RARITAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
REGULAR MEETING MINUTES

JUNE 15, 2017

365 Old York Road, Flemington, New Jersey
(908) 782-7453 Office (908) 782-7466 Fax

1. MEETING CALLED TO ORDER AT 5:00 PM

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

2. ATTENDANCE ROLL CALL:

Dr. Buza	Absent
Mr. Grand	Here
Mr. Kendzulak, Jr.	Here
Chair Kinsella	Here
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

Mr. Kinsella – Mr. Cragin, if you could start off.

Mr. Cragin – I was asked to come and talk about the Renewal and Replacement Account; you received letters from Mott MacDonald and JMT and I understand you have some questions with what number to go with and what to do. It's really the Board's decision, it is our recommendation that the number you have and are using is a little bit low and you have to increase that number. Obviously, the engineers have a lot more experience in this area; the bottom line is that they are all advising you to increase your number. The Bond Resolution says that the Renewal and Replacement requirement is determined by a certificate of the Executive Director of the Authority, again, I would follow the advice of your engineers. If you don't want to go as high as they are recommending, you still need to contemplate going higher than where you are currently.

Mr. Kendzulak, Jr. – I understand where Mott MacDonald is coming from, I see the five percent of the bond value and I guess someone cranked the number.

Mr. Cragin – As of right now you have about two point nine million dollars outstanding on your 2010 bonds, which are Authority bonds.

Mr. Kendzulak, Jr. – When you take five percent of that, it comes out to what?

Mr. Cragin – That plus the NJEIT's four point three million comes out to about seven point two million and five percent of that is around $365,000.00.

Mr. Kendzulak, Jr. – So basically, there are three numbers that we're looking at; $365,000.00 based on five percent, $494,000.00 is three and a half percent of the five-year Capital Plan and then the $749,000.00 which is two percent of the replacement value of the Authorities Capital Assets. Just a question, if we have a five-year Capital Plan, can some of those things, replacements, can they be looked at to see if they can be pushed out? Which would drop it down but I don't think the Capital Plan reflected conveyance system issues; it just reflected issues here at the plant. So maybe the thing to use is the five percent of the bonds, that would be the appropriate number to go with. What I was hoping to do was if we took three percent of the five-year Capital Plan and we looked at it, and we said, this is where we are at, here's one through five, some of these things, half of that amount of money can be pushed out beyond year five so it doesn't get included into the calculation but the other thing that it did not include was repairs to the conveyance system. Mr. Madden, I would still like you to look at it, at that calculation because maybe there is a way that this number can drop down below the $365,000.00? With the understanding that we've got to be conscious to put something in there for improvements for the conveyance system, what we can reasonably expect to do in the next five years.

Mr. LaFerla – Mrs. Struening and I sat and talked about the Capital Plan and moving some of the stuff out and back.

Mr. Kendzulak, Jr. – What would that come out to? Would it get us under the $365,000.00? Would we have to be at $365,000.00 next year?

Mr. Cragin – No, you should be moving in that direction. The resolution only requires, in past resolutions from other Authorities that I've seen, it's based on the recommendation of the engineer. Here, it's based on the recommendation of the Executive Director. I would suggest moving closer to the engineering number, but you should start to move that number closer so there is less of a gap between the engineer's number and what you currently have.

Mr. Kendzulak, Jr. – These methods of doing it, there's three methods of doing it; they are all acceptable?

Mr. Cragin – Yes.

Mr. Kendzulak, Jr. – It's just the one we decide on then; right now, I would say let's shoot for the $365,000.00. What would be a reasonable period of time to get there, would five years be okay?

Mr. Cragin – In the JMT letter, they specifically say bonding companies typically look to see that five percent of bond value is kept in the renewal and replacement fund. You guys know better than I do if you plan on issuing bonds anytime soon. That's going to factor in. If you keep going through the NJEIT, that's not going to be an issue because you don't have to get rated to go through NJEIT. If you are going to issue your own personal bonds, you are going to have to go through ratings, calls and evaluations; they're going to ask what your net position looks like, if you stay within the NJEIT, it may not be an issue for you. Five years is probably a little more acceptable then. If you plan on issuing bonds though, I would say you probably want to move that timeline up.

Mrs. Robitzski – Is it a tougher requirement to get the NJEIT funds?

Mr. Cragin – No, you have been through the process two or three times now. It's more paperwork than if you issued your own bonds, you have to file a request, you have to put the money out and then wait for NJEIT to reimburse you whereas with the bonds, you have the money as soon as the bonds are issued. I don't think NJEIT's reimbursement process is all that lengthy, you just have to file the correct paperwork, and send them the right invoices. In my experience, they are usually very timely.

Mr. LaFerla – We haven't had a problem.

Mrs. Robitzski – So what is your recommendation? Is it five years, three years?

Mr. Cragin – Like I said, if you guys aren't going to go through bonding, I would make an effort this year, maybe try to go to $150,000.00 and within five years try to get up to that $365,000.00.

Mr. Kendzulak, Jr. – So, you're saying this number doesn't affect us when we go through NJEIT?

Mr. Cragin – I don't believe this number would impact anything with NJEIT.

Mr. Kendzulak, Jr. – If we were to go the other route, with our own bonds, then it would?

Mr. Cragin – My worry would be that it would impact your rating which may increase your interest.

Mr. Kendzulak, Jr. – Now typically, is it safe to say that NJEIT the interest rates are lower?

Mr. Cragin – There are certain perks to NJEIT. Usually its somewhere in the range of a fifty - fifty split. Fifty percent is no interest, you just pay principle on that half, and the other half has an interest rate and that's going to be right around the market rate, it's not going to be anywhere substantially higher or lower than what you could get elsewhere.

Mr. Kendzulak, Jr. – This would be the most preferred vehicle if we were to have to take on debt, the NJEIT?

Mr. Cragin – It's a lot more popular now, especially because some of the time you're lucky enough to get principle forgiveness through either a federal grant or something like that; you might get $2,000,000.00 and only have to pay back one point five million. As long as you take advantage of that, that is always going to be your best bet. You've already taken advantage of principle forgiveness once and the numbers I give you, four point three million, is net the principle forgiveness, that's already taken out. Anytime you can take advantage of that, that is going to be substantially better than issuing your own bonds.

Mr. Kendzulak, Jr. – The NJEIT, it sounds like it's still the best method to incur debt. The renewal and replacement, if it stayed at $95,000.00 they're not going to look at it, it's not going to matter.

Mr. Cragin – It's not going to impact NJEIT; unlike with your bond resolution, we won't have to report any deficiencies in compliance with the bond resolution.

Mr. Kendzulak, Jr. – Then we're fine where we are?

Mr. Cragin – Like I said, with $95,000.00 you could have a main break and you're out of that money. We're recommending that you increase it.

Mr. Kendzulak, Jr. – This is money that we can tap into which is an emergency?

Mr. Cragin – Yes, it's for renewal and replacement of the system. If you were to take the $95,000.00 that's in there, you'd be deficient on your bond resolution, so you would have to replenish that money.

Mr. LaFerla – So if we use that money, that $95,000.00, for the Commerce Street line, we'd have to replace it.

Mr. Cragin – You'd have to replenish that because technically, right now, the certificate on file, requires you to have $90,000.00 in that account. If November 30th came around and right before that you cleared it out and you didn't have money to put back in there, you'd technically be deficient on your bond resolution.

Mr. Kendzulak, Jr. – There's something in writing that says we have to have $90,000.00 in there.

Mr. Cragin – That's what it's been set at since we became auditors, so before us, that's where the resolution was set, probably when you did your 2010 bonds, that's where it was already set at. Mott MacDonald probably gave you that number quite some time ago and that's what you set it at; and they said the system wasn't as old then, but now you're years down the road from when they last evaluated the system as they said in their letter.

Mr. LaFerla – So it would have to be replenished by the end of the budget year?

Mr. Cragin – Yes, but if it's one of those things where you have the cash but you didn't make the transfer, we can make a note of that. You have about

$30,000.00 in your General Fund, basically it's a declining pot of money. The first thing you have to do is meet the bond service requirement, which is all debt service within one year. So, we have the money in that account, then you have the bond service reserve which is usually the highest amount of debt service remaining. I'll use this example; if in 2020 you had one million dollars, and that was the highest amount of debt service, in the future, you'd have to have a million dollars in that bond reserve account. If you have that set aside, then you move on to the renewal and replacement account, you have to have $90,000.00 in there. Once you've satisfied all of those requirements, you can say, okay, we're in the general fund now. This is money that we've satisfied all of our requirements, this is extra money. As of the last audit, you have about $25,000.00 in there.

Mr. Madden – This money has to be replenished as you use it or is it every year?

Mr. Cragin – That's my understanding of it. I read through the bond resolution today and that's how I interpreted it. If somebody wants to take a look and see if I'm misinterpreting it that's fine but that's my understanding of it.

Mr. Madden – The question I have is if they have money in another part of their operating budget, that they are using for renewal and replacement, can that be shifted to the renewal and replacement?

Mr. Cragin – My understanding is the requirement is the amount of cash the Authority has to have on hand for the next year or going forward. If they were to use that, it is my understanding that it would need to be replenished.

Mr. Madden – If they took it over the $90,000.00 or to whatever level, the $365, 000.00 or whatever, they're only required to keep the bare minimum.

Mr. Cragin – Technically, by the resolution, it's whatever the Executive Director sets as the amount of money that needs to be in the renewal and replacement account, that's the minimal amount of cash that they need to have. It's apparently at $90,000.00, if you guys don't change that, that's the only amount I'll be looking for to be in that account. If you don't have $90,000.00, we'll have to comment on it. Like I said, if there's money in the general account, and it's a simple transfer, that wouldn't be in violation of the resolution. But if you didn't have anything in the general fund and you only had $50,000.00 in the renewal and replacement fund, that would cause a violation of your bond resolution.

Mrs. Robitzski – If we built it up, we could spend it as long as we kept that minimum $90,000.00, unless you change the minimum requirement.

Mr. Cragin – Basically that account is there for something terrible that has happened. We need to do a major repair at the plant; it's basically a rainy-day fund. It's there for emergencies but you have to replace it if you use it.

Mr. Kendzulak, Jr. – What we've always looked at, in the past we were a lot better off, right now I think we have $450,000.00 in a CD, that was what we had viewed if there was an emergency that's where we would go to fund it. I don't know what it is.

Ms. Nicaretta – It's the General Fund CD; it originally had four million in it.

Mr. Cragin – That's money that's further down the line than renewal and replacement; that would just be an easy transfer.

Mr. Kendzulak, Jr. – It's fund #5 on the last page of our report. It's money that's set aside; we had four million dollars in it at one point and no debt that made us susceptible.

Mr. Kinsella – Made us a target.

Mr. Cragin – Anything else on the renewal and replacement?

Mr. Madden – Just for clarity, if we have this money that is being used, my understanding of the renewal and replacement is that it is for replacing equipment, things that aren't generally repaired every year. In other words, Mr. LaFerla has the pumps in the pump station, they don't get redone every year but every seven to ten years they are getting rebuilt. You would take the money from that account, and pay for that item; they already have money in their general operating budget that they've been using and it probably should have been designated for this renewal and replacement account.

Mr. Cragin – Say we paid $100,000.00 out of the operating budget for renewal and replacement items, you would have just taken that money out of the renewal and replacement account but you still would have had to put the money back. It would be in one pocket out of the other. The bond resolution requires that the cash balance...

Mr. Madden - ...What I'm saying is we could have made that number $195,000.00...

Mr. Cragin - ...But you wouldn't have had the cash on hand, that's what I'm trying to say, the cash on hand is only $90,000.00. Even if it's $190,000.00 and you use $100,00.00, technically you would only have $90,000.00 and you'd be deficient on your bond resolution.

Mr. Kendzulak, Jr. – Would your suggestion be, just keep it the way we have it?

Mr. Cragin – You guys aren't short on cash; it's not like you guys are struggling to make payroll or pay your bills or anything like that. You don't have a cash shortage. If that day were to ever come, yes, you could evaluate to borrow some of that money to do that but you're not short on cash.

Mr. Kendzulak, Jr. – We have the $450,000.00 CD and I always viewed that as there's an emergency and that's where we're going to go to get our money. If there's an emergency and we took some of that $450,000.00 and we pulled it out and put it into the renewal and replacement and it got us up to the $365,000.00, then we're okay? What are the other reasons we would keep that money in that general fund CD other than emergencies?

Mr. Cragin – Right now, you have to have a set number which is $90,000.00. If you don't change it you don't have to increase the cash amount. If you have $450,000.00 in general fund, that's in that last bucket, you could easily just say we're going to take it from $90,000.00 to $200,000.00.

Mr. Kendzulak, Jr. – Should we do that though?

Mr. Cragin – The engineers are recommending you raise the amount and we are recommending that you follow the engineer's recommendation; you should think to increase it.

Mr. Kendzulak, Jr. – What is the downside of taking that $450,000.00; we're not going to be able to do other things with it, like I said, I always looked at it as an emergency fund but what are those other things we might want to do with it?

Mr. Cragin – If, God forbid, you start falling on hard times, people start to not pay their bills, that money would be locked up. If you change the renewal and replacement requirement, then you are going to be required to have that amount in there.

Mr. Kendzulak, Jr. – Maybe we should just leave the requirement at $90,000.00 and just put more money in it.

Mr. Cragin – That is an option too. You just have to be careful of that bond rating and if you don't anticipate falling into that then you're okay. I was told you also wanted to talk about GASB 68; I'm not sure how far you want to get into it.

Mr. Kendzulak, Jr. – The concern is, it's a substantial impact to us and what we heard from you the last time is that we need to start thinking about it; is it municipalities too?

Mr. Cragin – Municipalities have the liability too but they don't have to show it in their financials.

Mr. Kendzulak, Jr. – In layman's terms, just go through and explain GASB 68, what was it a year ago, before it became an issue and now why it is an issue.

Mr. Cragin – GASB 68 was a government requirement to bring on the liability associated with the pension. Basically, you have employees here that are active and that are retired that are either earning benefits or earned benefits over the course of their working careers and you have to continue to pay them based on the formula set by PERS. Every year, you guys pay on April 1st, pension for your portion of what it's going to cost for those retiree benefits. GASB is the Governmental Accounting Standards Board, they said "we should be reporting this as a liability because the employee who starts here today is going to work forty years and retire, over the forty years they are earning benefits for the twenty or thirty years after they retire until they pass, and they are going to get payments, and you are going to be responsible for those payments. So GASB 68 was bringing on the liability for what they think it is going to cost the Authority to pay those people for retirement for their pension payments. The problem is, budgeting for this, in the past, because GASB 68 didn't exist, we always budgeted for what the pension told us. In 2014, we owed $191,000.00; that's what we budgeted for, that's what we paid. Now with GASB 68, they're accruing these expenses for everybody who is still earning benefits, so the expenses don't necessarily match what you're actually paying every year now. That's causing this net pension liability to increase. Over the last three years, you can't necessarily budget for what the expense is, we don't know the number until April of the year after the budget year has already ended. For 2016, we got the number in April of 2017 and your year end is November 30th, and your budget was done on November 2015 so you can't budget for it, you can only guess at what it might be. The problem is, the number has been jumping up exponentially. 2014 was the first year this expense was around, the expense was $260,000.00 versus the $191,000.00 that you paid. The liability went up by $70,000.00. In 2015, you paid $212,000.00; the expense was $420,000.00; it almost doubled from the year before. In 2016, it went up to $827,000.00; the number is dramatically increasing every year.

Mr. Kendzulak, Jr. – Why?

Mr. Cragin – All I can tell you is it's based on actuary calculation; people are living longer, they used to live until 75 now it's 80, cost of living increases, stuff like that, all of that gets factored into this calculation. It's also based on the Pension is invested in a bunch of investments; if the market is doing good, it's going to help the expense, if the market tanks again, the expense is going to get worse because they didn't make as much money.

Mr. Kendzulak, Jr. – The last time you were here I asked you what other Authorities were doing about it?

Mr. Cragin – The exact same thing you are. The State has been quiet on it. Nobody really knows how to handle it. It's a gigantic liability on the State's side.

Mrs. Robitzski – Are we paying cash on this or is it just on the books?

Mr. Cragin – We're paying cash. Every April 1st you pay; they come up with this dollar amount and they say you have to pay this. It went from $191,000.00 to $212,000.00 to $226,000.00; on April 1st 2017 you paid $241,000.00.

Mr. Kendzulak, Jr. – But we're not paying the $827,000.00.

Mr. Cragin – You are not. That's the paper number. You paid $226,000.00 last year but you booked expenses of $827,000.00 and that's $600,000.00 difference which is still coming down to your deficit in net position.

Mrs. Robitzski – So how do we determine our budget number for next year?

Mr. Cragin – That's the problem. If I try to put $800,000.00 where you've been putting $250,000.00, you'll be at a ten percent or fifteen percent increase just for pension, that doesn't include salary increases, cost of living. You are doing what every other Authority is doing; budgeting for the cash payment.

Mr. Grand – This is an accrual; it's an expense?

Mr. Cragin – We're booking the expense every year; that $827,000.00 is being booked as an expense.

Mr. Grand – In the old way, before GASB 68, we would have had the expense when the pension was actually paid?

Mr. Cragin – Yes, what you paid was actually your expense.

Mr. Grand – How do you reconcile that? It would have been paid eventually and now we're accruing it.

Mr. Cragin – Before GASB 68, it was a pay as you go process. Whatever the State told you what your pension bill was, that's what you paid and that's what you expensed. GASB 68 said "no, that liability is out there, you are eventually going to have to pay for all of the employees that are retiring."

Mr. Grand – If the accrual is an expense, then you don't take it when you pay it because you're accruing it?

Mr. Cragin – You continue to accrue the expense but when you make the payments we back off the payments. You have no idea what the expense is going to be because it's eighteen months after you do your budget. All you can do is budget for the cash payment. You were already at the maximum of what you were comfortable with raising rates last year, it's going to continue to get tougher and tougher. Until the State fixes a municipality saying, "you have plenty of money, we're taking some", until they fix that problem, you can't start saving up money or the municipality will take it from you like they did before. We'll be starting to work on the Budget relatively soon; I'd like to get it done on time this year, introduce it in September, so that means we'll have to move up the timeline, even if that means we are talking in August to get feedback to see where you want us to go.

Mr. LaFerla – With that being said, June 27th, 28th and 29th, Mrs. Struening and I scheduled meetings to start on the Budget and we'd like somebody from the Board to come in sit down and go over it with us and not have problems last minute.

Mr. Cragin – We'd like a Board member on the front end, this way we'll be less likely to need input on the backend and we'll be able to get it done in a timely manner this year.

Mr. Kendzulak, Jr. – I'll see what I can do.

Mr. LaFerla – I'll send out an email to everyone and see what times and days are good.

Chair Kinsella – We will be going into Closed Session for the purposes of discussing litigation matters with NJDEP regarding the Flemington Wet Weather Facility permit renewal, contractual matters with Hunterdon Central High School and contractual matters with Flemington Borough; we don't anticipate taking any formal action at the conclusion of Closed Session. Mrs. Robitzski made a motion to adjourn into Closed Session for the above stated purpose and Mr. Kendzulak, Jr. seconded the motion. Closed Session was from 5:50 pm – 8:10 pm.

4. APPLICATIONS:

a) Application for Final Sewer Service Class II – B, TWA Required, Islamic Center of Hunterdon County, Inc. (Block 43 Lot 13)

b) Application for Final Sewer Service Class II – B, TWA Required, Linque Flemington II & III, LLC (Creekside Development) (Block 36 Lot 17)

5. RESOLUTIONS:

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)

Mrs. Robitzski made a motion to approve Resolution #2017 – 36, Mr. Kendzulak, Jr. seconded the motion.

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

Resolution #2017 - 41 Approval of Final Sanitary Sewer Service, Class II-B, TWA Required, Islamic Center of Hunterdon County, Inc. (Block 43 Lot 13)

Mrs. Robitzski made a motion to approve Resolution #2017 – 41, Mr. Kendzulak, Jr. seconded the motion.

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

Resolution #2017 - 42 Acceptance of Performance Guarantee and Authorization to Sign Development Agreement, Islamic Center of Hunterdon County, Inc. (Block 43 Lot 13)

Mr. Kendzulak, Jr. made a motion to approve Resolution #2017 – 42, Mrs. Robitzski seconded the motion.

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

Resolution #2017 - 43 Approval of Final Sewer Service, Class II – B, TWA – Required, Linque II & III, LLC (Pulte Homes of NJ - Creekside Development) (Block 36 Lot 17)

Mrs. Robitzski made a motion to approve Resolution #2017 - 43, Mr. Kendzulak, Jr. seconded the motion.

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

Resolution #2017 - 44 Acceptance of Performance Guarantee and Authorization to Sign Development Agreement, Pulte Homes of NJ, LP

Mrs. Robitzski made a motion to approve Resolution #2017 - 44, Mr. Kendzulak, Jr. seconded the motion.

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

Resolution #2017 - 45 Release of Performance Bond and Authorization to Execute Development Agreement / Maintenance Guarantee Flemington Junction, LLC (Flemington Junction Apartments) (Block 16.01 Lot 54.01)

Mr. Grand made a motion to approve Resolution #2017 - 45, Mrs. Robitzski seconded the motion.

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

Resolution #2017 - 46 Authorization to Advertise for Chemicals and Receive Bids for the Purchase of Chemicals

Mr. Grand made a motion to approve Resolution #2017 - 46, Mrs. Robitzski seconded the motion.

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

Resolution #2017 - 47 Authorization to Accept Proposal from Johnson, Mirmiran and Thompson and Authorization to Advertise for Bids for Commerce Street Sewer Repairs (Estimated at $6,000.00)

Mr. LaFerla – I just want to point out the third Whereas, the proposal, it's estimated.

Mr. Grand made a motion to approve Resolution #2017 - 47, Mr. Kendzulak, Jr. seconded the motion.

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

Resolution #2017 - 48 Authorization for Reimbursement of Jennifer Loudon ($2,011.25)

Mr. Grand made a motion to approve Resolution #2017 - 48, Mrs. Robitzski seconded the motion.

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

6. **Approval of Minutes:** Minutes of May 18, 2017

Mr. Kendzulak, Jr. made a motion to approve the minutes from the May 18, 2017 meeting. Mrs. Robitzski seconded the motion. All were in favor.

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

Mr. Kendzulak, Jr. - The bills totaled $484,866.20; everything appears to be in order. If you go to the last orange page, we're at 54.2%, and we're 50% through the year. Again, we've also paid some bills for the month of June, so I'm comfortable with that number. If you look at the other number below that, the 56.34%, that's where we were at in the budget this time last year so we're below that.

Mrs. Robitzski made a motion to approve the payment of bills. Mr. Grand seconded the motion.

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

8. **Citizens' Privilege:**

None

9. Adjourn into Closed Session by Motion, if Needed

Previously discussed.

10. Adjournment of Regular Meeting:

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

RARITAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
WORK SESSION MINUTES

JUNE 15, 2017

365 Old York Road, Flemington, New Jersey
(908) 782-7453 Office (908) 782-7466 Fax

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

2. **Correspondence:**

   a) Daniel Madden, PE, JMT to Gregory LaFerla, RTMUA regarding Renewal and Replacement Fund

   Previously discussed.

3. **Unfinished Business:**

   None

4. **New Business:**

   None

5. **Professional Reports:**

   a) Attorney - none

   b) Engineer - ok

6. RTMUA REPORTS:

a) ADMINISTRATIVE / OPERATIONS REPORT

1. Chief Operator / Director's Report

Mr. LaFerla – I have nothing to add except for those three dates for the Budget, if we can get someone from the Board to come in, that would be good.

   a) Overtime Recap
   b) Septage / Greywater Recap
2. Laboratory Summary
3. Maintenance Summary
4. Readington Flows

b) COMMISSIONERS' COMMENTS

7. Discussion:

Mrs. Robitzski – We need to discuss the under billing.

Mr. Watts – We had significant under billing of Tekni – Plex, from 3rd Quarter 2014 through 1st Quarter 2017 and Johanna Foods, from 4th Quarter 2014 through 1st Quarter 2017; a lot of the underbilling for Johanna Foods was for the extra testing that was required when they were sending us the mango puree.

Mr. LaFerla – It was the surcharge for the BOD.

Mr. Kendzulak, Jr. – Just send the bills; they both have an explanation with backup for them to review.

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. Kendzulak, Jr. seconded the motion. All were in favor. The Meeting ended at 8:17 pm.