

APPROVED

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RARITAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY  
REGULAR MEETING MINUTES

APRIL 20, 2017

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:**

Dr. Buza	Here
Mr. Kendzulak, Jr.	Here
Chair Kinsella	Here (left at 6:45)
Mrs. Robitzski	Here

Also present were Greg LaFerla, RTMUA Chief Operator / Director; 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 II – B, TWA Required Villages at Raritan, LLC (Block 9 Lots 16, 16.01 & 16.02)

5. **RESOLUTIONS:**

Resolution #2017 - 30      Approval of Sanitary Sewer Service, Class II-B, TWA Required and Authorization to Sign TWA, Villages at Raritan, LLC (Block 9 Lots 16, 16.01 & 16.02)

Mr. Kendzulak, Jr. made a motion to approve Resolution #2017 - 30, Dr. Buza seconded the motion.

Roll call vote:	Dr. Buza	-	Yes
	Mr. Kendzulak, Jr.	-	Yes
	Chair Kinsella	-	Yes
	Mrs. Robitzski	-	Yes

Resolution #2017 - 31      Acceptance of Maintenance and Environmental Maintenance Bonds Woodside Farms Pump Station Rehabilitation

Mr. Kendzulak, Jr. made a motion to approve Resolution #2017 – 31, Dr. Buza seconded the motion.

Roll call vote:	Dr. Buza	-	Yes
	Mr. Kendzulak, Jr.	-	Yes
	Chair Kinsella	-	Yes
	Mrs. Robitzski	-	Yes

Resolution #2017 - 32      Acceptance of Maintenance and Environmental Bonds Motor Control Center Replacement

Dr. Buza made a motion to approve Resolution #2017 – 32, Mr. Kendzulak, Jr. seconded the motion.

Roll call vote:	Dr. Buza	-	Yes
	Mr. Kendzulak, Jr.	-	Yes
	Chair Kinsella	-	Yes
	Mrs. Robitzski	-	Yes

Resolution #2017 - 33 Authorization to Execute Agreement for Transfer of Wastewater Treatment Capacity and Assignment of Agreement for Wastewater Treatment Capacity (Block 72.23 Lot 31.01)

Dr. Buza made a motion to approve Resolution #2017 – 33, Mrs. Robitzski seconded the motion.

Roll call vote:	Dr. Buza	-	Yes
	Mr. Kendzulak, Jr.	-	Yes
	Chair Kinsella	-	Yes
	Mrs. Robitzski	-	Yes

Resolution #2017 - 34 Authorization for Reimbursement of Jennifer Loudon (Reimbursement = \$862.50)

Dr. Buza made a motion to approve Resolution #2017 – 34, Mrs. Robitzski seconded the motion.

Roll call vote:	Dr. Buza	-	Yes
	Mr. Kendzulak, Jr.	-	Yes
	Chair Kinsella	-	Yes
	Mrs. Robitzski	-	Yes

Resolution #2017 - 35 Release of Performance Bond and Authorization to Execute Development Agreement / Maintenance Guarantee Raritan Junction, LLC (Block 16.01 Lot 41) (Costco Site)

Mr. Kendzulak, Jr. made a motion to approve Resolution #2017 – 35, Dr. Buza seconded the motion.

Roll call vote:	Dr. Buza	-	Yes
	Mr. Kendzulak, Jr.	-	Yes
	Chair Kinsella	-	Yes
	Mrs. Robitzski	-	Yes

Resolution #2017 - 36      Release of Performance Bond and Authorization to Execute Development Agreement / Maintenance Guarantee Angelo Baldacchino (Block 36.04 Lots 72 – 76 / Ridge Road Development)

**TABLED**

Resolution #2017 - 37      Authorization to Execute Shared Services Agreement for Sewer Line Relocation with Hunterdon Central Regional Board of Education

**TABLED**

Mr. Watts – Before we leave Resolutions, you'll see that there was one on the table; as you know the high school is really, really pushing and the Agreement is in proper form, sort of. It provides that the Board will provide funding to RTMUA in the amount of fifty percent of the final construction costs of the replacement line and the construction costs are to be on an Exhibit A and I didn't get the Exhibit A until late this afternoon and you have Exhibit A on two pages which is from Mott MacDonald. I'm not comfortable having the Agreement signed until we get a chance to look at this and make sure that whatever other costs; we want to know how those other costs are going to be shared. I revised the resolution that I had prepared, if you adopt it, you would authorize the Chairman to sign this Agreement at such time as this Exhibit has been completed and approved, just so we wouldn't have to wait another month.

Mr. Kendzulak, Jr. – As the far as the status on this; is this thing going to happen this year?

Mr. Watts – The Treatment Works Application has been delivered to Trenton.

Mr. Kendzulak, Jr. – Okay, but logistically can it happen? There was a whole bunch of stuff they had; don't interfere with graduation or football season.

Mr. Watts – We told them we'd do our best; once this is signed, we have to advertise for bids.

Mr. Kendzulak, Jr. – The plans are all done and Mrs. Wohlleb is all ready to go with this thing?

Mr. Watts – I don't think it's going to meet this years' time table, just as a practical matter but we are endeavoring to do as much as we can.

Mr. Kendzulak, Jr. – I'm assuming when I see total construction cost of Mott MacDonald's estimate, there's two different estimates, \$483,000.00, a shared cost of \$153,000.00 would be on us, but Flemington Borough would pay a portion of that also, correct?

Mr. Watts – Yes, twenty – eight percent.

Mr. Kendzulak, Jr. – So, originally, what number were we talking about when we first started this thing?

Mr. Kinsella - \$350,000.00.

Mr. Kendzulak, Jr. – I kind of remember we were going to be on the hook for something around \$60,000.00.

Mr. Kinsella – That cost has almost doubled.

Mr. Kendzulak, Jr. – What about all of the soft costs, not the construction costs; is that addressed in this Agreement? There's like a \$4,000.00 cost for the permit.

Mr. Watts – That's why this has to be completed; why these other costs have to be completed. There's a line for the school's responsibility and our responsibility.

Mr. Kendzulak, Jr. – Even the design costs associated with this, are they going to pay it?

Mr. Watts – Right now it says construction costs.

Mr. Kendzulak, Jr. – What are the terms of the Agreement?

Mr. Watts – The terms of the Agreement just says fifty percent of the construction costs of the replacement line, it doesn't talk about those kinds of costs, that's why that will be provided in this column.

Mr. Kendzulak, Jr. – When we had our discussions, I think we talked about engineering costs, no?

Mr. Kinsella – I don't think that stuff was ever brought up, it's a huge grey area. So, what you want us to do is approve this resolution?

Mr. Watts – With the change that says that you are authorized to sign it at such time as Exhibit A has been completed and approved.

Mr. Kinsella – What if I have a problem with this?

Mr. Watts – Then you don't sign the Agreement and I'd have to poll the Board and discuss it.

Mr. Kinsella – I don't like to go down this road without knowing what the numbers really are; this is like what if A and what if B.

Mr. Watts – If when that chart is completed and you still don't like the way it looks, you are not obligated to sign the Agreement.

Mr. Kendzulak, Jr. – What about inspections? Is that part of construction costs?

Mr. Watts – Again, I just got this late this afternoon.

Mr. Kendzulak, Jr. – What about going back to getting reimbursed by the high school for a portion of the design?

Mr. Watts – Then the Hunterdon Central Regional High School responsibility number would be in there when you approve it.

Mr. Kendzulak, Jr. – Why wouldn't there be a line for design costs?

Mr. Kinsella – We already spent, if I'm not mistaken, about \$92,000.00 to Mott MacDonald, where is that on this chart?

Mr. Kendzulak, Jr. – It's not.

Mr. Kinsella – And that's money we've already spent on the engineering firm. Does that come under RTMUA Construction Engineering?

Mr. Kendzulak, Jr. – No, because that's design, that's not construction engineering.

Mr. Kinsella – So where is that on this chart?

Mr. Kendzulak, Jr. – It's not.

Mrs. Robitzski – Shouldn't it be?

Mr. Kendzulak, Jr. – There should be a separate line that says design costs.

Mr. Watts – If you think the Agreement needs more work than just the Exhibit, then you shouldn't pass the resolution, because by passing the resolution you're saying the body of the Agreement is alright, and when we're satisfied with these two pages and the allocation of the costs, then we'll sign the Agreement. So, if you don't like the body of the Agreement, don't pass the resolution.

Mr. Kinsella – There are costs we've already paid for that are not shown on this and I don't think you can have this and then say "oh, by the way we also paid \$92,000.00".

Mr. Watts – All I'm saying is, if you don't like the body of the Agreement, don't pass the resolution. I thought the body of the Agreement was acceptable, if the Exhibit was properly completed with all of the costs and the cost sharing. When the attachment is in proper form, then the Chairman, if you pass the resolution, is authorized to sign the Agreement, which will have the attachment as part of it.

Mr. Kendzulak, Jr. – The Agreement, does it specifically just refer to costs in general?

Mr. Watts – It says, "the totally anticipated construction costs consistent with the project are attached on Exhibit A, the Board agrees to provide funding to RTMUA in the amount of fifty percent of the final construction costs of the replacement line."

Mr. Kendzulak, Jr. – So, nothing in there about design costs and other costs we incurred?

Mr. Watts – No.

Mr. Kendzulak, Jr. – Should that be in there, if we're undertaking this thing?

Mr. Watts – Then I don't think you should consider passing the resolution until your questions can be answered. We don't know what the total costs will be but we need to know what percentage of that final cost you're going to pay.

Mrs. Robitzski – Help me with the definitions; if construction cost is different from project related costs then why can't the Agreement say project related costs? That would be including permits and design and other expenses that may occur that aren't just construction costs.

Mr. Kendzulak, Jr. – You're right because then it encompasses everything including the soft costs. Another thing, in term of construction engineering, review shop drawings and stuff like that, answering questions with regards to the design but as far as inspecting it, if you want to define construction engineering and inspection, is really what it is.

Mr. Watts – I think for each of the things that you want addressed, it's got to have a line on this Exhibit, an estimated amount, so there's no question about what does construction cost mean, what does project cost mean. So, you want that Exhibit to have all the necessary line items so every cost has been accounted for even if we don't quite know the amount.

(general consensus)

Mrs. Robitzski – The Agreement doesn't say we're sharing those, the Agreement only says we're sharing construction costs.

Mr. Watts – That's why you shouldn't pass the resolution if you're unhappy with it; we're just trying to accommodate the high school. We're not under the pressure their under. Frankly, we've asked for over six months for Exhibit A and they've never given it. So finally, yesterday, I asked Mott MacDonald to and they threw it together. The high school drafted the Agreement. I don't know what the difference in the two estimates are.

Mr. Kendzulak, Jr. – I wonder if one's an old number from last year.

Mr. Kinsella – It's a \$140,000.00 difference.

Mrs. Robitzski – I'm new; is this happening because they want to move the bleachers?

Mr. Watts – We have a reason; it's because the pipe is broken and it needs to be repaired and it makes no sense to repair it under the football field. The driver of it, is their timetable to do it between the end of school after graduation and before football practice starts in the late summer.

Mr. Kendzulak, Jr. – In reality, there's no way this is happening; we're in May, it's not realistic at all. This is a project for next year. Unless they want to go through and rip up the field, do the field. We haven't even authorized to go out to bid for this. By the time you take bids, you award the contract, the guy gets mobilized, we're already into September by now. The frustrating thing is, we had this discussion last year saying we're forcing it, let's not do it and they had a whole year to get it all squared away so we could bid this thing, have it all done, get it bid, in the Fall, and be done with it and now they're trying to ram it through?

Mr. Watts – I'll advise them that we need to clean up the language in the Agreement as to how we're going to share costs even if the exact amounts aren't known and which costs are going to be paid.

Dr. Buza – And what we've already paid needs to be shown.

Mr. Watts – A design cost line item and how it's going to be paid.

Dr. Buza – All-encompassing terminology so it doesn't get challenged.

Mr. Kendzulak, Jr. – The other question is, where is this money going to come from; our share of the money? Is there money in the budget?

Mr. LaFerla – Not in the budget, no. You'd have to take money out of the General Fund CD; you'd have to move money around to do it.

Mr. Kendzulak, Jr. – How is it set up in the Agreement on when we would make this payment?

Mr. Watts – We're bidding it and the high school is reimbursing us.

Mr. Kendzulak, Jr. – Then we have to certify funds to the tune of \$483,000.00; where are we going to find that kind of money?

Mr. LaFerla – We'd have the high school's money, right?

Mr. Kendzulak, Jr. – No, he's saying we'd get reimbursed for it.

Mr. Watts – You'd be reimbursed, but isn't that enough if we have a written contract for reimbursement or do we have to have a hundred percent of the money?

Mr. Kendzulak, Jr. – Somehow, we have to be able to certify funds to award a contract. Now if you certified you had grant funds or something along those lines, it might be okay.

Dr. Buza – Why does it have to be done that way; why do we have to pay everything up front and be reimbursed?

Mr. Watts – It says they'll provide funding.

Mrs. Robitzski – This is their Agreement?

Mr. Watts – Yes. It says provide funding. It doesn't say after the fact or before the fact. The Board of Education agrees to provide fifty percent of the funding.

Dr. Buza – Can we request that as things are going along, they pay fifty percent up front?

Mr. Kendzulak, Jr. – It's going have to be up front; because we don't have the money to award a contract. What are we going to do, take our CD that we don't even have \$500,000.00 in?

Mr. Watts – When we receive payment requests by the contractor, we give it to the Board of Education and they pay us at that time as we go along.

Mr. Watts – That I can't answer, I'm just saying, procedurally, how the Agreement says it will occur.

Mr. Kendzulak, Jr. – I would hate to take that CD lifeline and have some future emergency come up and commit that \$400,000.00 something dollars and tie it up with this. That's why we have that, why we haven't been touching that.

Mr. Kinsella – If we decide tonight to vote this thing down or to table it until the next meeting; it's going to kill the project.

Mr. Kendzulak, Jr. – I think it's dead now.



Mrs. Robitzski – If you know you're going to do it, can you start the bidding process now since you have the design?

Mr. Watts – You don't want to start bidding before the Agreement is signed. Probably to satisfy your question, we should have the Auditor give us an opinion that it can be bid if this Agreement is signed or if it can't be bid because you have to have 100% of the funding, just in case they don't pay it. You need to know that.

Mr. Kendzulak, Jr. – Or they give us the money and then we reimburse them. They front the money and then we reimburse them.

Dr. Buza – Don't forget, we were contesting our responsibility in this in the first place; we were trying to have a meeting of the minds and come to a happy place. They were on our easement, they broke our pipe; we're doing a lot above and beyond what we were really responsible to do so why shouldn't they cover the cost of the reimbursement? That's the first thing I would ask and if not, let's split it up front. I wouldn't have us pay up front and expect us to be reimbursed later.

Mr. Kendzulak, Jr. – Number one is, we don't have the money to build this, it's not in our budget. We can't fund this.

Mr. Watts – This Agreement has been worked on for over a year. We've had meetings, we've had sub – committee meetings.

Mr. Kendzulak, Jr. – We don't have the money to do it.

Dr. Buza – The identification of costs is the issue, obviously, time is the issue.

Mr. Watts – My main concern now is funding. If the Board is going to have a problem with funding the project then I don't think we should proceed any further until you know how you're going to pay for your share of the costs of the project. The Board can work on that, I can work on the language of making sure the costs, every cost, soft costs, hard costs, construction, design, is accounted for on the chart and proper estimates are there and it's very clear who pays for it.

Dr. Buza – And what we've already paid for because I don't see that on here.

Mr. Kendzulak, Jr. – To me, what needs to be done is, they have to supply their share up front at least. If we had to come up with \$153,000.00 okay, that's better than having to come up with \$483,000.00 because we don't have that.

Dr. Buza – We've already paid \$92,000.00.

Mr. Kinsella – That \$92,000.00 should be in this already.

Mr. Watts – I don't want to go too far down the road and find out that we still don't know where we're going. Do you want something that whatever the high school's estimated share of the cost be escrowed somehow in advanced so we don't have an issue with not having enough money?

Dr. Buza – That would be ideal.

Mr. Watts – When the estimates are completed, when the Board is happy with the estimates and how they are going to be paid for; does this Board say, “we don’t want to bill you each time we pay the contractor, we want fifty percent of everything your responsible for escrowed in advance”?

Mr. Kendzulak, Jr. – Even after that, I’m not sure we can do it in this year’s budget. I don’t know if we can come up with \$153,000.00 at this point.

Dr. Buza – Do they have the money to fund the entire thing and we reimburse them?

Mr. Kinsella – I’m sure they do.

(many voices speaking at one time)

Mr. Watts – The only thing I can tell you is, this procedure has been set in everybody’s minds, who has worked on it, for a year and now what you’re saying is we’re going to change it totally.

Dr. Buza – The problem is, if we don’t have the money then we don’t have the money. We could proceed quicker if they have the money to go forward and we could reimburse them. We’re not objecting to the start time, we’re concerned about the ability to pay for all of this upfront.

Mr. Watts – Maybe we should have done more work because if I tell them it’s all because we don’t have enough money, they’re going to say you worked on this for a year and you don’t have enough money?

Mr. Kendzulak, Jr. – This thing has been on and off and on and off.

(many voices speaking at one time)

Mr. Kinsella – Nobody has talked about money for a year. The estimates are so far apart from each other, we’re supposed to just swallow it like it’s not a big deal? It’s a big deal.

Mr. Watts – Okay, well, we’ll see if we can’t work out the issues very quickly.

Dr. Buza – We all want it to happen quickly, we don’t want to delay anything for the high school but what Mr. Kendzulak, Jr. said about looking at the budget, it makes me very concerned to agree to something we can’t afford.

Mr. Kinsella – I don’t want a chart with ten question marks on it.

Mr. Kendzulak, Jr. – When was the last communication we had with the high school with the status, with what’s going on with the plans and all of that?

Mr. Watts – We had a meeting a month or so ago, we needed a change to the Agreement to make sure that the replacement easement we got at the end of the project was the way we wanted. Then I said I would bring it to the Board tonight to see if I could get approval to get the Chairman to sign it. The last two weeks I’ve been back and forth with them.

Mr. Kendzulak, Jr. – They’re still expecting this thing to happen this year?

Mr. Watts – I don’t know what’s in their minds.

Mr. Kendzulak, Jr. – It’s not like we have to have this thing done and built before the football season starts this year; it’s not doable anyway.

6. **Approval of Minutes:** Minutes of March 16, 2017

Mr. Kendzulak, Jr. made a motion to approve the minutes from the March 16, 2017 meeting. Mrs. Robitzski seconded the motion. All were in favor. Dr. Buza abstained.

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

Mr. Kendzulak, Jr. - The bills totaled \$768,627.69; everything appears to be in order. If you look at the last violet page, you'll see that we're at 44.1% of the budget. I had a conversation with Mr. LaFerla on this, I'm a little bit concerned on the difference of where we are at 44.1% and if you look, we're definitely four months through the year which is a third or 33%. Some of the things that Mr. LaFerla and I talked about were that there are things that we did pay in April already that are included in here. We did have the second half of the JIF insurance payment which was something like \$92,000.00 or \$95,000.00. So that was a decent chunk of change. The Audit has still not been done and that will back out some of these costs. Going back and looking at last year at this time, this is post Audit, we were at 42% and right now this year we're at 44% so we're kind of on track as to where we were last year. The other thing I saw that concerned me that Mr. LaFerla and I talked about was the sludge disposal costs are at 45% but Mr. LaFerla said that typically the first half of the year its higher and we generate more sludge than we do in the second half.

Mrs. Robitzski made a motion to approve the payment of bills. Dr. Buza seconded the motion.

Roll call vote:	Dr. Buza	-	Yes
	Mr. Kendzulak, Jr.	-	Yes
	Chair Kinsella	-	Yes
	Mrs. Robitzski	-	Yes

8. **Citizens' Privilege:**

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

Chair Kinsella – We will be going into Closed Session for purposes of discussing contractual matters regarding Flemington Borough and we don't anticipate taking any formal action at the conclusion of Closed Session.

Dr. Buza made a motion to adjourn into Closed Session for the above stated purpose and Mr. Kendzulak, Jr. seconded the motion. Closed Session was from 6:05 pm – 6:21 pm.

10. **Adjournment of Regular Meeting:**

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

RARITAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY  
WORK SESSION MINUTES

APPROVED

APRIL 20, 2017

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) Bowman & Company to Board of Commissioners regarding Renewal and Replacement Account

Mr. Kendzulak, Jr. – This is from Bowman & Company based on recommendations from Mott MacDonald I don't know why we weren't alerted to this years ago. Basically, its saying we don't have a sufficient amount of money in our Renewal and Replacement Account. There's approximately \$93,000.00 in there now and they're recommending we either increase it to \$494,000.00 or \$749,000.00 depending on how you want to look at it in their criteria.

Mr. LaFerla – Just so you know, this letter wasn't done for a couple of years; Mott MacDonald did the letter since they were the consulting engineer as of November 20, 2016. In the past, Mr. Miller would provide the amount that was in the Renewal and Replacement Account and would get them to sign the letter. This time, because the amount is supposed to always be provided by the engineer, so that an appropriate number is provided, Mr. Cragin asked them to provide the amount that we should have in the Account.

Mr. Kendzulak, Jr. – I don't know where this money is supposed to come from.

Mr. LaFerla – I spoke to Mr. Langhart and he said you can say you want to go up to whichever amount and you put some in every year incrementally until you get to the amount; it doesn't have to be one lump sum.

Mr. Kinsella – You're telling me that it's not the Auditor that makes this recommendation?

Mr. Kendzulak, Jr. – Why wasn't this question asked years ago by Bowman or by Withum for that matter?

Mr. LaFerla – I don't know, all I can tell you is what I told you before, Mr. Miller used to provide the amount that was in the Account and they would sign the letter.

Mr. Kendzulak, Jr. – How realistic is this number? It says "as you're aware the Authority has adopted the 2017 Five – Year Capital Improvement Plan, estimated at approximately fourteen million dollars. Is that accurate? Do we agree with that? Are those realistic projects that we have to include or can they be pushed out of the five – year plan? I don't know how critical they are or how inflated these numbers are or if they are inflated. In that Capital Plan it didn't include any improvements to the conveyance system.

Mr. Kinsella – I thought there was a ten - year plan too.

Mr. Kendzulak, Jr. – My thought is, have Mr. Madden look at the five - year plan and see how realistic it is and then we'll take it from there. My concern is if that fourteen

million dollars is a good number or not and we don't have anything in there for the conveyance system; maybe these numbers are too low even.

Mr. Kinsella – Mr. Madden, the ball is in your court.

Mr. Madden – I've done these in the past, Renewal and Replacement, basically what this is supposed to fund is things that are not normally replaced every year or something like that. So, if you're doing something long term like a pump station, if you rebuilt that pump station last year, you wouldn't expect it to be a reoccurring cost for some period of time. It's there to protect, if you're bonded for a certain amount, they want to know you're protecting the asset.

Mr. Kendzulak, Jr. – Obviously there's a concern here from Bowman on this, on what is the appropriate number.

Mr. Kinsella – Bowman should know what the number should be.

Mr. Kendzulak, Jr. – They need to know what needs to get done.

Ms. Nicaretta – In the past, ever since I've been here, the auditor always has asked this letter to come from the engineer; always around the audit time, I think it's sort of part of the audit.

Mr. Kendzulak, Jr. – Why wasn't it brought up before.

Ms. Nicaretta – That's what Mr. LaFerla was saying; for whatever reason, this letter didn't get requested for a year or two. In the past, Mr. Miller always inserted the amount of what we had in the Renewal and Replacement Account into the letter instead of having the engineer give us the appropriate number. This year Mr. Cragin said we're not supposed to provide a number to our engineer, the engineer is supposed to provide the appropriate number as of November 30, 2016. Mr. Kinsella – We have to take a better look at this five – year plan, where is this money supposed to come from?

**3. Unfinished Business:**

None

**4. New Business:**

None

**5. Professional Reports:**

a) Attorney - none

b) Engineer –

Mr. Madden – We're working on the Capacity Assurance which is all tied into this meeting we're going to have with Raritan Township next month. I talked to Mr. Bogen from the County to get some information, he forwarded me some stuff. It's basically the old plan, a picture of the existing and future sewer service area.

Mr. Kendzulak, Jr. – Did he give you any timeline on when that's going to happen with that and how that's going to drive how we do business in the future?

Mr. Madden – He told me he supposedly has eighteen months to get this plan together for the County and he said that was really a soft target date; that the DEP just wants to see activity there and that they could probably stretch to two years or even longer.

Mr. Kendzulak, Jr. – What impact is that going to have on decisions that are going to be made as far as capacity and stuff like that?

Mr. Madden – He sent me some documents that had some projections from 2008 or 2007 and I'm looking at it and saying there's a million gallons we're not accounting for here; they're number was roughly 4.8 or 4.9. So, if your plant capacity is 3.8 MGD that's something that down the road with all the build out that's what it would turn into based on the existing service area.

Mr. Kendzulak, Jr. – This goes back to the discussions we had with the Township, do we expand or do we not expand, somehow there has to be a meeting of the minds between the Township and us on what we do.

Mr. Kinsella – We still don't have the estimated costs of what it would be. We still have the money set aside for the River Study. That was to initiate the Plant Expansion Study.

Mr. LaFerla – We still don't know where we're going with the expansion until this Wastewater Management Plan is complete. You can't talk about expanding until you know what you're expanding for.

Mr. Kinsella - The next stage is 4.4 MGD, correct?

Mr. LaFerla – But Mr. Madden is saying it's 4.8 and that's above that.

Mr. Madden – We've submitted the Quarterly Report, the average flow for the three quarters, the three-month period was 3.05; it's higher than it's been in the past but it's one of those things. Commerce Street, we looked at the videos that Mr. LaFerla supplied; there's two sections of pipeline that are structurally defective and we recommend repairing them. The one I'm still trying to determine if we can just strip line it but it's got a big hole so we may have to do a pre-liner or repair before lining it; we're still investigating that. The Route 31 Pump Station, we were able to get the plans from the DOT, so there was pump data I was able to glean, and I got some feedback from the manufacturer for that pump; I don't know if that's the pump that went into the pump station but it kind of gives me a sense of how much can this station handle and based on that I think we have more than enough capacity for what's feeding it so that's what gives me the confidence to let the Villages go in. The next phase is going to be a different story because no one has looked further downstream in that eight-inch line and that probably needs to be examined closer. We were able to retrieve the GIS data from the computer and we have that. We sent a letter to the DOT, they had requested some information, they're expanding north of Bartles Corner and we gave them a map of what's in their work zone. I don't think there's more than a couple of manholes that will be affected by this. One thing I did want to point out was Mr. LaFerla did send me a tape of the sewer in Flemington with the hole in it and that's right in the section beyond the high school.

Mr. LaFerla – The one in Flemington Block's parking lot?

Mr. Madden – According to the number it's right here in the service area of the high school, we can't correlate it to any manhole.

Mr. LaFerla – It's on different property before the high school.

Mr. Madden – Okay, but it's not that far away?

Mr. LaFerla – No.

Mr. Madden – He told me he supposedly has eighteen months to get this plan together for the County and he said that was really a soft target date; that the DEP just wants to see activity there and that they could probably stretch to two years or even longer.

Mr. Kendzulak, Jr. – What impact is that going to have on decisions that are going to be made as far as capacity and stuff like that?

Mr. Madden – He sent me some documents that had some projections from 2008 or 2007 and I'm looking at it and saying there's a million gallons we're not accounting for here; they're number was roughly 4.8 or 4.9. So, if your plant capacity is 3.8 MGD that's something that down the road with all the build out that's what it would turn into based on the existing service area.

Mr. Kendzulak, Jr. – This goes back to the discussions we had with the Township, do we expand or do we not expand, somehow there has to be a meeting of the minds between the Township and us on what we do.

Mr. Kinsella – We still don't have the estimated costs of what it would be. We still have the money set aside for the River Study. That was to initiate the Plant Expansion Study.

Mr. LaFerla – We still don't know where we're going with the expansion until this Wastewater Management Plan is complete. You can't talk about expanding until you know what you're expanding for.

Mr. Kinsella - The next stage is 4.4 MGD, correct?

Mr. LaFerla – But Mr. Madden is saying it's 4.8 and that's above that.

Mr. Madden – We've submitted the Quarterly Report, the average flow for the three quarters, the three-month period was 3.05; it's higher than it's been in the past but it's one of those things. Commerce Street, we looked at the videos that Mr. LaFerla supplied; there's two sections of pipeline that are structurally defective and we recommend repairing them. The one I'm still trying to determine if we can just slip line it but it's got a big hole so we may have to do a pre-liner or repair before lining it; we're still investigating that. The Route 31 Pump Station, we were able to get the plans from the DOT, so there was pump data I was able to glean, and I got some feedback from the manufacturer for that pump; I don't know if that's the pump that went into the pump station but it kind of gives me a sense of how much can this station handle and based on that I think we have more than enough capacity for what's feeding it so that's what gives me the confidence to let the Villages go in. The next phase is going to be a different story because no one has looked further downstream in that eight-inch line and that probably needs to be examined closer. We were able to retrieve the GIS data from the computer and we have that. We sent a letter to the DOT, they had requested some information, they're expanding north of Bartles Corner and we gave them a map of what's in their work zone. I don't think there's more than a couple of manholes that will be affected by this. One thing I did want to point out was Mr. LaFerla did send me a tape of the sewer in Flemington with the hole in it and that's right in the section beyond the high school.

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Mr. LaFerla – It's on different property before the high school.

Mr. Madden – Okay, but it's not that far away?

Mr. LaFerla – No.



Mr. Madden – It's a major defect and it's a big hole and it's an eighteen - inch line so that really needs to be fixed.

Mrs. Robitzski – So what's the next step for that one and the one that's on Commerce Street? Do you get proposals to repair them or line them?

Mr. Madden – You would have to go out to bid for those type of things. It's one of three or four holes we've found; there's one at Home Goods and another one up on Commerce Street where it passes up by the CVS, that's got a hole in it too.

Mr. Kinsella – These are significant findings.

Mr. Madden – It's leaking, you can see water gushing in, that's a problem.

Mr. Kendzulak, Jr. – How deep is that line?

Mr. Madden – I'm not sure.

Mr. LaFerla – It's pretty deep.

Mr. Kendzulak, Jr. – We've got \$90,000.00 in our budget for that, I don't know how far that will take us but is that something we should be moving on?

Mr. Madden – I would recommend you do it, you could do it the cheapest way possible. Lining would be the cheapest.

Mr. Kendzulak, Jr. – Next month we'll have an answer or recommendation and an estimated cost for that?

Mr. Madden – Sure.

## 6. RTMUA REPORTS:

### a) ADMINISTRATIVE / OPERATIONS REPORT

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

### b) COMMISSIONERS' COMMENTS

## 7. Discussion:

### a) 1<sup>st</sup> Quarter 2017 Capacity Evaluation

Mr. Madden – I followed the same format that Mott MacDonald has been doing. There's different types of flows. The DEP requires the this form which is all the TWA's, that gives you a number but it doesn't really account for the second page which is all of the colored sheet and that's all of the flows that you've already approved as already counted for in future jobs that are going through; that's a different number, so the reality is what we're showing in this quarter is a negative capacity, in others words it's showing over 3.8. If everything was to come at one time, this would push you over the top. It moves all the time; that's a number that changes as we go. It's a reporting mechanism.

b) Informational Brochure

Mr. Kinsella – I called Ms. Nicaretta about this brochure. I had a couple of comments but it's very clear, concise. She had a question if we should use the word customers or ratepayers, I thought ratepayers but whatever anybody wants; also at the bottom where it says the Township took our money, I want that in red and also to have it say "to balance their budget"; people should know that.

Mr. Kendzulak, Jr. – I have a comment on where the asterisk should occur and the word SCADA, people won't know what that means; I would recommend this be given to someone who has no idea about any of this because the intent is for this to go out to the customers, that they go through and read this and they need to understand it.

Ms. Nicaretta – Should I give it to a couple of my neighbors and ask what they think or if they understand it?

Mr. Kendzulak, Jr. – Yes; get feedback.

Mr. Kinsella – It should also say the plant is rated 3.8 MGD. I have to leave right now, I'll turn the meeting over to Dr. Buza.

c) Invoice Cloud / Harris Flexibill

Mr. LaFerla – Mrs. Hallinger and Mrs. Phipps had a webinar and this came up with Harris. Harris is the company who we use for our billing. There are five or six ways for people to pay their bill; they can set up quarterly payments, monthly payments, they get reminders. Mrs. Hallinger gets checks from banks, she can get twenty or more in an envelope, it takes forever to process them; with this it would be automated and it they would be directly deposited into our account. The people can go online and check their balance which they can't do now. It would be part of the system we have now. If you look at the back of the packet she's provided; Mrs. Hallinger called around to different places that have it, they all spoke very highly of it, the one place, they collected \$50,000.00 worth of money that would have normally gone to tax sale. They're getting payments a lot quicker. Basically with Mrs. Hallinger's time and what it's costing us now and what this would cost, it really would be a savings to us and it would give Mrs. Hallinger more time for other work. It would cost approximately \$2,250.00 for the service. She figured it costs us for her time right now, approximately \$5,956.00 and she figured it would cost us a net savings of about \$3,706.00 with this upgrade.

Mrs. Robitzski – Do they give you a way to communicate to the ratepayers to say, "here is something we offer that you can use"?

Mr. LaFerla – Yes, they do all of the advertising, notification, they send everything out.

Mrs. Robitzski – Do they force people to do this?

Mr. LaFerla – No, they tell them the overall benefits, it's a lot easier and she has a lot of people now calling up asking for other methods of payment. They can't see their balance if they want to pay online with a credit card so they have to call us up first to get the balance and then go online to pay. This way they can go right in and see it all. Is it okay if we look into it further, go into it further?

Dr. Buza – I think it's a good idea.

Mr. Kendzulak, Jr. – Where are we getting the money for it from?

Mr. LaFerla – We're probably not going to get this upgrade until next year; we'll have to put it in next year's budget.

- d) Board of Commissioner's Authorization for Mr. LaFerla, Mr. Frank, Mr. Sciss and Ms. Loudon to Attend 2017 NJWEA Annual Conference & Exposition in Atlantic City May 8 – 12, 2017

Mr. Kendzulak, Jr. – I don't have any issue with anyone going to AC, this is fine. I have issues with people getting on planes and going somewhere.

Dr. Buza – I agree, I support that, do we all agree on authorizing it?  
(general consensus)

- e) Board of Commissioner's Authorization for Ms. Loudon to Attend 2017 WEFTEC Conference & Exhibition in Chicago, IL September 30 – October 4, 2017

Dr. Buza – This would cost close to over \$3,600.00 for one person.

Mrs. Robitzski – What is this? Have they gone before, what's the benefit?

Mr. LaFerla – It's a big conference, all of the people in the industry are there.

Dr. Buza – It's a week.

Mr. LaFerla – We've gone before. Ms. Loudon has gone the last couple of years.

Dr. Buza – Is it something that should be done every year? Can you skip a year?

Mr. LaFerla – You can skip a year. We just got a new maintenance supervisor that's never been to it; there's a lot more down there for him or me.

Dr. Buza – She went last year to this?

Mr. LaFerla – Yes, for the last couple of years.

Dr. Buza – As it is we're reimbursing her for her education and she is probably focusing a lot of attention on her schoolwork right now. To go away for a week it costs \$3,600.00; more since that was last year's cost. Did she request to go?

Mr. LaFerla – Yes, she requested to go. She asked me to come to you and ask you if she could go because she's involved with some groups, Young Professionals. Mr. Sciss did ask if he could go but I told him right now there wasn't enough money in the budget for him too.

Dr. Buza – There's not enough money for two people and you think he'd benefit more but the question is do we send anybody and I would say no.

Mr. Kendzulak, Jr. – I agree; I don't think I ever supported anyone getting on a plane and going to a conference. I whole heartedly agree the AC thing is a State conference, you get your education, but we've had people in the past who went to New Orleans, Chicago and I don't agree with it.

Dr. Buza – I believe in networking or professional development but we're giving her professional development.

Mr. Kendzulak, Jr. – Is JMT sending anyone to this conference?

Mr. Madden – Somebody usually goes.

Mr. Kendzulak, Jr. – Then what I would say is you could tell whoever is going, this is the RTMUA, these are the things they may be interested in and maybe we can get the feedback from your people.

Mr. Madden – It's basically the same thing as the NJWEA Conference but on a grander scale; there's people from all over the country. You'll get more vendors that are worldwide. She may be involved with the committees.

Dr. Buza – So what do we do at this point?

Mr. LaFerla – You just tell me yes or no and I tell her.

Dr. Buza – No.

Mrs. Robitzski – No.

Mr. Kendzulak, Jr. – No.

Mrs. Robitzski – I have a question about the Township meeting on May 2<sup>nd</sup>. Is this a yearly thing? What is the purpose of this?

Mr. Kendzulak, Jr. – They've been pushing for a year now for the Authority to go and talk about capacity. How much do we have? When the economy was in the dumps, no one was looking for capacity and all was quiet. Now, you have people knocking on the door asking what's going on, how much capacity do you think you have? One of the things we were waiting to hear back on, was, there was a Permit Extension Act, when the economy was down the tubes, the DEP or Governor said "if you have an approved permit from DEP we won't let it expire, we'll carry it for a period of time". We were hoping when the Permit Extension Act was finished that people wouldn't do anything with their projects and capacity would come back to us. We didn't get that much back. So, the Township, you have people knocking on the door saying we want to do this project, we want to do that project, and they want us to come there and say "okay, this is how much capacity we have" and if we're going to go out with a Point System Allocation and we'd put that capacity out there so that certain projects can move forward. So that's kind of what it's going to be about. Mr. Kinsella and I have been meeting with a couple of the Township people periodically and with the Planning Board over the last year or two about what's been going on.

Mr. LaFerla – I have one last thing; Mr. Madden looked into the metering for at the FWWF and he thinks we should go with the cheaper option and we should include it with the bid for the other stuff.

Mr. Kendzulak, Jr. – Was that already included in the plans?

Mr. LaFerla – No, Mott MacDonald was waiting for direction from the Board. So, I can tell Mrs. Wohlleb this is what's been decided on?

(general consensus)

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

**9. Adjournment of Work Session:**

Mr. Kendzulak, Jr. made a motion to adjourn the Work Session. Mrs. Robitzski seconded the motion. All were in favor. The Meeting ended at 7:06 pm.