
RARITAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
REGULAR MEETING MINUTES

JUNE 16, 2016

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

(908) 782-7466 Fax

APPROVED

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:**

Dr. Buza	Here
Dr. Dougherty	Here
Mr. Kendzulak, Jr.	Here
Chair Kinsella	Here
Mr. Tully	Here

Also present were Gregory LaFerla, RTMUA Chief Operator / Director; Regina Nicaretta, RTMUA Executive Secretary; Nancy Wohlleb, PE, Hatch Mott MacDonald; C. Gregory Watts, Esquire, Watts, Tice & Skowronek.

3. **PLEDGE OF ALLEGIANCE**

Chair Kinsella – We're going to have Mr. Kiel speak first before we get to the Resolutions and the rest of the meeting.

Mr. Kiel – The reason I came up here tonight is I wanted to go over the actual Audit Report and why you don't have it yet. As you know, and as I discussed at a previous meeting we had a new accounting standard which involves accruing your pension liability in the financial statements. As I said before, the State was about six months behind in issuing their report. When I was here at the last meeting, I said "the State issued their report and so we should be able to work through this in no time" but there were some numbers that we had to work through; historically anytime there's a change in the accounting principles we always do a single year presentation. So after I got your report done everything was showing just single year columns but then the State came

down and said "no, we are not accepting any Audit Reports that are showing single year". While they have no statutory authority to do that when it comes to authority accounting it got to the point where we couldn't fight them anymore and we had to say "okay, we'll convert everything to two years". The problem with that now is we had to take the State's report for the previous year and apply even more auditing to it so we had to go out and do some more Audit testing. As a result, we're here now in June and you're not going to have the Audit Report until next week. It will be done by June 30th, and it will be sent to the State. The State did acknowledge the problem and they did extend all Audits another thirty days. The Audit is almost finalized; again I do want to apologize for the delay, we have over six months' worth of Audit Reports that we're trying to get out for this GASB 68. The process is the Audit Report will get sent to the State next week and then at your July Board meeting you will accept the Audit Report.

Mr. Kendzulak, Jr. – What is the total debt this Authority has right now?

Mr. LaFerla - \$9,810,774.68 as of November 2015.

Mr. Kiel – I'm double checking that number, right now, because you've made payments since you received that number; it's now \$8,158,000.00.

Mr. Kendzulak, Jr. – Just out of curiosity, for an Authority of this size, is that an acceptable range number?

Mr. Kiel – You're lower than Mt. Laurel, and you're lower than Willingboro, they're relatively your size as far as the sewer side thought they also do water, but you are still on the relatively low side of a lot of the other entities. You are still on the lower side. Next week you will get the Audit Report, it will be sent to every Board member so you'll have more than enough time to review it.

4. APPLICATIONS:

None

5. RESOLUTIONS:

Resolution #2016 - 17 Appointment of Consulting Engineer and Awarding of Contract

TABLED

Resolution #2016 - 47 Authorization to Advertise for Chemicals and Receive
Bids for the Purchase of Chemicals

Mr. Kendzulak, Jr. made a motion to approve Resolution #2016 - 48, Mr. Tully seconded the motion.

Roll call vote:	Dr. Buza	-	Yes
	Dr. Dougherty	-	Yes
	Mr. Kendzulak, Jr.	-	Yes
	Mr. Kinsella	-	Yes
	Mr. Tully	-	Yes

Resolution #2016 - 48 Waiving of Connection Fees and Suspension of User
Fees Flemington Raritan First Aid and Rescue Squad

Mr. Kinsella – For the members who weren't here, we discussed this at the last meeting, a representative from the First Aid Squad came here and asked us to consider this.

Dr. Dougherty – I went over there and spoke to them; another thing, it's consistent with what the Township does for police and firemen and other agencies like this in terms of forgiving application fees and things like that.

Mr. Kinsell – They were also interested in us making a donation, we haven't done this before for anyone and this is their donation.

Dr. Dougherty made a motion to approve Resolution #2016 - 48, Dr. Buza seconded the motion.

Roll call vote:	Dr. Buza	-	Yes
	Dr. Dougherty	-	Yes
	Mr. Kendzulak, Jr.	-	Yes
	Mr. Kinsella	-	Yes
	Mr. Tully	-	Yes

Resolution #2016 - 49 Approval of and Authorization to Execute Wastewater Treatment Capacity Transfer Agreement and Agreement for Reservation of Wastewater Treatment Capacity, Raritan Village Shopping Center II, LLC to RVSC II Villages at HealthQuest, LLC (Block 9 Lot 16.02)

Mr. Tully made a motion to approve Resolution #2016 - 49, Mr. Kendzulak, Jr. seconded the motion.

Roll call vote:	Dr. Buza	-	Yes
	Dr. Dougherty	-	Yes
	Mr. Kendzulak, Jr.	-	Yes
	Mr. Kinsella	-	Yes
	Mr. Tully	-	Yes

Resolution #2016 - 50 Approval of and Authorization to Execute Wastewater Treatment Capacity Transfer Agreement and Agreement for Reservation of Wastewater Treatment Capacity, Ardmore Properties to Lexington Square Partners, LLC (Block 16 Lot 14.02)

Mr. Tully made a motion to approve Resolution #2016 - 50, Mr. Kendzulak, Jr. seconded the motion.

Roll call vote:	Dr. Buza	-	Yes
	Dr. Dougherty	-	Yes
	Mr. Kendzulak, Jr.	-	Yes
	Mr. Kinsella	-	Yes
	Mr. Tully	-	Yes

Resolution #2016 - 51 Approval of and Authorization to Execute Wastewater Treatment Capacity Transfer Agreement and Agreement for Reservation of Wastewater Treatment Capacity, Sol and Ada Urbach Trustees to Urbach Realty, LLC (B72.23 Lot 31.01)

Mr. Tully made a motion to approve Resolution #2016 - 51, Dr. Buza seconded the motion.

Roll call vote:	Dr. Buza	-	Yes
	Dr. Dougherty	-	Yes
	Mr. Kendzulak, Jr.	-	Yes
	Mr. Kinsella	-	Yes
	Mr. Tully	-	Yes

Resolution #2016 - 52 Authorization to Create Position of Senior Crew Chief

Mr. Kendzulak, Jr. made a motion to approve Resolution #2016 - 52, Dr. Buza seconded the motion.

Roll call vote:	Dr. Buza	-	Yes
	Dr. Dougherty	-	Yes
	Mr. Kendzulak, Jr.	-	Yes
	Mr. Kinsella	-	Yes
	Mr. Tully	-	Yes

6. **Approval of Minutes:** Minutes of May 19, 2016

Dr. Dougherty made a motion to approve the minutes from the May 19, 2016 meeting. Mr. Tully seconded the motion. All were in favor. Dr. Buza and Mr. Kendzulak, Jr. abstained.

7. Treasurer's Report / Payment of Bills:

Mr. Kendzulak, Jr. - The bills totaled \$529,520.92; everything appears to be in order. If you look at the last yellow sheet, you can see we're at 52.27% and actually that is pretty good, going through May 31st, that would be about 50% through our fiscal year and we've already paid some bills for the month and some things are front loaded like our insurance. Comparing to last year at this time it was almost 56%.

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

Roll call vote:	Dr. Buza	-	Yes
	Dr. Dougherty	-	Yes
	Mr. Kendzulak, Jr.	-	Yes
	Chair 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

JUNE 16, 2016

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

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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:**

None

3. **Unfinished Business:**

None

4. **New Business:**

None

5. **Professional Reports:**

a) Attorney –

Mr. Watts – I wanted to let you know we've received a draft Agreement from the high school in regards to the relocation of the sewer main; we had a meeting before this meeting with Mott MacDonald and we'll be getting a written response to them; it's still early in the negotiations.

b) Engineer –

Mrs. Wohlleb – Mr. LaFerla and Ms. Nicaretta were kind enough to attach the letter from our firm's president and CEO Mr. DeNichilo which just formalizes our firm's name change from Hatch Mott MacDonald to Mott MacDonald, essentially we've parted ways with Hatch. Mr. DeNichilo's letter highlights some of the salient points of the size of our firm etc. Our Certificate of Authorization which is from our State Board of Professional Engineers has been approved and now the name change is official.

Mr. Kinsella – I have one question on Mr. Baldacchino on Case Boulevard, what exactly is going to happen there now?

Mrs. Wohlleb – Mr. Baldacchino, at the end of last year, ran some of his sewer up pretty close to the Ridge Road area. He did some trenching work in

Ridge Road and in December he did stop work for the winter. He sent me an email that he's looking to start up in the next couple of weeks to actually run service connections, there's about eighteen or nineteen homes on Ridge Road that exist, that right now are being served by septic, in addition to the five homes that Mr. Baldacchino is building, he's providing low pressure sewer service for those eighteen or nineteen homes. He has certain milestones, with both the Authority resolutions and the Township resolutions for sub – division so he has to build that before he can sell his perfected properties to a builder who will actually build the homes.

Mr. Tully – I have a question, the arsenic limits thing? How does that affect us?

Mrs. Wohlleb – We have a draft Permit for our Main Plant that was issued. Our review of it is that if we're stuck with a stringent arsenic limit, we have to at the Main Plant, provide for a chemical feed in order to treat arsenic down to the proposed limits that would be for the plant. You usually would apply ferric chloride compound, so there is a matter of if we get the limit, we have a certain amount of time, typically three to five years to implement but we have that time period to make that improvement and prove we can comply with the limit. What both the Authority's special counsel and our office is doing is we've written a draft comment response letter and Ms. Carmeli is still making some finalization of that letter but it is to make formal comment that we feel that like other Authority's throughout the State that have been getting arsenic limits it's a background condition, it's an artifact of where we are and the hydrogeology of where we are.

Mr. Kendzulak, Jr. – Assuming that we have to treat it, how expensive is it?

Mrs. Wohlleb – It's a chemical feed system, I don't really know what the cost would be to install it but you'd be paying annually for the actual chemical; you'd have to store it and provide some form of mixing and a location to dose it; I don't believe it would involve constructing tankage. It would be the cost for chemical mainly.

Mr. Kendzulak, Jr. – What's with Costco? I saw there was a meeting to talk about COAH? When's Costco supposed to be finished?

Mr. LaFerla – It was supposed to be July but now they've changed it to September 1st.

Mrs. Wohlleb – The reason COAH came up on that site was the developer was to build the Costco and another small commercial pad site but he wanted to understand where he stood with his existing capacity in that this developer has this Costco site and also he developed the Raritan Town Square, the old Speedway site. They had an interest, instead of building out the remaining sites with all commercial, they wanted to do mixed development some residential,

some commercial. They understand at this point that at the Costco site they don't have enough capacity to do what they want to do but on their Raritan Town Square site, their engineer is looking into confirming what was actually CO'd, what is the actual square footages, and they'll submit to the Authority to see what remainder of capacity that they do have to see if they could proceed with changing what they had originally proposed to build.

Mr. Kinsella – Did they give a number?

Mrs. Wohlleb – They had some preliminary numbers, maybe ninety – six units, a mix of different bedrooms.

6. RTMUA Reports:

a) ADMINISTRATIVE / OPERATIONS REPORT

1. Chief Operator / Director's Report

- a) Overtime Recap
- b) Septage / Greywater Recap

Mr. Kendzulak, Jr. - I have a question on the septage numbers. Last year at this time we had brought in about \$116,000.00 in septage and this year it's only about \$60,000.00. That's a big difference, why is it so different?

Mr. LaFerla – ACUA was closed earlier this year for about...

Ms. Nicaretta - It was almost a month.

Mr. LaFerla – Yes, and we didn't take septage during that whole time; that's part of the reason.

Mr. Kendzulak, Jr. – How are our rates? Did someone drop their rates?

Mr. LaFerla – Not that I know of.

Ms. Nicaretta – Any time I've called for comparisons, we've always been competitive with other Authority's our size.

- 2. Laboratory Summary
- 3. Maintenance Summary
- 4. Readington Flows

c) Commissioner's Comments:

None

7. **Discussion:**

a) Audit Discussion

Previously discussed.

b) Block 29 Lot 3; American Legion

Mr. LaFerla – This is just a memo from Mr. Diehl about the Chimney Rock Restaurant they want to put in on the old American Legion site. Part of it is in Flemington Borough, part of it is in Raritan Township, we don't have capacity to give out to them, they only have 5 EDUs allocated to them; they went to Flemington and Flemington is going to give them the capacity.

Mr. Kendzulak, Jr. – How many EDUs do they need for that?

Mr. LaFerla – Twenty or thirty something, I think?

Mr. Kinsella – Twenty six. That's a nice way to work things out. I'm glad you and Mr. Diehl can work together like that. It could have been a problem, but it was worked out because of our relationship with Flemington Borough.

c) ESRI Quote

Mr. Tully – The GIS system that we have, its collecting dust; it needs to be licensed and upgraded. The quote Mr. LaFerla got is pretty reasonable. I called around and it's within a couple of hundred bucks. The question is, what do we want to use the GIS system for? It'll do a lot; for example a lot of counties and townships require that a site plan be submitted in CAD and they add it to their GIS system and we want to continue that even to the point where the guys in the field can use a lap top, pull it up, add data in the field, you can schedule maintenance on it, you can record when things were jettied, when you changed grates to solid covers, all of this stuff. If we're going to use it that way which I think we would benefit from, that's not a bad price. The only question I had for Mr. LaFerla was to find out from them if the data from when we stopped using it, to whatever we have not entered since we stopped using it, the system isn't up to date with whatever we were entering into it before. So we're missing data, how does that data get in? Is that part of the money they're talking about or do we have to hire somebody separate or train somebody here?

Mr. Kinsella – If we have this system and we update all the locations of the manholes and everything and when the WMP eventually comes around, they'll be able to interface?

Mr. Tully – GIS is a common language so say the State enters something new on their website, something like a new sewer service area, you can actually

take the data right from the State site and put it into your system and it's there, its live. Same with the county, we can now require that developers submit their information in a format so we can add it to the system whether you want to show buildings or whatever.

Mrs. Wohlleb – Your GIS system is not geo – referenced. I'm pretty sure that the collection system hasn't been updated since maybe 2002.

Mr. Tully – We should find out about getting it geo – referenced because that would be a big deal.

Mrs. Wohlleb – It's something a surveyor could do.

Mr. Tully – Maybe once it's updated, we can get a price to see what it would cost to geo – reference the system.

Mr. Kinsella – So what are we talking about in terms of dollars and cents?

Mr. Tully - \$10,000.00

Mr. Kendzulak, Jr. – That's an annual cost. Would this be viewed as a professional service agreement or State Contract?

Mr. Watts – It's below \$17,500.00 so you don't have to bid it. You try to get three quotes, if anybody else provides the exact same service or the equivalent, we would request a quote. If this is a unique product and nobody else does it then you don't need to do that.

Mr. Kinsella – How much do you think this geo – referencing is going to cost?

Mr. Tully – Once the system is in, it's really not that difficult, I would be surprised if it's a couple hundred to \$5,000.00. One time cost. If you want to get two more quotes, I would need to get a list from them on exactly what they're going to do, and put that out to two other firms; almost their proposal and then send it to me and I'll send it to two other places to cover all of our bases.

Mr. Watts – If you can get proposals back before the next meeting, we can have a resolution awarding the contract.

d) Permit Extension Act

Mr. Watts – What looked like a slam dunk to happen, hasn't happened, I saw from Mrs. Wohlleb they are talking about a one year extension but that would only apply to certain counties and probably not Hunterdon. If it's going to be extended it will have to be before the end of the month because June 30th is the end of the extension and once we get into July it's over. I think we need to wait until after the 30th but what I was going to suggest is we send an appropriate letter to all of the people who have lost their capacity because of the failure to renew the act and say "if you think this is incorrect, you have the right to come to the Authority and raise the issue. If we get your approval and you give us the consent to do that we can do that shortly after July 1st.

General consensus was given.

e) Keystone Power Holdings, LLC

Mr. LaFerla – I received a call from these guys, they went on Google earth, they wanted to come out, they came in and I told them they can't use the property because we need the property.

Mr. Tully – They have us as Raritan Borough, if they don't know where we are, I don't think so.

General consensus on not proceeding with the solar proposal.

Mr. Kinsella – I have a question about SCADA. What is the total expenditure for SCADA including all Hatch Mott's studies; everything.

Mr. LaFerla – It was a little over two million dollars.

Mr. Kinsella – The other three parts of the system to complete that...

Mr. LaFerla – There's a total of five parts, we've done two.

Mr. Tully – It averages roughly about a million each.

Mr. Kinsella – Things being the way they are right now we're not really pushing it.

Mrs. Wohlleb – No, that's not right at all; I don't recall the exact number but I think what you have left to do is just bring on line the remaining pump stations, even back then, things are so different now, there was talk about bringing something to the Flemington Wet Weather Facility (FWWF) and then it was just three or four, what we call Remote Terminal Units (RTU's), just bring a couple more of the processes on line; sludge processing, grit building, then the press and the sludge holding tanks. There were nine nodes.

Mr. Tully – With technology changing so fast, is there a line where we can't expand it without going backwards?

Mr. Kendzulak, Jr. – A question with SCADA; I see the blower system was completed, couldn't the blowers been put in without SCADA?

Ms. Nicaretta – Mr. Del Vecchio had wanted to put them in with that phase of the SCADA.

Mr. Kendzulak, Jr. – What does it have to do with SCADA and with the investment that we made in SCADA?

Mr. LaFerla – The SCADA is controlling the blower motors.

Mr. Kendzulak, Jr. – That's a portion but couldn't something else have controlled the blower motors without investing all that money in SCADA?

Mrs. Wohlleb – The guys would have to go around constantly and position valves, before we did SCADA they didn't measure dissolved oxygen (DO) in the different basins to dose the exact right amount of oxygen. They had the old portable meter.

Mr. Kendzulak, Jr. – I guess what I'm getting at is to just run the blower motor system, could that have been a low grade or low expense SCADA? We

spent two million dollars, what portion of SCADA was devoted to deal with the blower motors if we didn't do any of this other stuff? It says "but the system does have other benefits not related to direct savings", I think we need to say what they are; what did we spend, I know you gave me this information over the phone. This is the total cost of SCADA, construction costs, soft costs, total cost and these are the benefits of SCADA. Then list out all these indirect savings, or the other information that we can extract, the blower motors, and you may have to get into a little more detail on your explanation on the blower motors and cost to implement that portion of SCADA because if it was a two million dollar job and it was only \$50,000.00 to handle the blower motors then where's the rest of the benefit coming from? Did we get our bang for our buck on the other 1.9 million dollars? That's what I'm interested in. When we did discuss moving through SCADA Phase I through Phase V; my understanding was that by moving to this level of technology the resources ultimately to run the plant you would not need as many people to run the plant because it would be automated, that was my understanding.

Mr. LaFerla – I wasn't here for that discussion.

Mr. Tully – The other question is, are we not getting any bang for our buck because the system isn't complete? If you completed the system would we actually be getting more return on our initial investment?

8. Adjourn into Closed Session by Motion, if Needed

Chair Kinsella – We will be going into Closed Session to discuss Contractual Matters we do not anticipate any official action will need to be taken once we come out of Closed Session.

Mr. Tully made a motion to adjourn into Closed Session for the above stated purpose and Dr. Buza seconded the motion. Closed Session was from 6:07 pm – 6:35 pm.

9. Adjournment of Work Session:

Dr. Buza made a motion to adjourn the Work Session. Dr. Dougherty seconded the motion. All were in favor. The Meeting ended at 6:36 pm.