

APPROVED

RARITAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
REGULAR MEETING MINUTES

JULY 17, 2014

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

(908) 782-7466 Fax

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; Nancy Wohlleb, PE, Hatch Mott MacDonald; C. Gregory Watts, Esquire, Watts, Tice & Skowronek.

3. PLEDGE OF ALLEGIANCE

Mr. Del Vecchio – We will be going out of order a little to go into Closed Session.

Mr. Watts – We will be going into Closed Session to discuss litigation matters specifically the DEP and we do not anticipate any action once we come out of Closed Session.

Mr. Kinsella made a motion to adjourn into Closed Session for the above stated purpose and Dr. Dougherty seconded the motion. Closed Session was from 5:05 pm – 5:50 pm.

4. **APPLICATIONS:**

None

5. **RESOLUTIONS:**

Resolution #2014 - 29 Authorization for Termination of Performance Bond and Retainage Release Payment for South Branch Interceptor (downstream) Repairs

Mr. Kinsella made a motion to approve Resolution #2014 - 29, Dr. Dougherty seconded the motion.

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

Resolution #2014 - 30 Authorization to Accept Professional Integration Services Proposal for MCC Replacement Project from Allied Control Services, Inc.

Mr. Tully made a motion to approve Resolution #2014 - 30, Mr. Kendzulak, Jr. seconded the motion.

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

Resolution #2014 - 31 Authorization to Accept Professional Integration Services Proposal for Woodside Farms Pump Station Rehabilitation from Allied Control Services, Inc.

Mr. Kendzulak, Jr. made a motion to approve Resolution #2014 - 31, Dr. Dougherty seconded the motion.

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

Resolution #2014 - 32 Authorization for Execution of First Amendment to Development Agreement, Toll Brothers, Inc. Mt. View @ Hunterdon (Block 44 Lot 24)

Mr. Kinsella made a motion to approve Resolution #2014 - 32, Mr. Tully seconded the motion. All were in favor.

Resolution #2014 - 33 Authorization for Reimbursement for Construction of Sanitary Sewerage Facilities

Dr. Dougherty made a motion to approve Resolution #2014 - 33, 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 June 19, 2014

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

7. Treasurer's Report / Payment of Bills:

Mr. Kendzulak, Jr. - The bills totaled \$618,942.20. A couple of things of interest in here, the Audit was completed through November 30, 2013 which is the end of our Fiscal Year and basically we were at 88% of the budget which was very good and we had anticipated being around 93%. Where we are on the current budget, we have expended 61.92% through at least June 30, 2014 and some of the July bills were paid.

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

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

JULY 17, 2014

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

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APPROVED

1. **The Work Session** of the Raritan Township Municipal Utilities Authority will be called to order upon the adjournment of the Regular Meeting.

2. **Correspondence:**

- a) Email from Thomas Fik, PE of Carroll Engineering to C. Gregory Watts, Esq. of Watts Tice & Skowronek regarding Allocation Request for Affordable Housing Block 16.01 Lots 37.01 & 54

Mr. Watts – The representatives of the Developer are here. We had received a request for capacity and we let Mr. Fik of the engineering company know that we do not have capacity to give out other than through a point system but they were encouraged to approach the Authority to explain their project and to make the request directly.

Ms. Schwager – My name is Lara Schwager, I'm a Development Principle with Ingerman the Developer. This project has been around on and off again since 2008 which is when we received the original approvals for it. It's an 84 unit Affordable Housing Community. There is a tax credit for an Affordable Housing Community and because of the tax credit regulations it was moving forward and then it wasn't moving forward and we are now full steam ahead on the project and seeking an amended preliminary sit plan approval from the Township for the project. The State funding is in such a place that we believe that the project in 2015 will receive the funding it needs to move forward. It's a main part of the Raritan Township Affordable Housing Plan; its 84 units, 15 one bedroom, 48 two bedrooms and 21 three bedrooms. There is already an allocation of 5,025 gallons per day (16.75 EDUs) on the project that has been reserved and the owner has been paying a reserve for that. One of the most important things for any community is to ensure we have sewer capacity for the project. We were told that you do have the capacity but you do this point system thing and that's why we are here. I'll let Mr. Fik explain to you how the sewers will work.

Mr. Fik – I'm with Carroll Engineering this is an aerial view of the property (indicates a map on an easel) between Minneakoning and Junction Roads, the driveway would be off of Junction Road. This concept plan that we prepared is very similar to the one that was approved by the Planning Board in 2008. In regards to the sanitary sewer, this project will need a pump station; the force main would run through the back of the property to the north to an existing easement that's been filed already on this adjoining land and out to an existing

gravity line in Minneakoning Road. Our design plans will include a pump station, force main; public water will come out to Junction Road and connect to the future or soon to be constructed water main. We will be crossing a wetlands area so we will be required to get a DEP permit for that. As Ms. Schwager mentioned, there is a 5,000 gallon per day allocation on the property, our calculations show that the development will result in a projected flow of 19,350 gallons per day; with the reservation of 5,000 gallons per day we are asking for allocation of 14,350 gallons per day.

Mr. Kinsella – Are these all rental units?

Ms. Schwager – Yes they are all rental.

Mrs. Wohlleb – I do have a question, you mentioned that you are proposing a pump station. It looks like from the site and from my recollection it falls away from Junction Road and there's a stream corridor and it goes up again. Did you consider tying into the gravity sewer that will be constructed on that Junction Road site?

Mr. Fik – I don't have that information, we could certainly take a look at that, I don't know how far it is, and I don't have those plans or anything here. The reason we went in this direction is there's an easement already here created and proposed under the previous application that was our original concept to follow that alignment; certainly we would be interested in taking a look at those plans if you have them available.

Mrs. Wohlleb – Yes, I can put you in touch with the development engineer but the sewer will actually extend pretty close to the "bullnose" of the Junction Road property; it won't go into Junction Road.

Mr. Fik – Yes, I'll look at that.

Mrs. Wohlleb – There's an 8 inch sewer in Minneakoning Road; I don't think we've done metering there in a long time and I'm not sure how much capacity is in that line.

Mr. Del Vecchio – Right now, typically we come out with announcements from time to time that we will be putting out a point system and people can apply for sewer capacity. I can tell you right now we don't have anything planned to come out today or tomorrow; we are looking at doing something shortly but at that point then it's a matter of you applying, we have a system all set up for that, we go through by looking at what our current flows are, what do we have, what are we taking back and everything else and saying "okay, we have this much more that we can allocate out"... We haven't done that now for a few years; once we come out with it I don't see a problem with what you're asking for as far as qualifying for it but as I sit here tonight, do I have a date that I can tell you when you're applying for it? No.

Ms. Schwager – Do you know if you have the capacity or do not have the capacity for this project?

Mr. Del Vecchio – I cannot sit here and tell you that I believe I have the capacity or not, I have to leave that to the professional people that sit here to evaluate, based on current flows the kind of allocations that are available.

Ms. Schwager – As you can imagine, we are at the critical part, especially with a tax credit application, it is affordable housing, we do need to ensure there is sewer capacity for the project.

Mr. Del Vecchio – I understand. We have to initiate that process, as we sit here tonight, I can't guarantee you are going to get sewer capacity. We need to sit down and do an evaluation and say "okay, we are going to put out this many gallons through the point system; it could be 10,000 gallons per day or 70,000 gallons per day.

Ms. Schwager – If we were to make an actual application, would that force you into doing that?

Mr. Watts – No. We would treat this as an application and when and if the Authority makes a decision to go out on a point system, you would be notified by certified mail, because you made a request. I don't think we have any other requests, do we Ms. Nicaretta?

Ms. Nicaretta – No.

Mr. Watts – That is why the Board hasn't acted, we don't have any requests pending. Yours would be on file, you would be on notice and anybody else who requested capacity would be on notice and we'd put an ad in the paper and you'd be given an application to fill out and send back that would be graded.

Mr. Del Vecchio – That brings up another point; with the real estate market the way it was and everything else, no one was looking for capacity and that is part of the reason why we haven't done anything. You're the first ones to ask. With that said, we can sit down and start taking a look at how much capacity we have and we could go out to a point system but that's not a system where people can just apply for capacity like this, we evaluate, we go out with an announcement, people apply and then we give it out and then we may not go out again for two, three years.

Ms. Schwager – Once we file for the tax credit, and we get the credit to build the project we can't wait; there is a time frame in which you have to build. So the only other way I can think to do this legally is we can do a scarce resource filing and that might push you and put you in a position to do that because if we get the tax credits and we don't move forward with it, we lose those tax credits and we would have to reapply and that's why sewer and water capacity is so important to this process.

Mr. Del Vecchio – Lets work the problem backwards. When is your drop dead date?

Ms. Schwager – We are going to start spending money to do the engineering on the project in about sixty days. So before we spend those dollars to do that, the Township is going to ask us if we have sewer capacity as part of our application, so we are about sixty days out from needing to know where we are.

Mr. Del Vecchio – Let me ask our side this; in sixty days can we put together an evaluation of where we are at with capacity?

Mr. Kendzulak, Jr. – Can I make a suggestion? What about the Capacity Committee? They haven't met in a while, would it be appropriate to have a meeting?

Mr. Del Vecchio – Yes, we can have a meeting but even with that meeting, we're still going to have to evaluate what capacity we have. Somebody's going to have to tell the Capacity Committee how much capacity we have to give out. At least if we know there's going to be enough in the kitty if they apply we can tell them that much even though it's not official and then we can get the ball rolling to go out for the point system.

Ms. Schwager – In sixty days all I need to know is that you have it. I know we would rank to the top of your point system because of the type of use that it is. Obviously I'd like to see your scoring sheet on the point system, but I can always file a scarce resource and put myself on the top of it. We don't like to do that but if we have to, we will. And this is the last piece of the puzzle at this point. This isn't in opposition; all a scarce resource filing does is ensure that we get whatever you have available. I'm good with knowing you did your analysis, this is what you have; that works for me. That gives you enough time to go out and do your point system and we can get the award and things of that nature.

Mr. Del Vecchio – Mrs. Wohlleb can you have it done before the September meeting?

Mrs. Wohlleb – Yes, I think we can.

Mr. Del Vecchio – At least at that point we can say "yes we are going to go out for a point system because we have this much". If you haven't seen how the point system thing is written up and the points and what you would get and what you would have to file with us; Mr. Miller can probably get you a copy of it.

3. **Unfinished Business:**

None

4. **New Business:**

None

5. Professional Reports:

- a) Attorney - none
- b) Engineer –

Mrs. Wohlleb – Just a little update on Mt. View @ Hunterdon; they are starting construction, they've been doing some blasting there and they are starting to lay some sewer beginning on Monday. The other thing mentioned at the last meeting was regarding the upstream interceptor; we haven't finished our review of the video work but from what the inspector had seen things generally look good. There are a few issues here and there, some issues with manholes, and a couple of little areas where maybe there is some spot lining.

Mr. Del Vecchio – It's not going to be the huge project that the downstream one was.

Mrs. Wohlleb – No, I think it will be more isolated areas.

6. RTMUA Reports:

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

c) Commissioner's Comments:

Mr. Kinsella – I spoke with Mrs. Struening, Mrs. Phipps and Ms. Nicaretta and we were talking about money coming in and cash flow issues; I thought of maybe taking payment with credit cards, I've heard pros and cons about it. I was told it could be up to \$1,000.00 - \$2,000.00 a week in addition and I'm thinking in terms of cash issues, would this be an idea we want to consider if the cost isn't too high, but someone said there is no cost.

Mr. Miller – There is no cost under a certain number of circumstances and I've been investigating it. Our company, Harris, has a solution and they just sent me an update on it and it's going to probably be \$5,000.00 to upgrade the software; it would be installed here, we'll run it here and so on and so forth. The other solution is Municipay, and what that is, we basically contract with those folks and we put a button on our website. You hit that and it says "you are no longer on the RTMUA website; if you want to pay your \$200.00 bill it will cost you \$203.00". They will charge them the \$3.00 and send us the \$200.00. If you want to go that way, we can go that way.

Mr. Kinsella – Whatever is simple and minimal to the people who work here and have to deal with it every day. I'm just thinking about it to bring more cash in. I think I was told by Ms. Nicaretta during tax sale letter time, people will call and ask if they can make payment by credit card.

Mr. Miller – They can't pay the tax sale amounts by credit card.

Ms. Nicaretta – Yes, they can up to a certain date closer to the tax sale, after that date they can only pay cash or bank check; like now when Mrs. Crown is sending out the first and second notice letters. I had a guy come in and had a call the week she was out and both asked if they could pay with their credit card and I had to say no because we don't take credit card payments.

Mr. Miller – I can bring Municipay in if you want. It doesn't cost us.

Mr. Kinsella – If it doesn't cost us and it is a way for us to increase cash flow; which seems to be critical at times around here, that be a way for us to help that.

Mr. Kendzulak, Jr. – My question is, how many people are we talking about? If it's just a couple, is it worth going through that? Mr. Miller, you're involved with the AEA, what are the other Authorities doing and how are they handling it?

Mr. Miller – It's about fifty - fifty. The people who have already had it in their system have been using it for years and a lot of them are tied in with their municipality; their tax people are doing it too so they piggy back; so whatever solution one has, the other one also has. They don't have that over here and they have been sort of inquiring of me as to if they could piggy back onto us.

Mr. Kendzulak, Jr. – What other Authorities are going to move into this? This has never really come up before. Are they saying "it's the greatest thing since sliced bread; it's really made a difference in getting payments." Or is it more of "it didn't really make a difference."

Mr. Miller – Lakewood is an example. The few people I've talked to have said that yes people do use it. I never really asked them if everyone likes it or do they really love it, do you get fifty percent of your cash in from it or do you have five people use it? I can do that though.

Mr. Kendzulak, Jr. – My only thing is setting it up, if it is going to cost \$5,000.00 and we're only talking about two people, it's not worth it.

Mr. Miller – With the Harris solution, Dee would have to learn how to use that too.

Mr. Kendzulak, Jr. – How many delinquent ones do we have?

Ms. Nicaretta – I don't know but with the guy that came in, he owed something like \$400 or \$500 and he asked if we took credit cards and when I said no, he then said "well, then I'll only pay what I have to" which was \$200 something so I wonder if he would have paid the whole amount if we took credit cards.

Mr. Kendzulak, Jr. – How often does that happen and how many are delinquent?

Ms. Nicaretta – I don't really know; Mrs. Struening and I think at the height of people asking, from the calls we've gotten that haven't gone to Mrs. Crown, at least ten a week. Mrs. Crown thinks the amount of people who ask about credit card payments is lower than Mrs. Struening and I seem to think it is but none of us have any accurate numbers because none of us have been keeping track.

Mr. Tully – The only thing is that \$3.00 service fee; I'm only saying because my wife won't pay an online bill because they charge extra to process it when she can write a check without paying anything extra.

Mr. Miller – I'll ask around and see what people are coming up with.

Mr. Del Vecchio – I guess the thought I would have is, if you go with the service and it doesn't cost us anything, you can use that to evaluate and see how many people really want to pay with a credit card, before you spend any money.

Mr. Miller – If you go with the Municipay, they handle it entirely we don't have anything to do. Every day there is activity, they do a wire to our bank.

Mr. Del Vecchio – What I'm saying is, if we did that and people want to use their credit card, there's going to be a fee to use the credit card but that's up to them. If it doesn't cost us anything to set it up.

Ms. Nicaretta – Mrs. Crown is under the impression that it does cost us.

Mr. Miller – No.

Ms. Nicaretta – She thought that it might cost on both ends, ours and the customers.

Mr. Miller – No, it doesn't. It can't cost us, because if it does cost us, we are basically charging the other people, it's a discount situation. If we told you that you could pay a \$500.00 bill and it's free, and we really end up paying the \$3.00 charge, we are giving them a discounted payment and we're not allowed to do it.

Mr. Kendzulak, Jr. – So what you are saying Mr. Miller is that if we go with go with this one thing, it won't cost us a nickel; then just make the call, say "we

want you to come in here, set it up”, it doesn’t cost us anything and they send us a check. The guy that wants to pay his bill with it pays \$203.00 versus \$200.00 and they make that \$3.00. Now, will they want it before they get in here and say “you guys only have a certain number of people, you have ten people so I can expect to only make \$30.00”. How do they make the decision if they are interested or not in us? I mean I think it is worth looking into.

Mr. Kinsella – People pay their phone bill, cable bill and whatever like this, everybody does this. This gives them the option and we might get our revenue and increase our cash flow.

Mr. Kendzulak, Jr. – So if people pay on January 2, when does Municipay send us a check, then or a month from then? It’s not going to help if they don’t send the check right away.

Mr. Miller – No, within two days.

Mr. Del Vecchio – Before we go and spend any money to have all this stuff, if it’s not going to cost us anything and we offer the option, then evaluate it after a year and see how many people pay by credit card and just see what happens.

Mr. Kinsella – Also, see if it bumps up the receivables and improves the cash flow and if it doesn’t work then forget it.

Mr. Del Vecchio – Even if it doesn’t bump it up, we can leave it there, even if we only get ten payments with it if it’s not costing us anything. The other thing we should look at besides credit cards, the other big thing is PayPal; I don’t know how that would work.

Mr. Miller – There’s a fee on their end.

Mr. Del Vecchio – It’s a percentage but you should look at it. There is a fee but I think they pull it out of our money.

Mr. Kinsella – Yes, and it will be a convenience to the rate payers. So do you want to do something with it Mr. Miller?

Mr. Miller – I’ve been talking with these people.

Mr. Del Vecchio – Municipay sounds like a good thing to start with, if it’s free, we get that then we look into PayPal and give people as many choices as possible.

Mr. Miller – PayPal is an interesting one, I’ll ask about them. They also have the ability to draft a bank account.

Mr. Kendzulak, Jr. – I’d ask other members of the AEA, what are the benefits and what are the disadvantages?

Mr. Miller – I spoke to Mr. Justin Flancbaum at Lakewood and I had just asked him how was it setting it up and he said it works fairly well basically once you get it set up. There will be an expense because we’ll have to talk to CSI about all the techy stuff but getting it on the website shouldn’t be a problem. We’ll see what happens.

(tape in recorder broke at this point)

7. Discussion:

a) 2nd Quarter Capacity Evaluation

Mrs. Wohlleb – There were elevated flows for April and May but were lower in June. The total flow for this quarter was 3.722 MGD which reflects a surplus of .078 MGD. I was just thinking that the Township has capacity for just COAH; could that be used for the Junction Road project?

Mr. Del Vecchio – Did Johanna Farms ever get us the information we requested when they were here asking about capacity?

Mr. Miller – No.

Mr. Del Vecchio – We should contact them about it.

b) Draft of Budget

Mr. Miller – This is a very rough draft for your review.

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 6:58 pm.