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APPROVED

MUNICIPAL UTILITIES AUTHORITY
TOWNSHIP OF RARITAN
COUNTY OF HUNTERDON
STATE OF NEW JERSEY

In the Matter of:

PUBLIC RATE HEARING,
REGULAR MEETING AGENDA,
WORK SESSION AGENDA

TRANSCRIPT OF
PUBLIC HEARING

ORIGINAL

Raritan Township
Municipal Utilities Authority
365 Old York Road
Flemington, New Jersey
Thursday, December 18, 2014
Commencing at approx. 5:05 p.m.

B E F O R E:

MUNICIPAL UTILITY AUTHORITY COMMISSIONERS

MR. MICHAEL DEL VECCHIO, CHAIRMAN
DR. EDWARD DOUGHERTY, VICE CHAIRMAN
MR. JOHN T. KENDZULAK, JR., TREASURER
MR. PETER L. KINSELLA, SECRETARY

A L S O P R E S E N T:

MR. BRUCE P. MILLER, EXECUTIVE DIRECTOR
MR. GREGORY LA FERLA, CHIEF OPERATOR
MS. REGINA NICARETTA, EXECUTIVE SECRETARY
MR. PETER KOCSIK, P.E., HATCH MOTT MACDONALD
MR. TIMOTHY F. KIEL, CPA, BOWMAN & COMPANY, LLP

REPORTED BY: JOANNE L. SEKELLA, C.C.R.

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A P P E A R A N C E S :

WATTS, TICE & SKOWRONEK, ESQUIRES
171 Main St
Flemington, NJ 08822
908-782-5315
BY: C. GREGORY WATTS, ESQUIRE
Appearing on behalf of the Authority

1 (Whereupon, the following is
2 transcribed.)

3 CHAIRMAN DEL VECCHIO: All right, I
4 will bring the meeting to order. This meeting has
5 been advertised in accordance with the Open Public
6 Meetings Act setting forth the time, and Raritan
7 Township Municipal Utilities Authority as the place
8 of said meeting. A copy of this agenda has been
9 posted on the office bulletin board.

10 Roll call, Regina?

11 MS. NICARETTA: Mr. Del Vecchio?

12 CHAIRMAN DEL VECCHIO: Here.

13 MS. NICARETTA: Dr. Dougherty?

14 VICE CHAIRMAN DOUGHERTY: Here.

15 MS. NICARETTA: Mr. Kendzulak?

16 COMMISSIONER KENDZULAK: Here.

17 MS. NICARETTA: Mr. Kinsella?

18 COMMISSIONER KINSELLA: Here.

19 MS. NICARETTA: Mr. Tully?

20 (No response heard.)

21 CHAIRMAN DEL VECCHIO: Please raise
22 for the Pledge of Allegiance.

23 (Pledge to the flag.)

24 CHAIRMAN DEL VECCHIO: All right,
25 resolution 2014-65, Establishment of Connection Fee.

1 Bruce, do you want to go through that?

2 EXECUTIVE DIRECTOR MILLER: Tim, do
3 you want to take the floor on the connection fees?

4 MR. KIEL: Yes. My name is Timothy
5 Kiel of Bowman & Company. For the past four years I
6 have been engaged as the consultant accountant for
7 the Raritan Township Municipal Utilities Authority.
8 During that time I have served the Authority by
9 calculating the connection fees and assisting in the
10 annual user rate calculation. I am a Certified
11 Public Accountant and a registered municipal
12 accountant.

13 In front of me is the resolution for
14 the annual connection fee. In order to determine
15 this connection fee, you have to accumulate all bond
16 principal and bond interest paid since the inception
17 of the Authority and any capital assets acquired
18 through local funds.

19 You then have to divide that total by
20 the equivalent dwelling units that is determined by
21 taking the average residential unit and determining
22 what their sewer usage is.

23 You then have to apply that to the
24 commercial and industrial users to determine what
25 the equivalent dwelling unit is. This calculation

1 is done by formula and by statute. And according to
2 this calculation, the connection fee rate for 2015
3 will be \$4,296. That is a \$71 increase from the
4 previous year.

5 Now as I said, this calculation is done
6 by statute, and if anybody has any questions, I can
7 answer them right now.

8 CHAIRMAN DEL VECCHIO: Any questions?

9 COMMISSIONER KENDZULAK: Yeah, just
10 one question. Recognizing that we are taking on
11 more debt here, I guess we can expect this to go up
12 in the future, assuming that the number of
13 households is flat?

14 MR. KIEL: Yes. That is -- as you
15 accumulate the bond principal and you increase your
16 infrastructure, yes, it will be increasing.
17 However, the increase will not be that significant
18 because by this point you have \$33 million in
19 accumulated bond, principal, interest and capital
20 expenditures.

21 So even adding the few million dollars
22 you are issuing in bonds, you have to keep in mind
23 that the \$4 million, you are paying for that over
24 20 years. So you are only adding that \$4 million
25 over 20 years, so the increase to this number is not

1 that significant. So you would still be left with
2 maybe 50, \$60 increase every year.

3 And if you actually look at the
4 historical trend, you have \$40 increase, \$45
5 increase, \$100 increase, \$91 decrease. So it does
6 fluctuate; however, the connection fee fluctuation
7 is minor.

8 COMMISSIONER KENDZULAK: And this is
9 dictated by law, this is the way it is, you can't
10 lower it, you can't increase it, it is just per
11 statute?

12 MR. KIEL: Correct, it is a formula by
13 the state.

14 ATTORNEY WATTS: You can charge less,
15 but it is not recommended.

16 MR. KIEL: It is the maximum you can
17 charge.

18 ATTORNEY WATTS: It is the maximum you
19 can charge.

20 COMMISSIONER KENDZULAK: Okay.

21 COMMISSIONER KINSELLA: Tim, how do we
22 stack up relative to other authorities that you
23 might have contact with?

24 MR. KIEL: For the connection fees?

25 COMMISSIONER KINSELLA: Yes.

1 MR. KIEL: I actually -- I just did a
2 connection fee for the, I believe -- Mount Laurel
3 MUA is the most recent one I did and they are just
4 about \$4,000. 3,900 for water and 4,000 for sewer.
5 So, you know, you are relatively close to what they
6 are. They are the most recent one I did. And I
7 can't remember offhand what my three other ones are,
8 and I don't want to misspeak.

9 COMMISSIONER KINSELLA: My thought was
10 that at some point, as the fees go up, can we become
11 less attractive in terms of development, future
12 development as opposed to other communities?

13 MR. KIEL: Well, I mean for the
14 connection fee, you know, that is such a small cost
15 when you are talking about, you know, a 2 or
16 \$3 million home or even a \$500,000 home or a
17 \$200,000 home. You know, your \$3,000 is such an
18 insignificant portion of that cost and that is only
19 once when you build the house. Every time you sell
20 it, you don't have to pay that as opposed to the
21 taxes.

22 The municipal taxes would be more of a
23 driving force that I think people would look at as
24 opposed to the connection fee.

25 VICE CHAIRMAN DOUGHERTY: Just a

1 question, correction perhaps, you are saying
2 dwelling and you are saying houses, but it is also
3 commercial.

4 MR. KIEL: Yes.

5 VICE CHAIRMAN DOUGHERTY: I think it
6 should be made clear to the public that we are just
7 not talking about people who own homes carry this
8 whole burden. That is not true.

9 MR. KIEL: No.

10 VICE CHAIRMAN DOUGHERTY: There is
11 also some large people we service, okay, who are
12 paying a lot of money for that connection fee, so it
13 is divided equally that way.

14 MR. KIEL: Yes.

15 VICE CHAIRMAN DOUGHERTY: And if you
16 are comparing us to another place such as another
17 authority, you have to take the total number of
18 dwellings and total the number of commercial
19 properties, et cetera, and see -- and also the
20 volume of capacity of their plant and things of that
21 sort to look at before you can compare it to us. So
22 you have to be careful.

23 I think sometimes the press will pick
24 up on something like that and say, "Well, down in
25 Mount Holly they are only paying this," you know,

1 and it is -- sometimes you have to be very careful
2 to make it really specific to this Authority and
3 what this Authority has been able to accomplish by
4 maintaining a kind of a -- very good control, I
5 think, on the fees over the years, being on here
6 about 15, 16 years.

7 And if you take a look where those fees
8 dropped, it is because we paid off our bonds
9 earlier. And we were very prudent in our abilities
10 to, you know, control our cost, and I think we have
11 been able to do that. Or else it would probably be
12 a 3 or \$400 increase, unfortunately.

13 MR. KIEL: And the calculation can
14 also dramatically change by the amount of usage.
15 One of the reasons why there was a decrease last
16 year was because of the change in the usage. That
17 calculation will change your EDU.

18 If the average household is using less,
19 that is going to make the calculation change because
20 that is also a driving force.

21 CHAIRMAN DEL VECCHIO: Any other
22 questions? Roll call vote, Regina.

23 MS. NICARETTA: Mr. Del Vecchio?

24 CHAIRMAN DEL VECCHIO: Yes.

25 MS. NICARETTA: Dr. Dougherty?

1 VICE CHAIRMAN DOUGHERTY: Yes.

2 MS. NICARETTA: Mr. Kendzulak?

3 COMMISSIONER KENDZULAK: Yes.

4 MS. NICARETTA: Mr. Kinsella?

5 COMMISSIONER KINSELLA: Yes.

6 ATTORNEY WATTS: The record also
7 should reflect that there are no members of the
8 public present other than a representative from the
9 Raritan Township Committee.

10 CHAIRMAN DEL VECCHIO: 2014-66,
11 Establishment of Sanitary Sewer User Fees.

12 EXECUTIVE DIRECTOR MILLER: Tim,
13 again.

14 MR. KIEL: My name is Timothy Kiel
15 from Bowman & Company, and I have been serving this
16 Authority for four years now doing the user rate
17 connection.

18 The user rate connection is a little
19 more complicated than a connection fee. It is not a
20 state-mandated calculation. What we have done in
21 order to calculate the user rate is we have studied
22 the historical expenditures of the Authority and
23 projected them out over the next four years.

24 In doing so, we have come up with what
25 we believe the operating expenses would be and we

1 have also tried to determine what we believe the
2 debt expenditures will be for a capital assets.

3 Currently, the Authority is involved in
4 an extensive capital program that is requiring New
5 Jersey infrastructure loans and each year they are
6 adding more debt. And in doing so, we have to try
7 to determine what that payment will be.

8 As a result of the increase in
9 expenditures for capital assets and debt service, we
10 do project that we will need a 5 percent increase in
11 order to meet the operating needs of the Authority.
12 This increase will bring the user rate to \$686, and
13 of that, the base fee will be 100 -- those subject
14 to just the base fee would be \$141.

15 Again, this user rate is a 5 percent
16 increase. However, we still are projecting to have
17 a net loss this year. The main reason for that is
18 the decrease in connection fees. For the past few
19 years the Authority has been surviving off the
20 substantial connection fees from all the
21 development. Now that that has dropped off, the
22 user rate has to be increased to compensate for that
23 loss. And while there is a 5 percent increase in
24 the user rate, there is actually a higher
25 increase -- or decrease in the connection fee. So

1 that is why there is a net loss.

2 In order to soften the impact of the
3 rate, as of now it is being spread over two years.

4 VICE CHAIRMAN DOUGHERTY: We are
5 talking an increase of \$31. Is that correct?

6 MR. KIEL: \$33.

7 CHAIRMAN DEL VECCHIO: Per year.

8 VICE CHAIRMAN DOUGHERTY: Per year.

9 The 2014 was -- I am sorry, correct, \$33.

10 MR. KIEL: \$33.

11 VICE CHAIRMAN DOUGHERTY: \$33 total.

12 MR. KIEL: Yes. And like I said,
13 unfortunately with the decrease or the drop in
14 connection fees, there still will be a projected net
15 loss and the Authority will be utilizing some of
16 their unrestricted net position to balance the
17 budget.

18 The goal is within two years to
19 actually be creating a surplus. However, that will
20 have to be taken each year and re-evaluated. As a
21 result, I do feel that a 5 percent increase is
22 sufficient to meet the operating needs. And again,
23 with this there will be a projected net loss.
24 However, this will be needed in order to soften the
25 increase to the users.

1 Other than that, if anybody has any
2 questions, I can go over them specifically about
3 some of the assumptions and how we came up with the
4 projected revenues and expenses. At this point, I
5 turn it over to the board and to the public.

6 CHAIRMAN DEL VECCHIO: Any questions?

7 COMMISSIONER KENDZULAK: Just -- just
8 more comments and confirmation from Tim.

9 Basically we are looking at a 5 percent
10 increase or a \$33 increase on the EDU, and we are
11 projecting out over the next couple of years
12 anywhere from 7-and-a-half to a 5 percent increase
13 just to be able to adequately function here as a
14 result of that.

15 MR. KIEL: Yes.

16 COMMISSIONER KENDZULAK: Recognizing a
17 decrease in connection fees as well as other issues,
18 just a comment on my end. I voted no on the budget,
19 but I do recognize and looking at the big picture of
20 where we stand fiscally here that this is something
21 that we need to -- we need to do and I am going to
22 support, you know, as much as I don't like it,
23 support. We need to increase this rate.

24 CHAIRMAN DEL VECCHIO: Any other
25 questions?

1 MR. MANGIN: One.

2 CHAIRMAN DEL VECCHIO: Roll call vote,
3 Regina?

4 MR. MANGIN: Excuse me, one minute,
5 I -- just a clarification.

6 CHAIRMAN DEL VECCHIO: Could you, for
7 the record, give us your name?

8 MR. MANGIN: Sure, Michael Mangin,
9 Raritan Township, currently deputy mayor.

10 Just for clarification, when you say
11 user fees, are you speaking to the quarterly
12 payments that a resident is tied to the system that
13 pays?

14 MR. KIEL: Yes.

15 MR. MANGIN: Okay.

16 CHAIRMAN DEL VECCHIO: Yes, as opposed
17 to connection fees when it first gets connected.

18 MR. MANGIN: Right.

19 CHAIRMAN DEL VECCHIO: So what would
20 happen next year is your typical household would pay
21 \$686 per year.

22 MR. MANGIN: Okay. Thank you.

23 CHAIRMAN DEL VECCHIO: And that is up,
24 what \$31 or \$33?

25 EXECUTIVE DIRECTOR MILLER: \$33.

1 MR. KIEL: This increase is
2 approximately a \$200,000 increase to the total
3 revenues. However, connection fees are down
4 \$400,000. So as I said, it is being spread because
5 this still doesn't even increase -- or this increase
6 in user fee doesn't even compensate for the decrease
7 in the construction and connection fees that have
8 been, to be quite honest, artificially lowering the
9 user rates for the area.

10 MR. MANGIN: And that is for all --
11 all connected people, whether they are in a
12 different municipality?

13 MR. KIEL: Yes, the connection fee by
14 law it is a calculation. Every utility charges it,
15 but it is a one time fee when you first build the
16 house. So it is not anything that people are
17 currently paying. It is only new construction for
18 both residential and commercial.

19 Or if a -- a commercial user
20 redevelops, if it was a pet shop turning into a
21 restaurant, you reevaluate it as the usage may go
22 up, so they maybe charged an additional connection
23 fee.

24 MR. MANGIN: And there wouldn't be a
25 change in that percentage if you took a weighted

1 average and kept residential residential, commercial
2 industrial to commercial industrial when you are
3 doing the calculation?

4 MR. KIEL: Well, in essence you sort
5 of do take a weighted average because you are trying
6 to apply the -- say an average household -- I will
7 give an example of an average household uses
8 12,000 gallons a quarter, so that is one EDU. Say a
9 commercial property uses 24,000 gallons a quarter,
10 they are considered two EDU. So they pay two times
11 the connection fee.

12 So the EDU is one -- basically you are
13 trying to get to what one residential user would
14 use, and then whatever the multiple is for the
15 commercial, that is what they pay.

16 Now it can be negotiated for less. As
17 I said, this is just a maximum by law you can
18 charge. Usually the engineer gets involved to try
19 to project how much will be used in the future and
20 that is how the commercial rates are determined.

21 MR. MANGIN: Okay, thank you.

22 CHAIRMAN DEL VECCHIO: Any other
23 questions? Comments? Roll call, Regina.

24 MS. NICARETTA: Mr. Del Vecchio?

25 CHAIRMAN DEL VECCHIO: Yes.

1 MS. NICARETTA: Dr. Dougherty?

2 VICE CHAIRMAN DOUGHERTY: Yes.

3 MS. NICARETTA: Mr. Kendzulak?

4 COMMISSIONER KENDZULAK: Yes.

5 MS. NICARETTA: Mr. Kinsella?

6 COMMISSIONER KINSELLA: Yes.

7 CHAIRMAN DEL VECCHIO: 2014-67,

8 Designation of Affirmative Action Compliance

9 Officer. Bruce?

10 EXECUTIVE DIRECTOR MILLER: Unless

11 someone else wants it, I am it. Every year.

12 CHAIRMAN DEL VECCHIO: Any comments

13 from the commissioners?

14 COMMISSIONER KENDZULAK: Just these

15 terms affirmative action compliance officer and

16 public agency compliance officer are

17 interchangeable?

18 ATTORNEY WATTS: This is by --

19 EXECUTIVE DIRECTOR MILLER: I don't

20 know.

21 ATTORNEY WATTS: -- statute we have to

22 name somebody and it is usually the executive

23 director.

24 COMMISSIONER KENDZULAK: But those are

25 interchangeable terms?

1 EXECUTIVE DIRECTOR MILLER: Yes, it
2 appears to be so.

3 CHAIRMAN DEL VECCHIO: Motion to
4 approve?

5 VICE CHAIRMAN DOUGHERTY: So moved.

6 COMMISSIONER KENDZULAK: Second.

7 CHAIRMAN DEL VECCHIO: All those in
8 favor signify by saying aye.

9 (Ayes heard.)

10 CHAIRMAN DEL VECCHIO: The ayes have
11 it.

12 2014-68, Renewal of Insurance Services.

13 EXECUTIVE DIRECTOR MILLER: Yes, this
14 is basically our insurance bill. If you look on the
15 second page you will see how it is broken out. It
16 is \$194,003.80, and I draw your attention down near
17 the bottom where you see \$5,820.11 repeated twice,
18 and for the next resolution, 2014-69, you might want
19 to be aware that 6 percent of that amount is what we
20 pay the Bob Newland, the risk management
21 consultants. But this is our bill and --

22 ATTORNEY WATTS: We don't pay that
23 though, right? That is paid directly by Jeff.

24 EXECUTIVE DIRECTOR MILLER: Yes. I
25 mean, we pay the 194, they pay --

1 ATTORNEY WATTS: They pay directly,
2 okay.

3 EXECUTIVE DIRECTOR MILLER: Yes.

4 ATTORNEY WATTS: Okay.

5 CHAIRMAN DEL VECCHIO: Motion to
6 approve?

7 COMMISSIONER KINSELLA: Moved.

8 COMMISSIONER KENDZULAK: Second.

9 CHAIRMAN DEL VECCHIO: Any questions?
10 Roll call, Regina?

11 MS. NICARETTA: Mr. Del Vecchio?

12 CHAIRMAN DEL VECCHIO: Yes.

13 MS. NICARETTA: Dr. Dougherty?

14 VICE CHAIRMAN DOUGHERTY: Yes.

15 MS. NICARETTA: Mr. Kendzulak?

16 COMMISSIONER KENDZULAK: Yes.

17 MS. NICARETTA: Mr. Kinsella?

18 COMMISSIONER KINSELLA: Yes.

19 CHAIRMAN DEL VECCHIO: 2014-69,
20 Appointment of Risk Management Consultant. Bruce?

21 EXECUTIVE DIRECTOR MILLER: Yes, that
22 is -- again, we pay them, they pay him. The
23 6 percent, It is something we signed up for when we
24 signed up. It is a standard across the utilities
25 authority.

1 CHAIRMAN DEL VECCHIO: Motion to
2 approve?

3 COMMISSIONER KENDZULAK: So moved.

4 VICE CHAIRMAN DOUGHERTY: Second.

5 CHAIRMAN DEL VECCHIO: Roll call vote,
6 Regina.

7 MS. NICARETTA: Mr. Del Vecchio?

8 CHAIRMAN DEL VECCHIO: Yes.

9 MS. NICARETTA: Dr. Dougherty?

10 VICE CHAIRMAN DOUGHERTY: Yes.

11 MS. NICARETTA: Mr. Kendzulak?

12 COMMISSIONER KENDZULAK: Yes.

13 MS. NICARETTA: Mr. Kinsella?

14 COMMISSIONER KINSELLA: Yes.

15 CHAIRMAN DEL VECCHIO: 2014-70, Return
16 of Legal and Engineering and Inspection Escrow
17 Deposits.

18 EXECUTIVE DIRECTOR MILLER: This is a
19 couple out by Stop & Shop who disconnected the sewer
20 system and they are done. I think they have sold
21 the place. Regina? They are in North Carolina or
22 something, so giving them back their money.

23 CHAIRMAN DEL VECCHIO: Motion to
24 approve.

25 COMMISSIONER KENDZULAK: Move.

1 COMMISSIONER KINSELLA: Second.

2 CHAIRMAN DEL VECCHIO: Any questions?

3 All those in favor signify by saying aye.

4 (Ayes heard.)

5 CHAIRMAN DEL VECCHIO: The ayes have
6 it.

7 2014-71, Return of Wastewater Treatment
8 Capacity Towne Centre At Raritan, LLC, Block 18.01
9 Lot 2.

10 EXECUTIVE DIRECTOR MILLER: These are
11 the two places out on Foran Boulevard. I guess you
12 could say the Chinese restaurant and the one across
13 the street from it, the remaining little bits. One
14 is 372-gallon. The other is 327 gallons. The next
15 one following on.

16 CHAIRMAN DEL VECCHIO: We can take the
17 two together which is 2014-72.

18 EXECUTIVE DIRECTOR MILLER: Yes.

19 CHAIRMAN DEL VECCHIO: Which is the
20 other lot?

21 EXECUTIVE DIRECTOR MILLER: Yes.

22 CHAIRMAN DEL VECCHIO: So both of
23 those resolutions?

24 EXECUTIVE DIRECTOR MILLER: Yes.

25 VICE CHAIRMAN DOUGHERTY: Motion to

1 approve.

2 COMMISSIONER KINSELLA: Second.

3 CHAIRMAN DEL VECCHIO: Any questions?
4 Comments? All those in favor signify by saying aye.

5 (Ayes heard.)

6 CHAIRMAN DEL VECCHIO: 2014-73,
7 Authorization to Execute Shared Services Agreement
8 With Atlantic County Utilities Authority For Sludge
9 Disposal.

10 EXECUTIVE DIRECTOR MILLER: Greg, do
11 you want to speak to that?

12 CHIEF OPERATOR LA FERLA: Last -- if
13 you recall, two years ago they only signed a
14 two-year contract and now it is up. And they want
15 to go back to the five-year contract again. And
16 that is where we are at. And, if you notice, the
17 price went down for 16 percent and up, but they are
18 charging a --

19 EXECUTIVE DIRECTOR MILLER: Per trip
20 fee.

21 CHIEF OPERATOR LA FERLA: To come pick
22 it up.

23 CHAIRMAN DEL VECCHIO: They are
24 charging us to come pick it up?

25 EXECUTIVE DIRECTOR MILLER: Yes.

1 CHAIRMAN DEL VECCHIO: What do we
2 think the overall -- all right, so they are charging
3 550 per trip?

4 CHIEF OPERATOR LA FERLA: Yes.

5 COMMISSIONER KENDZULAK: What are they
6 charging -- I see sludge cake 16 to 18 percent is
7 \$72.91. And then when we look at '13, it is
8 16 percent or greater. And I am assuming I am
9 looking at this right. It is \$68. And in '14 it is
10 \$69, so it looks like it went up a bit for the -- am
11 I reading this right?

12 CHIEF OPERATOR LA FERLA: 16 to
13 18 percent, yes.

14 COMMISSIONER KENDZULAK: So that --

15 CHIEF OPERATOR LA FERLA: It went up a
16 little bit.

17 COMMISSIONER KENDZULAK: It went up a
18 little bit, and we are paying for hauling, too?

19 CHIEF OPERATOR LA FERLA: Yes. In the
20 past we didn't pay the hall.

21 COMMISSIONER KENDZULAK: Is there any
22 other options that we have?

23 VICE CHAIRMAN DOUGHERTY: Yes, that is
24 what Greg --

25 CHIEF OPERATOR LA FERLA: I checked

1 with Stony Brook. Stony Brook is more per box, plus
2 then we have to get our own boxes, get our own --
3 either get our own boxes and get our own truck or
4 get somebody to deliver it, which is going to make
5 it --

6 EXECUTIVE DIRECTOR MILLER: Greg and I
7 did this back at the two-year one. Can we do it
8 ourselves.

9 CHIEF OPERATOR LA FERLA: And I called
10 right before this one, before they did this one, and
11 they are still higher than every place else. They
12 are still lower.

13 EXECUTIVE DIRECTOR MILLER: You have
14 to get the driver, the licenses, all the permits.

15 CHIEF OPERATOR LA FERLA: Insurance,
16 everything else.

17 COMMISSIONER KINSELLA: Does it have
18 to be in New Jersey? Does it have to be in New
19 Jersey?

20 CHIEF OPERATOR LA FERLA: No.

21 COMMISSIONER KINSELLA: I mean, have
22 we ever checked in PA?

23 CHIEF OPERATOR LA FERLA: I checked in
24 PA at the dump over there. They are -- they are
25 only allowed to take so much and they are at their

1 max now, so we couldn't take it there anyway.

2 COMMISSIONER KENDZULAK: What about
3 Somerset Raritan Valley? I know that when Atlantic
4 County was down they were on an interim basis helped
5 us out.

6 CHIEF OPERATOR LA FERLA: We have
7 taken it there. They are more, and plus we have to
8 get it there. So in other words, we are still
9 dealing with getting boxes, getting a truck or
10 getting somebody with boxes and a truck to hall it
11 there.

12 COMMISSIONER KENDZULAK: Okay, so
13 basically Atlantic --

14 CHIEF OPERATOR LA FERLA: Atlantic
15 County is the best -- is your best bet.

16 COMMISSIONER KENDZULAK: -- is the
17 cheapest. And I know we have always had a good
18 experience with them. I don't ever remember, you
19 know.

20 CHIEF OPERATOR LA FERLA: I have never
21 had a problem.

22 COMMISSIONER KENDZULAK: And when they
23 shut down the communications there saying --

24 CHIEF OPERATOR LA FERLA: They let us
25 know ahead of time, they give us time to, you know,

1 get set and --

2 COMMISSIONER KENDZULAK: Right.

3 CHAIRMAN DEL VECCHIO: This amount for
4 sludge is what we basically reflected in the budget?

5 CHIEF OPERATOR LA FERLA: Yes.

6 EXECUTIVE DIRECTOR MILLER: Yes, we
7 budgeted for it.

8 CHAIRMAN DEL VECCHIO: Any other
9 questions? Motion to approve?

10 COMMISSIONER KENDZULAK: Moved.

11 CHAIRMAN DEL VECCHIO: Roll call vote,
12 Regina.

13 MS. NICARETTA: Mr. Del Vecchio?

14 CHAIRMAN DEL VECCHIO: Yes.

15 MS. NICARETTA: Dr. Dougherty?

16 VICE CHAIRMAN DOUGHERTY: Yes.

17 MS. NICARETTA: Mr. Kendzulak?

18 COMMISSIONER KENDZULAK: Yes.

19 MS. NICARETTA: Mr. Kinsella?

20 COMMISSIONER KINSELLA: Yes.

21 CHAIRMAN DEL VECCHIO: We have the
22 minutes. First we have the ones from September,
23 which we weren't able to do last time because we
24 didn't have enough people here who were at the
25 September meeting, but now we do. And that is

1 essentially John, Ed and myself. Any comments about
2 the September meeting?

3 All right, so September minutes, all
4 those in favor of approving signify by saying aye.

5 (Ayes heard.)

6 CHAIRMAN DEL VECCHIO: All right, the
7 ayes have it.

8 Now we are onto the November meeting,
9 which is everybody except Dr. Dougherty. Any
10 questions, comments?

11 COMMISSIONER KENDZULAK: Just the one
12 comment and, Peter, I don't know if you had an
13 opportunity to look into it, as far as the flow
14 meters down at Flemington Wet Weather Facility, we
15 were talking -- Jim had indicated that, well, you
16 know, maybe we ought to be putting a flow meter
17 somewhere else along that line. And I don't know
18 how that all -- that shook out.

19 ENGINEER KOCSIK: No, I have not
20 looked at that in the past month. I can make an
21 appointment next month and have a few discussions on
22 that.

23 COMMISSIONER KENDZULAK: Because there
24 were some -- you know, just looking at the meeting
25 minutes, we did have some dialogue associated with

1 that.

2 It seems like the Readington issue was
3 resolved?

4 CHIEF OPERATOR LA FERLA: Yes,
5 resolved. Their meter was just nuts, just was going
6 and going and going.

7 COMMISSIONER KENDZULAK: Right. And
8 then, Bruce, the other thing was the bond rating.
9 You reached out to Chris Langhart with regard to --

10 EXECUTIVE DIRECTOR MILLER: Everything
11 is double A and has been changed, and the date was
12 whatever it was, it is. And our rating goes
13 lockstep with the township's.

14 COMMISSIONER KENDZULAK: So
15 essentially what -- I mean, this was the big thing,
16 I guess, what Chris had said is -- the last sentence
17 on his e-mail from November 21st he says, "So right
18 now the downgrade from the S&P has no financial
19 effect on the authority."

20 EXECUTIVE DIRECTOR MILLER: No,
21 because when we finance through the NJEIT and
22 they --

23 COMMISSIONER KENDZULAK: They don't,
24 but we do have some outside bonds, but they are not
25 going to impact us.

1 EXECUTIVE DIRECTOR MILLER: They don't
2 impact us, but if we went down to a, let's say, C it
3 wouldn't even effect us. But the people who are
4 trading them, they would be affected.

5 COMMISSIONER KENDZULAK: But if we
6 elected to go outside it would have an impact.

7 EXECUTIVE DIRECTOR MILLER: Most
8 surely.

9 CHAIRMAN DEL VECCHIO: Okay, anything
10 else on the minutes? All those in favor of approval
11 signify by saying aye.

12 (Ayes heard.)

13 VICE CHAIRMAN DOUGHERTY: Abstain.

14 CHAIRMAN DEL VECCHIO: The ayes have
15 it.

16 Treasurer's report, John?

17 COMMISSIONER KENDZULAK: Okay,
18 actually there are two reports here. We are looking
19 for a motion to pay the bills in the amount of
20 \$494,264.35. You know, on face value it looks high,
21 but recognize that we are paying half of that
22 \$194,000 JIF payment, so that is making it high.

23 If we go through, and again, the audit
24 is being performed as we speak, so the -- although
25 the fiscal year ended November 30, 2014, there is

1 going to be transfers and stuff that is going to be
2 done between now until the time that the audit is
3 done. But where we are before all those -- all that
4 stuff is reconciled for the year of 2014, we came in
5 about 91.55 percent of our budget. And again, that
6 is going to fluctuate, you know, up until the time
7 the audit is done.

8 Going into this year, for the first
9 month of December essentially, you will see
10 another -- another set of colored things that Pam
11 has put together. And in looking at that, if you go
12 to the last green sheet you will see we are at
13 6.65 percent of our budget for the year of 2015.
14 And granted, we didn't have -- incur all of our
15 expenditures in December, but if you do the math at
16 the end of December we would be at 8.3 percent so we
17 are like -- basically we are on budget right where
18 we should be with that.

19 Now in saying that, I do -- I concur
20 payment of the bills with the exception of an
21 American Express payment, and that is identified by,
22 I guess, No. VC 00108421 would be the payment in
23 that. That one I am not supporting.

24 So, but that is pretty much it. With
25 that exception, it all appears to be in order.

1 CHAIRMAN DEL VECCHIO: Any other
2 comments? Motion to approve?

3 COMMISSIONER KINSELLA: Move.

4 VICE CHAIRMAN DOUGHERTY: Second.

5 CHAIRMAN DEL VECCHIO: Roll call vote
6 Regina.

7 MS. NICARETTA: Mr. Del Vecchio?

8 CHAIRMAN DEL VECCHIO: Yes.

9 MS. NICARETTA: Dr. Dougherty?

10 VICE CHAIRMAN DOUGHERTY: Yes.

11 MS. NICARETTA: Mr. Kendzulak?

12 COMMISSIONER KENDZULAK: No.

13 MS. NICARETTA: Mr. Kinsella?

14 COMMISSIONER KINSELLA: Yes.

15 CHAIRMAN DEL VECCHIO: Citizens'

16 Privilege. Mike, do you have anything?

17 MR. MANGIN: No, I don't, thank you.

18 CHAIRMAN DEL VECCHIO: We are going to
19 kind of take a second here because Tim is here and
20 we wanted to discuss -- somebody left me a note.

21 MS. NICARETTA: Yes, you wanted to
22 discuss the high school project and payment.

23 EXECUTIVE DIRECTOR MILLER: Should we
24 discuss this at open session or closed session, just
25 how to pay for it, bonding and Flemington?

1 ATTORNEY WATTS: I think that should
2 be done in open session. I don't think it is an
3 exception.

4 EXECUTIVE DIRECTOR MILLER: Basically
5 we had a discussion on how to pay for this. It is
6 basically 352,000, the engineer's estimates. And
7 Tim said -- nuts is the word he used to describe it
8 to me if we tried to pay it with cash. We don't
9 have the cash to do it.

10 So the choices are you go out to NJEIT
11 and probably spend \$30,000 in fees to borrow
12 \$352,000, which is kind of absurd. Chris Langhart
13 said -- he said you are crazy if you borrow from
14 NJEIT.

15 We came around a bunch of different
16 ways to do it, and I think either you -- someone
17 came up with a very good idea, I thought. Do you
18 want to explain it?

19 MR. KIEL: Because this project also
20 involves a municipality and you have an interlocal
21 service agreement with them, and depending on your
22 relationship with them, you can save a substantial
23 amount of money if you get them onboard with them
24 actually doing a capital ordinance for the entire
25 amount and issuing a BAN themselves. Because they

1 have the ability to issue a bond anticipation note,
2 and they have the ability to issue them a lot
3 quicker than you do. They do them pretty regularly.
4 I actually just looked online and they do them
5 pretty much every single year.

6 And actually I have a township who just
7 issued this past week and they got .8 percent that
8 they are paying on it.

9 CHAIRMAN DEL VECCHIO: Let me just
10 say, are you talking about having the Borough of
11 Flemington do this?

12 MR. KIEL: Yes, because they have to
13 pay for 26 --

14 EXECUTIVE DIRECTOR MILLER: 28.

15 MR. KIEL: 28 percent of it. One of
16 the things I had just suggested was if they actually
17 issued the BAN for the full amount and then you
18 repay them, as opposed to you issuing BAN, bond
19 anticipation note, and then repaying you -- I said
20 they are probably doing one anyway. They do capital
21 ordinances all the time and you could save a
22 substantial amount of money.

23 Now for the Authority to issue a bond
24 anticipation note it is almost the same as if you
25 bond yourself. You are going to have a lot of --

1 you are you are going to have a lot of professional
2 fees on that. However, municipalities, like I said,
3 they could it pretty regularly and they can do them
4 in no time and they don't have to go and get special
5 approvals. They just have the bank submit bids on
6 them and they choose the lowest one.

7 And like I said, at .8 percent you can
8 save a lot of money compared to, like I said, the
9 NJEIT where you are going to spend, like you said,
10 \$30,000 on this loan plus the amount of time you are
11 going to put into it.

12 Even if you did your own bonds, I mean,
13 a \$300,000 bond, you know, that -- it is almost
14 absurd to do it because of the amount you are going
15 to spend on bond issue costs. But, they can issue
16 the BAN, you can have an agreement to repay them.
17 You can even say, you know, we will pay all the
18 interest if you are going to get one of these great
19 rates, because it is still going to be cheaper for
20 you to pay .8 percent interest for, you know, two
21 years as opposed to you issuing a bond.

22 But again, that depends on your
23 relationship with them. And you do have -- like I
24 said, they -- the only legal question then is I
25 think technically you own the line, but you do have

1 an interlocal service agreement with them so to get
2 these costs reimbursed, so whether that is enough
3 for them to legally be able to issue a BAN for this
4 project, I don't know. That is just the one, you
5 know, legal question I have.

6 ATTORNEY WATTS: I wouldn't know. I
7 don't know that, but --

8 MR. KIEL: You know, that is a
9 question for the bonding attorney, but because it
10 involves them, it is on their football field, you
11 know, it may be something they are willing to do,
12 and like I said --

13 EXECUTIVE DIRECTOR MILLER: It is in
14 their easement. The wording of it says that it is
15 an easement to the Borough of Flemington.

16 COMMISSIONER KENDZULAK: We don't have
17 an easement on that?

18 COMMISSIONER KINSELLA: It has nothing
19 to do with the township.

20 EXECUTIVE DIRECTOR MILLER:
21 Theoretically -- I have always assumed we owned the
22 line. We pay for the maintenance on the lot, but it
23 is in an easement to the Borough of Flemington.

24 COMMISSIONER KENDZULAK: But does the
25 RTMUA have rights to that easement? I would assume

1 we do --

2 EXECUTIVE DIRECTOR MILLER: Assume so.

3 COMMISSIONER KENDZULAK: -- by
4 default. But, I mean, is that still valid in the
5 language in the easement? Or is that --

6 (Multiple speakers.)

7 ATTORNEY WATTS: -- in the easement,
8 but I assume if we are going to work with them to
9 finance it, we ought to clarify the easement
10 document. I don't know.

11 COMMISSIONER KENDZULAK: This is the
12 only question, which -- and I think that is a great
13 idea if that thing could work. But here is the
14 question that I have. Time is of the essence with
15 regards to this. I don't know how quick Flemington
16 is going to do their capital budget.

17 MR. KIEL: They don't --

18 COMMISSIONER KENDZULAK: They don't
19 need to include this in the 2015 capital budget?

20 MR. KIEL: The one great thing about
21 the municipalities are -- the way their capital
22 program works is they can do a capital ordinance in
23 a week. I have actually done them. You -- it is a
24 resolution that they have to -- well, they have to
25 introduce it, wait a month, you know, but they can

1 just put together a capital ordinance -- you know,
2 it is advertising, you know, within a month they
3 adopt it and that gives them the ability to issue a
4 BAN. They gives them the ability to start spending
5 money on it. And they can do it just like that.
6 They don't have to have a capital budget.

7 In fact, what is submitted to the state
8 is a five-year capital plan and it is, you know, I
9 don't want to say worthless, but it is really
10 just -- it is not detailed at all. I mean, I have
11 seen where it is just one line, "Capital Projects"
12 and they just put "Roads, \$3 million," that is it.
13 They don't have capital budgets. They don't have
14 anything they have to adhere to. They just have to
15 read a capital ordinance, and then they can go right
16 and issue these BANs. And as I said, they do them
17 pretty regularly. And when I went online I saw that
18 they have done them every year for the past few
19 years.

20 COMMISSIONER KENDZULAK: And they have
21 done them as early as January or February?

22 MR. KIEL: I didn't look at the dates.
23 I just saw the years on them.

24 VICE CHAIRMAN DOUGHERTY: We have some
25 changes coming. Let me just ask some very naive

1 questions.

2 We have a line running down through,
3 down the middle of the football field, so around the
4 30 yard line, you have a collapsing sewer line. Do
5 we own the sewer line?

6 EXECUTIVE DIRECTOR MILLER:

7 Responsible.

8 VICE CHAIRMAN DOUGHERTY: Do we own
9 the sewer line?

10 ATTORNEY WATTS: I don't know. This
11 is the first I heard that we don't have the
12 easement, so I don't know.

13 VICE CHAIRMAN DOUGHERTY: We don't
14 even have the easement, so why doesn't the Board of
15 Education redo this project in its entirety? Why
16 are we doing it?

17 MR. KIEL: That I don't know. I can
18 tell you -- I actually have one -- it is a strange
19 situation. One of my schools, the pumping station
20 is on their property and they have determined that
21 the school owns the pumping station and they have to
22 maintain it.

23 VICE CHAIRMAN DOUGHERTY: Okay, but
24 the line is --

25 MR. KIEL: I don't know your answer.

1 VICE CHAIRMAN DOUGHERTY: Let me
2 finish my questions, because my next question is the
3 school boards can bond, can't they? Capital
4 improvements all the time and they get good money.
5 Can they bond it?

6 MR. KIEL: Yes, they can, but they
7 are --

8 VICE CHAIRMAN DOUGHERTY: If time is
9 of the essence and this is their -- we don't even
10 have the easement and it is on their property. Why
11 is it all dropped in on our lap? And we have to
12 hurry up and go out and get money now for their
13 project. Why doesn't the Board of Ed cooperate a
14 little more here and we see what their
15 responsibilities are? Has it been explored legally
16 or otherwise?

17 ATTORNEY WATTS: We haven't looked
18 into it yet. They can -- actually, if they are
19 borrowing money -- if they borrow money to replace
20 the field, I was thinking why can't they replace the
21 pipe? If it is our responsibility, have them
22 increase what they borrow and we will enter into an
23 agreement to pay them back for the part they
24 borrowed for the pipe.

25 VICE CHAIRMAN DOUGHERTY: And then we

1 don't have to pay the extra fees and other things,
2 right?

3 ATTORNEY WATTS: Right.

4 VICE CHAIRMAN DOUGHERTY: I mean, I
5 think that is a -- I am just asking.

6 COMMISSIONER KENDZULAK: That is
7 certainly a good option. Now my understanding all
8 along is that those lines belong to us and when we
9 were going through the agreement, those lines belong
10 to us.

11 ATTORNEY WATTS: They belong to us.
12 We pay for a certain portion of the upkeep and
13 Flemington agreed to pay --

14 COMMISSIONER KENDZULAK: Because that
15 was renegotiated.

16 ATTORNEY WATTS: Right, 18 percent or
17 there is some percentage --

18 VICE CHAIRMAN DOUGHERTY: 28.

19 COMMISSIONER KENDZULAK: 28 percent.

20 EXECUTIVE DIRECTOR MILLER:
21 28 percent, they agreed.

22 ATTORNEY WATTS: They share in that
23 cost of the a project.

24 COMMISSIONER KENDZULAK: Years ago,
25 and this is going back to the old agreements because

1 I know that Jim Coe went through that, those were
2 old Flemington lines, and when the Authority came to
3 be in 1970 or whatever it was, we assumed those
4 lines. We assumed ownership of those lines. I
5 mean, some of -- well, it is coming from Raritan
6 Township going through there. That is actually in
7 Raritan Township. And I guess that stuff all in the
8 past went to the wet weather facility, they got rid
9 of it and it all came down here. And the way the
10 old agreements were written, God knows how many
11 different versions, four different versions,
12 unfortunately it fell on us.

13 When we re-negotiated the agreement
14 with Flemington, I don't know a year or so ago, we
15 had Flemington actually start being responsible to
16 pay a portion of that. And Bruce had said it is
17 28 percent is what was negotiated out. Before it
18 was all on us.

19 You know, the thing that is a little
20 bit funky is that easement -- I guess the research
21 through the engineers said, well, if it is an
22 easement from Flemington, somehow it has got to be
23 cleaned up, that the RTMUA has a right.

24 Just so the deputy mayor understands,
25 basically Central is going to be putting in a new

1 field. I don't know if you know that. And it is
2 going to be done over the summertime before the
3 football season starts, but it can't -- they are not
4 going to tear the field up until after graduation.
5 So this is one of these things that has got to
6 happen. And we have a sewer line that runs right
7 through it.

8 And we have an issue. We have a
9 manhole on the 30-yard line and the sewer line goes
10 underneath the goal post. It is a mess there. So
11 Hatch Mott -- you know, to get the sewer lines
12 squared away before the field goes in, we have got
13 to coordinate our contracts with them, and we have
14 got that window from graduation day to --

15 ENGINEER KOCSIK: June 15th to
16 August 30th.

17 COMMISSIONER KENDZULAK: To
18 August 30th for us to get in, and then also the guy
19 that is going to be doing, for the -- put the
20 football -- the new field down and the track. The
21 track too is in here.

22 So all this stuff has got to be
23 orchestrated, and what we are trying to do is figure
24 out how do we get the funding, you know, 300
25 something thousand, that Flemington is on the hook

1 for 28 percent of it. And Tim had said, hey, geez
2 there is --

3 ATTORNEY WATTS: They will save money
4 too, because they have to pay 28 percent of the cost
5 of getting the money and the work.

6 VICE CHAIRMAN DOUGHERTY: But the
7 Board of Ed has no responsibility whatsoever for
8 that line that goes through their property?

9 MR. KIEL: I have a question.

10 ATTORNEY WATTS: I don't think so.

11 COMMISSIONER KENDZULAK: It is an
12 interceptor line.

13 MR. KIEL: Out of the three entities,
14 the most difficult one it is to borrow money is the
15 Board of Ed because they have other things they have
16 to do. And they have -- I don't know how it is set
17 up. They have to have approval to put up debt.

18 Do they currently have bonds? Does
19 anybody know, is this in a bigger project that they
20 are issuing bonds to do the field? Because if they
21 have already done that, they can't add to it. I can
22 tell you Board of Ed is not going to have the
23 ability to easily do that. And they even need voter
24 approval to change this.

25 So, you know, out of the three of you,

1 the municipality is the easiest to issue bonds. But
2 I don't know if they already have a project -- if
3 they -- they also have capital reserve money and
4 they have a capital projects fund that they can fund
5 locally out of their budget.

6 If I knew how the school was paying for
7 the field --

8 VICE CHAIRMAN DOUGHERTY: Let me just
9 ask some more naive questions, because something
10 doesn't sit right with me.

11 So you have a line collapsing, right?
12 Why is it collapsed? Just age? Did they run big
13 equipment over there when they put the other new
14 field in? When they put the new artificial turf in?
15 Or when they drove down the goal post?

16 I mean, what is the story? Why is
17 it -- the municipality is on the hook with taking
18 the pressure, we are on the bigger hook, because not
19 only do we have to do it and take the pressure, but
20 we got to do it in a timeline mandated by people
21 that want it strictly for a football field, right?
22 Why are we taking all the pressure?

23 And then the other pressure we are
24 taking is we don't have the money and we have to
25 take additional debt. And how is that going to

1 influence next year's numbers? Exactly, right?

2 MR. KIEL: Yes.

3 VICE CHAIRMAN DOUGHERTY: So why can't
4 we get some more cooperation with the three bodies
5 and divide it up a little bit? What is our
6 responsibility? That is my question.

7 And if our attorney tells us that is
8 it, we are totally responsible, then that is it. If
9 it is not, then we got a good negotiating point.

10 COMMISSIONER KINSELLA: Have we had a
11 meeting yet with all the parties involved?

12 EXECUTIVE DIRECTOR MILLER: Technical
13 meeting, yeah, on this is what has to be done. It
14 has to be done. We sat down with their engineers
15 and our engineers.

16 COMMISSIONER KINSELLA: How about a
17 financing meeting? Has there been --

18 EXECUTIVE DIRECTOR MILLER: No.

19 MR. KIEL: Last week you and I talked
20 and I had floated this idea of possibly doing a BAN
21 and, you know, when we talked today and we said we
22 would talk to the board and get direction, but we
23 haven't talked to anybody from the municipality or
24 the Board of Ed, financial aid.

25 EXECUTIVE DIRECTOR MILLER: Didn't

1 want to talk to anyone and have you guys say, "No,
2 don't do that."

3 COMMISSIONER KENDZULAK: I mean,
4 recognizing what Ed says, they are in the state of
5 flux over here with different players and things are
6 going on there.

7 EXECUTIVE DIRECTOR MILLER: I made the
8 new mayor aware that this is coming down. I didn't
9 say anything other than the fact that there -- it is
10 352,000 and you are responsible for 28 percent.

11 COMMISSIONER KENDZULAK: Can I just
12 throw something out here? Would it be appropriate
13 that if -- if -- certainly, you know, I think Bruce
14 should give a look in and find out what the school
15 is doing and how they are planning to fund this, and
16 that may -- and then you can work with Tim on, Hey,
17 is there an option here? Or forget about it, we
18 have no option here.

19 And then, Tim, I think, you know, for
20 the next thing is for you to maybe document this in
21 a format that we can present it to the borough on
22 how it is a win-win for both the borough and the
23 RTMUA to get this thing done. And hopefully we get
24 cooperation from, you know, the borough to move
25 this.

1 And then the second thing is if the
2 borough isn't going to act quickly, what is our
3 fallback? And if there is no opportunity for the
4 school to do it, what is our fallback? And I don't
5 know if there is opportunities at the -- to work
6 something out with Raritan Township. I don't even
7 know if that is, you know --

8 MR. KIEL: I think -- well, just
9 talking, you know, without getting into who pays for
10 it, the fallback, you know, that we always can do
11 is, like I said, if we did a note then you have to
12 get approval and, you know, there is going to be
13 other fees involved. So we could get a note, pay
14 for it off in, you know, three or so years and each
15 year you pay some. And the fact that they would be
16 paying 28 percent, you could take that money and pay
17 some of it down each year.

18 So just because you do this, you know,
19 what I am calling a bond anticipation, it doesn't
20 mean you are actually going to issue bonds, you can
21 just float it each year for a year. And like I
22 said, it is, you know, .8 percent is the one the
23 township just got this week.

24 COMMISSIONER KENDZULAK: But this can
25 happen fairly --

1 MR. KIEL: I don't know what interest
2 rates are going to be next year, but each year you
3 would renew that note and pay a little bit of it
4 down.

5 COMMISSIONER KENDZULAK: This could be
6 done very quickly, within a couple months if we had
7 to?

8 MR. KIEL: Yeah, I mean you can push
9 it and get it done.

10 COMMISSIONER KENDZULAK: The question
11 is from an engineering perspective, when is this
12 thing going to go out to bid? And that is going to
13 require, you know, you have to get that all
14 straightened out with the school.

15 ENGINEER KOCSIK: The back peddling
16 from the construction start date, you probably have
17 at the April meeting -- probably take bids in late
18 March or April meeting, to have a decision so that
19 you have a contract done by May and ready by June to
20 work.

21 COMMISSIONER KENDZULAK: And it is
22 the --

23 ENGINEER KOCSIK: By May we have to
24 have enough funds available so you can actually
25 award.

1 COMMISSIONER KENDZULAK: Here is the
2 thing and not just, you know -- what happens if we
3 take bids and there is an issue with the bids and we
4 have to rebid it? I mean, would it be advantageous
5 maybe just to bid it a month earlier, then if there
6 is --

7 ATTORNEY WATTS: If you are going
8 through the expense of bidding it, you better have
9 your money lined up.

10 COMMISSIONER KENDZULAK: Right, that
11 is what I am talking about here.

12 ATTORNEY WATTS: You can't award
13 without having the money.

14 COMMISSIONER KENDZULAK: Here is the
15 thing is if we go out and let's just say for some
16 reason that there is -- that the bids are contested,
17 then do we miss that window?

18 ATTORNEY WATTS: They could all come
19 in way over the engineer's estimate.

20 COMMISSIONER KENDZULAK: Or something
21 like that, you know, then what do we do?

22 CHAIRMAN DEL VECCHIO: As a
23 fallback -- all right, No. 1 we have to talk to
24 Flemington, obviously. We probably need to have a
25 meeting with them. Probably need something -- what

1 do we think is going to be the savings between us
2 financing it and them? Okay, and it has got to be a
3 worthwhile enough savings for both us and
4 Flemington. It is going to have to be a worthwhile
5 savings for Flemington for Flemington Borough to go
6 through the gyration of issuing the bond.

7 I think we probably also need to
8 investigate us carrying it on our own.

9 COMMISSIONER KENDZULAK: And
10 Flemington would be on the hook for that portion
11 then. If we --

12 CHAIRMAN DEL VECCHIO: They are on the
13 hook no matter what.

14 COMMISSIONER KENDZULAK: I am just
15 saying for the 300,000, if it cost 30,000 to go out
16 through this process, they are going to be paying
17 28 percent of that.

18 ATTORNEY WATTS: It is in their best
19 interest to help us get the cheapest financing
20 possible.

21 COMMISSIONER KENDZULAK: Even if we
22 did pick up the .8 percent, and I don't know what
23 that comes out to, but if -- you can run the
24 numbers, but, you know, it would be --

25 Let me ask you this here, and this

1 is -- you guys reel me in if I am out of line.
2 First, Bruce needs to talk to the school to find out
3 how they are financing it to see if there are
4 opportunities for us to work something out
5 financially with the school. If that is a no go,
6 which it very well may be, Tim needs to put together
7 some type of proposal so we can clearly go to
8 Flemington and just say, listen, this is a way we
9 can do it where Flemington wins and we win. It is
10 in the public's best interest to do it, and here is
11 the timeline that Flemington needs to issue this BAN
12 by.

13 MR. KIEL: I mean, I can put together,
14 you know -- I don't know their bonding attorney. I
15 mean, I can kind of do an estimate based off my
16 other authorities where I have said this is how much
17 it is probably going to cost for all the
18 professional fees, this is what I have seen
19 somewhere, and that is what I have seen at
20 municipality, how much they paid for this much
21 amount of work. And I can do that because, like I
22 said, there are going to be more steps involved for
23 the Authority to go out and do this BAN than there
24 is for the municipality. So it is really just the
25 hours of the professionals.

1 COMMISSIONER KENDZULAK: Right, if we
2 can get that and stick that underneath their nose
3 and, you know, they are onboard with it, then that
4 would be great.

5 VICE CHAIRMAN DOUGHERTY: And at the
6 same time maybe authorize him to also talk to the
7 Board of Ed. You talk the talk, find out how they
8 are getting their money, how they are manipulating
9 the money and all, and see if there is a way to get
10 a rider on it or if we are out of it totally. It
11 would be worth exploring.

12 MR. KIEL: Right.

13 COMMISSIONER KENDZULAK: Would it be
14 appropriate for Tim or Bruce to make that --

15 EXECUTIVE DIRECTOR MILLER: Probably
16 both of us together.

17 VICE CHAIRMAN DOUGHERTY: Both of you
18 would make sense. You are representing the
19 Authority and you are representing the consultant
20 for the Authority. You are the financial expert,
21 you know, you talk the talk.

22 MR. KIEL: And I do school audits, so
23 I know what they can and can't do.

24 VICE CHAIRMAN DOUGHERTY: Fantastic.

25 MR. KIEL: So, but if we could get two

1 of us and somebody from the school and somebody from
2 the township --

3 COMMISSIONER KENDZULAK: You should
4 get Ray Krov, right?

5 EXECUTIVE DIRECTOR MILLER: Probably.

6 COMMISSIONER KINSELLA: I have a
7 question. Does this really have to be done? Or is
8 this the only way that this can be done?

9 EXECUTIVE DIRECTOR MILLER: The
10 last -- Pete, does the financing or the
11 engineering --

12 COMMISSIONER KINSELLA: The board
13 approached the Authority first because the school
14 board was preparing to do this major upgrade to the
15 high school field. They have known all along that
16 this 18-inch pipeline from the '30s or '40s has been
17 out there. They have known that there is a manhole
18 on the 30 yard line that has been buried over for
19 years. And so they kind of approached the Authority
20 first asking -- it is a good opportunity to work
21 together, maybe it is the time to -- opportunity
22 here with the fields being torn apart to do
23 something.

24 So the first step was they paid for us
25 to go out and do an internal inspection of the

1 pipeline under the high school field and that is
2 where we found that there is a broken pipe under the
3 goal post and other issues.

4 So, they approached the town saying --
5 the Authority has no way to inspect this pipeline.
6 There are two manholes, one is on the 30-yard line
7 and one is under the track someplace. We can't
8 drive trucks or T.V. trucks over there, so it has
9 been known to be a pipe that we can't really inspect
10 or maintain because of where it sits. So they kind
11 of said to the Authority there is an opportunity to
12 once and for all get these manholes out of the
13 fields.

14 VICE CHAIRMAN DOUGHERTY: Solve their
15 problem, because who gave them authority to cover a
16 manhole --

17 COMMISSIONER KINSELLA: To begin with
18 and we have to deal with it.

19 ENGINEER KOCSIK: Well, now in the
20 field has been there before the Authority, I
21 believe. It is just an opportune time to work
22 together and, you know, have 50 years of no worries
23 if we do the pipeline right.

24 MR. KIEL: I have got a question.
25 The -- how far down do goal posts go and is the pipe

1 broken right under the goal post?

2 ENGINEER KOCSIK: Yes, it is.

3 MR. KIEL: So like was the goal post
4 drilled into the pipe?

5 ENGINEER KOCSIK: Possibility. Good
6 possibility.

7 VICE CHAIRMAN DOUGHERTY: Can we sue
8 the person who put the goal post in?

9 CHAIRMAN DEL VECCHIO: It is -- it
10 also explains why they have to go out every year and
11 fix the goal post because it starts to sag.

12 COMMISSIONER KINSELLA: Who knows how
13 many home games have been lost because of that?

14 CHAIRMAN DEL VECCHIO: I think, Pete,
15 to some extent, you know, if the pipe wasn't broken
16 it was just the manhole --

17 COMMISSIONER KINSELLA: Right.

18 CHAIRMAN DEL VECCHIO: We could --

19 COMMISSIONER KINSELLA: You could
20 extend through it.

21 CHAIRMAN DEL VECCHIO: All right, we
22 will have to -- but we know the pipe is collapsing
23 in one spot. The question is, is it going to get
24 worse?

25 COMMISSIONER KINSELLA: When we say

1 collapsing, what do we really mean collapsing?

2 ENGINEER KOCSIK: It is a clay tile
3 pipe.

4 COMMISSIONER KINSELLA: So the sewage
5 is bleaching out?

6 ENGINEER KOCSIK: The top of the pipe
7 is crushed in from the goal post installation, so we
8 have to dig up and repair that.

9 COMMISSIONER KINSELLA: There is no
10 way that could be re-lined?

11 ENGINEER KOCSIK: Not with the goal
12 post in it.

13 COMMISSIONER KINSELLA: All right, so
14 that goal post, if we made the determination, you
15 couldn't just put one leg of that goal post on some
16 kind of a big footing, spread it out and not go so
17 deep?

18 ENGINEER KOCSIK: That was going to be
19 part of the project that they were going to do. The
20 school people -- we said after we get done fixing
21 the pipe we will somehow, either them or us, will
22 design away to bridge over the pipe.

23 The goal post has to be where it is at.
24 The pipe has to be where it is at. So we have to
25 find a way to support the goal post not putting any

1 weight on the pipeline.

2 The only thing I can maybe offer, if
3 money is really an issue, we are trying to take the
4 two manholes under the field and relocate them
5 outside of the field. In order to do, that we also
6 want to line the pipeline so we never again have an
7 issue with that pipe breaking out there.

8 If you just want to do the simple
9 repairs, okay, and say the manhole on the 30 yard
10 line, sorry, it is staying there, and don't bother
11 trying to move it outside. You know, we could make
12 the project maybe a little smaller in dollars if we
13 are only doing spot repairs versus a long time, you
14 know, never again do you have to be in this field
15 ever again.

16 So, you know, if you want us to get it
17 down to \$100,000 project, maybe we don't actually do
18 these long-term repairs if it is a financial burden
19 or they help financing.

20 COMMISSIONER KENDZULAK: What repairs
21 would you vision then if it was a \$100,000 repair?
22 What would we do?

23 ENGINEER KOCSIK: The main school, its
24 own sewer discharge comes in under the baseball
25 field. That is just a break in connection and that

1 pipe is broken. That needs to be dug up under the
2 baseball field outfield and a real manhole put in so
3 the school ties into the manhole so we can inspect
4 two ways.

5 The manhole under the track, you know,
6 we wouldn't touch. The manhole stays under the
7 track. The manhole at the 30 line yard we wouldn't
8 touch. We would just fix the goalpost pipeline and
9 leave in the 80-year-old vitrified clay tile pipe
10 and we don't try to line it.

11 COMMISSIONER KENDZULAK: What is the
12 condition of the pipe, if you inspected it?

13 ENGINEER KOCSIK: It seemed to be in
14 pretty good condition. It is just an 80-year-old
15 pipe or 60-year-old pipe that the opportunity --

16 COMMISSIONER KINSELLA: But when you
17 line this, doesn't this become basically a sealed
18 new pipe?

19 ENGINEER KOCSIK: New pipe. That was
20 a thought. We either take the time now to make it a
21 new pipe and never worry about it again for 50, 60,
22 70 years, or we just do some spot repairs and this
23 clay tile pipe can break ten years from now and we
24 will be on the ten yard line doing repairs.

25 EXECUTIVE DIRECTOR MILLER: But there

1 is one thing we didn't do is we camera'd down to the
2 goal post basically from the football -- from
3 outside of the track to the goal post, and then we
4 went from the other end to the 30 yard line, but we
5 never went beyond that. So we don't know --

6 CHIEF OPERATOR LA FERLA: There is a
7 section --

8 ENGINEER KOCSIK: There is a gap.

9 CHIEF OPERATOR LA FERLA: There is a
10 gap and how far we could go -- we could only go in
11 so far.

12 COMMISSIONER KENDZULAK: Where is the
13 gap at?

14 CHIEF OPERATOR LA FERLA: Under the
15 football field.

16 ENGINEER KOCSIK: Between the 40 yard
17 line and the goal post, something like that, you
18 know. Plus the -- at the 30 yard line where the
19 manhole takes a turn and goes off, we change from
20 vitrified clay pipe to cast iron pipe.

21 COMMISSIONER KENDZULAK: That
22 shouldn't be a problem.

23 ENGINEER KOCSIK: That cast iron pipe
24 is --

25 (Multiple speakers.)

1 ENGINEER KOCSIK: So that is a concern
2 because you probably want to clean that because it
3 is affecting the flow out there.

4 COMMISSIONER KENDZULAK: Okay.

5 ENGINEER KOCSIK: But I mean, again,
6 it was -- they are putting down a new turf field,
7 spending whatever money they are going to spend, and
8 in the spirit of cooperation, let's once and for all
9 never have to worry about the pipeline under the
10 field again. We are going to drop the --

11 COMMISSIONER KINSELLA: When was the
12 last time the field was done? Was it ten years ago?

13 CHIEF OPERATOR LA FERLA: This is the
14 first time it has been re-done.

15 EXECUTIVE DIRECTOR MILLER: It was
16 done ten years ago.

17 COMMISSIONER KINSELLA: It was done
18 ten --

19 CHIEF OPERATOR LA FERLA: About ten
20 years ago they put it in, the original.

21 COMMISSIONER KINSELLA: Right.

22 CHIEF OPERATOR LA FERLA: And now this
23 is the first time they are replacing --

24 COMMISSIONER KINSELLA: So it was a
25 million dollars ten years ago and now it is a

1 million dollars again, at least.

2 CHIEF OPERATOR LA FERLA: I would
3 guess, yes.

4 COMMISSIONER KENDZULAK: I would say
5 that may not be the case, Pete, because the stuff
6 that is underneath it, below it, the sub probably
7 doesn't have to be dealt with. They are just going
8 to be putting new carpet on that.

9 ENGINEER KOCSIK: They did mention
10 that there is a drain field under it -- there are
11 some drain field that needs to be fixed. The
12 running track has to be dug down a foot and putting
13 in a new running track.

14 CHIEF OPERATOR LA FERLA: So they are
15 basically redoing it.

16 EXECUTIVE DIRECTOR MILLER: There is
17 another alternative --

18 VICE CHAIRMAN DOUGHERTY: Let
19 Readington pay some.

20 EXECUTIVE DIRECTOR MILLER: -- and it
21 has to do with our 2015 NJEIT loans. One of the
22 first things that is on there, and I found it out
23 with the 2012 bond, is that administrative fee that
24 we can take right up front, and it was \$113,000 the
25 last time. And Pam will kill me for saying this,

1 but we can borrow from Peter to pay Paul.

2 MR. KIEL: I mean, that is -- I mean,
3 you can do that just for cash flow purposes, but you
4 can't apply that money towards the field.

5 EXECUTIVE DIRECTOR MILLER: No,
6 correct.

7 MR. KIEL: I mean, that is really what
8 we are talking about here. The problem is cash
9 flow, because you guys are getting pretty low. We
10 know that. We have talked about that ad nauseum.

11 The problem is, you know, taking this
12 much money from there, and if you have any other
13 problems -- if one of your mains breaks, you really
14 are going to be, you know, in trouble, because you
15 won't have cash for an emergency on your hand. And,
16 you know, as soon as you take this money, you know,
17 I mean, it is going to break somewhere. You know,
18 it is just the way it works.

19 So, yeah, the issue is cash flow and,
20 you know, we are hoping, you know, in the rates
21 itself, you know, if we have to do an extra, you
22 know, percentage increase in the rate next year, you
23 know, that is kind of what we want to use to kind of
24 reimburse ourselves and pay for this thing.

25 That is why I was saying if we do the

1 BAN, you know, we pay that BAN off over three years
2 and we try to raise it from our rates over three
3 years, you are basically floating this cash for
4 three years.

5 So if you are going to use that admin
6 fee, that hundred thousand dollars, you are trying
7 to float that over a three-year period. I mean, it
8 is still getting kind of tight and that is the issue
9 is the cash flow.

10 And, yes, you can do that. Yes, right
11 now you have enough to pay for this, but you are
12 going to be dangerously low in your funds and if you
13 have any break, you are definitely going to the bank
14 to borrow money.

15 COMMISSIONER KINSELLA: I want to --

16 VICE CHAIRMAN DOUGHERTY: Was the
17 money approved in their budget for this? Their
18 budget comes up in, what is that, April?

19 COMMISSIONER KENDZULAK: No, they
20 should have -- November, right?

21 VICE CHAIRMAN DOUGHERTY: When --

22 MR. KIEL: Which one?

23 VICE CHAIRMAN DOUGHERTY: The Board of
24 Ed.

25 MR. KIEL: Again, the Board of Ed,

1 because it is capital, they don't -- I don't know
2 how they are financing it. If they are doing it
3 through their capital projects fund they don't --
4 they don't actually have to approve a budget for the
5 spending of this money. They need voter approval
6 just to do the project. And then all the debt
7 service, they just pay. It is not through the
8 budget process. They just have to pay it.

9 But the voters approve projects. They
10 don't approve the budget, and that is when -- when
11 you hear them complaining, it is because the voters
12 five years ago approved a huge project and never
13 realized how much it was going to cost. So this
14 could have been a project that they voted on two
15 years ago that they are doing now, you know, and the
16 Board of Ed had the authority to do this. But it is
17 actually not in their budget like it would be with
18 you guys budgeting for principal and interest.

19 Same as municipality. Municipality
20 actually budgets the principal and --

21 VICE CHAIRMAN DOUGHERTY: It is
22 actually going to increase the taxpayer's rate, what
23 they are paying for school taxes?

24 MR. KIEL: I mean, again, I don't know
25 how they are paying for this. You know, I don't

1 want to --

2 VICE CHAIRMAN DOUGHERTY: It would be
3 nice to know. I mean, we have to figure out how we
4 are paying for it. I am a taxpayer. It is like
5 Pandora's Box has been opened for a football field.

6 MR. KIEL: You know, it will raise the
7 school tax, but it is not the portion of their
8 operating budget. It is just one that they can do
9 by law, it doesn't require voter approval. And
10 actually they changed the rules two years ago.

11 I don't know if, you know, the Board of
12 Ed opted to get out of the voter approval of the
13 budget process. I don't know enough about their
14 situation. So there are so many different caveats,
15 how they are paying for it, what their set up is.

16 CHAIRMAN DEL VECCHIO: Let me ask a
17 question. We are talking about, you know, working
18 backwards by May, we would have to have money in
19 order to go to contract. If we knew we were moving
20 down a path but we didn't have the money for a bond,
21 from whatever we are going to do, however we are
22 financing this, it wasn't in our pocket, there is
23 enough that we could finance ourselves to get by for
24 a month or whatever until the financing catches up
25 with everything. And you are not going to have

1 bills -- I mean, even though you start a project,
2 you are not going to have any bills from it but we
3 theoretically can go forward with the project,
4 because there is enough money in the bank.

5 MR. KIEL: If we knew we were going to
6 be issuing that BAN a month from now, I mean, there
7 is physically enough money to get started.

8 CHAIRMAN DEL VECCHIO: Okay.

9 MR. KIEL: But you want that in place,
10 so yes.

11 CHAIRMAN DEL VECCHIO: Second thing
12 is --

13 VICE CHAIRMAN DOUGHERTY: We don't
14 have to take --

15 CHAIRMAN DEL VECCHIO: -- if we do it,
16 how long would -- at what point would we have to
17 start doing it from our end in order to have the
18 money -- have it all completed by the May time
19 frame?

20 MR. KIEL: To get all the money -- if
21 we issued the BAN you are saying?

22 CHAIRMAN DEL VECCHIO: If we issue the
23 BAN, which you say is going to take longer,
24 forgetting about the money you are going to save --
25 you will see where I am going in a minute.

1 MR. KIEL: You know, I don't want to
2 speak for your bond counsel, though. I mean, I know
3 what we would do and I know what bond counsel has to
4 do. I mean --

5 CHAIRMAN DEL VECCHIO: Are we talking
6 three months? Are we talking four months?

7 MR. KIEL: I mean, probably two
8 months.

9 CHAIRMAN DEL VECCHIO: All right, so
10 two months. So essentially we would have to then,
11 if we were going to have Flemington do it, we have
12 to talk to Flemington and say -- tell Flemington
13 that they have to come to a decision that they are
14 going to do this no later than the end of February.
15 Because if they decide not to do it, then we got to
16 go forward and do it in order for us to have the
17 money by May.

18 MR. KIEL: And they also, in order for
19 them to do a capital ordinance, they still have to,
20 you know, introduce a capital ordinance, advertise
21 it, you know, the next meeting is when they would
22 approve it. So they can't even start the process of
23 doing a BAN -- it would take them a month just to
24 start the process.

25 CHAIRMAN DEL VECCHIO: That is why I

1 am saying, either way we down this path, it is going
2 to be real tight for the financing because it is
3 probably -- it is going to take them a month just to
4 get the ball rolling and, you know, we are going to
5 need from them very quickly whether they are
6 interested in doing this and then the big question
7 is really what are they going to save.

8 You know, if they are only going to
9 save -- you know, if they are going to save -- I
10 don't know how much -- if they are going to save
11 like \$5,000 out of it, is that meaningful to them?
12 I don't know.

13 EXECUTIVE DIRECTOR MILLER: I did
14 speak with Chris Langhart, our bond counsel, and he
15 knows or he is pretty sure he knows the -- who their
16 counsel is and Wilentz --

17 MR. KIEL: He actually was talking to
18 him. He said he ran into him last week.

19 EXECUTIVE DIRECTOR MILLER: Yeah, ran
20 into him last week and he said he would get working
21 on it to see if he can get them onboard and what
22 they feel about it. So we really got three
23 people -- really four people. We can tag team
24 Flemington; you, me, Chris and whomever this person
25 is.

1 MR. KIEL: As far as, you know,
2 getting back to at least talking with the
3 municipality and the Board of Ed, you know, if you
4 want Bruce and I to meet -- you know, obviously, it
5 is not the best time of year to be arranging
6 meetings because it is -- we are not going to be
7 here Monday. I mean, actually next week we are not
8 going to be here. Monday I am busy. It wouldn't --

9 CHAIRMAN DEL VECCHIO: I would think
10 that at minimum if we can at least make a phone call
11 over there and try to arrange a meeting for right
12 after the first of the year with Flemington, that
13 would give you time to put together what savings
14 there would be if they go down that path. Then they
15 can go and, you know, either their first or second
16 meeting, you know -- hopefully by the end of January
17 we will know if they are interested in doing it or
18 not. And I would say we need to talk to our bond
19 counsel without, you know, necessarily pulling the
20 trigger. You may want to have him start getting
21 everything together in case we have to go forward.

22 COMMISSIONER KENDZULAK: Just one
23 thing, just -- and I think maybe we can get this
24 under the wires and determine if there is, in fact,
25 any opportunity at all to have the Board of Ed work

1 with this -- and the only reason I am saying that is
2 you have got tomorrow and Monday and Tuesday and
3 then that is it. They are off on that, so I think
4 it is imperative that you reach out to -- I have to
5 believe it is Ray Krov tomorrow or try to get in
6 touch with him and have him put the last nail in the
7 coffin.

8 And, if there is no way that they can
9 incorporate it, but they may say, you know what,
10 maybe this is something we can work with you guys
11 on.

12 EXECUTIVE DIRECTOR MILLER: I will
13 call him.

14 COMMISSIONER KENDZULAK: This way if
15 we know there is nothing there then we have to start
16 in earnest talk with Flemington.

17 COMMISSIONER KINSELLA: I have a
18 question for Peter. Even if this is necessary, all
19 right, you know, this state-of-the-art way of doing
20 this thing and keeping the Board of Education happy,
21 in your experience when you had -- this is going to
22 be several contractors out here on this job site
23 doing different things and it has got to mesh
24 perfectly, and especially with the time
25 consideration. With a school type of -- I mean,

1 this isn't just a private enterprise here. This is
2 the public here. Do you think they are capable of
3 pulling this whole thing together within a
4 three-month time frame with -- you know, with
5 September, you know, school start, this can really
6 happen?

7 ENGINEER KOCSIK: We did meet back in
8 November sometime. The one repair under the
9 baseball field -- the one condition is the football
10 field is used for graduation, so they didn't want to
11 jeopardize that. But the one repair on the baseball
12 field, they said we can start that -- you know,
13 baseball season ends June 1st. Gives you two weeks
14 to take care of that repair.

15 We will do what we can and first, after
16 graduation, we probably need at least three solid
17 weeks to do what has to be done under the sewer
18 repair work, maybe four on the outer side, but I
19 hope by August 1st we are out of there. They have a
20 lot of work to do as far as ripping off the field,
21 taking down the track and we will have two
22 contractors working side by side. I did ask them --
23 I said, what is the possibility of -- you have a
24 major contractor out there. You have a much bigger
25 contractor out there. This might be, you know, a

1 little bit work for them. Why couldn't he -- you
2 know talking about the coordination issue. One
3 contractor is coordinating all the work out there,
4 but it was like how would the Authority chip in or
5 pay for a school board contractor legally through
6 agreement and, you know, how does it look for the
7 Authority to make an interlocal agreement with the
8 school board, if that is possible.

9 ATTORNEY WATTS: I think it is.

10 VICE CHAIRMAN DOUGHERTY: Makes sense.

11 ENGINEER KOCSIK: We would give them a
12 design, let them put the contractor into the school.
13 I don't know when they are going to put the track
14 out to bid themselves, but we would give them design
15 documents to incorporate it into the overall project
16 by the school board. That might save the Authority
17 from having to fund it, but again, I don't know if
18 the \$300,000 is in the bond budget for the field
19 improvement.

20 MR. KIEL: And again, I don't know how
21 they are paying for it. But again, when we talk to
22 them we can figure that out and answer some of the
23 questions.

24 COMMISSIONER KENDZULAK: I mean, were
25 they receptive or responsive to an interlocal

1 agreement.

2 ENGINEER KOCSIK: We only talked to
3 the school board's engineer. We didn't have any
4 Board members.

5 COMMISSIONER KENDZULAK: That is -- if
6 you have one contractor under control and you get
7 the sub, that is the way to do it. And then it
8 falls under that guy to get everything done. The
9 sewer work -- and, you know, I am not an attorney
10 here, but if you had an interlocal agreement saying
11 that we are going to pay -- we are going to pay that
12 300 something thousand dollars, I don't know how
13 that would -- why that would have any effect on the
14 Board of Ed.

15 MR. KIEL: I have seen it before. I
16 mean --

17 COMMISSIONER KENDZULAK: -- on
18 funding.

19 MR. KIEL: You have to --

20 ATTORNEY WATTS: You have to talk to
21 the school board attorney. I have never done it
22 with the school board, so I don't know. We have to
23 look into it certainly.

24 MR. KIEL: My one school board has a
25 pumping station, so I have seen the sewer authority

1 and the school, so.

2 COMMISSIONER KINSELLA: The irony here
3 is, you know, everything is coming backwards,
4 because first of all, all they are going to do is do
5 the field, so now everybody has to jump. And there
6 are six balls up in the air. Whereas, this should

7 all be worked out first, and then you say okay, in
8 2016 everything will be ready and then you do your
9 field, and it will be nice. Why is 2015 the year?

10 That field -- you go over there and
11 watch a game, that field is in pretty damn good
12 shape. It is not like it is -- you know, we are not
13 talking inner city someplace there. This is a
14 pretty damn nice field over there. All of a sudden
15 they have to have it to --

16 VICE CHAIRMAN DOUGHERTY: I was over
17 there. Football practice starts August 1st. It
18 doesn't start September 1st.

19 COMMISSIONER KINSELLA: They will be
20 someplace else.

21 COMMISSIONER KENDZULAK: Going back,
22 do we have to do the full thing? What is the risk
23 of not doing it? What if you just go through and do
24 the bare bones minimum?

25 COMMISSIONER KINSELLA: They want to

1 be part of this.

2 COMMISSIONER KENDZULAK: I don't know
3 if you can say they don't want to be part of it. I
4 mean the last thing --

5 COMMISSIONER KINSELLA: They say they
6 can't afford it.

7 ATTORNEY WATTS: It is not their call.
8 We make the decision on repairs and they pay a
9 percentage. It is not their call.

10 COMMISSIONER KINSELLA: Okay.

11 COMMISSIONER KENDZULAK: I don't know
12 if Flemington -- the thing is, if we don't need to
13 do it and we are confident, I guess then the
14 nightmare scenario is, we get a call in the middle
15 of the night and there is a collapse. But if we
16 T.V. inspected it and it looks sound and we leave
17 well enough alone and just do the repairs that we
18 need to do and maybe that is all we do. And you
19 know what, maybe the next time, ten years down the
20 road, when they are replacing it at that time you
21 reline it. I don't know.

22 VICE CHAIRMAN DOUGHERTY: When we are
23 all off this board --

24 CHAIRMAN DEL VECCHIO: I think the
25 only backside problem is if we don't do anything and

1 --

2 VICE CHAIRMAN DOUGHERTY: There is
3 trouble.

4 CHAIRMAN DEL VECCHIO: And the line
5 collapsed under the brand new field and we have to
6 rip the field up to fix it.

7 COMMISSIONER KENDZULAK: That is a
8 risk you take, but if you do a T.V. inspection and
9 you are saying that it is sound, well, you know.

10 COMMISSIONER KINSELLA: Regardless, it
11 is going to be the Authority's fault if something
12 goes wrong no matter what happens.

13 COMMISSIONER KENDZULAK: Personally, I
14 think -- and the timing just doesn't lend it, but
15 here is an opportunity to get it done, do it right,
16 bring the manholes outside of the field.

17 CHAIRMAN DEL VECCHIO: That is -- and
18 that is what we talked about last time.

19 COMMISSIONER KENDZULAK: Because the
20 way it is now, you know, you are out there digging a
21 hole in the field if there is a problem. You know,
22 whereas, if you had the manholes that you could get
23 to --

24 CHIEF OPERATOR LA FERLA: Then you
25 can --

1 COMMISSIONER KENDZULAK: -- then you
2 can maybe do something. Then you can kind of know
3 where the problems are. Here you can be digging up
4 the whole damn field to find where the problem is,
5 right?

6 CHIEF OPERATOR LA FERLA: Right.

7 CHAIRMAN DEL VECCHIO: You know, we
8 can sit and belabor this for --

9 EXECUTIVE DIRECTOR MILLER: I will
10 call Ray Krov tomorrow.

11 CHAIRMAN DEL VECCHIO: So what we are
12 going to do first is talk to the school board and
13 see if we tag onto their -- you know, if they are
14 willing -- I mean, we can put the plans and the
15 specs together for the sewer portion, give it to
16 them and see if they are willing to throw that in,
17 tag it in with their contractor, and then whatever
18 portion -- you know, have it bid in such a way that
19 there is a separate line item from their contractor
20 for the sewer repair and then whatever that is, you
21 know, we would pay for it.

22 And then the other thing is, you know,
23 even though I doubt it, they, you know, they
24 probably don't have the money for the repair. And
25 then we have to figure out how we are paying; you

1 know, whether we are going through Flemington or it
2 is going through us. And obviously, hopefully the
3 big thing is we are hoping the engineer's estimate
4 is high and it comes in a lot cheaper.

5 Are we all hearing what we are doing?

6 EXECUTIVE DIRECTOR MILLER: Yes.

7 CHAIRMAN DEL VECCHIO: Anything else
8 on this subject?

9 (No response heard.)

10 CHAIRMAN DEL VECCHIO: All right,
11 closed session? I think we have something, but we
12 will do that at the end.

13 ATTORNEY WATTS: Do you need a closed
14 session? I don't know. No, no. Are those the
15 minutes?

16 MS. NICARETTA: That is the Neuros
17 letter you asked me to put in for closed session.

18 EXECUTIVE DIRECTOR MILLER: I don't
19 even know if it needs to be closed session. The
20 Neuros.

21 ATTORNEY WATTS: No, let's talk about
22 it.

23 CHAIRMAN DEL VECCHIO: Well, let's
24 finish up then.

25 EXECUTIVE DIRECTOR MILLER: Okay.

1 CHAIRMAN DEL VECCHIO: We will adjourn
2 the regular meeting. Motion?

3 VICE CHAIRMAN DOUGHERTY: So moved.

4 COMMISSIONER KINSELLA: Second.

5 CHAIRMAN DEL VECCHIO: All those in
6 favor signify by saying aye.

7 (Ayes heard.)

8 CHAIRMAN DEL VECCHIO: The ayes have
9 it.

10 So we will do this in discussion.
11 Regular work session. There is no correspondence.
12 And, Tim, thanks.

13 Any new business? End of the year,
14 Vegas is going to be wondering.

15 ATTORNEY WATTS: I was going to have a
16 report on the Permanent Extension Act, but I think
17 it is going to be renewed for the another year, so I
18 want to wait for our January meeting and I will have
19 a report.

20 COMMISSIONER KINSELLA: It is going to
21 be extended for another year?

22 ATTORNEY WATTS: I believe so. And so
23 that will change what we need to discuss, so no
24 report until January.

25 CHAIRMAN DEL VECCHIO: Okay.

APPROVED

1 Engineer's report, Pete?

2 ENGINEER KOCSIK: Okay, the top three
3 or four is developers, and there is nothing to
4 report really on Costco, Hilltop, Baldacchino,
5 Brookview.

6 The Colucci Warehouse, this is a
7 developer that six years ago in 2008, I guess,
8 approached the Authority for connection. It was
9 some letter requesting two connections at
10 600 gallons, conditioned upon a few things being
11 addressed by them. They never did any work. They
12 came back last month and they requested a
13 pre-construction meeting, which we did have on the
14 4th of December.

15 Essentially, the opportunity now is for
16 them to start construction again. They wanted the
17 location where -- the only sewer on the property is
18 a quote-unquote low pressure sewer system that has
19 five or six homes on it right now. The actual
20 gravity sewer is down the street about 700 feet away
21 and they were looking to put in a pumped system to
22 pump their buildings into the -- into their low
23 pressure sewer system for the homes over here.

24 We have no information about what they
25 are doing other than the fact that the development

1 rekindled again over here. I did get -- I did ask
2 Regina and she found for me information from 2008
3 when they first came in over here, and I do have
4 reservations about the -- now, Bruce, they are
5 asking for five connections?

6 EXECUTIVE DIRECTOR MILLER: Yes.

7 ENGINEER KOCSIK: They want to
8 increase from 600 to 1,500 gallons a day.

9 EXECUTIVE DIRECTOR MILLER: Exactly.
10 He wants to be able to market the property with the
11 ability to pump off 1,500 gallons a day rather than
12 600 which he now has.

13 ENGINEER KOCSIK: So there is a lot of
14 unknown information. Typically if it is a single
15 building and it is equivalent to 600 gallons, that
16 doesn't require a treatment approval permit from the
17 NJDEP. You can build two buildings on a property
18 and not require a permit. But if he is going to
19 build five, five individual buildings, that may
20 actually trigger an NJDEP permit.

21 And if he builds five individual pumps,
22 I start to have concern about the -- that the
23 residents who are back stream or upstream from him,
24 that those pumps might actually have an adverse
25 impact upon the residents.

1 There is not a lot of information to do
2 anything, so right now we are going to craft a
3 letter to them and to their engineer saying you have
4 to submit what you are proposing. All we have is a
5 cartoon drawing from 2008. Come back to the
6 Authority with a little more detail. And I am not
7 so positive that if he wants to put in the
8 equivalent of five units that he won't have a
9 negative impact on those homeowners who are
10 currently there.

11 EXECUTIVE DIRECTOR MILLER: That was
12 really his question, can I put five EDUs through,
13 and I didn't know.

14 ENGINEER KOCSIK: I don't have a lot
15 of information, but I don't believe it is an actual
16 low pressure sewer system. And as far as I can
17 tell, you can go to Home Depot and they have what is
18 called the Little Giant pump, you put in a sump.
19 Somehow they put these Little Giant pumps in these
20 five houses and I am not quite sure it is an actual
21 low pressure sewer system that another pump won't
22 adversely effect the homeowners upstream.

23 EXECUTIVE DIRECTOR MILLER: Knowing
24 the developer, that is exactly what went in there.

25 ENGINEER KOCSIK: Right. So we are

1 going to put it back onto him and his engineer, and
2 say look at it and come back with us. And we may
3 not be able to allow him to connect into the
4 existing sewer, and rather have his own pipeline go
5 700 down feet down the road to the gravity sewer
6 system. So that letter is in the process and will
7 probably go out in a day or two.

8 The 30 yard line manhole project, we
9 have started the design. We are talking to the
10 other -- the engineer for the school board to get
11 more details from him, but that is just kicking off
12 recently.

13 We did receive a letter from NJDEP
14 regarding the main control center line of
15 replacement at the plant. We finally got a review
16 after six months. They are asking for minor detail
17 changes to a couple of regulations that changed in
18 the six months, some language they are asking for.
19 They are asking for us to put into the bid document
20 an actual bid date, so that -- and they want a
21 revised final spec and revised drawing sent back to
22 them and they will turn it over, supposedly quickly,
23 so they have a document that won't be changed again
24 before they go out to bid.

25 With that in mind, we need to pick a

1 bid date when we want to receive bids. This is
2 going to be -- to try to get it on so on the March
3 agenda we will be receiving bids for a March
4 approval.

5 So Bruce and I have to sit down and
6 talk about picking when we want to actually
7 advertise this, receive it and go forward. Modify
8 our drawing, send it back to them and hopefully
9 before Christmas, and theoretically in early January
10 we will get a clean whistle that we can go out to
11 bid without any changes.

12 It is very unusual to pick a -- to put
13 the bid date in the spec and when it is dependent
14 upon DEP --

15 COMMISSIONER KINSELLA: What is the
16 purpose? Why is that their business?

17 ENGINEER KOCSIK: That is a good
18 question. They never asked for it before. Now they
19 are asking for it to be --

20 COMMISSIONER KINSELLA: They are the
21 ones who hold the project up --

22 ENGINEER KOCSIK: Yes.

23 COMMISSIONER KINSELLA: And now they
24 want you to jump to get it --

25 VICE CHAIRMAN DOUGHERTY: Everyone is

1 making us jump. The Board of Ed.

2 COMMISSIONER KINSELLA: I don't know
3 why.

4 ENGINEER KOCSIK: I guess the last
5 question to Bruce is, are we looking to, you know,
6 receive bids in March, receive bids in April? We
7 will pick which months we want to see bids in, work
8 backwards, building in a little time fluff, but
9 technically, I guess, come January or February we
10 could be out to bid on this project.

11 CHAIRMAN DEL VECCHIO: Okay.

12 ENGINEER KOCSIK: Woodside Farms, we
13 did have a pre-construction meeting. Well, it is
14 going to happen on January 7th. The pre-con meeting
15 for the Woodside Farms pump station.

16 And the other biggie is just Johanna
17 Foods. We did send a letter to Johanna Foods two
18 and a half weeks ago. You know, we discussed last
19 time 61,000 gallons, 30,000, 80, what are you doing
20 on-site. We have asked -- sent them a letter saying
21 please let us know what are you building on-site,
22 what changes are being made, and are you asking for
23 allocation and how do you impact us? I have not
24 heard a response back. Bruce, have you?

25 EXECUTIVE DIRECTOR MILLER: No.

1 ENGINEER KOCSIK: So we are in limbo
2 land. Again, they kind of started that discussion
3 by the fact that their current SIU permit is going
4 to last -- discharge permit is going to require to
5 be renewed I think in March or April.

6 EXECUTIVE DIRECTOR MILLER: April.

7 ENGINEER KOCSIK: And therefore they
8 need to get paperwork into the DEP and they thought
9 it was the opportune time to change, but until they
10 send us what they are going to do, I don't recommend
11 the board doing anything to endorse the
12 applications.

13 CHAIRMAN DEL VECCHIO: Well, we have a
14 reserve for them 61,000, so.

15 EXECUTIVE DIRECTOR MILLER: 60.

16 CHAIRMAN DEL VECCHIO: Or 60, okay.
17 So, I mean, they have a reserve right now of 60, so
18 I would think as long as what they are asking for is
19 under 60 --

20 ENGINEER KOCSIK: Well, they -- 270 is
21 their current permit, which I think is what we have
22 for them, and they are only flowing like 210. So I
23 am not sure if the 60 goes from what you are flowing
24 today, about 210 to 270, or if they go from 270 to
25 330. That was in their handwritten permit

1 application.

2 So I am still a little confused if the
3 60 -- if they are asking for 60 above the 60 they
4 are not using right now or whatever. So I really
5 want to see -- I mean, they are putting in another
6 processing facility, another line of juices
7 apparently. Let them tell us what they are
8 proposing to do and we will see how it effects --
9 whether it is an allocation or capacity or a fee
10 issue. It is just not enough information.

11 COMMISSIONER KENDZULAK: We had quite
12 a lot of dialogue at this last meeting on this. Do
13 they have it, don't they have it, what does the
14 agreement say? So the way I understand it, the
15 agreement says 270,000.

16 ENGINEER KOCSIK: That is what the
17 permit allows them.

18 COMMISSIONER KENDZULAK: What does the
19 contract -- or what is that actually?

20 EXECUTIVE DIRECTOR MILLER: We don't
21 have anything.

22 COMMISSIONER KENDZULAK: We have
23 nothing.

24 ATTORNEY WATTS: Not that I know of.
25 We have no written agreement with them.

1 CHAIRMAN DEL VECCHIO: No, but their
2 permit basically says they can flow up to 270.

3 COMMISSIONER KENDZULAK: And that is
4 how -- what we do our capacity assurance program, we
5 put in 270 --

6 ENGINEER KOCSIK: Yes.

7 COMMISSIONER KENDZULAK: -- for them.

8 CHAIRMAN DEL VECCHIO: And then we add
9 another 60 allocated for which I think was their --

10 EXECUTIVE DIRECTOR MILLER: Been there
11 forever.

12 CHAIRMAN DEL VECCHIO: You know, for
13 if they want an expansion. I guess the question you
14 have is, is the extra 60 they need to go from 210 to
15 270 or do they want to issue their permit for 330.

16 ENGINEER KOCSIK: 330.

17 ATTORNEY WATTS: They have to get back
18 to us. We have reached out to them several times.

19 COMMISSIONER KENDZULAK: We must have
20 at some point given them an allocation of 270.

21 ATTORNEY WATTS: That is what is in
22 their permit, so that is, I assume, what we did, but
23 that was from a way, way long time ago.

24 CHAIRMAN DEL VECCHIO: So we have to
25 sign off on an SIU permit.

1 COMMISSIONER KENDZULAK: Somewhere by
2 default they were given 270,000, so whether we like
3 it or we don't like it, they have 270. And then the
4 question is are they looking to go from 210, which
5 is what they normally flow, to 270, no issue, they
6 have that already. But the other thing would be if
7 they are looking to go for 270 plus another 60, then
8 it would have to be a capacity allocation.

9 CHAIRMAN DEL VECCHIO: Right, but we
10 have an extra 60 allocated in the capacity for them.

11 COMMISSIONER KENDZULAK: To go beyond
12 the 270?

13 CHAIRMAN DEL VECCHIO: Yeah, because
14 we are showing an extra 60 on the allocation report.

15 COMMISSIONER KENDZULAK: So that is
16 all formalized? We don't have to go through a
17 process on that? They have that? That is
18 documented?

19 EXECUTIVE DIRECTOR MILLER: It has
20 been on the WQM7 forever.

21 COMMISSIONER KENDZULAK: The WQM7 has
22 got 330 in there?

23 CHAIRMAN DEL VECCHIO: It has got 270
24 for their permit and then there is another 60 in the
25 allocations for them.

1 COMMISSIONER KENDZULAK: All right.

2 So that is --

3 ENGINEER KOCSIK: It would be nice to
4 have it in writing --

5 EXECUTIVE DIRECTOR MILLER: Yes.

6 ENGINEER KOCSIK: -- from them what
7 they are proposing to do.

8 CHAIRMAN DEL VECCHIO: The problem is
9 that it is so old we don't know exactly what is in
10 writing, but we know -- at least what we have been
11 reporting for the past ten years is that 270 and --

12 COMMISSIONER KENDZULAK: Plus 60.

13 CHAIRMAN DEL VECCHIO -- plus 60.

14 COMMISSIONER KENDZULAK: So for a
15 total of 330 is what we have allocated for them.

16 CHAIRMAN DEL VECCHIO: Right.

17 ATTORNEY WATTS: I think what we need
18 is to hear back from them exactly what they need and
19 then formalize it and bring it up-to-date with some
20 type of a written agreement. We can't keep going
21 forward --

22 COMMISSIONER KENDZULAK: We don't know
23 where that 60 came from? Somehow it just came up
24 sometime years ago and that is it?

25 EXECUTIVE DIRECTOR MILLER: Yes.

1 CHAIRMAN DEL VECCHIO: I mean, it
2 is -- Bruce and I have talked about it and that is
3 just the way it has been carried on our forms for a
4 long time. I don't think we have a formal -- you
5 know, there is no formal agreement for the 270, but
6 we had to at some point signoff on their permit --

7 COMMISSIONER KENDZULAK: Right.

8 CHAIRMAN DEL VECCHIO: -- for 270.
9 And we don't have a formal allocation, but we have
10 been carrying 60,000 gallons on our allocation list
11 for them forever. So it is already accounted for in
12 what allocations we had. There was another 60 going
13 to Johanna Farms.

14 So if they came back and asked for --
15 to take their permit to 330, it would not affect the
16 allocation. If they wanted to go beyond the 330,
17 then they would need an allocation because we don't
18 have an allocation for them right now.

19 COMMISSIONER KENDZULAK: Okay.

20 ENGINEER KOCSIK: But we do want to
21 look at not just flow in gallonage, but also on
22 discharge, on loading to the plant and/or pumping
23 rates, if there is such a thing, into our system,
24 for capacity, peak rates and to make sure we don't
25 have any loading issues on the actual plant, too.

1 CHAIRMAN DEL VECCHIO: Which they were
2 supposed to get back to us with the upgrades that
3 they had putting in, the MBBR, and all the other
4 stuff over there; what their BOD and TSS loading is
5 going to be in the sewer.

6 COMMISSIONER KENDZULAK: Are they
7 building this now? Are they getting ready to build
8 this? What is their timeline? What happens if they
9 are looking for a total of 350? And you know,
10 basically the answer would be well, we can't -- you
11 can't go, we would have --

12 CHAIRMAN DEL VECCHIO: We can go as
13 far as 330, but 330 is purely flow. Now the
14 question is they can flow at 330, but if they
15 are flowing at -- if that water is flowing in at 330
16 gallons a minute but it has got twice the load in it
17 that you would get from a domestic household, it
18 would be the same as getting 660 from housing, okay.
19 Because all the flow is based on domestic
20 wastewater.

21 So in the case of Johanna Farms, we
22 need -- it is a little more complex. We need to
23 know what their BOD and what their TSS is going to
24 look like in their load to the sewer.

25 COMMISSIONER KENDZULAK: Aren't they

1 pretreating over there?

2 CHAIRMAN DEL VECCHIO: They were
3 building a pretreatment. That is what they came
4 here -- because they were going for approvals to put
5 in because right now they just have the aerated
6 lagoon. They were going to put in an MBBR reactor
7 in front of the aerated lagoon, and plus some, you
8 know, PH control and a couple of other things.

9 I don't know where that project stands,
10 if they put it in yet or --

11 COMMISSIONER KENDZULAK: I mean, this
12 would be the only concern that I have, and I have no
13 idea where this is -- I mean, is this something that
14 they think that they got and they are going to be
15 able to go get a building permit and start this? My
16 understanding is it is going to be internally and
17 they are not expanding that they have to go to the
18 planning board. That -- you know, if they find out
19 that they can't do it, is that going to become an
20 issue that they are planning to do this project
21 during this capital improvement and have things
22 going by April or something like that.

23 ATTORNEY WATTS: John, they have never
24 come to us and said this is exactly what we need.
25 We have reached out to them, we have written

1 letters, so I think the Authority is on solid
2 ground.

3 COMMISSIONER KENDZULAK: Okay, so it
4 is their issue, they didn't move.

5 CHAIRMAN DEL VECCHIO: When they were
6 here last time I asked them --

7 COMMISSIONER KENDZULAK: Right, okay.

8 CHAIRMAN DEL VECCHIO -- to come back
9 to us with details. We wanted to see -- you know,
10 we didn't want to see flow. I asked them
11 specifically what is going to be the phosphorus, the
12 nitrate, you are going to put the nitrogen to the
13 sewer, wanted to know TSS and BOD because they have
14 to add nutrients in order to get their stuff to go.

15 COMMISSIONER KENDZULAK: But there are
16 no building permits that have been submitted to the
17 town, to my knowledge.

18 ATTORNEY WATTS: I don't know, but
19 they have got to get approvals to build all that
20 additional treatment, but --

21 CHAIRMAN DEL VECCHIO: I think --

22 ATTORNEY WATTS: -- they haven't
23 talked about more flow with us.

24 COMMISSIONER KENDZULAK: Right, that
25 is what I am saying.

1 ATTORNEY WATTS: If they are putting
2 in more treatment, they got the planning board
3 approvals. I don't know where they are with
4 construction.

5 COMMISSIONER KINSELLA: I thought they
6 told you, Mike, that they would have all the answers
7 for you by the end of this year.

8 ENGINEER KOCSIK: They have 14 more
9 days.

10 CHAIRMAN DEL VECCHIO: Well, the last
11 thing I heard, I think, which is what you heard,
12 Bruce, is they had a consultant who was putting a --

13 EXECUTIVE DIRECTOR MILLER: Yes.

14 CHAIRMAN DEL VECCHIO -- long-term plan
15 together and everything.

16 I think what we probably need to do is
17 kind of put things together and say, Guys, right now
18 your permit says 270. We are holding an allocation
19 for you for another 60 up to 330. First of all,
20 what flow are you going to want? Second of all,
21 before you even give me that flow we need -- we are
22 still waiting since they were here back in the
23 spring for you to come here and present what is
24 going to be the loading in that flow.

25 We need to know, you know, what is

1 going to be the TSS, the BOD and the nitrogen and
2 phosphorus in that flow.

3 VICE CHAIRMAN DOUGHERTY: Shouldn't
4 our engineer maybe do that? I mean, you need all
5 the technical engineering stuff, so we get the facts
6 and have it interpreted.

7 ENGINEER KOCSIK: I don't have the
8 letter handy, but that is essentially what we asked
9 for, asking for quality, quantity and the allocation
10 issue. So that was written back to them -- I think
11 it was before Thanksgiving, so we will see what
12 happens.

13 EXECUTIVE DIRECTOR MILLER: Late
14 October.

15 VICE CHAIRMAN DOUGHERTY: You may want
16 to send a follow-up letter from you saying, you
17 know, the board would like to know, we want to take
18 some action.

19 CHAIRMAN DEL VECCHIO: We are not
20 going to be able to do anything for them to support
21 them unless they answer the technical questions that
22 our engineer had.

23 ENGINEER KOCSIK: That is it for
24 engineering.

25 COMMISSIONER KINSELLA: General

1 question, Costco, when is that place going to open
2 up?

3 CHAIRMAN DEL VECCHIO: Fall of next
4 year.

5 COMMISSIONER KINSELLA: Next year
6 September.

7 COMMISSIONER KENDZULAK: Is that what
8 they are shooting for?

9 COMMISSIONER KINSELLA: They think the
10 pads will be done April/May, and at that point,
11 Costco will start building.

12 COMMISSIONER KENDZULAK: Okay, all
13 right, because they have been doing site work
14 forever out there.

15 CHAIRMAN DEL VECCHIO: They had some
16 contamination issues. That is what I think slowed
17 them down.

18 Anyway, Bruce, anything from your
19 report?

20 EXECUTIVE DIRECTOR MILLER: No.

21 CHAIRMAN DEL VECCHIO: Questions?

22 COMMISSIONER KINSELLA: Quick question
23 for Bruce, just about the credit card payment
24 system?

25 EXECUTIVE DIRECTOR MILLER: Got \$700

1 and four transactions so far. We haven't announced
2 it yet.

3 COMMISSIONER KINSELLA: Okay, so are
4 the ratepayers aware of this?

5 EXECUTIVE DIRECTOR MILLER: No.

6 COMMISSIONER KINSELLA: How are we
7 going to inform the ratepayers?

8 EXECUTIVE DIRECTOR MILLER: It is
9 going to be in -- when the bill goes out, there is a
10 new bill -- a new piece on the bill that tells you
11 about it. But what I wanted was getting everybody
12 using it, and get it up and running and I knew they
13 would find it and they did. People started finding
14 it. And they can pay in the office with a swipe or
15 they can pay online. And so far three people paid
16 online, \$700.

17 COMMISSIONER KINSELLA: All right.

18 EXECUTIVE DIRECTOR MILLER: It works.

19 COMMISSIONER KINSELLA: I mean, so the
20 next bill goes out and there is going to be -- will
21 there be a separate colorful thing?

22 EXECUTIVE DIRECTOR MILLER: Little
23 blurb on top of the bills.

24 COMMISSIONER KINSELLA: All right.

25 EXECUTIVE DIRECTOR MILLER: Anyone who

1 goes to the site will see it, the website.

2 COMMISSIONER KINSELLA: Thank you.

3 CHAIRMAN DEL VECCHIO: Any comments
4 from the fine commissioners?

5 VICE CHAIRMAN DOUGHERTY: Yes. Greg,
6 chief operator's report, first line, 17 boxes. Is

7 each box represent a truck going back and forth to
8 Atlantic?

9 CHIEF OPERATOR LA FERLA: Yes.

10 VICE CHAIRMAN DOUGHERTY: It says \$550
11 a box.

12 CHIEF OPERATOR LA FERLA: Yes.

13 VICE CHAIRMAN DOUGHERTY: So for one
14 month it cost us \$9,350?

15 CHIEF OPERATOR LA FERLA: Yes.

16 VICE CHAIRMAN DOUGHERTY: So next year
17 it is going to cost us 112, maybe to \$120,000 just
18 for transportation fees?

19 CHIEF OPERATOR LA FERLA: Probably.

20 VICE CHAIRMAN DOUGHERTY: Did we put
21 that in our budget when we saw that new contract
22 which we all voted on? I didn't have any numbers --

23 CHAIRMAN DEL VECCHIO: That is what I
24 asked him. What I asked was does all of that fit
25 within the budget.

1 CHIEF OPERATOR LA FERLA: If you also
2 look on this -- on the laboratory summary, we
3 averaged about 20 percent solids. And if you look
4 at the -- that is what I was saying earlier. If you
5 look --

6 VICE CHAIRMAN DOUGHERTY: That is too
7 sophisticated for me. I just want to know how many
8 boxes we send down there, because we just agreed to
9 a contract with a \$550 raise for transportation
10 costs in addition to a raise on what we are going to
11 pay for the solids.

12 CHIEF OPERATOR LA FERLA: No, the
13 amount we are paying for solids is going to go down.
14 We average 20 percent. So if you look at their bill
15 for 20 percent, we are going to be paying \$62.03.

16 VICE CHAIRMAN DOUGHERTY: Okay.

17 CHIEF OPERATOR LA FERLA: We were
18 paying \$68.74.

19 VICE CHAIRMAN DOUGHERTY: So it is
20 about \$12,000?

21 CHIEF OPERATOR LA FERLA: Pretty much.

22 VICE CHAIRMAN DOUGHERTY: Okay, thank
23 you. That was my question.

24 COMMISSIONER KENDZULAK: Okay, because
25 that was the question that I had, because the old

1 one said 16 percent and greater.

2 CHIEF OPERATOR LA FERLA: And greater.

3 COMMISSIONER KENDZULAK: And had two
4 fees, and the new one had 16 to 18 percent, which
5 was 70 something bucks.

6 CHIEF OPERATOR LA FERLA: Right, but
7 we average about 20 percent solids. We average
8 20 percent solids --

9 COMMISSIONER KENDZULAK: And the
10 rate --

11 CHIEF OPERATOR LA FERLA: -- which is
12 18.1 to 20 percent, which is \$62.03 --

13 COMMISSIONER KENDZULAK: Okay.

14 CHIEF OPERATOR LA FERLA: -- instead
15 of the \$68.

16 COMMISSIONER KENDZULAK: So that is
17 why you are saying -- because I was just looking at
18 the --

19 CHIEF OPERATOR LA FERLA: That is why
20 I am saying -- the price went up for the 16 to 18,
21 but we averaged 20 percent.

22 VICE CHAIRMAN DOUGHERTY: You figured
23 that in when --

24 CHIEF OPERATOR LA FERLA: Yes.

25 COMMISSIONER KENDZULAK: What is the

1 budget number for that, Bruce? Do you have that
2 handy? And when you start adding up \$550 per box
3 and adding up all that, you -- make sure the budget,
4 we have enough money in there for what we budgeted,
5 you know. I guess if it is the same as it was last
6 year, we should be okay.

7 VICE CHAIRMAN DOUGHERTY: But it is
8 still cheaper than buying a truck and hiring
9 employees to drive it back and forth.

10 (Multiple speakers.)

11 CHIEF OPERATOR LA FERLA: \$62.03 to
12 \$68.70 -- \$68.74.

13 EXECUTIVE DIRECTOR MILLER: \$6, let's
14 say.

15 CHIEF OPERATOR LA FERLA: Yeah,
16 thereabouts.

17 EXECUTIVE DIRECTOR MILLER: So you got
18 \$6 times 425 yards, right? And that is 2,550 less a
19 month we will be paying. And how much did you
20 figure, 17?

21 VICE CHAIRMAN DOUGHERTY: 9,350.

22 EXECUTIVE DIRECTOR MILLER: 17 times
23 550.

24 VICE CHAIRMAN DOUGHERTY: So it is
25 costing --

1 EXECUTIVE DIRECTOR MILLER: 9,350,
2 recall one, minus -- 6,800 bucks more a month. Six
3 times --

4 VICE CHAIRMAN DOUGHERTY: So it is
5 84,000 more.

6 EXECUTIVE DIRECTOR MILLER: 81,6.

7 VICE CHAIRMAN DOUGHERTY: Rounded.

8 EXECUTIVE DIRECTOR MILLER: Yeah, it
9 is going to cost us that. Yup.

10 COMMISSIONER KENDZULAK: So what is
11 the total for the year come out to?

12 VICE CHAIRMAN DOUGHERTY: \$112,200
13 but --

14 EXECUTIVE DIRECTOR MILLER: -- raised
15 this year as I remember.

16 CHIEF OPERATOR LA FERLA: Yes, we did.

17 VICE CHAIRMAN DOUGHERTY: Okay, I am
18 just making sure.

19 CHIEF OPERATOR LA FERLA: It is
20 exactly what we raised it to, but we should be --

21 EXECUTIVE DIRECTOR MILLER: Do you
22 remember the number, Greg?

23 COMMISSIONER KENDZULAK: I am looking
24 at the -- for last year we came in at around
25 \$380,000 total. And this year, Bruce, we are

1 appropriating -- 485 is what we appropriated.

2 CHAIRMAN DEL VECCHIO: That is
3 \$100,000 extra.

4 EXECUTIVE DIRECTOR MILLER: Yes.

5 COMMISSIONER KENDZULAK: So it is --
6 so long as, you know, the numbers add up, but.

7 EXECUTIVE DIRECTOR MILLER: But the
8 thing you have to watch out for with that, and Greg
9 and I have spoken about it, that sooner or later
10 they are going to say you can't burn this stuff
11 anymore. And the guy who said it is the guy whose
12 name is at the bottom of that contract, Duffy, Rick
13 Duffy. He said there is going to be a point where
14 we can't take it anymore.

15 VICE CHAIRMAN DOUGHERTY: That is the
16 whole state.

17 EXECUTIVE DIRECTOR MILLER: It is, and
18 that gets interesting.

19 CHAIRMAN DEL VECCHIO: The discussion
20 on the permitting?

21 ATTORNEY WATTS: We have to wait to
22 see if they extend it or not. We can probably talk
23 about it in January.

24 CHAIRMAN DEL VECCHIO: And then the
25 only other thing was this thing here from Neuros.

1 EXECUTIVE DIRECTOR MILLER: The blower
2 people?

3 CHAIRMAN DEL VECCHIO: Yes.

4 EXECUTIVE DIRECTOR MILLER: There were
5 two things with the blower, right, Greg? One was
6 they forgot the third controller in the bid and we
7 wound up paying \$37,000 extra. We agreed on that
8 and everyone is happy. Neuros got their money. I
9 don't know if Neuros got their money, but the money
10 went to the contractor, 37,000.

11 The second thing was left and right
12 handed outlets from the blower.

13 CHIEF OPERATOR LA FERLA: Yes.

14 EXECUTIVE DIRECTOR MILLER: And that
15 is what this guy is saying he was never compensated
16 for two years later, and he made noises about it
17 saying he has a lien on the stuff, but we never --
18 there is no liens anywhere that I am aware of.

19 ATTORNEY WATTS: No.

20 EXECUTIVE DIRECTOR MILLER: And he
21 sort of backed down from that very quickly and just
22 said, Can you help me? What I did is I sent him the
23 final payment from Hatch Mott, the last payment
24 which had his signature on it saying all subs have
25 been paid and all that magic stuff. And he sent

1 back saying thank you very much, that is wonderful,
2 I am very happy.

3 COMMISSIONER KENDZULAK: So this is
4 done? It is not an issue anymore?

5 EXECUTIVE DIRECTOR MILLER: It is
6 done.

7 CHAIRMAN DEL VECCHIO: Anything else?

8 CHIEF OPERATOR LA FERLA: Merry
9 Christmas.

10 CHAIRMAN DEL VECCHIO: Motion to
11 adjourn?

12 COMMISSIONER KINSELLA: Move.

13 CHAIRMAN DEL VECCHIO: All those in
14 favor say aye.

15 (Ayes heard.)

16 (Whereupon, the proceeding was
17 adjourned at 6:45 p.m.)

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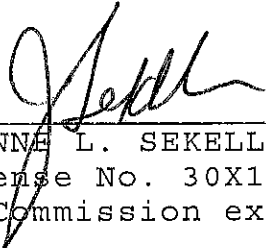
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C E R T I F I C A T E

I, JOANNE L. SEKELLA, a Certified Court Reporter and Notary Public of the State of New Jersey, do hereby certify that the foregoing is a true and accurate transcript of the testimony as taken stenographically by and before me at the time, place and on the date hereinbefore set forth.

I DO FURTHER CERTIFY that I am neither a relative nor employee, nor attorney or counsel to any of the parties involved; that I am neither related to nor employed by such attorney or counsel, and that I am not financially interested in the outcome of the action.

Notary Public of the State of New Jersey



JOANNE L. SEKELLA, C.C.R.
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My Commission expires: August 3, 2016