

APPROVED

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RARITAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY  
REGULAR MEETING MINUTES

JANUARY 15, 2015

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

(908) 782-7466 Fax

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

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

**2. ATTENDANCE ROLL CALL:**

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

Also present were Bruce Miller, RTMUA Executive Director; Greg LaFerla, RTMUA Chief Operator; Regina Nicaretta, RTMUA Executive Secretary; Peter Kocsik, PE, Hatch Mott MacDonald; C. Gregory Watts, Esquire, Watts, Tice & Skowronek.

**3. PLEDGE OF ALLEGIANCE:**

**4. APPLICATIONS:**

None

5. **RESOLUTIONS:**

Resolution #2015 - 01      AEA Annual Membership Dues

Dr. Dougherty made a motion to approve Resolution #2015 - 01, Mr. Tully seconded the motion.

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

6. **Approval of Minutes:**      Minutes of December 18, 2014

Mr. Kinsella made a motion to approve the minutes from the December 19, 2014 meeting. Mr. Kendzulak, Jr. seconded the motion. All were in favor. Mr. Tully abstained.

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

Mr. Kendzulak, Jr. - The bills totaled \$368,233.33. Everything looks to be in order. We're at 13.4% of our budget; if you look at 1/12<sup>th</sup> that would be 8.3%; we're over budget a little bit but again there are bills we pay like the insurance and things like that, that are front loaded so I'm not concerned.

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

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

Mr. Del Vecchio – I think we'll go out of order and at this point we'll do the AFLAC presentation.

Ms. Gaudy – Thank you for having me here tonight. I previously met with Mr. Miller, Mr. LaFerla and Mrs. Struening in December regarding AFLAC and offering it to your employees. Basically, what AFLAC is, is a supplemental

insurance where it does pay policy holders directly to offset out of pocket costs. As far as the business is concerned, it's a way to offer benefits to employees at no cost to the business. It's not going to conflict or compete with any medical insurance anybody may have. The way its' done is it pays the policy holder directly to offset the out of pocket costs of being sick or injured. When AFLAC is offered through a company or a business, it allows employees to pick it up through a payroll deduction at a reduced group rate which is stable; regardless of how old somebody gets or how many claims they've put in, that rate that they pick it up at will never go up. It also gives them access to greater benefits; AFLAC can be purchased on an individual basis but then it has limited products but when offered through a company individuals have more products to choose from. Again, for the business, it's not going to cost anything to offer it, there is a potential pre-tax savings that the business would have; most of the plans are taken out on a pre-tax basis. It's good for retaining quality employees and it is an extra benefit that would be added for employees. For anyone who wants to pick up AFLAC, it's a voluntary program; whoever wants it, picks it up and it comes through a payroll deduction. As I said before, the rates are stable, they won't go up; cash is paid directly to the policy holder. People own their AFLAC policies; if they move or retire and want to keep those plans they keep it with them at the same group rate. They would also have the income tax savings by being able to pick up some plans pre-tax. AFLAC claims are paid very quickly; on average, four business days. I have a flyer that shows all of the different products, there are basically seven different plans that are offered in New Jersey but all of them are designed to off-set out of pocket expenses. There is a plan that will help off-set loss of income due to disability, treatments for accidents, treatments if your hospitalized for a sickness or injury, treatments for if you have a critical illness such as cancer, stroke, heart attack, cardiac arrest; there are also life insurance plans, vision and dental. There's a wide range; this is something you would want to make available, again at no cost to the employer; we would just set up a presentation for the employees to see if it is something they would want to pick up. Are there any questions?

Dr. Dougherty – How is the group rate determined?

Ms. Gaudy – It's basically by industry; it's not by size. You are a municipality so you fall under municipality, utilities authority so you would have the same rate as all the other municipalities that offer AFLAC. There could be ten employees or one thousand employees; it would be the same rate.

Mr. Kendzulak, Jr. – What other Hunterdon County municipalities have AFLAC?

Ms. Gaudy – I could get you a list of that. I personally work with the Franklin Township Sewage Authority. I can give you a list of all the Counties and municipalities that we work with.

Mr. Kendzulak, Jr. – So this is supplemental insurance?

Ms. Gaudy – Yes, that's exactly what it is. It is going to pay directly to offset out of pocket expenses due to sickness or an accident. The individuals, the employees, choose which plans they want. For example, if cancer runs in the family or heart disease, if it's a concern, there is a plan that is designed to pay out as someone is diagnosed and they go for treatment, regardless of what other insurance they have because the out of pocket expense for treatment can be very high, this helps people stay focused on being able to pay their bills, like their mortgage, car payments and utilities in addition to the health insurance that they have. So that's the purpose of it. There was a bankrupt study by Harvard that shows that 66% of bankruptcies are due to medical bills and 77% had health insurance and the reason why is because health insurance is only going to pay for the medical expenses but there is still loss of income, mortgage payments, car payments, utilities, the employee is still responsible for those expenses and AFLAC is designed to help you pay that.

Mr. Kendzulak, Jr. – So it's disability insurance.

Ms. Gaudy – Disability is one plan, it's part of it, so you would choose if you wanted straight up disability insurance where if you're out of work you could have a monthly amount but for the other plans you don't necessarily have to be missing work to get paid out from AFLAC. It's going to go against the treatments you go for.

Mr. Kendzulak, Jr. – What is the fee?

Ms. Gaudy – In the brochure they list benefit amounts. For example, I'm going to use the cancer plan that we have. If somebody is diagnosed with cancer, AFLAC pays \$4,000.00; now with that particular plan, every year that you have it, that benefit will grow by \$500.00 every year up to your sixty - fifth birthday. So for example, if someone had the plan for ten years and puts in a claim, AFLAC sends a check for \$9,000.00 plus whatever treatments they go for. So if they go for radiation for one week, that's \$600.00 so it's a fee schedule regardless of what other insurances you have, it's going to pay that set dollar amount; it goes by the treatments that you actually have.

Mr. Kendzulak, Jr. – Does the employee pay AFLAC directly?

Ms. Gaudy – It's a payroll deduction. It doesn't cost the business anything to offer it to the employees; the premium would be deducted from the paycheck and that allows them pre-tax savings.

Mr. Kendzulak, Jr. – Then the RTMUA would cut a check to AFLAC each month.

Ms. Gaudy – Yes.

Mr. Kinsella – Do all of the employees need to agree to this?

Ms. Gaudy – No, it's not a percentage of the work force; as long as three people sign up and it doesn't have to be for the same plans, it's offered at a group rate for life. Say for example, if only three people wanted a plan, and then two retire you would still be able to offer it, so it's just those three to get the group going and then it's offered for as long as you want to offer it.

Mr. Kendzulak, Jr. – Did you approach the RTMUA on this?

Ms. Gaudy – Actually Mrs. Struening reached out to AFLAC. I think there was an employee who asked about it.

Mr. Kendzulak, Jr. – Here's the question I have and I would certainly recommend this if the employees are interested, there are other entities that do offer it and I think Mr. Miller should look into other ones too and weigh out which has the best plan.

Dr. Dougherty – I think the employees should have a presentation, what we're doing is okaying or not okaying a presentation. If we do agree all we would have to do is agree to take the funds out of their paycheck and send it to you.

Ms. Gaudy – Yes, we just need your permission to present it and if people did want to select it then that we could deduct it from their paycheck.

Dr. Dougherty – So we would approve you handing out pamphlets to our employees.

Ms. Gaudy - The best way for educational purposes and this is how we roll it out at other companies, if we get your approval, we set up a presentation which only takes about twenty minutes and we can do it at different times just to be able to present to all of the employees and this way everybody knows about the benefits being offered, and then they are given all of the brochures with the rate sheet and then we designate a day to meet with them one on one for fifteen minutes just to either sign them up or send them off. That's the most efficient way for people to learn about it and to get signed up.

Mr. Kendzulak, Jr. – If an individual walked up to you and said they are interested in AFLAC, what's the difference between that and going through us?

Ms. Gaudy – It would be higher, and they wouldn't have access to all of the plans, they'd only have access to four plans as opposed to seven plans and it would be about 40% higher and they would not be able to get a pre-tax deduction.

Mr. Del Vecchio – Do we know if any of the employees would be interested?

Mr. LaFerla – The employees were the ones who came to me and I went to Mrs. Struening about it.

Mr. Kinsella – If people sign up and then they want to back out, how does it work?

Ms. Gaudy – Any plan that is taken out pre-tax is going to work the same way as any other pre-tax deduction like a 401K or a health insurance where there

will be an open enrollment period. That's not an AFLAC thing, that's a Section 125 IRS tax code where if you are going to take a pre-tax deduction you are going to have to go through open enrollment. We do have plans that are taken out post tax which if someone signs up for it and then wants to cancel it or make a change three months later it allows you too. Anything post tax does not lock you in. Any pre-tax deduction you would need to be in compliance with the IRS tax code.

Mr. Del Vecchio – So essentially, once they sign up they have to stay in until the end of the year.

Ms. Gaudy – Yes and that is fully explained at the time of enrollment.

Mr. Del Vecchio – Mr. Miller will be back in touch with you again shortly.

**8. Citizens' Privilege:**

None

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

**10. Adjournment of Regular Meeting:**

Mr. Kinsella 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

JANUARY 15, 2015

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

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APPROVED

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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:**  
None
  3. **Unfinished Business:**  
None
  4. **New Business:**  
None
  5. **Professional Reports:**
    - a) Attorney –

Mr. Watts – Regarding the Permit Extension Act; on December 26, 2014 it was extended for one year and the one year applies to us. So again, anything that would have come back to us by the middle of 2015 will not be coming back to us by then. So in speaking with Ms. Nicaretta, what we'd like your authorization to do is write to the people who have these reservations, explain to them what happened, explain to them that if the Permit Extension Act is not renewed again that their Agreement will expire six months after December 31, 2015 which would be July 1, 2016, so they know rather than telling them next January, we'll tell them a year and a half in advance what they can expect and they should check with us next January to see if the law was extended or not. So as far as getting capacity back now, that throws a wrench in it for another year.

Mr. Kendzulak, Jr. – How much capacity do we have tied up as a result of that?

Mr. Del Vecchio – If you look at the report, it's probably like 300,000 gallons.

Mr. Watts – The Agreement gives you two years plus three one year extensions. If there five year period ended anywhere between the beginning of 2008 and the end of this year then they get six more months.

Mr. Del Vecchio – The other thing realistically that you have to look at is when you look at that 300,000 and you look at the individual items, the big numbers that are in there all have TWA's and have something going on. So you're talking about a whole bunch of 1,500 here 3,000 there; there's not a whole lot there. The one that's in there that's not in process right now is the Linque property but we know what's going on there. All of the rest of them that have TWA's are in process.

Mr. Kendzulak, Jr. – There was a check in there for HMM for the Linque property; is there any activity there at all?

Mr. Miller – Yes, COAH. Their engineering group is over there. Something's happening there, I don't know if it's Beazer or Pulte Homes; they've bought it and they're starting to move on it.

Mr. Kinsella – Bought what?

Mr. Miller – The Linque property behind the Fudge Shoppe. One of those big builders has purchased it, Pulte or Beazer, somebody's in there.

Mr. Kendzulak, Jr. – So are they actually starting to build that?

Mr. Miller – They're doing engineering stuff; they went over there and there's a line that runs on the northwest side of the property, it's one of our major interceptors and they're looking at manholes and how they're going to hook into it and all of the rest. I think its COAH or low – income housing element that they have to start off with.

Mr. Del Vecchio – They still have to submit for a TWA though. They're probably doing very initial work there.

Mr. Kocsik – So we have to put a date on every one of these to see what is older than five years old to see what the Permit Extension Act effects.

Ms. Nicaretta – Yes, I have the dates and I gave them to Mr. Watts.

Mr. Kocsik – I don't know how many of these it affects but it's probably the smaller ones.

Mr. Del Vecchio – Yes, the smaller ones, all the bigger ones have TWA's and some of them are in process; Raritan Town Square, Raritan Junction, Baldacchino, Toll Brothers, Raritan Valley Developers, Meadow Run. The only other big allocations out there are Flemington Trade Center and Linque.

Mr. Miller – Flemington Trade Center will be turning in virtually all of theirs, they have one property left.

Mr. Kendzulak, Jr. – How much capacity is Flemington Trade Center?

Mr. Miller – 22,875 gpd.

Mr. Kendzulak, Jr. – What is the status of that property?

Mr. Miller – Everything is built out except one lot.

Mr. Kendzulak, Jr. – What is the status of that lot?

Mr. Miller – It was under contract...



Mr. Watts – But it didn't sell. They don't want to give any capacity back until they know what use they'll have for the last lot.

Mr. Del Vecchio – We're showing that Raritan COAH which doesn't exist anymore.

Ms. Nicaretta – We haven't gotten the Agreements back yet from Junction Road Associates.

Mr. Miller – That capacity just gets moved to Junction Road Associates.

Mr. Kendzulak, Jr. – How about by the Home Depot? They have capacity over there and there's really no use that they have for it.

Mr. Miller – Yes, the Fisher Brothers; there were four lots. One or two of them were taken up with Home Depot and the restaurant. I was talking to Mr. Shuman about it and he's in court with them and said they're close to getting a settlement. He wants to develop the land across from the Home Depot across Commerce Avenue so he wants to use some of that capacity.

Mr. Kinsella – What does he want to develop there? It's zoned commercial.

Mr. Miller – He wouldn't say but he wants to put houses there.

Mr. Kinsella – So it would have to be re-zoned.

b) Engineer –

Mr. Kocsik – Baldacchino and Colucci are the two active developments. Both of them are doing some kind of low pressure sewer connection. We raised the question to both of them of what exactly they are putting in. We're having ongoing discussion with Baldacchino right now. Johanna Foods, we sent them a letter in December about their modifications and we haven't heard back from them yet. We are going out to bid in January for the Motor Control Center (MCC), we got the approval from DEP; we have a bid notice date of January 28, 2015 and will receive bids on February 25, 2015 and hopefully we can award in March. Woodside Farms Pump Station, the pre-con was held and their just starting shop drawings. Hunterdon Central High School (HCHS) the 30 yard manhole, that is active, right now we have been in contact with the school board's engineer, Edwards, we've gotten some drawings and where their utilities are and we're in the process of doing the design for the manholes and lining project and we hope to have plans and specs done by January 29<sup>th</sup> which is two weeks from now. There is a meeting set up with the high school people on that day, sort of a coordination meeting. I get the impression that they want to go out to bid in February, take bids in March and have a Contract done by April. So we are working with them to have design drawings, specifications and bid items as a package that we will give to them that's to be incorporated in their bid package yet still keep it separate enough so

that when the prices come in we know what that value is. We were talking about the "what if" scenario; because this isn't the main bulk of the work, it's a side thing, they need to bring in a sub-contractor in and what if you get attempts at mark up just because of a sub-contractor. What if you get some high prices and you don't want to do this? We were talking and I think there is one option that can be done and it's the pipe lining work which is the most expensive part of this. What is key to them is getting the manholes out of the field so if you get some really bad pricing and you don't want to move forward because it's too expensive, then we just authorize the two manholes and a pipe repair, and it's only \$30 - \$40,000, just do that work this year, so the field can be ripped up and replaced and rebuilt and then we try again ourselves next year or two years from now, as long as the hole is fixed under the goal post and the two manholes come out of the field; we don't have to line the pipe right now, it's just convenient timing right now. If you get bad pricing then we fall back and you just award contract to the main contractor and just authorize the two manholes and the pipe repair.

Mr. Kendzulak, Jr. – We don't want to get into the position of where the sewer work comes in high and then they have to throw out their whole bid package.

Mr. Watts – I'm sure that they will make sure that doesn't happen but that's what's going to be discussed as a concern. They've already said the general contractor is going to have to sub out to somebody who does sewer work. Who knows what kind of prices we're going to get so we have to be prepared just in case.

Mr. Kocsik – The meeting on the 29<sup>th</sup> is more to cover those types of issues; how do they put our documents into their bid and have the "what if" scenarios covered. We don't have an Agreement done yet.

Mr. Watts – That's part of the meeting too; to hammer that out.

Mr. Kendzulak, Jr. – So they were receptive to doing it under one bid?

Mr. Watts – The woman who replaced Mr. Krov is new so we've lost some time. Mr. Miller and I both spoke to Mr. Krov several times before the end of the year and it was going great and then he retired and she is new.

Mr. Del Vecchio – What we should do is have it broken up so there are separate lines for the manholes and the lining so that we can choose what we want to do and just go from there.

Mr. Kinsella – Mr. Kocsik, in regards to the MCC, what's the time frame on that?

Mr. Kocsik – I don't know exactly, I'm going to guess at least twelve months.

Mr. Kinsella – My concern is just for the guys at the plant, its major dishevelment.

Mr. Kocsik – The power will be maintained while their building the system, so there won't be power interruptions; they'll have to use back-up power sometimes. However, with the staging of equipment and getting around, there will be some inconvenience that can't be avoided. I can get a schedule to Mr. LaFerla for when he might need some temporary digs. The 4<sup>th</sup> quarter capacity evaluation; Mr. Miller and Ms. Nicaretta and I all reconciled, we went through them one by one by one. We coordinate with only two exceptions; the difference is around 417 gallons per day (gpd) and 390 gpd; something like 24 gallons off. Last quarters flows were a little bit higher than the previous quarter which was very dry quarter and now we're at approximately 3.5 million gallons of committed and actual flow out of 3.8 million gallons of capacity. Does this need to go to the Capacity Task Force?

Mr. Del Vecchio – I already did that.

Dr. Dougherty – If we did all of this infrastructure repair, why does the flow go so high when it rains? Do we have that many problems?

Mr. Kocsik – I know that over the whole country, the national average, 40% of leakage in the pipeline systems is from laterals. So from the property line to the house there is more I & I from residential. Public agencies can't go on private property; you can fix all of the pipe that you want to in the street. Somebody ties in a roof drain or a French drain...

Mr. Kinsella – We have that problem in Sun Ridge.

Dr. Dougherty – The most important thing is the public isn't aware of this, the politicians aren't aware of this and when they come in here and we show them numbers and show them that there's an excessive flow, they are not aware that basically 40% of part of it is from residential I & I.

Mr. Watts – The Township could adopt an ordinance that authorizes the tving of laterals and if there's a problem then the homeowner is required to fix it.

Mr. LaFerla – We have video from Sun Ridge where you can see it's a sump pump pumping.

Mr. Kendzulak, Jr. – Flemington Borough passed a sump pump ordinance, when a house is sold, the building inspector goes in there and also checks that there isn't an illegal connection. Where did Raritan Township go with it? They didn't do it?

Mr. Watts – No. We requested that they do it.

Mr. Miller – Look at Mt. View, they promised me that one of the things they would do, and it was in their resolution, was they would put manifolding in every house, so there was a thing that said "this is where your sump pump goes" it goes out and goes into the storm system; and it's not there.

Mr. Kendzulak, Jr. – Why not?

Mr. Kinsella – Yes, why not?

Mr. Kendzulak, Jr. – Was it in an agreement or was it a requirement?

Mr. Miller – I think I remember seeing it in a resolution.

Mr. Kendzulak, Jr. – Why is it not being enforced? That ought to be brought to their attention.

Mr. Miller – I did and they just...

Mr. Kendzulak, Jr. – You brought it to whose attention.

Mr. Miller – To somebody in the Township, I forget who it was and they just said "it's not there". I don't know if they modified the resolution or what.

Mr. Kendzulak, Jr. – Don't we issue a Certificate of Compliance?

Mr. Miller – We issue a CO and then a Certificate of Completion.

Mr. Kendzulak, Jr. – No, the CO comes from the Township, not us.

Mr. Miller – I mean a Connection Permit.

Mr. Kendzulak, Jr. – I'd look into that Mr. Miller; this is opportunity to address the problem and not exacerbate it.

Mr. Kinsella – We're talking 108 houses.

Dr. Dougherty – If the Authority is getting pressure from the powers that be, I think they need to be educated on the responsibilities that they also have.

Mr. Del Vecchio – That's part of what we're supposedly trying to do with this sub-committee.

Mr. Kinsella – We need to get the Planning Board involved with this, they are an integral part of this.

## 6. RTMUA Reports:

- a) Administrative Report – ok
- b) Operations Report
  - 1. Chief Operator's Report - ok
    - i) Overtime Recap - ok
    - ii) Septage / Greywater Recap - ok
  - 2. Laboratory Summary - ok
  - 3. Maintenance Summary - ok
  - 4. Readington Flows - ok

c) Commissioner's Comments:

Mr. Kendzulak, Jr. – How's the permit going with the DEP?

Mr. Watts – They are still working on a settlement document that will take care of the existing permit and the next five years.

**7. Discussion:**

a) Elaine Gaudy, AFLAC Presentation

Previously discussed.

b) 4<sup>th</sup> Quarter 2014 Capacity Evaluation

Previously discussed.

c) Permit Extension Act

Previously discussed.

d) Lawn Mowing Proposals

Ms. Nicaretta – We received two proposals back; Leoni came in lowest, the proposal is five dollars less than last year.

e) HCHS Interceptor Repair Project

Previously discussed.

f) Meeting Dates for Year 2015

Mr. Del Vecchio – Any comments on the dates for next year? (no comments)

g) RTMUA Commissioner Officer & Committee Appointments

Mr. Kinsella – I hope we see you next month, Mr. Del Vecchio.

Dr. Dougherty – A vote of confidence in our Chairman, I think one of the reasons the Authority has been able to progress as well as it has in the last five or six years is we have an engineer as a Chairman. Mr. Del Vecchio, you've contributed so much because of your experience and your training. I think the Township needs that kind of people chairing a committee. I endorse your reappointment; we sent a letter that all of us signed, endorsing you.

Mr. Del Vecchio – I thank you, if things work out that I'm not sitting here next month it's been an honor and a pleasure to sit here for ten years with you.

Mr. Kendzulak, Jr. – Hopefully reasonable minds will prevail.

h) RTMUA Professional Contracts

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. Kinsella seconded the motion. All were in favor. The Meeting ended at 6:02 pm.