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MAR 1 2013

REGULAR MEETING OF THE MUSCONETCONG SEWERAGE AUTHORITY

Chairman Rattner called the meeting to order at 7:30 PM. Following salute to colors, announcement was made that adequate notice of this meeting had been provided for as defined by the "Open Public Meetings Act".

MEMBERS PRESENT:	Donald Bates, James Benson, David Hoyt, Patrick Kunkel, Steven Rattner, Joseph Schwab, Edward Schwartz, John Sylvester
MEMBERS ABSENT:	Melanie Michetti, John Kieser, Daren Phil, Michael Pucilowski
OTHERS PRESENT:	Larry Kron, Esq., Lee Purcell, P.E., James Schilling,

Chairman Rattner indicated that Commissioners Keiser, Phil and Pucilowski were presently on the premises in a subcommittee meeting that was running a little late.

Chairman Rattner open and closed the meeting to the public.

The meeting minutes of October 25, 2012 were approved on a motion offered by Mr. Hoyt, seconded by Mr. Benson. Roll Call:

Mr. Bates	Yes	Mr. Rattner	Yes
Mr. Benson	Yes	Mr. Schwab	Yes
Mr. Hoyt	Yes	Mr. Schwartz	Yes
Mr. Kunkel	Yes	Mr. Sylvester	Abstained

The meeting minutes of November 15, 2012 were approved on a motion offered by Mr. Hoyt, seconded by Mr. Benson. Roll Call:

Mr. Bates	Yes	Mr. Rattner	Yes
Mr. Benson	Yes	Mr. Schwab	Yes
Mr. Hoyt	Yes	Mr. Schwartz	Abstained
Mr. Kunkel	Abstained	Mr. Sylvester	Yes

The Expenditures/Treasurer's Report was discussed and the fact that four accounts were short of funds. Mr. Kron suggested to transfer funds from accounts with excess money. Mr. Schwab said that it should be indicated in advance what expense accounts are short and how much money needs to be transferred in advance. He said that each transfer requested should be an exact amount calculated from the monthly pending vouchers and the Administrator and Director should make note of the need for a transfer in advance. The renewal and replacement account funds were over the budgeted amount and Chairman Rattner explained that is a trust account and any funds that come out of the renewal and replacement account must be approved by the auditor. He further explained the budgeted amounts for renewal and replacement for 2013 and what will be required. The other accounts that were over the budget were discussed further. Mr. Schilling indicated that he had forecasted these accounts to go over the budget and had previously requested that money be transferred from the sludge removal account. Mr. Rattner said it cannot be forecasted it has to be an actual number. Mr. Kron said that a motion could be made to transfer money to the named accounts that are listed from the sludge removal account. Mr. Hoyt made a motion to transfer the funds. Chairman Rattner indicated that there may be more accounts and that the Administrator had mentioned the telephone expense account. The commissioners reviewed and discussed some of the other accounts to see if any other accounts would be over budget and included the telephone account. The motion was seconded by Mr. Schwab. Mr. Schilling reiterated that the accounts included would be administrative salary and wages, trustee administrative fees, administrative other fees, legal, unemployment and telephone. Mr. Schwab added engineering to the list. Mr. Hoyt amended his motion to transfer funds to the listed accounts over budget from the sludge removal account. Mr. Schwab amended his second to the motion. The motion was approved by the affirmative roll call vote of members present.

Commissioners Keiser, Phil and Pucilowski entered the meeting at 7:39 PM.

The Expenditures/Treasurer's Report of December was accepted on a motion offered by Mr. Schwab seconded by Mr. Kunkel and the affirmative roll call vote of members present.

Commissioner Schwab reviewed the pending voucher list. He mentioned the employees purchasing their work boots through Cintas on the MSA account and stated that he believed the employees were suppose to pay for their work boots and be reimbursed. The Administrator noted that each employee is allowed an allotment to be spent on work boots whether they get them through the MSA Cintas account or purchase the boots themselves and get reimbursed. They questioned the Administrator how she keeps track of the expenses for work boots. She responded that she tracks the work boot

expenses through the monthly disbursements. Mr. Schilling responded that has been the procedure for a long time and said he would like to get back to the way the policy was written in the employee contract and they should purchase the boots themselves and get reimbursed. Mr. Schwab questioned if that was what the contract indicated. Mr. Schilling responded that was correct. It was decided that the employees should pay for their work boots and get reimbursed even if they order boots through Cintas.

Mr. Schwab questioned the Cintas First Aid bill and asked if it was part of the Cintas Uniform contract and the same company. Mr. Schilling said it was the same company, but different accounts. The Administrator indicated one was Cintas Corporation and the other was Cintas First Aid and they were separately paid bills. Mr. Schwab said that he wanted to bring up the subject now and wanted it on the record because hopefully the MSA will be hiring a qualified purchasing agent in the future and he wanted the purchasing agent to be aware of the different expenses and items. He also suggested that the purchasing agent hired, should read the meeting minutes. Mr. Schwab also questioned about the products in the first aid kits and asked if they were medicine cabinets or first aid kits. Mr. Schilling said that they were both. Mr. Keiser asked about the annual cost for maintaining the first aid kits. Mr. Schwab said the cost has been rising and that is why he is questioning the bills. The Administrator estimated the cost to be approximately $80.00 per month. The different products provided were discussed and it was suggested that some cold remedies and similar medicines should be supplied by the employees themselves. Mr. Schilling discussed the fact that he is moving more toward using coops and state contracts for various supplies and services to save money. Mr. Schwab said that he would like to keep track of these certain expenses and the purchasing agent, when hired, should be made aware of these items.

Mr. Schwab also questioned the charge for the security gate. He indicated that the approving resolution was for $40,327.29. He noted that the commissioners had discussions about supplying a keypad and that was not supplied. Mr. Schilling indicated that there were transponders for the vehicles and key fobs. Mr. Schwab questioned if the original contract was for a keypad. He said that there was a purchase order for $282.50 above the contract amount for key tags and he believed that originally the gate was supposed to have a touch keypad not key fobs. He said that if the contractor changed the contract then the extra charge for key fobs should be at the contractor's expense. He further questioned if the Authority was allowed to pay this expense because the resolution approved $40,327.29. Mr. Kron said a change order would be required. Chairman Rattner mentioned that this is a government contract and the change order would have to allow the contactor not to supply the keypad and indicate the cost difference for the in the contract. Mr. Schwab said the payment of $40,327.29 could be approved at this point and that would amend the pending vouchers. Mr. Phil questioned if the contractor would not be paid anything at this point because of the $282.50 difference. He also said that the system was much safer with the key fobs then with a keypad that would have to have the code changed periodically. Mr. Schwab said he would approve to pay the contractor $40,327.29 and hold the $282.50 difference subject to Mr. Schilling submitting a change order for $282.50 with an approving resolution. The cost difference was discussed. Mr. Phil questioned why the contractor could not be paid the $282.50 extra for the key fobs and transponders that were supplied. Mr. Kron said the commissioners could authorize payment of the bill as presented, or if the commissioners are satisfied by what Mr. Schilling is advising that the key fobs were additionally ordered, the bill could be approved to be paid in full. Mr. Kron said that Mr. Schilling would have to submit a change order. Mr. Kron said the resolution would approve the original amount plus the additional $282.50 subject to Mr. Schilling submitting a change order in the amount of $282.50 and this way the whole bill could be approved this evening. Mr. Keiser said he would make that motion, seconded by Mr. Schwab. Mr. Schwartz asked specifically what the security gate contract had proposed, a keypad or key fobs? Mr. Schilling said he was not sure. Mr. Schwartz said he would have to vote no. He further questioned how could the commissioners vote on a change order for an item that they were not sure was included in the contract, and that they were not sure what was being changed, and whether it would cost more money or the Authority would be owed money. He said someone needs to look at the contract and see if it was fulfilled. Mr. Keiser said he would like to amend his motion to provide for the payment of the bill exclusive of the change order that Mr. Schilling will submit after he reviews the contract and makes a recommendation for the change order, then it can be approved at that time, seconded by Mr. Schwartz. Mr. Schwab asked if he meant the way the contract was originally proposed. Mr. Rattner said yes that would make the most sense. Mr. Schwab said he would amend the pending voucher for the security gate to the original amount of the contract of $40,327.29 and asked the administrator to change the amount of the check. Mr. Pucilowski asked specifically what the resolution included and was it just for the key fobs. Mr. Schwab said that Mr. Schilling could investigate further on the cost for the key fobs and the commissioners were just approving the contract amount. Mr. Schwab stated that there were separate vouchers for the original contract amount and the key fobs and he was only going to sign the voucher for the original contract amount. Mr. Pucilowski questioned why the commissioners are approving payment of the original contract without knowing what was received and what was proposed. Mr. Kron indicated that there was a motion on the floor to pay the original amount of the contract without the extra $282.50 for the key fobs. Roll call:

Mr. Bates	Yes	Mr. Pucilowski	No
Mr. Benson	No	Mr. Rattner	No
Mr. Hoyt	Yes	Mr. Schwab	Yes
Mr. Keiser	Yes	Mr. Schwartz	Yes
Mr. Kunkel	No	Mr. Sylvester	No
Mr. Phil	Yes		

The pending vouchers were approved for payment as amended on a motion offered by Mr. Schwab, seconded by Mr. Schwartz. Roll call:

Mr. Bates	Yes	Mr. Pucilowski	No
Mr. Benson	No	Mr. Rattner	No
Mr. Hoyt	Yes	Mr. Schwab	Yes
Mr. Keiser	Yes	Mr. Schwartz	Yes
Mr. Kunkel	Yes	Mr. Sylvester	No
Mr. Phil	Yes		

CONTRUCTION ACCOUNT	
Nusbaum Stein (5 Priority Projects - Contract 220)	$180.00
OPERATING ACCOUNT	
ADP	$550.50
Accurate Waste Removal Services	$2,680.00
Vince Barbato	$240.24
Patrick Biasi	$77.00
Biotriad, Inc.	$660.00
Cintas Corp.	$1,682.08
Cintas First Aid	$182.44
Robert Colabella	$113.94
Communication Systems, Inc.	$681.25
Federal Express	$201.85
Finch Fuel Oil	$4,749.75
Fisher Scientific	$870.56
Grainger	$203.26
Susan Grebe	$237.07
Hach	$182.40
Hess	$3,293.03
Independent Contractors	$9,745.00
JCP&L	$4,316.97
Kemira Water Solutions	$9,024.19
Knapp, Trimboli & Prusinowski	$400.00
LTPA	$10,713.43
Lowe's	$41.47
Miselly Paper Products	$504.15
NJSHBP	$14,891.60
NJ American Water	$463.20
Netcong Hardware	$37.09
Nusbaum Stein	$652.50
One Call Concepts	$17.70
PPL Energy Plus	$15,714.72
Passaic Valley Sewerage	$7,482.00
Polydyne	$2,052.00
Michael Pucilowski	$502.00
QC Labs	$584.00
Quill	$301.48
R-D Trucking	$736.00
Roxbury Township Water Dept.	$198.44
James Schilling	$145.94
Shell Fleet Plus	$716.65
Spectraserv	$10,734.00
Robert Still	$600.00
David Stracco	$360.00
Trump Taj Mahal	$474.00
USA Blue Book	$2,084.36
Verizon	$1,308.07
Verizon Communication	$49.99
E.A. Waetjen	$40,327.29
Waste Management	$712.83
Water Environment Federation	$79.00

Mr. Kron discussed the meeting dates proposed for 2013. He suggested having a meeting date in early February because utility and sewer authorities operate in accordance with the municipality council appointments in January and the authorities' term appointments start February 1st so it would be better to have a meeting the first week of February instead February 28th to appoint all commissioners and professionals otherwise the Authority will be operating for four weeks without really be correctly organized. He also suggested that it does not make a lot of sense to have a meeting the last week of January if a meeting needs to be held the first week of February for reorganization and it might be preferable to have the regular meeting the first week of February. Mr. Schilling indicated that the only problem not having the January meeting would be payment for the annual JIF bill which is due January 15th. He spoke to the JIF representative and found out there is a 15 day grace period, but the bill needs to be paid by February 1st. Mr. Kron suggested approving payment of the JIF bill. Chairman Rattner said payment of the bill can be approved from the 2013 funds. A motion was offered by Mr. Schwab to pay

the JIF bill in the amount of $37,228.49 subject to approval of the budget, seconded by Mr. Benson and the affirmative vote of members present.

The meeting dates were discussed again. It was decided to have the reorganization meeting followed by the January regular meeting on February 6th starting 6:30 PM. Chairman Rattner said Resolution No. 12-43 needs to be passed so that the meeting can be published in the official newspaper.

Res. No. 12-43 Establishing meeting dates for the Musconetcong Sewerage Authority for the calendar year 2013 with a change to the reorganization date to February 6th to be followed by the regular monthly meeting was moved by Mr. Schwab, seconded by Mr. Benson and the affirmative roll call vote of members present.

RESOLUTION NO. 12-43

Resolution Establishing Meeting Dates
for the Musconetcong Sewerage Authority
for the Calendar Year 2013

WHEREAS, the Musconetcong Sewerage Authority hereby establish the following meeting dates for the Calendar Year 2013, which meetings will begin at 7:30 PM and held at the Water pollution Control Facilities located on Continental Drive in Mount Olive, New Jersey:

Feb 6th (Reorganization @ 6:30 PM followed by Regular Meeting)
February 28th
March 28th
April 25th
May 23rd
June 27th
July 25th
August 22nd
September 26th
October 24th
November 21st
December 19th

The following correspondence for the month of December was received and filed on a motion offered by Mr. Pucilowski, seconded by Mr. Mr. Kunkel and the affirmative vote of members present.

A. 11/14/12 NJDEP – TWA Approval for Bouquet Roxbury
B. 11/16/12 L. Kron, Esq. – Meeting Dates for Calendar Year 2013
C. 12/1/12 US Bank – NJ Env. Infrastructure Trust 1995A Loan Agreement
D. 12/4/12 NJ Env. Infrastructure Trust – Trust Series 2010B Loan Agreement #S340384-08
E. 12/4/12 NJ Env. Infrastructure Trust – Trust Series 2010B Loan Agreement #S340384-07
F. 12/4/12 NJ Env. Infrastructure Trust – Trust Series 2010B Loan Agreement #S340384-06
G. 12.6.12 TD Bank - NJ Env. Infrastructure Trust Series 2002 Loan Agreement
H. 12/12/12 LTPA – MSA Emergency Handrails Review of Quotes & Engineer Recommendation
I. 12/17/12 Invitation to Borough of Stanhope Annual Reorganization Mtg 1/1/13 @ 12:00 PM
J. 12/19/12 New Jersey Utilities Authorities JIF – Assessment Bill Fund Year 2013
K. 12/19/12 Vincent Montanino, RMA – MSA 2013 Budget & Memo from Div. of Local Gov.

Mr. Schilling indicated that flow readings for the month of December will be available in early January. As of December 14th, the MSA disposed of 190,000 gallons of sludge to Par Troy Sewerage. Passaic Valley Sewerage Commission is still shut down due to Hurricane Sandy. November 2012 sludge totals were 329,000 gallons.

Mr. Schilling reported that an inspection was conducted by the NJDEP on 11/27/12. The inspection went well and the final report was received on 12/12/12 and there were no issues regarding the facilities.

Mr. Schilling also reported that UST console was replaced on 12/6/12 and is now totally compliant.

Mr. Schilling also reported he attended a free seminar sponsored by the Association of Public Works regard Labor negotiations and bargaining unit interaction. He found it very informative.

Mr. Schilling also reported that the Side Bar Agreement was received regarding part time employment waiver from the union for the qualified purchasing agent position. All documents were forwarded to the commissioners for review and approval. Chairman Rattner asked Mr. Kron if a resolution was prepared for approval of the purchasing agent position. Resolution No. 12-42 was prepared for the designation of the purchasing agent position. Chairman Rattner said a resolution would also be needed to authorize him to sign the Side Bar Agreement. Mr. Kron said a resolution could be made authorizing the Chairman to sign the amendment to the Labor Contract which confirms that the position of purchasing agent shall be part time, non-union and at will. A motion offered by Mr.

Pucilowski to authorize the Chairman to sign the amendment to the Labor Contract which confirms that the position of purchasing agent shall be part time, non-union and at will, seconded by Mr. Benson. Roll call:

Mr. Bates	Yes	Mr. Pucilowski	Yes
Mr. Benson	Yes	Mr. Rattner	Yes
Mr. Hoyt	Yes	Mr. Schwab	Yes
Mr. Keiser	Yes	Mr. Schwartz	Yes
Mr. Kunkel	Abstain	Mr. Sylvester	Yes
Mr. Phil	Yes		

Res. No. 12-42 Designating the Position of Purchasing Agent for the Musconetcong Sewerage Authority was moved by Mr. Bates, seconded by Mr. Schwartz and the affirmative roll call vote of members present.

RESOLUTION NO. 12-42

Resolution Designating the Position of Purchasing Agent for the Musconetcong Sewerage Authority

WHEREAS, P.L. 2009, c.166, codified as N.J.S.A. 40A:11-2 et seq., supplementing and amending Chapter 11 of Title 40A of the New Jersey Statutes allows local contracting units in New Jersey to create the position of Purchasing Agent; and

WHEREAS, the Musconetcong Sewerage Authority desires to create the position of Purchasing Agent;

NOW, THEREFORE, BE IT RESOLVED, by the Commissioners of the Musconetcong Sewerage Authority that the position of Purchasing Agent is hereby created for the Musconetcong Sewerage Authority; and

BE IT FURTHER RESOLVED as follows:

1. The position shall be part-time, non-union, and "at will"; and
2. The Purchasing Agent shall be appointed by the Commissioners; and
3. The Purchasing Agent shall possess a valid Qualified Purchasing Agent Certificate, as issued by the New Jersey Division of Local Government Services, Department of Community Affairs; and
4. The Purchasing Agent shall have the authority, responsibility and accountability for the purchasing activity for the Musconetcong Sewage Authority, to prepare public advertising for bids and to receive bids and request for proposals for the provision or performance of goods, services and construction contracts on behalf of the Musconetcong Sewerage Authority, and to award contracts permitted through the New Jersey statutes and in accordance with regulations, forms and procedures promulgated by state regulatory agencies in the name of the Musconetcong Sewerage Authority, and the purchasing policy guidelines established by the Musconetcong Sewerage Authority and conduct any activities as may be necessary or appropriate to the purchasing function of the Musconetcong Sewerage Authority;
5. The bid threshold for the Purchasing Agent shall be Thirty Six Thousand ($36,000.00) Dollars.

Mr. Schilling also reported that the engineering committee met with LTPA on 12/13/12 to discuss the proposals received for the railing repairs and the agreement between LTPA and the MSA for 2013. They recommend awarding the project to Iron Hills Construction in the amount of $20,618.00. Chairman Rattner asked Mr. Schilling to explain on how the decision was made. Mr. Schilling said that himself, John Black and Fenton Purcell of LTPA met with four different contractors. He said the proposals were reviewed by himself, LTPA and the engineering committee and they all recommend awarding the project to Iron Hills. Mr. Rattner asked how the elimination process was conducted. Mr. Schilling said that Lee Purcell, PE would report on that further in his report. He also mentioned he e-mailed all the commissioners an explanation on how the decision was made on 12/13/12. One of the commissioners asked if Mr. Purcell could report on the project now while it was being discussed. Mr. Purcell reported that of the four proposals received, two of them were non-responsive because they did not address the emergency aspect of the project. The third proposal did not achieve the desire of the Authority to have a different method other than the standard method for the crack repair. The fourth proposal was submitted by Iron Hills and they were the highest proposal at $20,618.00. They had an alternative method of repairing 7 of the 9 posts by using a flanged pocket which would include cutting the rails off, shifting the rails to solid concrete and then they will put in OSHA approved sockets that the rail posts would fit into. Where there are gaps from shifting the rails they will put in new pieces of railing with the proper cup links. Iron Hills said they could do that work immediately upon authorization to proceed. Mr. Purcell noted that this was in keeping with the Authority's desire not to have the standard type of repairs made that were done 10 years ago. The last two posts would require a similar type of repair that was done 10 years ago. He said this was the only proposal that meets the intent of what the Authority was requiring, and therefore, LTPA is recommending the award of the contract to Iron Hills Construction. Mr. Kron said he had prepared Resolution No. 12-44 authorizing an emergency contract with Irons Hills Construction to make the emergency repairs to the nine handrails at the Wastewater Treatment Facility pursuant to N.J.S.A. 40A:11-6 without competitive bidding and the price would be $20,618.00. Mr. Bates questioned what would hold the pipe into the flange. Mr. Purcell responded that the pipe would be cut off and the mounting would be put on solid concrete and there will be set screws to hold them and it

would be a permanent fix. Mr. Schwab asked if they would be addressing the spot where the concrete is broken off. Mr. Purcell said the contractor will also stabilize the concrete so it will not fall into the tank and in the spring they will do all of the concrete repair work, but it will not be with posts going into the new concrete, except for the last two hand rails.

Res. No. 12-44 Authorizing an Emergency Contract with Iron Hills Construction, Inc., to Make Emergency Repairs to Nine (9) Handrail Posts at the Wastewater Treatment Facility Pursuant to N.J.S.A. 40A:11-6 Without Competitive Bidding Designating, was moved by Mr. Keiser, seconded by Mr. Sylvester and the affirmative roll call vote of members present.

RESOLUTION NO. 12-44

Resolution of the Musconetcong Sewerage Authority Authorizing an Emergency Contract with Iron Hills Construction, Inc., to Make Emergency Repairs to Nine (9) Handrail Posts at the Wastewater Treatment Facility Pursuant to N.J.S.A. 40A:11-6 Without Competitive Bidding

WHEREAS, N.J.S.A. 40A:11-6 provides that no contract shall be entered into on an emergency basis unless the circumstances meet all of the following requirements:

1. An actual or imminent emergency must exist requiring the immediate delivery of the article or the performance of the service;
2. The emergency condition must affect the public health, safety or welfare and require the immediate delivery of the article or the performance of the service to alleviate such effect;
3. The emergency purchasing procedure may not be used unless the need for the articles or services could not have been reasonably foreseen or the need for such articles or services has arisen, notwithstanding a good faith effort on the part of the contracting unit to plan for the purchase of any articles or services required by the contracting unit;
4. The contract shall be of such limited duration as to meet only the immediate needs of the emergency; and
5. The emergency purchasing procedure shall not be used to enter into a multi-year contract.

WHEREAS, Lee T. Purcell Consultants, Consulting Engineers for the Musconetcong Sewerage Authority conducted an inspection on November 9, 2012 of the Wastewater Treatment Facility with an emphasis on safety issues regarding handrails. The inspection revealed many locations within the facility where concrete is deteriorating around the base of the handrail post. In the opinion of the Engineer, nine (9) of these locations require immediate action to remediate the unsafe condition for Plant Personnel resulting from the deterioration. The unsafe conditions include, but are not limited to, areas where portions of the handrail system could fail and potentially lead to the injury of plant personnel. The serious nature of the conditions at these nine (9) locations was not foreseen by plant personnel. Director Schilling and Lee T. Purcell Associates immediately solicited quotations for emergency repairs from four (4) contractors as summarized on the sheet attached to this Resolution. Of the four (4) contractors, only Iron Hills Construction, Inc., responded with a quotation that adequately responded to the need for immediate repairs. Lee T. Purcell Associates have recommended that the Musconetcong Sewerage Authority award a Contract to Iron Hills Construction, Inc., as per their quotation in the amount of $20,618.00 for the emergency repairs. It should also be noted that during the inspection mentioned above, other handrail post locations were noted within the facility that are also in need of remedial work, however, these additional locations do not pose the same threat to safety as the nine (9) mentioned above. Lee T. Purcell Associates have recommended that the other locations be part of the larger project during the regular bidding process as soon as practical; and

WHEREAS, the Commissioners of the Musconetcong Sewerage Authority have determined that:

1. An actual emergency exists requiring repairs to nine (9) handrail posts.
2. The emergency condition affects the safety of Plant Personnel and requires the immediate correction of the conditions.
3. The need for the corrections to the nine (9) handrail posts could not have been foreseen.
4. The contract proposed is limited to the repair of the nine (9) handrail posts until the MSA can receive bids and award a Contract to the lowest responsible bidder for repairs to the other handrail post locations noted within the inspection.

NOW, THEREFORE, BE IT HEREBY RESOLVED, by the Commissioners of the Musconetcong Sewerage Authority that the Musconetcong Sewerage Authority is hereby authorized to enter into Contract with Iron Hills Construction, Inc., for the repair of nine (9) handrail posts in the amount of $20,618.00; and

BE IT FURTHER RESOLVED, that the Chairman of the Authority is hereby authorized to enter into a Contract with Iron Hills Construction, Inc., as authorized hereinabove.

Commissioners Schwab and Keiser both commended Mr. Schilling on his presentation and follow-up with information as it was received for the emergency hand rail repairs.

Mr. Schilling also reported that he faxed Hurricane Sandy relief documents to the State on 11/28/12 with the required information. He said that Commissioner Pucilowski went to the first kick-off meeting and brought back documents the next day. He filled the documents out and submitted them to FEMA. He had a meeting with FEMA representatives yesterday. The rough costs are approximately $57,000.00 to the MSA. At the FEMA meeting he was informed about additional expenses he could claim. The MSA should be recovering about 75% of the costs from the storm. There was some discussion about authorizing Mr. Schilling to sign and submit the required information to FEMA. A motion was made by Mr. Sylvester to authorize Mr. Schilling to sign and submit the FEMA documents that would be required, seconded by Mr. Schwab and the affirmative vote of members present.

Mr. Schilling reported that he met with Energy Market Exchange on 12/10/12 to discuss their program for energy procurement. He had forwarded information to the commissioners. Mr. Schilling indicated that he would like to explore the program further. It may be a better way to manage all the accounts and consortiums and save money. He said the MSA is in two different consortiums. He did not like the fact that once you opt in, whatever the price is, the MSA would be locked in. Mr. Schwab asked what the re-update was for the MSA. Mr. Schilling said the MSA started June 2012, so that would mean the MSA would stay in until May of 2014. Mr. Schwab indicated that it was a good idea to explore. Mr. Schilling said it would also be a good program for the member towns also. Mr. Schwab noted that this way the MSA could consolidate all the electric accounts. Mr. Schilling responded yes and he thought it would be a good idea. Mr. Rattner explained that the MSA went with two consortiums on purpose so that the Authority would not get stuck with a high fixed rate. Mr. Rattner suggested that Mr. Schilling look at some of the other consortiums and track them for a while to see how they turn out. Mr. Pucilowski asked if Mr. Schilling had talked to any of the references. Mr. Schilling said that would be a good idea and he would follow-up.

Lastly, Mr. Schilling reported that he did a sludge reduction summary. He started his employment at the MSA in April 2011 and he compared everything to what was done in 2010 and prior to his employment. He said that the MSA spends a lot of money on sludge removal and it makes up 20% of the MSA overall budget. He further indicated that he reduced sludge gallonage reduction by 916,000 gallons in 2011. This year he estimated a reduction of 2,188,000 gallons. Since he started working at the MSA he has reduced the sludge gallonage by 3,104,000 gallons.

The Repairs and Maintenance Report was accepted on a motion offered by Mr. Schwab, seconded by Mr. Bates and the affirmative vote of members present.

Lee Purcell, P.E. reported that the Needs Survey was submitted to the NJDEP. The NJDEP is interested in an asset management program. LTPA has been discussing the program with Mr. Schilling and he recommended formalizing an asset management plan.

Lee Purcell, P.E. also reported on the Status of close-out of NJEIT Project No. S340384-08. The contractor's maintenance bond has still not been received. Mr. Kron has submitted a letter to the contractor requesting the maintenance bond to be submitted immediately. He also mentioned the other NJEIT loan payments listed in the correspondence. He had discussed the loan payments with the Administrator and suggested that she contact Mr. Montanino.

Mr. Purcell also reported on the water service for Pump Station No. 6. LTPA has submitted four requests for quotations from local contractors. He expects to get the proposals back on or before January 15th and he would have a recommendation on the award for the project. The contractor will be required to obtain a plumbing permit from the Borough of Stanhope because they will be hooking into the water inside the pumping station.

Mr. Purcell also mentioned that the hand rail repairs were discussed earlier and the contract award to Iron Hills Construction is appreciated. He further reported on the other non-emergency hand rail repairs that would be required. LTPA met with the engineering committee. There were two requests from the committee. One had to do with LTPA submitting a proposal to the MSA on the hand rail repairs required other than the nine emergency repairs required immediately. LTPA prepared a proposal which was attached to his agenda.

Mr. Purcell also reported on the interceptor sewer repairs and indicated that the repairs were not allowed to be done by National Water Main on a change order basis, so LTPA would request to submit a proposal to the MSA to go to bid on the project. He said the work required on the interceptor sewer should be done in the summer when school is out. He said the work on the hand rails should also be prepared to go out to bid and have that work done in the summer months also. The two proposals that LTPA prepared were attached to his agenda. Mr. Schwab asked about the service connections that were punched through into the interceptor and if the MSA should install manholes in those spots or relocate those laterals coming from the houses to where there is a manhole. Mr. Purcell responded that the service would be repaired to the MSA interceptor and the protrusions will be taken out and the interceptor will be sealed properly. The house connections were discussed. Mr. Keiser suggested that the engineering committee meet with LTPA to discuss these two proposals and then report back to the commissioners. Mr. Schwab asked Mr. Purcell if the MSA should consider a large scale project to start lining the interceptor. Mr. Purcell said that the interceptor does not have to be lined and is in good condition. The interceptor has been remediated in the past and the integrity of the system remains. Presently, there

are 21 defects that have to be repaired and once that work is done the system should be sound. Mr. Purcell also suggested that the towns should be required to notify the MSA when connections are made into the interceptor. There was discussion about approving a resolution for that requirement. The commissioners discussed LTPA's proposals submitted. There was further discussion about future projects and the funding for the projects.

Mr. Purcell mentioned his office has still not been paid for the work they completed amounting to $1,615.00 for the Hopatcong State Park project. The commissioners discussed the matter. Mr. Kron suggested that LTPA be paid for the work they performed even though the escrow was not received. Mr. Phil suggested that next time LTPA reviews a project there should be money in the escrow account before they do the work. A motion was made by Mr. Hoyt to authorize the MSA to pay Lee T. Purcell Associates for the work that was done on the Hopatcong State Park project that was never paid by the developer, and the MSA had authorized LTPA to do the work, LTPA has agreed to reduce the bill to accept it for $1,000.00 for the work they performed, seconded by Mr. Phil and the affirmative vote of members present.

The Engineer's Report was accepted on a motion offered by Mr. Kunkel, seconded by Mr. Bates and the affirmative vote of members present.

Chairman Rattner asked if there was any old business to discuss. Mr. Pucilowski question Mr. Kron about his success to obtain the maintenance bond from the contractor for Contract 220. Mr. Kron indicated that they do not seem to be replying and at this point the MSA is holding about 2% of the money and will just continue to hold it. He explained that in the event an issue does arise the MSA can go against the bonding company. He will continue to follow-up.

The Corrective Action Plan to the Budget forwarded that afternoon by Mr. Montanino was discussed by Mr. Kron.

Res. No. 12-45 Adopting a Corrective Action Plan to be included with the Adopted Budget of the Musconetcong Sewerage Authority, was moved by Mr. Hoyt, seconded by Mr. Kunkel and the affirmative roll call vote of members present.

RESOLUTION NO. 12-45

RESOLUTION ADOPTING CORRECTIVE
ACTION PLAN TO BE INCLUDED WITH THE
ADOPTED BUDGET OF THE MUSCONETCONG
SEWERAGE AUTHORITY
FISCAL YEAR: from Jan. 1, 2013 to Dec. 31, 2013

WHEREAS, the Musconetcong Sewerage Authority has previously adopted a Resolution for the Annual Budget and Capital Budget for the Musconetcong Sewerage Authority for the fiscal year beginning January 1, 2013 to December 31, 2013; and

WHEREAS, the Division of Local Government Services is requiring that the Musconetcong Sewerage Authority also adopt a Corrective Action Plan to be adopted with the Budget.

NOW, THEREFORE BE IT RESOLVED, by the governing body of the Musconetcong Sewerage Authority that the Corrective Action Plan attached hereto is adopted along with the Budget.

Motion made by Mr. Hoyt, seconded by Mr. Schwab and the affirmative roll call vote of members present, Chairman Rattner adjourned the meeting at 9:28 PM.

Respectfully Submitted:
Susan Grebe

Susan Grebe,
Administrative Assistant

MUSCONETCONG SEWERAGE AUTHORITY
CORRECTIVE ACTION PLAN

Resolution No. 12-45

DATE OF BOARD MEETING: **December 20, 2012**

CONTACT INFORMATION:

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FINDING/ RECOMMENDATION NUMBER	FINDING	CORRECTIVE ACTION	METHOD OF IMPLEMENTATION	INDIVIDUAL RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
1	The Authority is not getting the best return on its deposited fund.	The Authority will contact area banks for investment options and rates.	Either by phone or written requests.	Executive Director	January 31, 2013
2	The Trustee is not using the Debt Service Account to make the Authority's semi-annual payments.	The Authority will contact and direct the Trustee to utilize the Debt Service Account to make the semi-annual payments.	By letter to the Account Manager at US Bank.	Executive Director	January 15, 2013

Executive Director — 12/21/12 Date

Chairman — 12/21/12 Date