

APPROVED

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RARITAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY  
REGULAR MEETING MINUTES

NOVEMBER 21, 2013

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; James G. Coe, PE, Hatch Mott MacDonald; C. Gregory Watts, Esquire, Watts, Tice & Skowronek.

3. **PLEDGE OF ALLEGIANCE**

4. **APPLICATIONS:**

a) None

5. **RESOLUTIONS:**

Resolution #2013 - 59      Resolution of Raritan Township Municipal Utilities Authority Declaring its Official Intent to Reimburse Expenditures for Project Costs from the Proceeds of Debt Obligations

Mr. Langhart – I'm from McManimon & Scotland, Bond Counsel for the Authority. This is a resolution that relates to the 2014 NJEIT projects. If you were to go ahead and spend money for plans, specs, drawings etc., out of your General Fund now, once we get the proceeds from the bonds, you will be able to take those proceeds and pay yourself back. This resolution takes effect sixty days prior to adoption so anything you have already paid out sixty days before today, you'll be able to reimburse yourself for.

Mr. Kendzulak, Jr. – We're not eligible to go after the design fees for this? My understanding was prior to sixty days.

Mr. Langhart – You'll have preliminary design fees that you will always be able to finance through Trust. As you get more involved if you run into a problem, like you had very detailed drawings, that you had been spending a lot of money for, they are not standard run of the mill drawings, you'll have the opportunity to reimburse yourselves.

Mr. Kendzulak, Jr. – Even if it occurred prior to the sixty days?

Mr. Langhart – Yes, it's probable. You probably put in a cost for your drawings, if it is way above that, it's probably something we would look at.

Dr. Dougherty made a motion to approve Resolution #2013 - 59, 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

Resolution #2013 - 60      Series 2013 Supplemental Bond Resolution of the Raritan Township Municipal Utilities Authority Supplementing and Amending Certain Provisions of the Authority's General Bond Resolution Duly Adopted on June 17, 2010 and Providing for the Issuance of Not to Exceed \$4,500,000.00 Principal Amount of 2014 Sewer System Revenue Bonds, in One or More Series of the Raritan Township Municipal Utilities Authority to be Issued Through the New Jersey Environmental Infrastructure Trust Financing Program

Mr. Langhart – This is the supplemental bond resolution, you have a general bond resolution by which you can borrow, every time you do another project, you adopt a supplemental bond resolution and this one is to not exceed \$4,500,000.00 as we discussed.

Mr. Tully made a motion to approve Resolution #2013-60, 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 #2013 - 61      Authorization to Execute Contract Modification Form No. 3 for SCADA Phase II and Main Treatment Plant Blower System Replacement

Mr. Tully made a motion to approve Resolution #2013 - 61, 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

Resolution #2013 - 62      Approval of Payment Application No. 11 and Acceptance of Maintenance Bond for SCADA Phase II and Main Treatment Plant Blower System Replacement

Mr. Kendzulak, Jr. – Mr. Coe, the bond is for one year but I thought the maximum you could ask for is two years. It's very common to have one year but should we, in our future contracts, if it's allowed, should we look to go for two years just to extend it out and buy ourselves a little longer guarantee associated with a project?

Mr. Coe – I'll take a look at that, if I can verify what you're saying is true; I didn't realize that.

Mr. Watts – I didn't realize that either.

Mr. Coe – I can also get in touch with some contractors and see how much that might cost you.

Mr. Del Vecchio – You might want to stay with one year because when you get into instances where you have a big piece of equipment, like the blowers, we may request a two year warranty through the vendor. The contractor is going to go back to the vendor if something goes wrong with the equipment anyway.

Mr. Kendzulak, Jr. made a motion to approve Resolution #2013 - 62, 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

Resolution #2013 - 63      Establishment of Administrative Salaries

Dr. Dougherty made a motion to approve Resolution #2013 - 63, Mr. Tully seconded the motion.

Roll call vote:	Chair Del Vecchio	-	Yes
	Dr. Dougherty	-	Yes
	Mr. Kendzulak, Jr.	-	No
	Mr. Kinsella	-	Yes
	Mr. Tully	-	Yes

Resolution #2013 - 64 Approval of and Authorization to Execute Labor Agreement between RTMUA and Teamster Local 469

Resolution #2013 – 64 was Tabled.

Resolution #2013 - 65 Amending the Approved Budget

Mr. Miller – At the last Board meeting, Mr. Kendzulak asked us to go through and make some changes and these are the changes. Am I correct Mr. Kendzulak that these are the changes you asked for?

Mr. Kendzulak, Jr. – I'm not going to say these are the changes I asked for, what I asked for was for you to go back and take a look at the various line items and see where we could cut back. I think I used the term "pain on both sides" in the appropriation side as well as the revenue side because our rate payers are going to be hit again for another rate increase.

Mr. Kinsella made a motion to approve Resolution #2013 - 65, Dr. Dougherty seconded the motion.

Roll call vote:	Chair Del Vecchio	-	Yes
	Dr. Dougherty	-	Yes
	Mr. Kendzulak, Jr.	-	No
	Mr. Kinsella	-	Yes
	Mr. Tully	-	Yes

Resolution #2013 - 66 Adoption of Certified Budget

Mr. Kinsella made a motion to approve Resolution #2013 - 66, Dr. Dougherty seconded the motion.

Roll call vote:	Chair Del Vecchio	-	Yes
	Dr. Dougherty	-	Yes
	Mr. Kendzulak, Jr.	-	No
	Mr. Kinsella	-	Yes
	Mr. Tully	-	Yes

**6. Approval of Minutes: Minutes of October 17, 2013**

Mr. Tully made a motion to approve the minutes from the October 17, 2013 meeting. Mr. Kinsella seconded the motion. All were in favor. Dr. Dougherty abstained.

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

Mr. Kendzulak, Jr. - The bills totaled \$600,343.61. Generally, we're below our budget.

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

**8. Citizens' Privilege:**

Mayor Mangin – I am the Mayor of Raritan Township. This year has been an unprecedented year with our budget. We closed six union contracts, a new union, we had our fifth largest tax payer default in 2012, giving us a huge deficit, depleting our reserve fund which was not State compliant at the beginning of the year. We had over 110 tax appeals, many of them at the County level, high enough tax appeals that went to court; we won some, lost some. I guess in essence, it was a very difficult year but I want to thank the RTMUA Board for putting up the \$60,000.00; because it helped us close the gap, it helped us bring it down to \$36.00 per homeowner, so thank you. That's not why I'm here tonight. Besides the letter I'm going to pass out tonight which is about Forrest Drive and at least four homeowners, it's talking about sewer extension. From my purview, I see the RTMUA as more cause and effect, you wait for the developer to come in, the developer says "I want it, here's a number" it works, it doesn't work, it's Costco, it's Toll Brothers, it's whoever. And sometimes moving slow is a good thing but we do have and with Mr. Miller's help, and the Planner and myself and going to the DEP, we have finally a new sewer extension for Raritan Township. I would like to request that in planning, you look a little further and look at planning for the eastern portion of Raritan Township; I'm not sure exactly of what area. I also have seven or eight homeowners calling me by phone, leaving me messages from Samuel Drive. I have in Twin Pointe eight septic failures. I spoke to the gentleman that sent in this email and the concern is the stench in their neighborhood, in the summertime it smells; the sewage is coming up above ground. They are concerned about their drinking water and their wells. I didn't make any promises and I want the Board to know that. I said that they would have to pay a Connection Fee and when it comes to the governing body that

they'll get some kind of added assessment. I also told them that they either have to buy time and do some repairs or do whatever you can because this may take a year or two. What I'd like the Board to do is maybe take a selection and I can turn over some additional information that's it's just not this street; it could be Samuel Drive, Madison Avenue, Twin Pointe, where a lot of people are asking "are the sewers ever going to move into this area"? Maybe we start to do that planning and how we are going to get it paid for. That's my request tonight and hopefully you will consider that at another meeting.

Dr. Dougherty – We went through this before with another area of the Community and we did a cost analysis about five or ten years ago for what it would cost for the hook up and it came out to more than \$35,000.00. That was for the connection for us to move the sewer pipe, to put it there and open it up so people could connect to it and there was a large amount of people who came here and we gave them the facts. They said they'd put in a new septic system, it would be cheaper. What the public needs to know is the Authority needs to look at it, what we have, what we can do and what the true cost would be because someone has to pay for that true cost. We can have our Engineer look at it if everyone agrees, look at the cost of it and get back to you as soon as we possibly can and say "here's some facts" for when you talk to them. I think that's the best way to handle it.

Mr. Miller – One of the problems with that study was it was done way back when by someone who loved to build pump stations and they had four or five pump stations in that plan and what we did at that time was we just updated the cost.

Mr. Coe – I think we did suggest that some of those pump stations be eliminated and go to pressure sewers where each house had its own pump and that eliminated some Authority pump stations which are now running close to one million dollars to build.

Mr. Mangin – I know it's a costly endeavor but if we get this out there, I haven't seen a new septic under \$40,000.00; and repairs can go for \$20,000.00 to \$30,000.00. I think when someone's septic system goes bad now, unless there is a sale; they are just sitting there, biding time and calling. If the RTMUA can target an area, I'll get the word out to the Township.

Mr. Del Vecchio – What I would say is it would be an inordinately high cost just for a couple of homes but to look at an area and say "okay, this development has problems", we bring the sewers into that development and spread it down all of the streets. Let's assume it could be all gravity sewers, that is probably the way to look at it. Maybe the best way is to have the Planner look at an area that's having a lot of problems and kind of draw a box around what you want us to look at. Then we could have our Engineer, based on the topography and everything take a look at it, is it all gravity sewer, does it need a pump station and

tell us what the cost is to put in all of the infrastructure. If we put in the infrastructure for sixty homes, sixty homes have to connect.

Mr. Watts – There is an ordinance, they have to connect. They are forced to connect. And that can be a problem because people whose septic systems work will call you and say “why are you making me do this, I’m not having a problem with my septic system”. It’s everybody or nobody because when you bond these things, the bonding people want to know that you are going to make everybody connect and they will be the revenue flow to pay the bonds back.

Mr. Coe – The Authority hasn’t gotten the best cooperation from the County Health Department on these issues either. Studying these things, these people aren’t the Authority’s customers now, they are potentially future customers but they may never be customers. The Authority has studied this twice, once by Mr. Santowasso of Heritage Consulting Engineers about twenty years ago and then by my firm, Hatch Mott MacDonald (HMM) about ten years ago. We can study it again and we can wind up with the same event but if there’s not an established health need to help the Authority say “yes, this is something we need to do” which is a function I believe of either the local or County Health Departments.

Mayor Mangin – I’ll be speaking to them soon.

Dr. Dougherty – Is there a way we can help the Mayor and the Community by giving them some preliminary facts, just a rough idea by HMM looking at the trunk lines and everything else and give them rough estimates, make sure they know they are just rough estimates, and if you tell them the facts and tell them it’s the best we can give them right now; if they put in a trunk line and it requires a pump station and it requires the whole area to hook up and we divide it by the sixty homes or so that it’s mandatory for them to hook up; that this is a rough number of what it’s going to cost you, so they have facts to deal with. The people who are not fixing their septic systems and are stinking up the area; isn’t that a public health problem?

Mr. Del Vecchio – The last time when we had all those people here, and they packed this place; there were people who said they hadn’t pumped their systems in ten years and some who were never going to pump it. We always anticipated this would come up.

Mr. Coe – The Health Department could demand and put the burden on the individual homeowner to fix or replace their system. The Health Department can’t really direct the Authority to do anything but they can provide the Authority support and reasons why the Authority should consider a major project like this.

Dr. Dougherty – There may need to be an ordinance that says anyone who isn’t on sewer must have their septic pumped a minimum of three years or whatever it is that’s the recommended way to do it and follow up and enforce it. Something that says you need to show proof you’ve had it pumped out.



Mr. Kinsella – A lot of these systems are having problems not just because of not pumping but because they're becoming derelict. There are all kinds of things going on and you ask anyone who goes to sell their house, they'll say "I didn't know that was going on". It's not just because of lack of pumping. They are becoming mechanically deficient.

Mr. Mangin – Thank you for your time and I will have the Planner get in touch with you Mr. Miller.

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. Tully seconded the motion. All were in favor.

RARITAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY  
WORK SESSION MINUTES

APPROVED

NOVEMBER 21, 2013

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) Correspondence for Board of Commissioner's from Jeffrey Martell of Stonefield Engineering and Design, LLC regarding Block 9 Lots 14.01 & 15

Mr. Martell – I'm Jeff Martell from Stonefield Engineering. I was here a few months ago with the gentleman from North Flemington 2012, LLC; the Chase Bank developer. It was approved for 2 EDUs for the Chase Bank. The bank will most likely open next year. What we also spoke about was that we had a total of 20 EDUs under a conditional allocation and what we promised this Board was we'd be back here by the end of the year to discuss our plans for the remaining 18 EDUs of conditional capacity. I wanted to give the Board an update of where the applicant stands. We are currently in design for an application for the remainder of the property and as things has developed it will also include a portion of the Raritan Village Shopping Center; there was approval for a 42 unit residential building behind the diner, behind the strip mall that has the liquor store in it. That project never moved forward, it had an affordable housing component, between the affordable housing and that it was only 42 units, for whatever reason, Raritan Village Shopping Center never moved forward with that project. So there is kind of a joint venture that is evolving as we speak between North Flemington 2012, LLC and the Raritan Village Shopping Center owner which is Mr. Jack Cust and various other partners. An architect has been engaged, we have a meeting pending with the Raritan Township Planner and things are moving forward and it will hopefully be residential but that would obviously require a Zoning Board application for a use variance for the expansion of that prior residential or some other means in which to get that done, but most likely a use variance. I don't have anything concrete in terms of telling you that we submitted an application, what I can tell you is we will likely be here asking for 18 EDUs plus potentially another 40 or 50 EDUs beyond that 18 EDUs if all goes well. We did promise we'd be back here and we didn't want to leave you hanging. So with that said, we'd like to preserve our rights under that conditional allocation but more or less wanted to tell you we would be pursuing formal

application in the beginning part of the year. If this Board deems it appropriate, we'd come back within another 90 days and hopefully at that time I'd have an application pending or have something formal submitted to the Township but the Applicant did ask me to attend this meeting and more or less give you an update in good faith because we promised to do so.

Mr. Watts – This was a conditional allocation made under the last point system; this particular applicant while they asked for a particular amount of capacity they didn't give us any plans. The Board directed that all of the people in the same situation should be sent a letter giving them a certain amount of time within which to come back to us with plans and this developer came to us and asked us for more time and now they are here tonight wishing to extend that out.

Ms. Nicaretta – I'm pretty sure that the apartments from Raritan Village Shopping Center did get allocation through the point system; I think there is capacity reserved for that. I'd need to double check and I'm not sure how much capacity for that part that Mr. Cust had.

Mr. Martell – Even if that has allocation plus the 18 EDUs, we'll likely ask for more beyond that as well.

Mr. Watts – What the Board needs to decide is rather than cut off the conditional allocation you may want to give this Developer additional time to come up with the plans.

Mr. Martell – We'd like to request an additional 90 days.

Mr. Watts – A letter should go out giving them a date for that.

3. **Unfinished Business:**

None

4. **New Business:**

None

5. **Professional Reports:**

a) Attorney - none

b) Engineer –

Mr. Coe – The meeting on December 3<sup>rd</sup> with the DEP is firmed up regarding the Authorities Permit appeals. That's no longer tentative, it's confirmed.

**6. RTMUA Reports:**

- a) Administrative Report
- b) Operations Report
  - 1. Chief Operator's Report
    - 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:

**7. Discussion:**

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

Mr. Coe – You continue to have a dry period so as a result you have a much lower base flow, so right now, you have available capacity after all allocations of 700,000 gallons. That's a pretty good situation for the Authority. The rainfall has been low but I think it's also indicates that the work that has been done to address infiltration is helping.

- b) RTMUA Interceptor Internal Inspections Assistance (HMM)

Mr. Coe – This letter deals with first, a section of pipe that got damaged and was fixed and I think we received confirmation through some TV work that it was done well. Then the letter goes on to request authorization for us to be more formally involved in what the Authority is doing relative to the inspection of its sewer lines. The Authority staff is doing a great job in getting out there and inspecting the sewers. I think our firm can be helpful in providing some monitoring of those activities to make sure that the quality of the TV work is good and also to more importantly evaluate how best to repair those deficiencies that are encountered during the inspections. The letter provides a number of things that we propose to do including getting some of the information into a database that would allow it to be more readily accessed. We are proposing to provide the

Authority with service in respect to this on a reimbursable basis in accordance with our annual fee schedule. We're suggesting a budget for these services of a \$30,000.00 but that could be monitored from month to month. I think ultimately it will lead to developing a contract for some future rehabilitation work. You'd have to go out to bid with a contract to correct some of the deficiencies that the Authority's staff would be unable repair.

Mr. Miller – I have a question, on the bottom of page two, it says “the data from the CCTV inspections will be entered into PipeSmart!”; we use Granite XP, is there any possibility that your people could enter it in that?

Mr. Coe – Yes.

Mr. Del Vecchio – This \$30,000.00 is for the South Branch Upstream Interceptor?

Mr. Coe – It's for whatever sections the Authority's staff decides they are going to do; they may look to us to ask what they should do next. It talks about specific manholes but it can be for any of the alignments that the Authority chooses to inspect.

Mr. Del Vecchio – Mr. LaFerla, this is the upper end of the line we just did all of the repairs on?

Mr. LaFerla – Yes. We have about a third of it done.

Mr. Coe – There is a sag and some deterioration. The advantage we may have with this pipe though is we probably don't need that capacity that's in it. Maybe it can be sleeved rather than how they repaired the other pipe.

Dr. Dougherty – Mr. Chairman, I have another commitment that I need to go to. (6:15pm)

Mr. Coe – I think the logic is that by working more together, and not just coming in after the Authority staff, we'll get a better product from Mr. LaFerla's staff and it'll make our job easier to analyze because we'll be able to have high quality TV work, make sure they have enough light in the sewers. We deal with a lot of contractors that do this work and it's sometimes hard to get a good job done and we will have a different kind of relationship with Mr. LaFerla's staff.

Mr. Del Vecchio – How is this going to be paid for?

Mr. LaFerla – We have money in the bond for this job.

Mr. Del Vecchio – Mr. Kiel, is it okay to use the money from the bond for this project?

Mr. Kiel – Yes, as long as the money in the bond was for that project.

Mr. LaFerla – Yes, it is.

Mr. Watts – Then you don't need a resolution to authorize accepting the proposal from a money standpoint.

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

Mr. Watts – We will be going into Closed Session to discuss Contractual Matters and we do not anticipate any action once we come out of Closed Session.

Mr. Tully made a motion to adjourn into Closed Session for the above stated purpose and Mr. Kendzulak, Jr. seconded the motion. Closed Session was from 6:25 pm – 7:04 pm.

9. **Adjournment of Work Session:**

Mr. Kinsella made a motion to adjourn the Work Session. Mr. Tully seconded the motion. All were in favor. The Meeting ended at 7:05 pm.