easement rights from the Board of Education to Robin Hill, which is a general partnership; Robert Mortara is Managing Partner, a license to install a walkway, an easement to maintain a walkway crossing the Robin Hill tract, an easement for sewer line and there is also an easement to construct a bridge and a walkway to cross a portion of the Robin Hill tract so that students may have direct access to the school. That was Robin Hill. The Board of Education granted the easement to Robin Hill to construct those things. On April 2, 2013 we sent the Board of Education attorney a letter saying, "if you are going to take the bridge down, take it down now because we need to finish our project" but I never heard back from him.

Mr. Coe – That's where it stands; I don't want the Authority to be criticized for creating obstacles.

Mr. Watts – They have had an opportunity to answer and they haven't.

Mr. Kinsella – Is the landscaping all completed over there?

Mr. Coe – No. The other question is, Mr. LaFerla, you had talked to Mrs. Wohlleb about the second fence.

Mr. LaFerla – My concern is if we put up the second barrier like we're talking about, if down the road, something happens to that force main it's going to

be a pain to try to get to it. My idea was if you were going to put a fence up there, put a gate at both ends so you could go right through.

Mr. Coe – You're talking about having moving the edge of the fence and having the Authority's fence go all the way across the easement and that is problematic because we can't restrict access for pedestrians and try to address the four wheeler issue even though it really isn't the Authority's responsibility to do that. So we'll talk to the Contractor to continue work.

Mr. Kendzulak, Jr. – Should there be a sign that says "Walkway Only" or "Walkway Only – No Vehicles"?

Mr. Coe - Also put reflectors on it.

Mr. Kendzulak, Jr. – Mr. Watts, is the easement specifically for pedestrian use?

Mr. Watts – Yes, it's a walkway.

Dr. Dougherty – So what is the decision?

Mr. Kinsella – I think less is more. I'd like to leave it, anyone who goes through it on a quad; it's already an illegal activity because they've been on the road. It shouldn't be our problem. And if Mr. LaFerla has to move a fence in January then it's a pain.

Mr. Coe – An option is to put up some signs that say "Pedestrian Traffic Only" or something to that effect.

Mr. Kendzulak, Jr. – Is that our responsibility to have to put up that sign or are we then taking on something that's not ours? As far as the easement goes, it sounds like it's between Robin Hill and the Board of Education.

Mr. Tully – It's still an enforcement issue if they've been on the road; they're breaking the law.

Mr. Kinsella – I was over there a couple of weeks ago for about an hour or so, looked at everything. We have done a heck of a lot over there to keep the Bochs happy. That's not an eyesore; it's such an improvement to what was there originally. It's a nice building.

Mr. LaFerla – If you stop the kids on quads and they get angry, they may start throwing stuff at the pump station.

Mr. Tully – Or do something with the fence.

Mr. Watts – I think the home owner should be dealing with the quad issue. We'd like to help them out but it needs to be taken up with the police or school board.

Mr. Watts – I don't know if this easement was ever recorded, it's an unsigned document from 1991.

Mr. Kendzulak, Jr. – If we change the width of the easement; can someone say "you changed this without our approval"?

Mr. Kinsella – This is an easement. It's on the Boch's property. The neighbor has a fence that goes out onto the easement.

Mr. Coe – It's a pedestrian easement. He has a right to use it.

Mr. Kinsella – He used it for machinery to build his pool. That is not the intent of that easement.

Mr. Tully – Its back to an enforcement issue. The people who own the property need to call the police. If the police don't do anything, they don't do anything, but that is not our responsibility.

Mr. Kendzulak, Jr. – Do we have a right to make changes to that easement without anyone else's approval?

Dr. Dougherty – I think we should authorize our attorney to review it first so we have a factual basis of where we're going and what our responsibilities are. The issue too is that the attorney from the Board of Education has not gotten back to our attorney and I think perhaps a letter from us expressing the interest of all the Commissioners and how serious this is. Mr. Watts, can you take care of that and report on it at the next meeting?

Mr. Coe – So we'll try to hold the Contractor off of putting up any fence until you hear back.

6. RTMUA Reports:

- a) Administrative Report - ok
- b) Operations Report - ok
 - 1. Chief Operator's Report
 - i) Overtime Recap - ok
 - ii) Septage / Greywater Recap - ok
 - 2. Laboratory Summary - ok
 - 3. Maintenance Summary - ok
 - 4. Readington Flows - ok

c) Commissioner's Comments:

Dr. Dougherty – So we have a letter from the Township Committee dated April 12, 2013 where the Mayor has requested “On behalf of the Township Committee I request that you consider providing the Township available surplus funds for use in the 2013 municipal budget. In 2012 \$70,000.00 was received from the RTMUA. This amount, if available, is requested for 2013.” Any comments?

Mr. Kendzulak, Jr. – Again, I don't think the rate payers should be subsidizing those people on septic. It's my understanding that approximately fifty percent of people in the Township are on septic and the other fifty percent are on sewer. Why should the burden be placed on the rate payers to pick up the slack to satisfy a budget shortfall? This is Raritan Township; they should be raising the money. The bottom line is, to make up the difference on their budget and to basically subsidize the people on septic, the rate payers have been doing this to almost a \$1,000,000.00 over the last few years. It's forced us to raise our rates in order to satisfy our own demands here. If everyone was on sanitary sewer it would be fair at that point. Would it be right? Well, we're collecting funds for sanitary sewer improvements not for the Township but at least it would be spread out across the board. In this case, I think it's unfair and maybe we should send a letter back saying “we funded you \$936,000.00”. That's the issue I have, if everyone was on sanitary sewer I wouldn't like it, but I would swallow it. I don't think it's fair for some people to pick up the slack for others just to satisfy a municipal budget while we are struggling here.

Dr. Dougherty – I was here this morning and asked to see the legislature that authorizes it and basically they can request it and we don't have to give it but they can come and take it eventually; dissolving the Authority or whatever happens. I agree with Mr. Kendzulak, Jr. on the fairness of the issue but on the other hand, there are three former mayors sitting here and there's always been tough questions or issues like this to face that have to be fully explored. My original position was similar to Mr. Kendzulak, Jr. I didn't make the legislation; I don't know if it's been challenged; it is law.

Mr. Watts – The legislation was put into effect to curb the taking of money, not to allow it in the first place. Municipalities were taking more than the five percent.

Mr. Kinsella – Remember too, that one of the cosigners of the original laws is still doing time. In 2009, when we first gave a big sum, our financial situation was a lot better than it is right now. As far as debt goes, we were cash rich. Therefore, it was an opportunity for some people to take advantage of us. We've incurred a lot of debt since then and the ratepayers are paying at least \$15.00

more per quarter now than they were then. We're tightening our belt and now the Township wants more. There are a lot of problems over there and they may have to pay the piper one of these days with a tax rate increase. Why should it be on us? I'm starting to agree more with Mr. Kendzulak, Jr. on this. Things have changed and our rate payers are getting hit and you know when you look at the projections for the years to come, every year there is an increase. Basically, we're increasing the rate on our users, our rate payers. The Township is in the same situation but they won't do the same logical process with the taxpayers because they painted themselves into a corner by saying they will never do anything that involves a tax rate increase. I understand politically why you would do that but people want services; the times are tough, the growth is slow. The Township is laying off people; they laid off people at Public Works. Sooner or later you just can't look for a handout and that's what we're doing for them. I don't see why they'd want to take us over.

Mr. Kendzulak, Jr. – A few years ago, it would have been worth it because we had all that cash. Now, we have all this debt; we're a liability. A few years ago we probably had over two million dollars in cash. We were saving for the future, look where it got us. I think the makeup of the Township Committee is different now than what it may have been a few years ago. By the tone of this letter, it's not an extortion kind of thing. Maybe I'm reading too much into this but they are saying "that you *consider*" "if available" "thank you for your *consideration* of this request". To me it's not a strong armed letter. It sounds more like "hey if you can help us out, we'll take it". I would not like to be on that Township Committee and be challenged by a group of rate payers saying this is unfair; then have them come here after we cut a \$70,000.00 check and say you guys gave it and you're representing us?

Dr. Dougherty – That makes sense but we are backed by the Township. If this organization got in serious trouble the burden falls on the Township and they guarantee the functioning of this Authority. If you wanted to go private, you must have the backing of the Township or Town or Municipality to do that. If it was the other way around, and we said we need some of the tax payer's money, you have a surplus of tax payer's money, can you give us ten percent, five percent or one percent; I'm not sure we'd get it but it's the same thing. I was Chairperson when this first happened and I was told by advisors that if we didn't give it they were coming and taking it and not only are they taking it, they are going to take the Authority. That's how they were operating then. I agree with everything you said, I can't argue with it but then there is the real world. You think you are helping a community that is behind the gun and they are going to have to bite the bullet eventually and raise taxes. Any person who says I will never raise taxes is a fool because that's not the real world.

Mr. Tully – Why can't we send less? Why can't it be half that?

Dr. Dougherty – It's whatever the pleasure of the Board is.

Mr. Kinsella – Have we budgeted for this?

Mr. Kendzulak, Jr. – No, it is not in our budget, with the caveat that if we had to we could find something, just not to the tune of \$70,000.00, we could probably find something.

Dr. Dougherty – We have \$50,000.00 in contingency money put there for the purpose of if we needed it. We were at ninety one percent of last year's budget. We have the money.

Mr. LaFerla – Part of that contingency money is for if we have contingencies like a line breaks, or something like that. If you give it away, then there's nothing left for something like that.

Dr. Dougherty – Hello Mr. O'Brien. We are in the Work Session part of the Agenda and we are reviewing the letter from the Mayor. You are the liaison from the Township and we were talking about the request from the Township and debating the issue.

Mr. O'Brien – I believe Mayor Oliver Elbert spoke to you previously.

Dr. Dougherty – He called me earlier.

Mr. O'Brien – First, I'd like to apologize for being late.

Dr. Dougherty – I think it's a good time to give you a synopsis of what the discussion is. When we look at this, it's the rate payer's money, not the tax payer's money. Not every tax payer pays to the Authority. It's only those who are on the sewer service system. It includes Flemington Borough, it includes parts of Readington Township. If there was any money that was considered contingency money or retained earnings or whatever you want to call it, it's money in a separate account. That's where we were able to help the community in the past if we had it available. But the bigger question is, is it fair to all of the rate payers; in some aspects yes and in some aspects no. Then the reasoning went on to that we've had to increase our rates which we had no choice about because costs do go up. We were able to hold an increase to zero for about eight years and then we've had increases that have gone to around nine percent and then six and half for last year. Part of that we felt, and I think this should be on the record, is that the efforts of the Authority to be as conservative as they can with their money. We did have extra contingency money; however, our infrastructure was suffering and we've had a major review of the total infrastructure and we've taken on projects for the security of the system and that has required us to have bonds and things of that sort. I think what the members of the Township Committee must understand is if we ever default on the bonds the Township Committee pays for it and that's part of the reason we have to be associated with them. So we're looking at the time where we may have to come

to you one day and say we need extra money. That's where we basically ended the discussion.

Mr. Kinsella – What we were saying Mr. O'Brien, there's two ways of looking at this thing. Like Dr. Dougherty says, we're beholden to you in the long run. Statutorily, you created us and you appoint us. At the same time, we serve the public and we provide an excellent service to our rate payers in Raritan Township and also the Borough of Flemington and part of Readington. Our costs are going up and we've incurred approximately \$3,000,000.00 of debt over the last three or four years. We have low interest loans through the New Jersey Environmental Trust but it's still on our head and I cannot imagine it going on your head. It's getting difficult to justify this expense that we pay the Township. We have some projects coming up; the Motor Control Center, so there's at least another million dollars. The infrastructure here is getting old and we're taking care of it responsibly but it doesn't come cheap. We are committed to doing this stuff, we have to do it. We are a 24 /7 operation here; nothing can go wrong, we can't just stop.

Mr. Kendzulak, Jr. – Just so you can hear where I'm coming from on this. Historically, we had accumulated a decent amount of cash through 2009 recognizing at some point that DEP would come through here saying you guys have to do phosphorus improvements which could be pretty substantial in cost; approximately three to four million dollars of upgrade here and that's what we were budgeting for. Then this law went through that allowed the Township to come in and, not to sugar coat it, basically rape the Authority; and strong arm the Authority and that was done in 2009. This is the issue I have and fundamentally the big concern that I have, and I'll let you know now, that I will not support this nor have I supported it in the past, maybe with the exception of the first time. I have sat where you sit and I understand the issues with raising taxes but the bottom line is we have gone from \$400.00 per household to \$494.00 over the last three years, much of it as a result of the almost \$1,000,000.00 that this Authority has sent to the Township. Here's the fairness issue I have; the law allows for it but there's fifty percent of the Township population on sewer and fifty percent on septic. What makes it not fair in my mind is the people that are on sewer are getting hit for this \$1,000,000.00 and they are subsidizing the people that are on septic. If everyone was on sanitary sewer, I wouldn't like it but it would be fair in that it would be across the board. The inequity here lies in the fifty percent that are on sewer and the fifty percent that are on septic. Financially, we're not as healthy as we were in 2009 and our rate payers have been taking a hit over the last couple of years because we've been increasing our rates quite a bit here.

Mr. Kinsella – And we're projecting out for the next six to eight years; rate increases every year.

Mr. Kendzulak, Jr. – And we're going to be taking on more debt. So from a fiscal perspective here at the Authority, we're nowhere near where we were; we were cash rich and in hindsight, maybe we shouldn't have been a few years ago, because we became a target. That's the biggest issue I have with this whole thing; some people aren't paying a fair share. The only way to fix it is for the Township Committee to make some tough decisions; that's why you guys are in there. To me personally, and I'm not a rate payer, but as a citizen of Raritan Township, I'm willing to pay my fair share and don't expect anyone to be picking up the slack for me just to satisfy some budget because people didn't want to raise the taxes. I'd be irate if I was on sanitary sewer and I had to pay for the other people.

Dr. Dougherty – The concept of community is that basically it's not always fair and it's not always equal and sometimes you have to give. If we default on the bonds, every rate payer and every tax payer in Raritan Township will get hit with a substantial tax increase because they have to assume those bonds. I'm trying to look at it as a broad picture. Anybody want to make a motion? We're in Work Session so maybe we can't.

Mr. Watts – You can take a census of the Board.

Mr. Kinsella – Mr. O'Brien, are you here tonight for us to tell you what we're going to do?

Mr. O'Brien – I came with the request; it's the pleasure of the Board to do what you will. I would ask you to discuss it and certainly many of you on the Board have sat in my position and have been Mayor which I haven't had that privilege yet so you understand what the community needs. But, we both serve our constituents and I respect your frankness, Mr. Kendzulak, Jr. I don't represent the good people of Flemington as you do.

Mr. Kendzulak, Jr. – Hold on, let's get something clear here. We don't represent the Borough of Flemington. They are a customer of ours. They do not bear any of this cost.

Mr. Miller – A little bit.

Mr. Watts – Any monies that are appropriated to pay the Township does not affect the Borough.

Mr. Kendzulak, Jr. – So basically, the \$936,000.00 that went from RTMUA to the Township is all from the rate payers from Raritan Township, not Flemington or Readington. They did not contribute as part of that. Legally, we can't do that.

Mr. O'Brien – But you do serve them.

Mr. Kendzulak, Jr. – Yes, we serve them, they are our customers.

Mr. O'Brien – We serve some of the same people and you have obligations that that I don't necessarily have and I ask you to look at all of those. To talk about fairness not all of our taxes are the same. There are people who

pay larger real estate taxes yet receive the same level of police protection etc. for example. You have all been through the budget process and I think you have a far better understanding of the budget situation of the Township than probably I do; you have years of experience that I am just beginning to acquire. So, I would ask you to talk amongst yourselves and we will respect the decision that the RTMUA provides us with and I thank you for your time.

Dr. Dougherty – Any comments or questions?

Mr. Kinsella – I personally think we should talk this out a little more; maybe have a decision by next month.

Mr. Tully – I think we should wait for Chairman Del Vecchio.

Mr. Watts – Yes; the Chairman should be involved.

Mr. Kendzulak, Jr. – I agree.

Dr. Dougherty – Thank you for coming. You are the liaison between the Township and RTMUA.

Mr. Kendzulak, Jr. – Dr. Dougherty, if I may ask Mr. O'Brien why he is here, why he is looking for the \$70,000.00. I would just like to hear from a member of the Township Committee where you are on your budget and the struggles that you are generally having and what happens if you don't receive this money; as much as you can tell us.

Mr. O'Brien – I'll try to paraphrase. I think it is public knowledge that our largest tax payer in the community has not paid their taxes in the past year. This is the primary driver of the shortfall; to the amount of \$700,000.00 over the last five quarters. Even if that number is resolved from last year; it still leaves us with an operating deficit for last year; you can't carry it into the 2013 budget. There is an enormous revenue shortfall not due to spending; spending is not going through the roof. We do have increased spending; increases for retirement. There were a few years ago where there was a reduced payment that the Township took advantage of and now those reduced payments are coming due. That is one increase. We changed health plans this year but there is still a significant increase. That is the third largest budget item. Those are the primary drivers. We've done well on debt; we've been reducing debt over the last several years. The plan was to reduce debt this year by about approximately 1.8 million; we are also looking at bonding because there are issues coming due. There is a fire truck that will need to be bought within the next couple of years. There are some other Capital expenses; I think many of you are familiar with the state of the vehicles in Public Works and several of their vehicles are reaching the end of their life and while they may be patched together for another year or two; they will be due. We have bought two police cars this year simply because the police cars were unserviceable and the Chief had no choice but to retire them. So we bought two and we're looking to buy two more.

Mr. Kendzulak, Jr. – Is a tax increase imminent?

Mr. O'Brien – I can't answer that until the budget is completed. The current draft says there will be a tax increase. Its' dependent on where the revenue comes from and what can be done. I think an honest assessment would say that there will be a tax increase.

Mr. Kinsella – What about money from the mall?

Mr. O'Brien – Legal means are being pursued. But again, because that money wasn't paid in 2012, it causes a shortfall that must be addressed. It's probably \$200,000.00 that we can't put in the budget this year. I would also point out that property values are flat.

Mr. Kinsella – You have Toll Brothers starting up.

Mr. O'Brien – Yes, but that's not this year. We also have the Yale redevelopment. If they get going, that will be great for next year too. There are a number of foreclosures also. We have a larger than normal average number of requests for tax assessments.

Dr. Dougherty – At this point are there any more questions for the record that you would like to ask? (silence) Okay then, I'd like to thank you for coming Mr. O'Brien and sharing your feelings about the issue.

Mr. O'Brien – I appreciate your time and your patience, thank you.

7. **Discussion:**

a) 1st Quarter 2013 Capacity Evaluation

Mr. Coe – This is the report for the first quarter of the year it had seventy five percent of the normal rainfall so it was another reasonably good quarter, where adding all the flow up, both what has State approval plus what's on the books as allocations, it comes up to 3.57 MGD out of your 3.8 MGD of capacity. So you are showing a 226,000 gpd available capacity. We are recommending that you continue doing what you're doing. You haven't had a quarter where you've been over capacity for quite a while. Over the last year or two, your flows have been much better. Last time you had one that was over capacity was the fourth quarter 2011. You've been good for the last year and a half.

Mr. Kendzulak, Jr. – I saw in your Engineers Report, under "Video Inspections by RTMUA", that we're talking about re-grouting. I guess we saw, I don't know if there were substantial leaks, or where the five hundred feet of twelve inch sewer is. Where is that?

Mr. Miller – That's by the Shoppes @ Flemington.

Mr. LaFerla – No, by the Raritan Plaza by Pump Station #1; behind where the Cinema Plaza used to be.

Mr. Kendzulak, Jr. – Are we going to start TV'ing along the interceptor lines?

Mr. LaFerla – We've been TV'ing for a while now.

Mr. Kendzulak, Jr. – Along the South Branch Interceptor?

Mr. LaFerla – Right now we're doing the small developments.

Mr. Kendzulak, Jr. – Here's my question; what we found, when we TV'ed the interceptor, we found a substantial amount of infiltration. We were able to make repairs and my recollection is that it had an impact on the capacity to some degree. Should we be focusing on getting the other lines below the water surface, especially the interceptor lines?

Mr. Coe – Yes. I know that we had planned to, what you are referring to is the forty – two inch interceptor; we had TV'ed that and found a lot of structural issues. At that time we didn't find inflow, it wasn't apparent that there was inflow. The pipe wasn't drained either so you wouldn't necessarily see it. After we rehabilitated the pipe and relined it, we found the midnight flows dropped by 100,000 gallons a day. There is a plan to continue up towards the old Lipton property and TV that line; that would be the next line that has similar issues.

Mr. Kendzulak, Jr. – To me, that's where we stand a chance of finding something big that can assist with capacity.

Mr. LaFerla – The inflow that we found on that line that we did, wasn't the forty – two inch line; that was the line that was going under the river for Flemington. It did help.

Mr. Coe – To make it worthwhile to go out with a contract you want to assemble a few projects if you can assemble them over a reasonably short period of time within six months to a year; if you get a number of projects then you can get a good size rehabilitation project.

Dr. Dougherty – Anything else?

Mr. Kinsella – Mr. Miller, the electric?

Mr. Miller – There's a graph at the back of my report showing from April 2011 to current. The vertical bars are our electrical usage. There's a big dip where the hurricane was. The line is what we're paying to JCP & L. The vertical bars are from the fifteen minute interval meter we have down there and you can see it's almost perfectly consistent across there until November / December 2012 when the effect of the new rate we negotiated on the reverse auction went into effect. When the usage went back up to where it was, it dropped off about ten percent in the monthly cost of the electricity. The nice thing about this, and I will continue this, is once we go onto SCADA we will also see a drop in the blue bars and see the electricity go down the same amount.

Mr. Kinsella – This is nice. Do we have anything similar for when we rehabilitate a pump station? Like a bar chart?

Mr. Miller – I can do exactly the same thing for pump stations. Pump station #1 has an interval meter of the same kind. I don't think the other ones do.

Mr. LaFerla – The other ones don't.

Mr. Miller – I'll do one for pump station #1 because I also get the bill and I'll tag it along with this thing next month.

Mr. Kinsella – What I mean is like with Concord Ridge; it's a new place, new kind of equipment operating, are we seeing significant savings there too or are we not concerned about that?

Mr. Miller – It's harder to get the usage, there's no interval meter there.

Mr. LaFerla – You can just get it by the month, by the bill.

Mr. Coe – Yes, you just get it from the bill. Really, when we rehabilitate pump stations, we try to use as an efficient pump that's available. In some cases we are adding equipment, we are adding muffin monsters and we're adding things that use more power. We're putting in better ventilation systems. So we're doing things that are overall probably going to add a little bit to the power bill as opposed to reducing it. Not by very much but it's not intended to drop power usage in them. Whereas with the SCADA project and the blowers clearly that was something that was done to improve and reduce power consumption.

8. Adjourn into Closed Session by Motion, if Needed

9. Adjournment of Work Session:

Mr. Tully made a motion to adjourn the Work Session. Mr. Kinsella seconded the motion. All were in favor. The Meeting ended at 6:10 pm.