

APPROVED

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RARITAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY  
REGULAR MEETING MINUTES

SEPTEMBER 17, 2020

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:**

Mr. Grand	Here
Mr. Hazard	Here
Mr. Kendzulak, Jr.	Here
Mrs. Robitzski	Here (arrived at 5:05 pm)
Mr. Tully	Here

Also present were Raymond Frank, RTMUA Chief Operator; Regina Nicaretta, RTMUA Executive Secretary; Dan Madden, PE, Johnson, Mirmiran & Thompson; C. Gregory Watts, Esquire, Watts, Tice & Skowronek.

3. **PLEDGE OF ALLEGIANCE**

4. **APPLICATIONS:**

- a) Application for Preliminary Sewer Service Class I – B, TWA Required, Junction Road Urban Renewal Associates, LLC (Block 27 Lots 22 & 23)

Mr. Kendzulak, Jr. – I see we have people here from the public; we will move to Item #8, Citizen's Privilege at this time. If you could introduce yourselves and let us know what you are here for.

Mr. Koester – I'm Tony Koester, with the law firm of Dilts & Koester in Flemington. My purpose here tonight is on behalf of Flemington Industrial Park; I have with me Suresh Patel, who is one of the principles of Flemington Industrial Park. The reason we are here before you tonight is that there is a tax sale that is going to occur on September 28, 2020 with regard to Flemington Industrial Park's property. That tax sale is for \$152,000.00 and some odd dollars. The genesis of this is, issues regarding capacity, metering and also flow and it's been under discussion for a number of years. I'm a latecomer to this, my partner George Dilts, who just retired at the end of August, had been handling this through that time and now I'm here on behalf of them. Our request, respectfully to the commissioners, and I did call Mr. Watts with regard to this, and I know my partner had been in touch with Mr. Watts as well; and my partner had written a letter back in October of 2019, is to request relief and I'm trying to find a way for that relief to occur. We have done a little bit of legal research on tax sales to see if there is something that could happen. My client called the Tax Collector in Raritan and revealed that if this body were willing to do something with regard to that sale, it could happen. I think perhaps there is something that could be done. My humble request, because there are a number of issues involved, is if this body could put off that sale for thirty days, to allow us to have a few things happen. One is, I know there were plans submitted by Summit Custom Spray Dry which is the tenant that creates most of the flow at Flemington Industrial Park and that's been a long source of issue and I think the genesis from probably the beginning. They submitted plans, I think a week or ten days ago, and with regard to those plans, we are looking for approval and my best information is, it will take four weeks to install that meter. Summit Custom Spray Drying is intent on doing that because they have an Administrative Consent Order with DEP that is forcing them to install a spray drier; they have an approval to do that and finally are at the point of installing that. That is number one with regard to the meter and I know that's been an issue for this Authority and my client with regard to exactly how much is being sent to the RTMUA. With regard to capacity, I think there have been ongoing discussions in that regard. In terms of the ultimate penalty, or payments, interest and penalties, my client would like to enter into good faith discussions with the Authority to work out a resolution with a payment plan. To pay \$152,000.00 within eleven days or within the redemption period is not going to likely be possible, though my client can speak to that. I don't know what the process is, Mr. Watts, you and I had a brief call this morning. I made a few calls, I called the Township attorney's office, and the DiFrancesco Firm to speak with a couple of the attorneys there, I did not have a subsequent call though I was hoping for that.

Mr. Watts – Did they advise you that it can be withdrawn? The Tax Collector said that it can't be done.

Mr. Koester – I want to be clear, they didn't advise me of anything, I'm hoping to have that call as part of my research to find out if that can be extended; I can't make that representation.

Mr. Watts – The one question I know the Authority is going to have is, what about the metering for the rest of the site?

Mr. Koester – I'm going to have my client speak to that.

Mr. Patel – There are two meters that are to be installed. You have the proposals, right?

Mr. Frank – For the first one, yes.

Mr. Patel – No, there are two meters to be installed, one for the Custom Spray Dry and another one for the rest of the Park.

Mr. Frank – Me and Mr. Madden looked at plans for Summit Custom Spray Dry but as far as the rest of the Park; you've had three different engineers submit three different proposals, three different times and they've all fallen short of having anything actually done. They were approved three different times and they were never installed so any one of those three could have gone forward and been installed.

Mr. Patel – We will do what is needed but as far as I know, they had to send a proposal for approval to you. Mr. Kimmick told me he spoke to you yesterday and he's waiting for your engineering consultant to give us a final approval.

Mr. Frank – Yes.

Mr. Patel – That's what I know.

Mr. Watts – That's Summit Custom Spray Dry and we've had that just for a short time. Again, I'm not clear, maybe the Board is, metering for the balance of the site, where does that stand because we don't seem to have any plans to act upon for the other metering.

Mr. Patel – That proposal is for two meters.

Mr. Watts – That's not my understanding, it's a proposal for Summit Custom Spray Dry only not for the rest of the site.

Mr. Patel – That will be for the rest of the site too.

Mr. Watts – Have you submitted a plan to meter everything other than Summit Custom Spray Dry?

Mr. Patel – Yes.

Mr. Watts – You've submitted it to this Authority?

Mr. Patel – That's what I was told.

Mr. Watts – Who told you that?

Mr. Patel – The Custom Spray Dry people because they are responsible for the meters.

Mr. Watts – Summit Custom Spray Dry is going to submit plans for both meters?

Mr. Patel – Yes.

Mr. Frank – I was not under that impression.

Mr. Patel – They are the major user for the water. The whole issue came up because of their operation. This has been going on for the last maybe three or four years, roughly, back and forth. For whatever reason, that never got materialized until recently.

Mr. Frank – Yes, because the DEP got involved.

Mr. Watts – Do you understand the position of the Authority? This has been going on since 2016, where we wanted to meter both Summit Custom Spray Dry and the rest of the site. Here you are at the eleventh hour, because you're about to go up for tax sale and now all the balls are in the air, we don't have time to look at the Summit Custom Spray Drying plans yet to approve them and as far as we know the plans are only for Summit Custom Spray Drying and not for the rest of Flemington Industrial Park. We're in a very difficult position because you've basically given us no choice because this has gone on so long. We've been back and forth and told you we can't discuss any kind of negotiating of the outstanding charges until both meters are installed so we can't discuss that. At least the Board's position here to fore has been they don't want to and now we're up against the clock, really through no fault of the Authority.

Mr. Kendzulak, Jr. – This has been going on for how long, that we've made these requests for flow meters? We are talking about years; we are not talking about months. With all due respect, you're here eleven days before this, why wasn't this resolved much sooner? I'm going to be straight up with you. At this point, there is nothing in me that wants to extend this thirty days. You have eleven days to figure it out, so figure it out. That's my position. There are other commissioners here, if they feel otherwise, then please speak up. This has been going on way too long, we haven't gotten the cooperation that we have asked for, now, for lack of a better term, your backs are up against the wall, you have eleven days and now here you are coming in, looking for an additional thirty days. I have no interest in granting a thirty-day extension. That's my position.

Mr. Koester – If we're able to verify there is another plan, for the rest of the site, as Mr. Watts indicated, within the eleven days, could we discuss the extension at that time? That's what I'm trying to investigate.

Mr. Kendzulak, Jr. – Let's talk about good faith. In good faith, this should have been addressed years ago the way I understand it. Here we are, this is no fault of the Authority, the ball has been in your court, Mr. Patel, to deal with this for quite some time. You've had more than enough opportunity, we've asked for the additional flow meters, we never got the response back, to me it's done. We haven't gotten what we asked for a long time ago.

Mr. Patel – It's not that we have been sitting idle. We have been working back and forth, you can ask Ms. Nicaretta how many times I have been here to this building and spoke to whoever was in charge at the time.

Mr. Kendzulak, Jr. – You've been asked to provide flow meters for quite some time. The flow meters have not been provided. You can't dump this back in our lap; you made your own bed with this thing. I'm being frank with you. Feel free to jump in and that goes

for staff too if I'm not telling it the way it's been then please correct me. Do any other commissioners have anything to add? If any of you disagree with me, please say it.

No response from any commissioners.

Mr. Koester – I regret that. It's not okay, there are plans in front of you.

Mr. Kendzulak, Jr. – I regret having to tell you this but the time was there and it seems like you're under the gun because of what you set yourselves up for, you're coming here and asking for relief. If we had this discussion six months ago, maybe in good faith you could have done something to demonstrate that it was warranted and we would have seen something and given you another thirty days but not with eleven days left and this has been going on and there have been multiple requests for these flow meters.

Mr. Kendzulak, Jr. – As there is no one else from the public, we'll move to the Audit, Mr. Cragin is here and then we'll go right into the Budget. Mr. Cragin, it's all yours.

Mr. Cragin – We completed the December 31, 2019 Audit. If you remember, the Board voted to extend the fiscal year 2019 for an additional month to get the Authority on a calendar year. The audit was completed despite COVID. I do want to note that the staff was exceedingly helpful in helping us to complete the audit in tough times. The staff let us come and pick up records so that we could complete this thing in a timely fashion and I really do appreciate all the staff's help with that. The results of the year; the Authority finished the year increasing Net Position by a million dollars. There were a few things that helped that. Benefits costs related to GASB 68 which is related to pensions and GASB 75 which is related to post employment benefits. All benefit costs were down approximately \$400,000.00. It's important to note that the numbers we're talking about are for a thirteen-month period; we're not \$400,000.00 from a twelve-month period. Additionally, revenues were up to 7.6 million dollars for the thirteenth month period. During FY 2018, total revenues were 6.7 million dollars. Adding onto that, service fees were up \$700,000.00 and Connection Fees were up just over \$80,000.00. The Report had no Findings which is a remarkable feat due to the number of compliance items staff has to address over the year. There are fewer and fewer Audits I issue without any Findings, so that in itself needs to be commended and your staff should be commended on that. Everybody has a handout that will help inform you of a few things. This one here, is a recap of the Net Position for the Authority as of December 31, 2019. I realize that the top of the page says January 1, 2021; this is a page out of the 2021 Budget, but I think it is kind of important and it helps inform our discussion with a few things going forward. The total Net Position of the Authority on December 31, 2019 was just over thirteen million dollars. Of that, twenty – two million dollars was invested in Capital Assets; your plant, your assets. I know you're looking at me, if we only have thirteen, how can we have twenty – two? The Authority is in a deficit, which I will get to. The other categories of Net Position include, \$305,000.00 set aside for debt service reserve, and \$376,000.00 set aside for other reserves, \$245,000.00 for bond service, \$93,000.00 for Renewal and Replacement (R & R). I'm bringing attention to that number because we're

also going to discuss that tonight. Then the \$37,000.00 set aside for unemployment which is State required. That leaves the Authority in a deficit as of December 31, 2019 in just under ten million dollars. For budgetary purposes, the State allows the Authority to add back two items. The liability associated with GASB 68 which is associated with pension and GASB 75 which is post-employment benefits. The reason for this is these are very long-term liabilities, paid out over the next thirty, forty, fifty years. For budgetary purposes, the State allows Authorities, not just Raritan Township MUA, to add these liabilities back to get an assessment of where the Authority is today. Once these liabilities are added back, the Authority has unrestricted Net Position available for budget purposes of 4.6 million dollars. It's a good idea of how the Authority is without these long-term liabilities factored in. These are the numbers that help form Net Position available to help balance the budget, Net Position available for Capital purposes. Those are some of the numbers from the December 31, 2019 Audit that I want to bring to your attention that will help inform, not only our budget discussion but also there have been discussions about increasing the R & R reserve. Does anyone have any questions on the Audit?

Mr. Kendzulak, Jr. – I saw as far as we're supposed to review the Audit, and go over the section that is on page 87, which is Schedule of Findings and Questioned Costs and basically it's either not applicable or there are none. The one issue from last year has been corrected and we're good. Some of the things I saw in here, I don't know if this is a separate discussion we should have, you go through and you discuss on page ten, the reassignment of wastewater management planning (WMP) responsibilities are now with the Freeholders and all this WMP stuff to some degree, it's pulled out of our authority and lies with the County, but with that being said, this whole WMP, where has this thing gone? I thought we were making some progress. Who went to the meeting with me at the County to talk about the WMP? This thing goes back to 2008. Is there something to be concerned about?

Mr. Madden – The last I recall, we submitted all the numbers and the County, Mr. Bogan, was fine with Raritan's numbers, we went through all of that. We were in the midst of it when all this stuff happened, the C-1, the ACO. They had hired an independent consultant to...

Mr. Kendzulak, Jr. - ...and what they did was they ended up pulling that money away.

Mr. Hazard – I was at that meeting with you that time.

Mr. Kendzulak, Jr. – They had a consultant, they were going to evaluate Flemington, they were going to evaluate us, and what happened was, this whole C-1 came to be and what they did was they pulled the money out of that study and then they put it into evaluating the C-1. As far as getting back into it, Mr. Madden, is that something you can possibly reach out to Mr. Bogan about? On where are we? We may very well not be anywhere with that. Some of the other things, on page eleven, this whole thing with phosphorus and total maximum daily load. If the DEP, and this is our concern, Mr.

Madden this is pretty much for you, we discharge into a C-1 waterway, if they start implementing the phosphorus thing on that, how are we going to deal with that? Are we going to be able to pull all the phosphorus out that we need to?

Mr. Madden – Anything they implement is going to impact us. It's going to depend on the limits of course.

Mr. Kendzulak, Jr. – I guess they went down to .6, I guess milligrams per liter, versus .1, which is good news but under a C-1 where you can't have any measurable increase, is that even doable? Just something to be said for that. Okay, Mr. Cragin.

Mr. Cragin – That's a brief recap on where the Audit stands. Before we get into the 2021 Budget, I know you're going over a Capital Budget Amendment tonight. What happened was the plans for the roof on the plant came in a little higher than what was allowable on the budget, so the budget amendment, all that does is increase the Capital Budget appropriation and the Net Position will be utilized to make it so you can accept that bid. The last thing I'll go over before we get into the Budget; because it is kind of related to where you stood on December 31, 2019, is your R & R account. The Authority has a decent amount of cash available and one of the things that hasn't been addressed in a while is this R & R reserve. The R & R reserve is a number set aside, and it's required in your Bond Resolution, it's by the Executive Director's certificate and resolution by the Board, to set aside some money for Capital needs of the Authority. At \$93,000.00, you're on the lower side. The last time the Authority had their R & R needs evaluated, the number came back somewhere around \$750,000.00 and that was a few years ago. It may be a good time, based on this Net position, where you are after the liabilities of 4.6 million to maybe increase that R & R reserve to a number that's at least closer to the assessed needs the last time the engineer looked at it.

Mr. Kendzulak, Jr. – You're saying the last time they looked at it, it was around \$700,000.00?

Mr. Cragin – Yes, there was a letter that evaluated that.

Mr. Kendzulak, Jr. - That is the Renewal and Replacement and that's required by the Bond?

Mr. Cragin – Yes, the Bond Resolution has a paragraph in there that says...

Mr. Kendzulak, Jr. - ...do they require a certain percentage?

Mr. Cragin – The last time it was evaluated, the letter is dated April 2017. It was recommended that two percent of replacement costs of RTMUA's assets were \$749,000.00.

Mr. Kendzulak, Jr. – What would you suggest or what would you recommend?

Mr. Cragin – That \$750,000.00, that would be your goal. I would say increase it in step fashion. Maybe since your Net Position is healthy at 4.6 million, you do maybe \$500,000.00, get the number to \$500,000.00 with the goal of getting it up to \$750,000.00.

Mr. Kendzulak, Jr. – So, that would be taking money that we have on hand and transferring it into the Renewal and Replacement fund.

Mr. Cragin – Correct. It would also take from your unrestricted Net Position that we talked about on this sheet. It would take it from the 4.6 million and move it up to the line that says, “Other Restricted Net Position”.

Mr. Kendzulak, Jr. – So, it’s something we do have money for, it’s just a matter of shifting the money. Let’s face it. If we had a problem, we’d be going into that pot of money anyway.

Mr. Cragin – Exactly. It’s just sets aside for when something happens.

Mr. Kendzulak, Jr. – It’s dedicated to that.

Mr. Cragin – Even if you increase it to \$500,00.00 and something happens tomorrow, you just do a resolution that says “we’re going to take the R & R down to \$300,000.00 because the money that we set aside for something to happen, well, something has happened now.”

Mr. Kendzulak, Jr. – Can we make a decision on this now?

Mr. Cragin – You can decide whether or not you want to think about it or give directive and you’ll have a resolution.

Mr. Kendzulak, Jr. – Mr. Hazard and Mr. Tully, as far as the budget, you’ve been going through this. Are there any issues if we jack this thing up and pulled money out of the other funds and moved it? I don’t know if \$500,000.00 is the magic number or if it doesn’t have to go up that much.

Mr. Hazard – I would just check that with Mrs. Struening. Make sure there’s no double-edged side of the sword.

Mr. Cragin – We can table this discussion on whether or not you want to do this until we talk about the 2021 Budget and what Net Position you want to utilize and see if that changes anything.

Mr. Tully – I want Mrs. Struening to look at it through.

Mr. Cragin – Mrs. Struening’s recommendation was to come here and approach you. In her memo to me she said around \$500,000.00, so I know she is on board with it. Her thing is, she looks at cash available and she has a decent amount of cash available in her Operating Fund so she is looking to get it invested for the Authority in the R & R fund or the Trustee account to earn more money on that.

Mr. Kendzulak, Jr. – Is the Budget Committee going to meet again?

Mr. Hazard – We don’t have anything on the schedule.

Mr. Tully – There’s only a couple of things left.

Mr. Kendzulak, Jr. – I don’t know if this is something that is just a phone call and talk about it and we just say okay. I’ll turn it over to these guys and as long as your satisfied with whatever Mrs. Struening thinks.

Mr. Cragin – There might be one more Budget Meeting that you guys might need to have, depending on how the rest of the night goes and how you feel about the 2021 Budget and to iron out a few other things. This doesn’t need to be done today or tomorrow or the next meeting, it is something I see that should be addressed by the Authority.



Mr. Kendzulak, Jr. – While we're on that, I guess you're talking about the 4.6 million, taking a portion of that and dedicating it to the Renewal and Replacement Fund, but also, Ms. Nicaretta made a copy of Mr. Hazard's email with the summary from Mr. Cragin in regard to debt and we're looking at 9.8 million of debt and Flemington Borough is on the hook for 1.2 million, which brings us to 8.6 million. A couple of years ago, I remember Mrs. Robitzski you questioned if it made any sense to pay off or pay down bonds. That's a question for you, Mr. Cragin.

Mr. Cragin – I think the Authority at the end of 2017 or 2018 had refunded their debt, so your interest rate is at a decent level at this point. The debt that you could repay is the bond principle, 2.6 million. The 7.6 million of loans, is EIT. I'm fairly certain that they don't allow for early repayment on that. The only debt you really have outstanding is 2.6 million. Whatever payments are due in 2021, there's not a long period of time remaining on those bonds. I'd say there is two maybe three years left on those bonds.

Mr. Kendzulak, Jr. – On the 2.6 million?

Mr. Cragin – Yes, though I think I may be mistaken. It is in the Audit Report; it's in Schedule 10, page seventy – five. I'm sorry, you're paying that down approximately \$200,000.00 at a time. So, you have ten years left.

Mr. Kendzulak, Jr. – My question for you is, is there any merit in making principle payments against that to retire some of this debt sooner than later. What's the best way to spend this 4.6 million? I know we have another discussion on utilizing some of that for the 2021 Budget to offset costs or a rate hike as well as going into future years, we don't want to deplete it. Is there any merit in taking some of that money and paying that debt down?

Mr. Cragin – I would definitely say there is merit in taking a look at it. You would have to talk to Bond Counsel, Mr. Langhart and ask "when are the bonds callable" things like that. It's definitely worth looking into; your bonds are at four percent interest so you may be able to experience some savings with that. If you're looking to use your cash, we don't have the Capital Budget yet, so I don't know what your Capital needs are, you may realize that paying down bonds or using your cash to fund Capital Projects so you don't need to issue further bonds, maybe the way to go.

Mr. Kendzulak, Jr. – Wouldn't it be cheaper to borrow money as far as the interest rate?

Mr. Hazard – The Township just did a whole series for next year, it's crazy rates. We got one for under one percent.

Mr. Cragin – I had a Township issue ten-year bonds and the highest rate on any of the coupons was two percent.

Mr. Hazard – Raritan Township is AA rated, almost AAA rated so people were in line to bid on our stuff.

Mr. Cragin – These are all things to consider.

Mr. Kendzulak, Jr. – This is dialog between you and Mrs. Struening and Mr. Langhart?

Mr. Hazard – That's a conversation we should have before the next budget. I'll tap down on that one because that is what the Township has done very well.

Mr. Kendzulak, Jr. – If you're talking one percent versus four percent.

Mr. Cragin – I think it's worthwhile to have a conversation, see how you can leverage the interest rates or leverage the cash you have on hand to help pay that down.

Mr. Kendzulak, Jr. – With that being said though; my recollection in past years when we talked about how much debt we had, you basically said, we're okay.

Mr. Hazard – We're actually not that high because of the Capital.

Mr. Kendzulak, Jr. – But that nine - million-dollar number, personally, I don't like it.

Mr. Cragin – You have to remember, a lot of this debt has been issued fairly recently, the EITs were 2012, 2015 and 2017; a lot of this was to address aging infrastructure and the clarifiers. You've hit a pocket where you've done a lot of Capital Projects. Is the Capital going to slow down? Are there major needs that still need to be addressed? Are you going to continue to need to issue debt? It may be worthwhile to pay down some to make room for new debt at one or two percent.

Mr. Kendzulak, Jr. – Mr. Hazard, you'll reach out to Mrs. Struening and whatever.

Mr. Hazard – I'll do it tomorrow.

Mr. Cragin – We're onto the Budget now. The 2021 Budget, you may know how this works. The Authority develops where they think their expenditures are going to be and I take a look and see where the revenues have shaped up from the 2019 Audit and try to project that forward. The Operating expenses, for the 2021 Budget are just under forty thousand dollars less than what you budgeted for 2020. That's your operating expenses, your salaries, your other expenses, your benefits for your employees. There is an additional \$711,000.00 budget for Capital Projects and the \$581,000.00 for the existing debt services, similar to what was budgeted in 2020 and the additional debt service from the EIT clarifier project which we expect to come in 2021 adds another \$125,000.00 of debt service for the 2021 budget. That brings the total estimated expenses for the 2021 budget to just under 7.5 million dollars.

Mr. Kendzulak, Jr. – Which is less than the current budget year.

Mr. Cragin – Correct. The 2020 budget is 7.55 million and you're talking about 7.47 million for 2021.

Mr. Kendzulak, Jr. – There are a couple of outstanding issues that we were talking about Mr. Tully that we were going to look to possibly add on but it's not a huge amount. I think what we're really looking at is even if you added that amount in there, \$77,000.00 wouldn't be much of a significant increase tied to it anyway.

Mr. Cragin – I'll bring to your attention to a couple of numbers that are flexible inside of expenditures right now. There are some issues with the C-1 appeal budget. Mrs. Struening informed me that there were discussions about a SCADA evaluation, there's nothing included as of right now.

Mr. Kendzulak, Jr. – That's one of the things we were talking about we were going to add stuff to.

Mr. Cragin – And the Pension payment for 2021 hasn't been finalized yet. For financial stability, I've estimated a ten percent increase, last year it was a decrease. I don't expect to continue to see decreases in the Pension payment. We have it estimated at a ten percent increase, it could come in lower by the time Pension gets around to it. Usually, it's around this time of year when the payment comes out so probably either before Introduction or before Adoption, we'll have a better idea of where the Pension costs will sit. Health Benefits is also something; we've budgeted three percent on health benefit costs. The Health Benefits cost is something that scares me. Over the past three or four years, Health Benefit increases have been set at zero percent. Given the economy, I don't see that a lot anywhere else but in State Health Benefits. I have a feeling that the bill for all these zeros for the past couple of years, may come due. I continue to advise to budget for an increase, but it may come in at zero. That impacts your retiree's and your active employees.

Mr. Kendzulak, Jr. – I'd rather prepare for the worse than fall short.

Mr. Cragin – I can't stand before you and say your health benefits are going to stay at zero. That is not reasonable to me. It may happen but I can't say it is. The same thing with the Pension. Last year we budgeted for a ten percent increase and there was maybe a five percent decrease. I would never have said "Pension is going to go down". I'm here this year saying, "there is no way Pension is going to go down."

Mr. Kendzulak, Jr. – Mr. Hazard and Mr. Tully, you guys went through this; all these numbers are reasonable?

Mr. Hazard – We went through it line by line. We talked about future projects. Mr. Frank was there; everyone was there so I think we're comfortable with it. The debt conversation came, which is a longer term conversation but that just needs to be part of our planning moving forward.

Mr. Kendzulak, Jr. – You guys, as far as what's been budgeted for this year, you're good. Mr. Tully, the SCADA thing is something we need to look into. Mr. Frank, I know Mr. Sciss put in for an additional body, another mechanic. I know I've seen something on it.

Mr. Cragin – That is currently in the budget.

Mr. Kendzulak, Jr. – Are there any other outstanding things? We're pretty close here.

Mr. Cragin – The fact that your operating expenses are decreasing, the budget is pretty tight and there's not a lot of fat on it. I see many more operating budgets increasing by one or two percent. I would say there was a decent amount of hard work put into this budget. I'll move on to the revenue section. The miscellaneous revenues; we've basically stayed consistent over the past couple of years on what we expect. The one line I'll point to is the interest income. While in FY 2019 we collected \$90,000.00, I felt it was prudent to leave that number down at \$45,000.00 due to COVID and the decreasing interest rates

and things like that. I think it is better to be conservative there based on the economy. The septage is based off of the 2020 projection of where your numbers are coming in for 2020. The hook – up fees, we always budget conservatively on that. You can never rely on them. Moving down to inter – governmental; we budgeted fairly conservatively on Flemington Wet Weather Facility (FWWF). We took in \$693,000.00, during the thirteen-month period for FY 2019 so we're budgeting \$625,000.00 for this year. The \$159,000.00 is based on the existing debt service schedule. I have that one number highlighted for \$135,000.00; that is contingent right now. We're trying to determine what Flemington's responsibility for the Capital Improvements included in the expenditure side of \$711,000.00. That number may fluctuate as we finalize the budget.

Mr. Kendzulak, Jr. – Just one thing, and I'm going to go back to the expense side. The C-1 stuff, if we don't prevail in this thing, what are the potential expenses, and Mr. Madden, this is probably more for you, that we may end up incurring in FY 2021?

Mr. Hazard – I don't think, except for legal, you're going to incur any Capital expenses. That will be more in 2022 and 2023 when it's implemented.

Mr. Watts – The Permit isn't going to change and it's not going to be anything immediate.

Mr. Kendzulak, Jr. – That's the thing with the Permits, all the things we'd have to deal with. So, basically, it's just the legal that we're dealing with here and I guess we must have accounted for that in the Budget.

Mr. Hazard – Yes, we did.

Mr. Cragin – Just to touch a little more on the revenues, the residential, I get an EDU count as of September 2020. So, the residential is based on the EDU count as of September 2020. The Commercial, is an interesting factor. There is some concern with the finances, and it was shared with me the effects of COVID on the surveys you perform for your commercial customers. You may see a different revenue. So, we estimated ninety – five percent based on the EDUs as of September 2020. It's a conservative amount as you can see, even with the rate increase of two percent being used in this model, the commercial revenues are decreasing from what we expected in 2020. We're factoring in some residual effect from COVID on revenues. If it doesn't end up panning out and your revenues are fine, then we're being conservative in that area. The Industrial, again, we're being conservative there. Inside your Industrial, that category is Industrial and Schools. That revenue expected by the schools is expected to decrease. So, we budgeted a decent amount less just in case the schools don't have the billings that we experienced in the past years. Again, you'll see Industrial is budgeted less than what we had budgeted in 2020 despite the two percent increase. Even with all these conservative estimates on revenues, you'll see on that highlighted line, Net Position Utilized, the budget is even more balanced that it was last year. Last year we used \$280,000.00 of Net Position to balance the Budget. This year the plan that we have right now is to use \$240,000.00 of Net Position Utilized. We talked earlier, there's about 4.6 million dollars

for the Authority to utilize in this area, so \$240,000.00 is right in the range of fairly conservative, you're not putting a whole bunch of Net Position into trying to balance your Budget. It's a good place to be, moving forward.

Mr. Kendzulak, Jr. – What I don't want to do, is be cash rich, where we have too much cash on hand. Obviously, we have opportunities to pay down bonds, we have opportunities to fund future projects, and it may be, with as cheap as it is to borrow money, it's not worth utilizing our cash position, it's better to go out and borrow. Mr. Madden, as far as Capital Projects that we have going forward. Obviously, the clarifier project was a big one and we would have been going through the EIT anyway. What else is out there?

Mr. Madden – I think just general pipe and things like that.

Mr. Kendzulak, Jr. – What kind of magnitude are we talking about?

Mr. Madden – I think probably a million dollars if we had a real big problem, but we don't have that right now, we don't see that. So, I would say maybe a few hundred thousand. Maybe not next year but the year after.

Mr. Kendzulak, Jr. – Maybe another sludge holding tank, we're holding off on that because of to see what happens with the ACO. Phosphorus removal, that's all future stuff but until that Permit comes through, we're not going to do it. Now with this C-1 stuff.

Mrs. Robitzski – We're coming in under budget but we're still having a two percent increase. Is that to increase the Renewal and Replacement Fund?

Mr. Cragin – The two percent increase is used to; your Revenues are a little bit shallower than last year, so the two percent is helping to increase that. If you look at the \$135,000.00 number that I highlighted, while we're anticipating a \$135,000.00 contribution, last year we anticipated \$416,000.00, that's a lost source of revenue that we don't have. The two percent increase is being utilized to offset that. With that being said, I wasn't sure where you guys would sit on how much Net Position you want to utilize. If you are okay with using \$350,000.00 in Net Position, then you have a zero percent increase. One percent puts you right around \$291,000.00. Keep in mind, there are a couple of expenditures that could move, a couple of revenues that could move. The direction I would be looking for is how much Net Position are you looking to put in, and what kind of rate increase are you comfortable with. I use the benchmark of two percent. In past years, that is the number you guys have kind of settled on, that's the number the Township is capped at. Two percent has been the number. I started with this number, but I came with two or three numbers.

Mr. Kendzulak, Jr. – Let me ask you this here, what is your recommendation? If you go through to the future and you talk about those crazy numbers and pension and benefits in the future, it was something crazy like fifteen million dollars or whatever. Does it make sense to have this, recognizing at some point that it's going to be time to pay the piper, that we'll have to deal with it. That all goes into play with the people retiring. Mr. Frank, I know you're here for another twenty years but how many people do you have that are getting ready to retire?

Mr. Frank – Quite a few.

Mr. Cragin – You're people are earning service credits year after year; you're going to be on the hook for an amount anyway whether they retire here or whether they go work somewhere else for another five or ten years. It's still going to be factored into that the Authority is responsible for payment every April 1<sup>st</sup> and basically a portion of that is for what people are earning now, what people are getting paid out after they retire. Things like that. The one thing I'm going to point out; a two percent increase is one dollar a month and that is fairly small. We've sat here and talked tonight, there could be some scary numbers coming in your future if you have to deal with the C-1 or Capital needs. I always think it's better to have small increases that are staggered year after year. People tend to get used to that; "oh my sewer bill went up \$3.00 a quarter". People don't tend to get upset with a dollar here or a dollar there. The authorities I see that get into trouble are the ones that do a zero increase, and a zero increase and a zero increase and all of a sudden they come to me and say "we need to pay for this"; and I have to do it, we're talking twenty percent increases. I did a rate study where I increased rates, twenty percent, fifteen percent, and fifteen percent over a three-year period because that's what they needed to do because they hadn't raised rates in ten years. That's when you get people upset.

Mr. Kendzulak, Jr. – I'm okay with your recommendation. The stuff on the radar screen like C-1; we don't know what we need to deal with that. We had an issue, and it was relatively inexpensive, but we had an issue where we had a line, a force main break. The system isn't getting better, it's getting older and that may be more and more of what we see.

Mr. Watts – We have that Administrative Consent Order (ACO), which at some point is going to make us come up with a plan to deal with the FWWF and that's going to be a lot of money.

Mr. Cragin – Like I said, with the economy and with the way COVID is right now, everyone is going to be hesitant to raise rates and stuff like that. You're not asking for an exorbitant amount of money; I think a dollar a month is a reasonable amount. My goal is I'm going to try to stick to this two percent. Is there a number where the Board would be uncomfortable with Net Position if a couple of these things come back and I'm at \$300,000.00 Net Position? Is that something where I should go back and start asking for cuts? I just want an idea so I can have a good budget in place.

Mr. Kendzulak, Jr. – What you're looking at, \$240,000.00, we were at \$280,000.00 last year. We're not talking about adding a lot to this Budget anyway.

Mr. Cragin – My big concern is, the \$135,000.00, I'm not sure where that's going to go. My job is to have you guys have a Budget to Introduce. Not that you can't have a conversation at next month's meeting to make this and this and this adjustment and still Introduce. I just want to have an idea of "Mr. Cragin, if you get over \$300,000.00 Net Position, it's not going to be a budget that we're really happy about" and then you tell Mrs. Struening to start cutting.

Mr. Kendzulak, Jr. – Should we be concerned if it is over \$300,000.00?

Mr. Cragin – Based on where the budget came in at 4.6 million, I don't even think \$350,000.00 is something to really...

Mr. Kendzulak, Jr. - ...so when you get to that point...

Mr. Cragin - ...once you start getting higher than that and you really start to try to balance your budget with a big number, that's when you have to start looking at, should we have a bigger rate increase to not rely on reserves to balance the budget.

Mr. Kendzulak, Jr. – Unless I'm missing something, I don't see us getting to that point from what we're talking about modifying this thing for. To me, if \$350,000.00 sounds good with you and where we are, then I'm okay with taking it up to \$350,000.00. If you get above that, then you have to bounce it off of...

Mr. Hazard - ...then you run it by us.

Mr. Cragin – I'll let you guys know, but again, if you utilize a little bit more in this budget, it helps to reduce that cash reserve you're concerned about.

Mr. Kendzulak, Jr. – So, that's pretty much where we are. So, maybe another budget meeting.

Mr. Cragin – My plan is to have a budget for you to Introduce within State Statutes at next month's meeting.

Mr. Kendzulak, Jr. – Any questions for Mr. Cragin before we continue with the meeting?

Mr. Hazard – On the Audit, thank the staff on the super clean Audit. There are not a lot of clean Audits.

Mr. Kendzulak, Jr. – And that's to be echoed, Mrs. Struening, for what she did and how close she worked with it. Going back to last year, there was one glitch but...

Mr. Tully – That wasn't even anything major.

Mr. Kendzulak, Jr. – Kudos to the staff on getting through this. I know if there's questions, Mrs. Struening is hot on it.

Mr. Cragin – I can't always have an educated conversation with my clients; that is not an issue here. Mrs. Struening is very responsive, she understands what's going on. All of the staff, whether it's the Billing Clerk, or Ms. Nicaretta with bids and contracts, everybody has a great concept of what's going on and is really helpful. It makes my life a lot easier and makes the Audit go a lot easier, so I really appreciate it.

Mr. Kendzulak, Jr. – Okay, Mr. Cragin, very good.

Mr. Cragin – Do you need me here for the Introduction of the Budget next month?

Mr. Kendzulak, Jr. – I don't think it's really necessary.

Mr. Cragin – Unless there's a hiccup or something, I won't plan on coming next month.

Mr. Kendzulak, Jr. – Mr. Watts, we have several resolutions, most of them are tied to money, is there a way we can approve all of these at once under one motion or do we have to do each one separately?

Mr. Watts – It needs to be by roll call vote, and you need to ask if anyone wants to back any of them out for discussion. If nobody wants to do that, it can be done en masse.

Mr. Kendzulak, Jr. – I'll request a motion to approve Resolution #2020 – 46 through Resolution #2020 – 59; would anyone like to remove any of these resolutions for discussion?

No requests to do so.

Mr. Kendzulak, Jr. – Is there a motion to approve these resolutions?

Mr. Tully – So moved.

Mrs. Robitzski – Second.

Mr. Kendzulak, Jr. – Roll Call Ms. Nicaretta.

**5. RESOLUTIONS:**

Resolution #2020 - 46      Audit Report Review for Fiscal year Ending December 31, 2019

Mr. Tully made a motion to approve Resolution #2020 – 46, Mrs. Robitzski seconded the motion.

Roll call vote:	Mr. Grand	-	Yes
	Mr. Hazard	-	Yes
	Mr. Kendzulak, Jr.	-	Yes
	Mrs. Robitzski	-	Yes
	Mr. Tully	-	Yes

Resolution #2020 - 47      Resolution Adopting Amended Budget for Fiscal Year 2020

Mr. Tully made a motion to approve Resolution #2020 – 47, Mrs. Robitzski seconded the motion.

Roll call vote:	Mr. Grand	-	Yes
	Mr. Hazard	-	Yes
	Mr. Kendzulak, Jr.	-	Yes
	Mrs. Robitzski	-	Yes
	Mr. Tully	-	Yes



Resolution #2020 – 48 Authorization for Execution of Agreement for Reservation of Wastewater Treatment Capacity (Block 27 Lots 22 & 23)

Mr. Tully made a motion to approve Resolution #2020 – 48, Mrs. Robitzski seconded the motion.

Roll call vote:	Mr. Grand	-	Yes
	Mr. Hazard	-	Yes
	Mr. Kendzulak, Jr.	-	Yes
	Mrs. Robitzski	-	Yes
	Mr. Tully	-	Yes

Resolution #2020 - 49 Approval of Preliminary Sanitary Sewer Service Class I-B, TWA Required, Junction Road Urban Renewal Associates, LLC (Block 27 Lots 22 & 23)

Mr. Tully made a motion to approve Resolution #2020 – 49, Mrs. Robitzski seconded the motion.

Roll call vote:	Mr. Grand	-	Yes
	Mr. Hazard	-	Yes
	Mr. Kendzulak, Jr.	-	Yes
	Mrs. Robitzski	-	Yes
	Mr. Tully	-	Yes

Resolution #2020 - 50 Approval of and Authorization to Execute Agreement for Transfer of Wastewater Treatment Capacity and Assignment of Agreement for Reservation of Wastewater Treatment Capacity, Royal Road Properties, LLC to Samy and Nihad Elkholy (Block 36.02 Lots 14, 15 & 16)

Mr. Tully made a motion to approve Resolution #2020 – 50, Mrs. Robitzski seconded the motion.

Roll call vote:	Mr. Grand	-	Yes
	Mr. Hazard	-	Yes
	Mr. Kendzulak, Jr.	-	Yes
	Mrs. Robitzski	-	Yes
	Mr. Tully	-	Yes

Resolution #2020 - 51 Authorization to Accept Proposal for Professional Services of Kleinfelder  
(Not to Exceed \$5,000.00)

Mr. Tully made a motion to approve Resolution #2020 – 51, Mrs. Robitzski seconded the motion.

Roll call vote:	Mr. Grand	-	Yes
	Mr. Hazard	-	Yes
	Mr. Kendzulak, Jr.	-	Yes
	Mrs. Robitzski	-	Yes
	Mr. Tully	-	Yes

Resolution #2020 - 52 Approval of Emergency Force Main Repairs  
(\$14,251.22)

Mr. Tully made a motion to approve Resolution #2020 – 52, Mrs. Robitzski seconded the motion.

Roll call vote:	Mr. Grand	-	Yes
	Mr. Hazard	-	Yes
	Mr. Kendzulak, Jr.	-	Yes
	Mrs. Robitzski	-	Yes
	Mr. Tully	-	Yes

Resolution #2020 - 53 Award of Contract for Purchase of Dry Polymer  
(Bid Amount = \$1.845 / lb.; \$35,055.00 total bid)

Mr. Tully made a motion to approve Resolution #2020 – 53, Mrs. Robitzski seconded the motion.

Roll call vote:	Mr. Grand	-	Yes
	Mr. Hazard	-	Yes
	Mr. Kendzulak, Jr.	-	Yes
	Mrs. Robitzski	-	Yes
	Mr. Tully	-	Yes

Resolution #2020 - 54      Award of Contract for Purchase of Inorganic Sulfur Dioxide  
(Bid Amount = \$0.6666 / lb.; \$39,996.00 total bid)

Mr. Tully made a motion to approve Resolution #2020 – 54, Mrs. Robitzski seconded the motion.

Roll call vote:	Mr. Grand	-	Yes
	Mr. Hazard	-	Yes
	Mr. Kendzulak, Jr.	-	Yes
	Mrs. Robitzski	-	Yes
	Mr. Tully	-	Yes

Resolution #2020 - 55      Award of Contract for Purchase of Sodium Hypochlorite  
(Bid Amount = \$0.94 / gal.; \$70,500.00 total bid)

Mr. Tully made a motion to approve Resolution #2020 – 55, Mrs. Robitzski seconded the motion.

Roll call vote:	Mr. Grand	-	Yes
	Mr. Hazard	-	Yes
	Mr. Kendzulak, Jr.	-	Yes
	Mrs. Robitzski	-	Yes
	Mr. Tully	-	Yes

Resolution #2020 - 56      Award of Contract for Repairing and Resurfacing Operations Building Roof  
(Bid = \$37,800.00)

Mr. Tully made a motion to approve Resolution #2020 – 56, Mrs. Robitzski seconded the motion.

Roll call vote:	Mr. Grand	-	Yes
	Mr. Hazard	-	Yes
	Mr. Kendzulak, Jr.	-	Yes
	Mrs. Robitzski	-	Yes
	Mr. Tully	-	Yes

Resolution #2020 - 57      Approval of Proposal for Janitorial Services  
(Proposal = \$9,780.00 for year)

Mr. Tully made a motion to approve Resolution #2020 – 57, Mrs. Robitzski seconded the motion.

Roll call vote:	Mr. Grand	-	Yes
	Mr. Hazard	-	Yes
	Mr. Kendzulak, Jr.	-	Yes
	Mrs. Robitzski	-	Yes
	Mr. Tully	-	Yes

Resolution #2020 - 58      Approval of Proposal for Mowing Services  
(Proposal = \$500.00 / cut)

Mr. Tully made a motion to approve Resolution #2020 – 58, Mrs. Robitzski seconded the motion.

Roll call vote:	Mr. Grand	-	Yes
	Mr. Hazard	-	Yes
	Mr. Kendzulak, Jr.	-	Yes
	Mrs. Robitzski	-	Yes
	Mr. Tully	-	Yes

Resolution #2020 - 59      Return of Legal & Engineering and Inspection Escrow

Mr. Tully made a motion to approve Resolution #2020 – 59, Mrs. Robitzski seconded the motion.

Roll call vote:	Mr. Grand	-	Yes
	Mr. Hazard	-	Yes
	Mr. Kendzulak, Jr.	-	Yes
	Mrs. Robitzski	-	Yes
	Mr. Tully	-	Yes

6. **Approval of Minutes:** Minutes of August 20, 2020

Mr. Tully made a motion to approve the minutes from the August 20, 2020 meeting. Mr. Grand seconded the motion. All were in favor. Mrs. Robitzski abstained.

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

Mr. Kendzulak, Jr. - The bills totaled \$483,672.06; all appears to be in order. Budget wise, we're slightly under budget for where we should be percentage wise, so I think we're in pretty good shape.

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

Roll call vote:	Mr. Grand	-	Yes
	Mr. Hazard	-	Yes
	Mr. Kendzulak, Jr.	-	Yes
	Mrs. Robitzski	-	Yes
	Mr. Tully	-	Yes

8. **Citizens' Privilege:**

Previously discussed.

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

Mr. Kendzulak, Jr. – I'd like to go into Closed Session to discuss litigation matters. No action will be taken at the conclusion of the Closed Session.

Mr. Hazard made a motion to adjourn into Closed Session for the above stated purpose and Mr. Tully seconded the motion. Closed Session was from 6:01 pm – 6:05 pm.

10. **Adjournment of Regular Meeting:**

Mr. Tully made a motion to adjourn the Regular Meeting. Mrs. Robitzski seconded the motion. All were in favor.

APPROVED

RARITAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY  
WORK SESSION MINUTES

SEPTEMBER 17, 2020

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

(908) 782-7466 Fax

- 
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 Ryan Elkholy to Regina Nicaretta, RTMUA Secretary regarding Request to Board of Commissioners for Extension to Agreement for Reservation of Wastewater Treatment Capacity

Mr. Watts – They are negotiating to perhaps purchase a property on Royal Road. Given the status of the Reservation with the owner, as you know, when you sell property, the new owner gets the reservation wherever the previous owner had it. Apparently, there is one year to go on this and as part of their due diligence the buyers wanted to know if they could get an extension. I had said it was highly unlikely and that we were under the gun to get capacity back and I did have to clarify for them that if they did purchase it and they did apply to the Planning Board for development approvals and they had their Application deemed complete that would be a milestone and that would solidify the capacity. They are considering whether or not to go forward.

Mr. Tully – They also called our office, I had a subsequent conversation with them from the Engineering Department and relayed the same exact information to them with general time frames like, July may seem far away but you're lucky if you're in by the end of the year to be heard in January or February kind of thing. I told them if they are going to act, they better act quickly because time is going to disappear quickly. I guess I reiterated what you already had told them but from the Township side.

Mr. Kendzulak, Jr. – My personal opinion, I wouldn't be inclined to do this; we drew the line in the sand and said that "this is it". Once we change it, then we opened ourselves up to everyone else that is out there to grant them the same.

Mr. Watts – They should, in their Contract, when you buy property like this, you put in a contingency in the Contract about getting approval. "I only have to complete the purchase if I get the development approvals." So, if they don't get the approvals, they'd be off the hook. I'm not sure why they're in this position.

Mr. Tully – That's almost a standard development contract, I've never not seen it done that way.

Mr. Kendzulak, Jr. – Does anyone disagree?

No one disagreed.

3. **Unfinished Business:**

None

4. **New Business:**

None

5. **Professional Reports:**

a) Attorney –

Mrs. Robitzski – Are negotiations with Flemington for those old bills, is there anything on that?

Mr. Watts – The ball is in their court. Six or eight months ago, we said "if you would consider giving up some capacity, that would give us some negotiation room." I followed up a couple times since with Mr. Diehl and with the attorney and they said it's still under consideration. All we have to do, at some point, according to our Service Agreement, is to simply say "we've had enough, we demand mediation" and then we follow the Agreement to pick a mediator.

Mr. Kendzulak, Jr. – I don't know if now is the time to, with all this ACO and we're playing nice in the sandbox together. Let's get through this and then at that point we'll resurrect this.

b) Engineer –

Mr. Kendzulak, Jr. – Johanna Foods, what's going on?

Mr. Madden – Johanna as you know, we talked about last month, there was an anomaly in their flow rate during heavy rain. After the meeting, Mr. Frank and I went out to the field with his line crew and we walked the line and looked at different things. Subsequent to that, they were able to get the CCTV truck in there to video tape our lines and they didn't find anything structural or that would be the source of such a high inflow. Now we are really suspecting that it is coming from the other side. Last week, we put the third meter into the Johanna line that is entering our manhole.

We just got some data yesterday, and there's something that I see that shows the level is a little high and the pipe is full, so we're looking into that and trying to verify what's going on out there. I might need to have another trip out in the field with staff to look at that.

Mr. Kendzulak, Jr. – Is it suspect now that it's above ours; it is in the Johanna site?

Mr. Madden – It's not showing up in anything visual in our side that we see.

Mr. Kendzulak, Jr. – Mr. Tully, you were going to look at some old site plans to see if there was a possibility that they...

Mr. Tully – I went up to the archive to pull it, and there's voluminous amounts of files, because they've been there forever. They were in for something different a month or so ago, in a different area so I'm trying to compile what I have, to see what's connected in what area but it's taking a long time to pull the files together to figure out exactly what's what.

Mr. Kendzulak, Jr. – Let me ask you this here, Mr. Frank and Mr. Madden, and maybe you don't know the answer to this question Mr. Madden because it preceded your time. We noted that there was a problem in Pump Station #1 a while ago that it spikes really quick. Was that always the case if we went back to when Pump Station #1 was built? Any idea of when that became a problem? What your recollection is to when you said, "three pumps are coming online and there is a huge spike in that". Is there a timeline of when you could go back?

Mr. Tully – I think it was about three years ago. I remember the conversation we had, and it was like, no, it never had done it before, it was something weird.

Mr. Kendzulak, Jr. – What triggered it was the whole thing over at Case Boulevard.

Mr. Tully – Exactly. This is my recollection; we had looked at it and the first time it had happened, was that particular time. I don't know historically how much data we have going back but I remember it was about three years ago, I guess, when it actually happened.

Mr. Madden – I think it was a big storm, three or four summers ago?

Mr. Tully – It was August 2017.

Mr. Kendzulak, Jr. – Noticing the spike, it happened real quick.

Many voices speaking all at once.

Mr. Kendzulak, Jr. – Mr. Frank, I don't know if you know the history, going back ten years ago, is there anything obvious of "hey, why is this thing coming up?"

Mr. Frank – I really couldn't say.



Mr. Tully – If it's not an obvious break, the next question is, what is it? Are they actually opening a valve?

Mr. Madden – Are they putting something in downstream of the meter, I don't know. I've heard stories, anecdotally but I don't know what is what.

Mr. Kendzulak, Jr. – You guys are metering what is going on. It might be a couple of things. It could be something on their site where inflow is getting right in there.

Mr. Tully – Maybe the lagoon is overflowing.

Mr. Kendzulak, Jr. – Are there any stream crossings or brook crossings over there. They should show internal manholes.

Mr. Tully – All I can think of is if someone cross connected a roof drain to the sanitary sewer because their roofs are huge. That would allow for the spike.

Mr. Kendzulak, Jr. – In any case, we'll be able to confirm that next time we get a spike, when it rains, we'll be able to say "okay." We've isolated it, we've said it's not between going under the brook. We ended up putting it right up at their line, so if the spike comes from there, we'll know definitely that its from their site.

Mr. Madden – We want to tweak this meter a little bit; a plus b is not equaling c right now, so we need to fix that.

Mr. Kendzulak, Jr. – But then you'll also be able to confirm what is coming out of their plant, their meter with our meter, and they should technically be the same.

Mr. Tully – Can we ask them for their meter data for when that last spike was and just see what their meter shows for the same day?

Mr. Madden – I don't know, they have a totalizer out there, I don't know how long it keeps data for. We read it instantaneously.

Mr. Tully – If they had it from the day of and the day before and suddenly there's 200,000 gallons extra, you know where the problem is, it's internal. Can you ask for that Mr. Frank, can you see if they'll give it to us? Or Mr. Madden?

Mr. Frank – I'll have to look into what that meter, like you said, how much history we can get on it.

Mr. Madden – The clarifier project is moving forward; they'll probably be done in a couple of weeks with the fourth clarifier. They are going to have to do some repair on the lining of two of them. Just at the top. They had some water get behind it and it froze, and it pushed out. They know about it. It's nothing crazy.

6. **RTMUA REPORTS:**

a) ADMINISTRATIVE / OPERATIONS REPORT

1. Chief Operator / Director's Report

Mr. Frank – We got the final figures on the force main break; it came in well under what we thought.

a) Overtime Recap

b) Septage / Greywater Recap

2. Laboratory Summary

3. Maintenance Summary

4. Readington Flows

b) COMMISSIONERS' COMMENTS

None

7. **Discussion:**

a) Memo from Michael Sciss, Maintenance Supervisor

Mr. Kendzulak, Jr. – Mr. Sciss put a memo together about an additional maintenance mechanic. The Personnel Committee has asked some questions and is looking for more information. If they get what they need, we can talk about it at the next meeting.

Mr. Grand – We'll need it sooner. The memo makes a very compelling case. We met about a year ago; for the Personnel Committee to, objectively assess what the value of it is, if there's any way to quantify what the savings may be, what the contributions might be that might lower costs. A cost benefit analysis type of thing.

b) Final Draft of Budget

Mr. Kendzulak, Jr. – We covered the draft Budget previously.

c) Signing of Documents

Ms. Nicaretta – I've gotten all the signatures I needed.

8. **Adjourn into Closed Session by Motion, if Needed**
9. **Adjournment of Work Session:**

Mrs. Robitzski made a motion to adjourn the Work Session. Mr. Grand seconded the motion. All were in favor. The meeting ended at 6:16 pm.