

APPROVED

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RARITAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY  
REGULAR MEETING MINUTES

FEBRUARY 18, 2016

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

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

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

2. **ATTENDANCE ROLL CALL:**

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

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

3. **PLEDGE OF ALLEGIANCE**

4. **APPLICATIONS:**

None

**5. RESOLUTIONS:**

Resolution #2016-05      Resolution of Appreciation John Benson for 25 Years of Service to Raritan Township Municipal Utilities Authority

Mr. Kinsella – We'd like to thank you Mr. Benson for all of your hard work and this is for you, though it's not much for all you have done for us over the years but it acknowledges your 25 years.

Mr. Benson – It's very nice and I appreciate it and I appreciate the opportunity to work for the Authority; it's been a good job. I appreciate thank you for taking the time for this. Also, I'd like to say, I think you've chosen a good Director with Mr. LaFerla; he's doing a good job.

Dr. Dougherty made a motion to approve Resolution #2016 – 05, Mr. Kendzulak, Jr. seconded the motion. All were in favor.

Mr. Kiel – If I could take a moment; with the Reorganization and the resolutions, there is a little issue that came up. I thought it would be best to address the Board before you approved them and it will affect next month's resolutions too. Last year we had an Audit Finding because the Professional Services weren't advertised correctly. The State did an Audit and basically they came out and issued a Local Finance Notice that said "a lot of people aren't putting in an amount not to exceed when they do the advertisements". So last year we had a Finding on the Audit Report for it and we told Ms. Nicaretta. She was all set to do the advertisements with an amount in there but I never explained to her that the amount also has to be approved by the Board in the Resolution. She didn't want to just put in an amount without talking to the Board first but with this amount, there's a couple of different ways to do it. You could just do the amount that you budgeted; for instance for the Attorney, you could say "an amount not to exceed" and whatever the amount was that you budgeted. The problem comes in for the engineering and that's where there's an issue, you never know what you're going to spend because this includes Capital and General engineering. So the way a lot of people do it is sometimes they'll award the engineering on a project basis; for instance, if you're doing the clarifiers, they'll do an advertisement just for the amount for the clarifiers and then they'll do a separate one for general engineering or you can just do it for the entire amount. The problem you have with that though is, it has to be an amount not to exceed and if you approach that amount, you have to re - advertise. The other problem is if all of a sudden you put in an advertisement for the engineering for say one million dollars, because you are doing massive projects, then you

have people out there who will say “you’re spending a million dollars for the engineer” so just going with a high number sometimes has its drawbacks. Now when you keep it lower, then you have to track it and make sure that you don’t go over it because if you do you have to re – advertise the additional amount. What I’m recommending is, you go ahead with your appointments tonight then next month you come up with language that includes “an amount not to exceed”. The decision is really with the engineering and how you want to do that. Are you going to do it on a project basis or are you going to do it with everything totaled? That’s the real decision you’ll have to make.

### **REORGANIZATION**

Mr. Watts - At this point in the meeting, we will conduct our Reorganization. I will open up to the members the nomination for the position of Chairperson.

Resolution #2016 - 06      Appointment of Chairperson

Mr. Kendzulak, Jr. made a motion to nominate Mr. Kinsella, Mr. Tully seconded the motion. All were in favor. Mr. Kinsella abstained.

Resolution #2016 - 07      Appointment of Vice - Chairperson

Mr. Kendzulak, Jr. made a motion to nominate Dr. Dougherty, Mr. Tully seconded the motion. All were in favor. Dr. Dougherty abstained.

Resolution #2016 - 08      Appointment of Secretary

Dr. Dougherty made a motion to nominate Mr. Tully, Mr. Kendzulak, Jr. seconded the motion. All were in favor. Mr. Tully abstained.

Resolution #2016 – 09      Appointment of Treasurer

Mr. Tully made a motion to nominate Mr. Kendzulak, Jr., Dr. Dougherty seconded the motion. All were in favor. Mr. Kendzulak, Jr. abstained.

Mr. Kinsella – Thank you for the good job you do Mr. Kendzulak.

Resolution #2016 – 10 Appointment of Assistant Secretary / Assistant Treasurer

Dr. Dougherty made a motion to nominate Dr. Buza, Mr. Tully seconded the motion. All were in favor. Dr. Buza abstained.

Resolution #2016 – 11 Establishment of Meeting Dates

Mr. Kendzulak, Jr. made a motion to approve Resolution #2016 – 11, Mr. Tully seconded the motion. All were in favor.

Resolution #2016 – 12 Designation of Depositories

Dr. Dougherty made a motion to approve Resolution #2016 – 12, Mr. Kendzulak, Jr. seconded the motion. All were in favor.

Resolution #2016 – 13 Authorization of Signatories

Mr. Tully made a motion to approve Resolution #2016 – 13, Dr. Buza seconded the motion. All were in favor.

Resolution #2016 – 14 Designation of Official / Legal Newspapers

Mr. Tully made a motion to approve Resolution #2016 – 14, Dr. Buza seconded the motion. All were in favor.

Resolution #2016 – 15 Appointment of Certifying Officer

Dr. Dougherty made a motion to approve Resolution #2016 – 15, Mr. Kendzulak, Jr. seconded the motion. All were in favor.

Mr. Watts – I think it would be appropriate to consider a motion to go into Closed Session for the purpose of discussing possible litigation with NJDEP and we do not anticipate any official action will be taken once we come out of Closed Session.

Mr. Kendzulak, Jr. made a motion to adjourn into Closed Session for the above stated purpose and Mr. Tully seconded the motion. Closed Session was from 5:11 pm – 5:56 pm.

*Appointment of Professionals*

Resolution #2016 – 16      Appointment of Auditors

Dr. Dougherty made a motion to approve Resolution #2016 – 16, Mr. Tully seconded the motion. All were in favor.

Resolution #2016 – 17      Appointment of Consulting Engineer

**TABLED**

Mr. Kinsella – At this point what we're going to do is; we've approved a month basis. Our Engineering Sub – Committee is looking at the relationship between the Consulting Engineer and Authority. They don't have a report ready yet but will have a report ready for the next meeting. As of now, everything is the same but we will Table this resolution until next month's meeting.

Resolution #2016 – 18      Appointment of Legal Counsel

Dr. Dougherty made a motion to approve Resolution #2016 – 18, Mr. Kendzulak, Jr. seconded the motion. All were in favor.

Resolution #2016 – 19      Appointment of Special Counsel

Dr. Buza made a motion to approve Resolution #2016 – 19, Mr. Tully seconded the motion. All were in favor.

Resolution #2016 – 20      Appointment of Bond Counsel

Mr. Tully made a motion to approve Resolution #2016 – 20, Mr. Kendzulak, Jr. seconded the motion. All were in favor.

**END OF REORGANIZATION**

Resolution #2016 – 21 Approval of Change Order for Motor Control Center Replacement

(an amount not to exceed \$14,107.45)

Dr. Dougherty made a motion to approve Resolution #2016 – 21, Mr. Kendzulak, Jr. seconded the motion.

Roll Call Vote:	Dr. Buza	-	Yes
	Dr. Dougherty	-	Yes
	Mr. Kendzulak, Jr.	-	Yes
	Mr. Kinsella	-	Yes
	Mr. Tully	-	Yes

Resolution #2016 – 22 Approval of Proposal for Lawn Maintenance Services

(\$290.00 per cut MTP; \$90.00 per cut FWWF; Contract Apr. – Nov.)

Mr. Tully made a motion to approve Resolution #2016 – 22, Mr. Kendzulak, Jr. seconded the motion.

Roll Call Vote:	Dr. Buza	-	Yes
	Dr. Dougherty	-	Yes
	Mr. Kendzulak, Jr.	-	Yes
	Mr. Kinsella	-	Yes
	Mr. Tully	-	Yes

Resolution #2014 – 23 Reimbursement for Authority Operational Staff for Use of Personal Cellular Telephones

(\$50.00 per month, 9 phones)

Mr. LaFerla – We discussed this last month about the cell phones; some of the guys are using their own phone and it is easier this way.

Mr. Kendzulak, Jr. – How many guys, Mr. LaFerla?

Mr. LaFerla – Line Crew, Maintenance Crew, three Crew Chiefs; Mr. Schneider and I are on our plan here; so nine guys.

Mr. Kendzulak, Jr. – What do we typically pay a month per phone?

Mr. LaFerla - \$50.00 a month; we would pay them quarterly. So it's \$150.00 a quarter per man.

Dr. Dougherty – Is it better to do it that way than to have their own phones?

Mr. LaFerla – That's part of the problem; they have our phones and they have phones on their home account and instead of carrying two phones, they are forwarding their work phones to their home phones so there's only one phone to carry. So we're paying for phones that aren't being used, work calls are getting forwarded to their own phones.

Dr. Dougherty – The only other thing I see is those phones will have other things on them, and if something happens and they want to take a look at the phone, you might be getting into some legal problems, photos, messages. If there's a lawsuit that says "I want to see the phone, you made such and such a phone call and I want that phone" and they get the phone and under discovery they can look at anything they want. Does it put anyone in jeopardy?

Mr. Watts – If they had phones issued by the Authority, there would have to be a subpoena to get it. So if these phones were subpoenaed under this plan, we would have the right to go in, and I don't know why we would ever fight it because I don't know if there could ever be harmful but if there was, we could fight the subpoena and say "there's privileged information on it that has nothing to do with the individual". We could have redacted out all the calls that were on behalf of the Authority.

Dr. Buza – I would make them sign an Agreement that if you accept the \$50 per month we need access...

(many voices speaking at one time)

Mr. Kiel – There's an IRS reason why, it's actually easier to have them have their personal phone and you pay them because if they have a business phone and they are using it for personal use you have to deal with imputed income and things like that. However, if you just pay them per diem to use their phone, you don't have to worry about tracking numbers that are used for personal use or things like that. That's the way we do it at Bowman, I get paid; we all have personal phones and they pay us. I have a signed Agreement that basically says that I have to turn my phone over at a moment's notice.

(many voices speaking at one time)

Mr. Kendzulak, Jr. – Do we table it until the language is developed?

Mr. Watts – No, you are going to approve it subject to my preparing a document that each employee will sign as a condition of receiving payment.

Mr. Tully made a motion to approve Resolution #2014 – 23, Dr. Buza seconded the motion.

Roll Call Vote:	Dr. Buza	-	Yes
	Dr. Dougherty	-	Yes
	Mr. Kendzulak, Jr.	-	Yes
	Mr. Kinsella	-	Yes
	Mr. Tully	-	Yes

Resolution #2014 – 24      Return of L & E Escrow

Mr. Tully made a motion to approve Resolution #2014 – 24, Mr. Kendzulak, Jr. seconded the motion.

Roll Call Vote:	Dr. Buza	-	Yes
	Dr. Dougherty	-	Yes
	Mr. Kendzulak, Jr.	-	Yes
	Mr. Kinsella	-	Yes
	Mr. Tully	-	Yes

6.      **Approval of Minutes:**      Minutes of JANUARY 21, 2016

Mr. Kendzulak, Jr. made a motion to approve the minutes from the January 21, 2016 meeting. Dr. Dougherty seconded the motion. All were in favor.

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

Mr. Kendzulak, Jr. - The bills totaled 509,506.73. All appears to be in order. If you flip to the last pink page, at the very bottom, the lower right corner, we're at 24.14%. Conservatively we're two months through the year so that's roughly 17%; we do pay stuff up front. This, I am a little bit concerned with because we're kind of on the high side. If you look, Mrs. Struening put that we were at 20.13% this time last year. Keep in mind though that Atlantic County Utilities Authority (ACUA); they didn't charge us and we didn't make all the payments we were supposed to and that is reflected in here. We are a little bit on the high side and we need to keep an eye on it.



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

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

8. **Citizens' Privilege:**

None

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

10. **Adjournment of Regular Meeting:**

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

RARITAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY  
WORK SESSION MINUTES

APPROVED

FEBRUARY 18, 2016

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

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1. **The Work Session** of the Raritan Township Municipal Utilities Authority will be called to order upon the adjournment of the Regular Meeting.
2. **Correspondence:**
  - a) Tim Kiel of Bowman & Company, LLC to Board of Commissioners regarding Audit

Mr. Kiel – You should have all received the letter that I gave to the MUA. It's pretty self - explanatory but it does get into some accounting talk. To summarize, the State is way behind, they are now about a year behind on their Pension Audit and we need their Pension Audit in order to finish your Financial Statement Audit. The reason is, is there's a new Governmental Accounting Standards Board (GASB) that came in and I've briefly talked about it before but you now have to record your Pension Liability; that PERS Liability that everybody talks about up at the State about not being funded. You have to record it in your books, your percentage of it. For you it's about 4.8 million dollars and that represents everybody who is working now, everybody who's retired, how much they are going to get in payment from the PERS system. Unfortunately, the State system year end is June 30<sup>th</sup>; now their June 30, 2014 audit just got done two months ago so this shows how far behind they are. They are hoping to have their June 30, 2015 audit done by July. When talking to the person at the Pension she said "we were originally planned on March" and she literally laughed when she said it and said "most likely it will be July". Now that the State realizes their big mistake and that all the municipalities, all the Authorities now have to wait to have their Audit done, we're hoping they will actually get motivated to get this thing done quicker but I wouldn't count on it. So normally in February I'd be here delivering the Audit Report, unfortunately I won't be able to deliver it probably until August. Hopefully we get it in July, and it'll be a quick turnaround because I have the financial statements done and I have everything done I have that 4.8 million dollars from the previous years of report in there, it may change, it'll probably go up a little higher but as soon as I get that report, I can plug it in and turn it around. The State said they are not going to hold anyone accountable for late Audit Reports. If there is a case where between now and then that you need Financial Statements for any reason, we can give you the unaudited Financial Statements if you need them.

- b) Michael P. O'Grodnick of Mauro Savo, Camerino, Grant and Schalk to Board of Commissioners regarding Christie Estates / Eden Holdings – Block 45.03 Lot 34 Preliminary Major Subdivision

Ms. Nicaretta – Mr. O'Grodnick had called and said he was sending the letter and he would like it on the Agenda just to verify that he was okay with his Reservation Agreement. I'm not sure but I think they may have gotten a TWA way back when Mr. Einstein was involved and that's a milestone.

Mr. Watts – They have subdivision approval too.

Ms. Nicaretta – He wanted it on the Agenda and he would like a written letter back saying he's okay.

**3. Unfinished Business:**

None

**4. New Business:**

None

**5. Professional Reports:**

- a) Attorney - none

- b) Engineer –

Mrs. Wohlleb – Unless there are questions I don't have anything to add to it.

Mr. Kendzulak, Jr. – The developer plans to have Costco online by the summer?

Mrs. Wohlleb – I spoke with Mr. Loventhal a couple of weeks ago and that's where they would like to be; whether that's reality, I don't know.

Mr. Kinsella – As far as the Minneakoning Road, with the transite pipe, is everything good with it now?

Mrs. Wohlleb – The testing was done, we provided DOT with the results, which was positive for asbestos containing material. Because it's a DOT project, I suspect what the DOT is doing is trying to work with somebody at the State level, the DEP level to make it as easy as possible for them not to have to do what otherwise would likely need to be done which is following all of the proper protocols and actually remove the pipe instead of abandoning it in place. The intent, if this pipe was not transite pipe, was that once the DOT relocated

RTMUA's sewer, the existing sewer that's located currently in the paved portion of the Route 31 right – of – way, would be filled with concrete and abandoned in place. When you have this amount of transite pipe or asbestos containing pipe, you can't abandon it in place, you have to remove it. I'm waiting to see what DOT is going to propose to do and we have related to the new sewer construction a few more completion items to do. They have all the sewer testing itself to do so there is still work to be done there.

**6. RTMUA REPORTS:**

a) ADMINISTRATIVE / OPERATIONS REPORT

1. Chief Operator / Director's Report

Mr. Kendzulak, Jr. – I see there's a letter in here, Mr. Patel and Flemington Industrial Park, what's going on with that?

Mr. LaFerla – Right now we are just minimum billing the industrial park and this goes back; we've been trying to get information from them for a couple of years now and we hadn't had any luck and we verified they have 260 EDUs that they've been getting minimum billed for. We got information from one of the places over there, Summit Custom Spray Dry, which wants us to sign a paper for the State that they are using about 119 EDUs. So we wrote a letter to the owner of the property that we're going to start charging them fully for the 260 EDUs; hoping to get them in here to sit down with us and get the information that we've been looking for. As soon as we sent them the letter he called us up and we set up a meeting. The next bill that goes out to them, we'll be charging them the full amount for the 260 EDUs until we get the information we need and then we'll know exactly what they're flowing at.

Mr. Kendzulak, Jr. – Johanna Foods, Ms. Wohlleb?

Mr. LaFerla – Mrs. Wohlleb and I both looked at the video and Mrs. Wohlleb had some comments on it and we wrote a letter to Johanna Foods telling them the comments and what we'd like to see done over there and that's what that's all about.

Mr. Kendzulak, Jr. – Are they asking any questions about capacity or anything?

Mr. LaFerla – I haven't heard anything from Johanna on that.

Mr. Kinsella – This pipe, this grease build up, is it restricting flow? It's an eight inch pipe?

Mr. LaFerla – I believe it's a six inch pipe.

Mrs. Wohlleb – It could be that they have six and eight out there but what they TV'ed was six inch.

- a) Overtime Recap
- b) Septage / Greywater Recap
2. ~~Laboratory Summary~~
3. Maintenance Summary
4. Readington Flows

b) COMMISSIONERS' COMMENTS

Mr. Watts – I think it would be appropriate to consider a motion to go into Closed Session for the purpose of discussing possible litigation and Contractual matters and we do not anticipate any official action will be taken once we come out of Closed Session.

Mr. Kendzulak, Jr. made a motion to adjourn into Closed Session for the above stated purpose and Dr. Dougherty seconded the motion. Closed Session was from 6:18 pm – 6:53 pm.

7. **Discussion:**

- a) Capacity Sub – Committee Report

Discussed in Closed Session.

- b) Permit Extension Act Letters

Mr. Watts – Letters are going out to all of the people who have reservations reminding them that June 30, 2016 is the drop dead date and at the Chairman's request I revised the letter to specifically put into the letter what the milestones were.

Ms. Nicaretta – They'll go out in tomorrows' mail.

Mr. Kinsella – They will go out Certified Mail?

Ms. Nicaretta – Certified and Regular mail.

- c) Board of Commissioners Authorization for Mr. LaFerla to Attend AEA Utility Management Conference, March 8 – 9, 2016 in Atlantic City

Ms. Nicaretta – I need your approval or not for him to be allowed to go to AEA.

General consensus was given.

d) Signing of Documents (Signatories Sheet)

Mr. Kinsella – One other thing; I did not attend the Township meeting the other night, I had to work late and someone else couldn't attend the meeting so I'm scheduled for the March 1, 2016 meeting and I'll appear on behalf of the Authority Commissioner's. I'll see what I can do to rectify an unequal situation.

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

9. **Adjournment of Work Session:**

Mr. Tully made a motion to adjourn the Work Session. Mr. Kendzulak, Jr. seconded the motion. All were in favor. The Meeting ended at 6:56 pm.