

APPROVED

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RARITAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY  
REGULAR MEETING MINUTES

OCTOBER 17, 2019

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

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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:**

Mr. Grand	Here
Mr. Hazard	Here
Mr. Kendzulak, Jr.	Here
Mrs. Robitzski	Absent
Mr. Tully	Here

Also present were Raymond Frank, RTMUA Chief Operator; Regina Nicaretta, RTMUA Executive Secretary; Dan Madden, PE, Johnson, Mirmiran & Thompson; C. Gregory Watts, Esquire, Watts, Tice & Skowronek.

3. **PLEDGE OF ALLEGIANCE**

4. **APPLICATIONS:**

None

5. **RESOLUTIONS:**

Resolution #2019-75      Resolution Adopting Amended budget for Fiscal Year 2019

Mr. Kendzulak, Jr. – Mr. Cragin, if you don't mind, if you could discuss this.

Mr. Cragin – The Authority is adding a thirteenth month to Fiscal Year 2019 to pick up December to bring it up to a calendar year. Appropriately, we've amended the Budget to extend the revenues we anticipate to collect in December, and the expenditures for another month. I estimated another \$525,000.00 could have been added to the budget; after Mrs. Struening looked at the numbers, she only needed about \$250,000.00, so the year should be pretty low for the Authority. So, expenditures and revenues were amended in order to accommodate that thirteenth month.

Mr. Tully made a motion to approve Resolution #2019 – 75, Mr. Grand seconded the motion.

Roll call vote:	Mr. Grand	-	Yes
	Mr. Hazard	-	Yes
	Mr. Kendzulak, Jr.	-	Yes
	Mrs. Robitzski	-	Absent
	Mr. Tully	-	Yes

Resolution #2019 - 76      Introduction of FY 2020 Budget

Mr. Kendzulak, Jr. – Again, Mr. Cragin, if you could discuss this.

Mr. Cragin – A recap of some things that may have changed since the last time we talked. The Flemington Wet Weather Facility (FWWF) Equalization Tank Project was left off the last round we had talked about, mainly because it was a 2019 project, it is going to get carried into 2020. So, appropriately, we're including it in the 2020 Budget but you're also going to pick up revenues from Flemington's share and you've budgeted for it last year and those expenditures will lapse and go into fund balance. One thing to note is you are using \$280,000.00 net position to balance. It's a little more than we discussed at the previous meeting but based on the fact that there were appropriations that were going to lapse into 2020 and they're just being brought forward, I think it's reasonable to use this net position in order to help balance the budget just for this current year. Going forward, I did give you guys the projection into 2021, 2022 and 2023. It doesn't look like the two percent is going to be enough to carry you going forward. As you see in 2021,

we're just about even, but then going into 2022 and 2023, your budget is going to be unbalanced by \$175,000.00 in 2022 and \$235,000.00 in 2023.

Mr. Kendzulak, Jr. – If I recall, basically, we're looking to raise our rates two percent this year.

Mr. Cragin – Two percent and I used the projection of two percent the following years.

Mr. Kendzulak, Jr. – The statement that you made somewhere in here was that 2.81% would be needed?

Mr. Cragin – The average in expenditure increase that you have seen over the past, has been about 2.85%. Revenues are going to have to try and keep up with that. You either have to have less expenditures, which I don't necessarily see with the cost of pension and healthcare and those kinds of things. If you want to keep revenue increases at two percent, you're either going to have to cut expenditures or two percent is just not going to be enough.

Mr. Kendzulak, Jr. – For the time being it's okay?

Mr. Cragin – Yes, for this year with the two percent increase and utilizing net position of \$280,000.00, based on the fact that that we have some appropriations that are going to lapse into this year and basically the funds were raised in 2019.

Mr. Tully made a motion to approve Resolution #2019 – 76, Mr. Grand seconded the motion.

Roll call vote:	Mr. Grand	-	Yes
	Mr. Hazard	-	Yes
	Mr. Kendzulak, Jr.	-	Yes
	Mrs. Robitzski	-	Absent
	Mr. Tully	-	Yes

Resolution #2019 - 77      Authorization for Termination of Performance Bond Standard Pipe Services

Mr. Grand made a motion to approve Resolution #2019 – 77, Mr. Tully seconded the motion.

Roll call vote:	Mr. Grand	-	Yes
	Mr. Hazard	-	Yes
	Mr. Kendzulak, Jr.	-	Yes
	Mrs. Robitzski	-	Absent
	Mr. Tully	-	Yes

6. **Approval of Minutes:** Minutes of September 18, 2019 Meeting

Mr. Hazard made a motion to approve the minutes from the September 18, 2019 meeting. Mr. Grand seconded the motion. All were in favor. Mr. Tully abstained.

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

Mr. Kendzulak, Jr. - The bills totaled \$817,279.02; everything appears to be in order. A large portion of that is payment to JEV, in the amount of \$400,277.42 and that's for the rehabilitation of the clarifiers. If you go to the last orange page, you'll see, based on the old fiscal budget, we're at 77% of that and it would carry us through November 30<sup>th</sup>. If you look at where we are, through the end of September is ten months, that's about 83% of where we should and we're below that, and we're below where we were last year at this time. I'm comfortable at where we are.

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

Roll call vote:	Mr. Grand	-	Yes
	Mr. Hazard	-	Yes
	Mr. Kendzulak, Jr.	-	Yes
	Mrs. Robitzski	-	Absent
	Mr. Tully	-	Yes

8. **Citizens' Privilege:**

Mr. Sohail – We have several businesses in town, Northlandz is one of them. We have the Bemis building, part of which is in Flemington and part is in Raritan. We have a property on Junction Road and River Road, and we would have plans to build a hotel with a hundred plus rooms at Northlandz and we need allocation of water and sewer capacity. We also would have plans to build assisted living on Junction Road and River Road and we would need water and sewer capacity for that also.

Mr. Kendzulak, Jr. – I'm looking at the email you sent Ms. Nicaretta on October 11<sup>th</sup>. Basically, you are looking 55 EDUs for a hotel by Northlandz and on Junction Road you are looking for 140 EDUs for assisted living. I don't know if you've had any dialog with the Township previously but I can tell you right now, there is no capacity. There's no way we can accommodate you at this point for any of those projects.

Mr. Sohail – The Township said to start with you.

Mr. Kendzulak, Jr. – Yes, there's no sense in you moving forward with the Township if you can't get the capacity to accommodate these.

Mr. Sohail – That's why we are here.

Mr. Kendzulak, Jr. – Where we are now, there is no capacity to allocate.

Mr. Sohail – We would like to address that if we don't get it for both locations, we would definitely like to get it for Northlandz.

Mr. Kendzulak, Jr. – Northlandz would be for the 55 EDUs.

Mr. Sohail – Yes.

Mr. Kendzulak, Jr. – Again, at this point, we don't have the capacity to accommodate 55 EDUs.

Mr. Sohail – We do understand that but we are asking that you find a way to make it possible.

Mr. Kendzulak, Jr. – Here's the thing. You're not going to want to hear this; there is no capacity to allocate. What we can do is keep your request on file, and if we would have capacity at some point, we would let you know that we were doing a Point System Allocation.

Mr. Watts – What we will do, is keep this as an interest in capacity. If there comes a time where we have enough capacity to go out to various people who have requested it, we will send you a letter and will send you an application that has to be filled out with information about your project. Then it will be considered with other people applying for capacity but it's been quite a while since we've been able to do that.

Mr. Sohail – I believe you have capacity at the Lipton Factory that's not being used over there.

Mr. Kendzulak, Jr. – That is assigned to that particular tract of land.

Mr. Sohail – Is there any way to make an exception? Some way we can use it?

Mr. Kendzulak, Jr. – Unless they want to give that capacity back to the RTMUA and then we would go out with a Point System Allocation.

Mr. Watts – We are looking for ways to get capacity back but people have written contracts and they've been paying for capacity over the years so its difficult to force them to give it back. We continually go to people and give them the opportunity to give us the capacity back.

Mr. Sohail – So what's the next three to ten years plans? If this capacity is a major issue in this area?

Mr. Kendzulak, Jr. – You're absolutely correct, it is a major issue associated with this area. I'm not going to lie to you, or speculate on something, because I

have no idea, but the DEP is looking to re-designate the stream down here and if that goes through, then forget about it.

Mr. Tully – It will affect where you want to put your hotel.

Mr. Kendzulak, Jr. – There's been no determination made by the DEP at this point, but we're expecting something maybe between now and the Spring on whether they re-designate the stream down here as a C1 waterway.

Mr. Hazard – We began a while ago looking at expanding this plant, and this river here, the DEP came along looking to change this river, potentially very soon, to a C1 waterway with a setback that will affect thousands of properties.

Mr. Sohail – What does that mean?

Mr. Tully – They're changing the classification from a C2 to a C1 which means we have to change the discharge rates at which we can discharge from the plant. They have to stay where they are, we can't increase them. It also means that anything along the Raritan River, where you want to put your hotel, on top of the bank, there's a three-hundred-foot buffer where you can't do anything. I think it goes up to where your train goes around too. That land becomes useless. The plant down here falls within that buffer and that's part of the problem, we can't expand the plant because we can't go into the buffer. Never mind that to expand the plant, it's a ten-year project between design, plans, and permitting.

Mr. Hazard – Business's and us, we're all fighting the State of New Jersey on this.

Mr. Sohail – What's the effect of the C2 to C1?

Mr. Tully – You won't be building much.

Mr. Kendzulak, Jr. – This was a big subject going back to the Spring when the DEP first put this thing out. We've been fighting it and opposing it because we realize what it does to Raritan Township. Property like yours and everyone else's who runs along there, because of the setback, it basically renders your property open space with the three-hundred-foot setback. It certainly curbs any kind of development and our ability with regards to capacity. Your tract on Junction Road, your asking me if we'll ever be able to get capacity, and right now where we stand with the current plant we have, the answer is no. If we wanted to expand this plant in the future and it's designated as a C1 waterway, it is basically going to make the expansion of our plant not possible to do that. The next step is what does DEP ultimately decide on that? If it remains a C2 waterway, then we still have the ability to expand the plant. A plant expansion would still take seven to ten years if we decided to move forward with that. It's not good news you're hearing. It doesn't apply to just you, it's anyone else who is along the river and tributaries, they're in the same boat as you. The other thing is we just don't have the capacity right now to go out with a Point System Allocation. If someone turned in capacity now, and there was sufficient capacity, and we could go out with a Point System Allocation, you would be on our list, we would send you a letter, an Application and say "if

you're interested, put it in". You would compete with others who are looking to get the capacity that is available.

Mr. Sohail – So, currently, people who have reserved capacity, it's okay for them, even if they're not going to build?

Mr. Kendzulak, Jr. – Mr. Tully, correct me if I'm wrong, the capacity that's reserved, if it's along the river if it becomes C1, it can't be built.

Mr. Tully – Unless you had started your project in order to get around the buffer issue.

Mr. Sohail – Say it stays at C2, you're saying you're still looking at seven to ten years.

Mr. Tully – With DEP, you're probably looking at ten.

Mr. Kendzulak, Jr. – The big thing we're waiting on right now is the DEP determination of the stream designation.

Mr. Sohail – I'm not saying what are you hoping, what direction do you think the DEP is going? Are they going to win it?

Mr. Tully – They don't usually lose.

Mr. Kendzulak, Jr. – I don't think anyone would venture any kind of prediction from the DEP on what they're going to do. Personally, from our standpoint, I think from a scientific standpoint, an argumentative standpoint, I think we're on solid ground that it should not be designated a C1 waterway. However, they're going to do what they are going to do and I don't think anyone in this room would be surprised if it moved forward and was designated as a C1. We would then have to go through and contest it through the courts, which is something that we would do, but once you get into the courts, figure out how long that is going to take. Even if we did prevail in the courts, and we decided we were going to expand, then add another ten years or so to that.

Mr. Sohail – Thank you for your explanation.

## **9. Adjourn into Closed Session by Motion, if Needed**

Mr. Kendzulak, Jr. - I'd like to go into Closed Session now to discuss the litigation matters in particular the ACO with Flemington Wet Weather Facility, potential litigation matters with Flemington Borough concerning debt service payments and we do not anticipate any official action will be taken at the conclusion of the Closed Session.

Mr. Tully made a motion to adjourn into Closed Session for the above stated purpose and Mr. Hazard seconded the motion. Closed Session was from 5:20 pm – 6:06 pm.

**10. Adjournment of Regular Meeting:**

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



APPROVED

RARITAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY  
WORK SESSION MINUTES

OCTOBER 17, 2019

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

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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) Email from Tariq Sohail for Board of Commissioners regarding Capacity Requests  
  
Previously addressed.
3. **Unfinished Business:**

None
4. **New Business:**

None
5. **Professional Reports:**
  - a) Attorney – None
  - b) Engineer –

Mr. Madden – Just to update, clarifier number 4 will be done, they're supposed to start it up, October 30<sup>th</sup>. It will go online, probably the next day. Half the work was done this year, they'll take a break and then start again in the Spring when the weather breaks. We submitted the third quarter capacity report; thankfully, it was the best quarter we've had in two years in terms that there's a positive number on the available flow at the end. It's been very dry so we're glad that's beginning to taper off.

Mr. Kendzulak, Jr. – One observation I had was that is the lowest third quarter we've had since the third quarter 2015.

Mr. Madden – It was exceptionally dry this third quarter so we lucked out and we're hoping that this next cycle we'll be having some large numbers come off the board for our rolling average. We had a number like 4.6 in November of last year so when that comes off, we'll be closer to being back down in that eighty

percent capacity versus pushing closer to ninety-two and ninety three percent. We're also proceeding with the GIS updates.

Mr. Kendzulak, Jr. – We know about moving the money around for the Flemington equalization tank rehabilitation project, there are additional funds that are needed for that.

Mr. Madden – We were thinking of releasing that in January or February. The work will take several months.

**6. RTMUA REPORTS:**

a) ADMINISTRATIVE / OPERATIONS REPORT

1. Chief Operator / Director's Report –

Mr. Frank – We're going to go ahead with the cleaning of the septage receiving tank, that's going to be done the 30<sup>th</sup> and 31<sup>st</sup> of this month. The Wet Weather facility did not go online at all this month. I'm going to update the security in the office building, basically isolating the offices from the public. We had a customer come in who was quite nasty and aggressive towards our biller and in speaking with someone at the Township, that same person was also aggressive with someone at the Township. We started locking the doors, I'm going to have security glass put in the windows around the biller's area. In this day and age, with the people that are potentially out there, I feel that it is a warranted expense. We have the money to pay for it.

Mr. Kendzulak, Jr. – Just move with it and get it done sooner than later and get it taken care of. People need to be comfortable here. Congratulations on finishing your class in a couple of weeks. We talked about sending another person for next years cycle. I would recommend doing it every year to get our people that education.

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

Mr. Kendzulak, Jr. – I see we're way down on that but I know that Atlantic County UA was closed and that kind of hurt us.

Mr. Frank – Yes, they were closed for a good portion. I have been contacted by Stony Brook who have been taking our cake in the interim. The issue was when I first started with them, they said they couldn't take all our capacity. Now since they've had it for a while, they came back to me and said "what would it take to have all of your cake come here"? I said to them "I thought there was a

capacity issue” and they said “give us your needs”. I sent them copies of our sludge quality reports and I’m still waiting to hear back from them but I think it’s going to go in a positive way. They are cheaper than ACUA but I have to contract out the hauling whereas ACUA does the hauling and everything combined. It worked out to be cheaper to send it to Stony Brook even though I was paying for the hauling, they were substantially cheaper on the disposal.

Mr. Tully – How often do they close compared to ACUA?

Mr. Frank – I’m waiting to find out. I’ve spoken with ACUA, they’re suppose to get me new pricing for next year but they told me they are going to increase the pricing. I’m waiting to hear back from both Stony Brook and ACUA.

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

b) **COMMISSIONERS' COMMENTS**

None

**7. Discussion:**

- a) 3<sup>rd</sup> Quarter 2019 Capacity Evaluation

Previously addressed.

**8. Adjourn into Closed Session by Motion, if Needed**

Mr. Kendzulak, Jr. – We will be going into Closed Session to discuss personnel matters; we do not anticipate any official action will need to be taken once we come out of Closed Session.

Mr. Grand made a motion to adjourn into Closed Session for the above stated purpose and Mr. Tully seconded the motion. Closed Session was from 6:20 pm – 6:28 pm.

**9. Adjournment of Work Session:**

Mr. Tully made a motion to adjourn the Work Session. Mr. Grand seconded the motion. All were in favor. The Meeting ended at 6:29 pm.