

APPROVED

RARITAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
REGULAR MEETING MINUTES

AUGUST 21, 2014

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	Here
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; Nancy Wohlleb, PE, Hatch Mott MacDonald; C. Gregory Watts, Esquire, Watts, Tice & Skowronek.

3. PLEDGE OF ALLEGIANCE

4. APPLICATIONS:

- a) Application for Final Sewer Service Class – IIB, TWA Required, Raritan Junction, LLC (Costco) (Block 16.02 Lot 41)

5. RESOLUTIONS:

Resolution #2014 - 34 Approval of Sanitary Sewer Service, Class II-B, TWA Required, Raritan Junction, LLC (Costco) (Block 16.02 Lot 41)

Dr. Dougherty made a motion to approve Resolution #2014 - 34, Mr. Tully seconded the motion. All were in favor.

Resolution #2014 - 35 Acceptance of Performance Guarantee and Authorization to Sign Development Agreement, Raritan Junction, LLC (Costco) (Block 16.02 L41)

Mr. Kendzulak, Jr. made a motion to approve Resolution #2014 - 35, Mr. Kinsella seconded the motion. All were in favor.

Resolution #2014 - 36 Building Demolition Project Termination of Performance Bond and Acceptance of Maintenance Bond and Release of Retainage

Mr. Kinsella made a motion to approve Resolution #2014 - 36, Mr. Kendzulak, Jr. seconded the motion.

Roll call vote:

Chair Del Vecchio	-	Yes
Dr. Dougherty	-	Yes
Mr. Kendzulak, Jr.	-	Yes
Mr. Kinsella	-	Yes
Mr. Tully	-	Yes

Resolution #2014 - 37 Release of Maintenance Guarantee Creter Vault Corporation (Block 27 Lots 30.01 & 30.02)

Mr. Tully made a motion to approve Resolution #2014 - 37, Mr. Kinsella seconded the motion.

Roll call vote:

Chair Del Vecchio	-	Yes
Dr. Dougherty	-	Yes
Mr. Kendzulak, Jr.	-	Yes
Mr. Kinsella	-	Yes
Mr. Tully	-	Yes

Resolution #2014 - 38 Authorization for Termination of Maintenance Bond
J.P. Smith Contractor, Inc.

Dr. Dougherty made a motion to approve Resolution #2014 - 38, Mr. Kinsella seconded the motion.

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

Resolution #2014 - 39 Authorization for Termination of Maintenance Bond
DeMaio Electrical Company, Inc.

Mr. Kendzulak, Jr. made a motion to approve Resolution #2014 - 39, Mr. Kinsella seconded the motion.

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

Resolution #2014 - 40 Return of Wastewater Treatment Capacity Brunn
Properties, LLC (Kerry / Presco Foods) (Block 16.01
Lot 1)

Mr. Tully made a motion to approve Resolution #2014 - 40, Mr. Kendzulak, Jr. seconded the motion. All were in favor.

Resolution #2014 - 41 Return of Legal & Engineering and Inspection Escrow

Mr. Kendzulak, Jr. made a motion to approve Resolution #2014 - 41, Mr. Tully seconded the motion. All were in favor.

Resolution #2014 - 42 Authorization to Accept Flemington Wet Weather Facility NJPDES Permit Renewal Proposal from Hatch Mott MacDonald

Mr. Tully made a motion to approve Resolution #2014 - 42, Mr. Kinsella seconded the motion.

Roll call vote:

Chair Del Vecchio	-	Yes
Dr. Dougherty	-	Yes
Mr. Kendzulak, Jr.	-	Yes
Mr. Kinsella	-	Yes
Mr. Tully	-	Yes

6. **Approval of Minutes:** Minutes of July 17, 2014

Mr. Kinsella made a motion to approve the minutes from the July 17, 2014 meeting. Dr. Dougherty seconded the motion. All were in favor.

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

Mr. Kendzulak, Jr. - The bills totaled \$416,292.37. We are eight months through our budget year, through July 31st, which is at two – thirds of our budget year and we are at 68% which is right on budget.

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

Roll call vote:

Chair Del Vecchio	-	Yes
Dr. Dougherty	-	Yes
Mr. Kendzulak, Jr.	-	Yes
Mr. Kinsella	-	Yes
Mr. Tully	-	Yes

8. **Citizens' Privilege:**

None

9. Adjourn into Closed Session by Motion, if Needed

10. Adjournment of Regular Meeting:

Dr. Dougherty made a motion to adjourn the Regular Meeting. Mr. Tully seconded the motion. All were in favor.

RARITAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
WORK SESSION MINUTES

AUGUST 21, 2014

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

(908) 782-7466 Fax

APPROVED

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:**

a) Ms. Ann Zawarkay, CPA, CGMA, Chief of Authorities and Auditing, State of New Jersey to Bruce P. Miller, Executive Director, RTMUA regarding Omission of Required Single Audit

Mr. Miller – This is a nasty gram from the Department of Community Affairs saying that we did not do a Single Audit, which is required. I called Mr. Langhart and he said, no that we are not required. What really matters, at the top of the second page is where it says “The Division is NOT requesting that the Authority’s November 30, 2013 financial statements be corrected or reissued”. Mr. Langhart said he knew the lady and he’d call her. We’ll tell the Auditors next year to take a good look if it’s needed or not.

3. **Unfinished Business:**

None

4. **New Business:**

None

5. **Professional Reports:**

a) Attorney - none

b) Engineer –

Mrs. Wohlleb – I have no updates but if anyone has any questions.

Mr. Kendzulak, Jr. – Just one Mrs. Wohlleb; the RTMUA Interceptor, it seems like there aren’t any big issues with it but there is some small stuff, what is the small stuff?

Mrs. Wohlleb – Mainly manhole repair and then I think we see some areas where you may have to end up doing some spot lining. That’s mainly due to

either an offset joint or some kind of minor leak that might be occurring but that's pretty much the category of work that needs to be done.

Mr. Del Vecchio – The manhole and stuff, are we fixing them ourselves or are we putting together a big punch list to go out?

Mrs. Wohlleb – Yes, it would be for a contractor to do. I think it would probably be prudent if we're doing the manholes in the upstream area we probably want to consider doing the downstream interceptor manholes to take advantage of that kind of contractor just going around and getting them done.

Mr. Kendzulak, Jr. – Are there any major leaks in the manholes to where we have infiltration?

Mrs. Wohlleb – Nothing that came up on the inspections and I admit we didn't go out on a heavy, rainy day to really see but there aren't any geysers.

Mr. Del Vecchio – So you are going to prepare a proposal and bid documents?

Mrs. Wohlleb – Yes; as soon as we get some more video on the Bushkill side.

6. RTMUA Reports:

- a) Administrative Report - ok
- b) Operations Report
 - 1. Chief Operator's Report - ok
 - 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:

7. **Discussion:**

a) Chemical Bid Results

Mr. Del Vecchio – Looking at the comparison sheet it looks like we'll be about the same as last year.

Mr. LaFerla – Dry Polymer went down a little, Sulfur Dioxide went up and Sodium Hypochlorite went down. The total was down from last year.

b) Janitorial Proposals

Ms. Nicaretta – Mrs. Struening and I would like to request that the Board consider accepting the higher proposal. The budget line amount this year is the same as last year. We think even though it's \$1,140.00 higher that we might get more bang for our buck and actually get better cleaning from the higher proposal.

Mr. Del Vecchio – Why do you think you'd be getting more from the second one?

Ms. Nicaretta – I called three of his references and everyone said his cleaning is unbelievable and we think the current cleaner might be taking short cuts and we thought it would be nice to have cleaner offices.

Mr. Kendzulak, Jr. – You're not happy with the people we have now?

Ms. Nicaretta – Mrs. Struening and I think we can get better cleaning.

Mr. Watts – It did not go out to bid. If it's under the bid limit you can consider price and other factors in making your award. So you can make an award to somebody that isn't the lowest proposal. You're within your rights to do that; you just put it in the resolution; that you made findings that you'd like to try the new one because you think the services might be better.

Mr. Kinsella – So you haven't exactly seen his performance?

Ms. Nicaretta – No, but he showed me a list of what he would do. I called his references, one is Cornerstone who we use for things, they were happy with him, one was a doctor's office where I spoke directly to the doctor himself and I checked with another doctor's office.

Mr. Kendzulak, Jr. – Have we talked to the people who are cleaning the offices now and told them we're not happy with what they are doing?

Ms. Nicaretta – It's been more of leaving notes like "can you please clean the bathroom better this time" and they'll do it if you ask them but there's dirt in the same spot week after week that we've noticed and we want to see how long it's staying there before it's gone. It's not horrible; it's just even though the price is low we just don't think we're getting our monies worth. We thought it might be

nice to try another company and if it doesn't work out like we expect then next year we go back to the guy we have. It's hard to get other proposals; we have gotten only one for years and years.

Mr. Kendzulak, Jr. – What happens if we're not happy with this new guy, can we terminate the contract?

Mr. Watts – I haven't seen the proposal, I don't know if we're obligated for an entire year or not. We can put together a contract for us to sign and him to sign that says if we're dissatisfied we can terminate on thirty days' notice.

Ms. Nicaretta – When we had trouble with the one company years and years ago, we terminated them during the year somehow. It's up to you guys, we just wanted to request that you consider it.

Mr. Del Vecchio – The money in the budget will cover the higher price?

Ms. Nicaretta – Yes, the budget line amount hasn't changed from last years. I ran the money part past Mrs. Struening first to make sure it was feasible and she said yes.

General consensus was given to accept the higher proposal.

Ms. Nicaretta – Thank you very much.

c) Final Draft of Budget

Mr. Miller – There's a 2.96% increase. The second page is the one that shows you the changes; what went up.

Mr. Del Vecchio – Realistically, the top quarter of the page, there's nothing you can do about it and that's almost a third of it.

Mr. Kendzulak, Jr. – The only comment I would have in regards to this is I would like to see the revenue budget too; that's part of this, there's two parts of a budget.

Mr. Miller – Actually there's three pieces, the third one is Capital Acquisitions which is in the back, those three sheets. I did them as they would go to the State; showing this year, and then the five year plan and then how it is all going to be financed.

Mr. Del Vecchio – On the revenue side you had the estimate they were considering for the Connection Fees for 2015, you can start with that.

Mr. Miller – Mr. Kiel said none of his Authority's, budget for Connection Fees. I know we're going to get at least \$150,000.00 this year.

Mr. Kendzulak, Jr. – We've had this discussion before but we are also going to fall under our projected Connection Fee amount from what you said we'd get this year. We are not going to realize what we had estimated with that. Mr. Kiel did say last year that going forward we shouldn't count on the

Connection Fees because they are so unreliable; and that's where we will be heading this year for the revenue side of the budget.

Mr. Miller - If we had to spend 100% of our expenses, we'd be roughly \$175,000.00 short on the revenue side but we are \$640,000.00 to the good on the expense side so that's offset by the \$175,000.00 just on revenue.

Mr. Kendzulak, Jr. – Is Mr. Kiel working on that? When is he going to have that?

Mr. Del Vecchio – Will he have it and be here for the next meeting?

Mr. Miller – Yes.

8. Adjourn into Closed Session by Motion, if Needed

Mr. Watts – We will be going into Closed Session to discuss Personnel Matters, Contractual Matters with the Township regarding COAH Capacity and Litigation Matters regarding the FWWF Permit and we do not anticipate any action once we come out of Closed Session.

Mr. Kendzulak, Jr. made a motion to adjourn into Closed Session for the above stated purpose and Mr. Tully seconded the motion. Closed Session was from 5:30 pm – 7:10 pm.

9. Adjournment of Work Session:

Mr. Kendzulak, Jr. made a motion to adjourn the Work Session. Mr. Kinsella seconded the motion. All were in favor. The Meeting ended at 7:11 pm.