

(C)

Gouveia, Susan

From: Lashway, Lisa
Sent: Friday, February 27, 2015 1:24 PM
To: Quinn, Tim; Kolody, Sherry; Canning, Sean; Gouveia, Susan
Subject: FW: MSA Meeting Minutes - January 22, 2015
Attachments: January 22, 2015 approved meeting minutes.pdf

Lisa Lashway
Mt. Olive Twp. Clerk
973-691-0900 Ext. 7291
FAX 973-691-2080
PO Box 450
Budd Lake, NJ 07828

From: Susan Grebe [mailto:sgrebe@msa-nj.org]
Sent: Friday, February 27, 2015 11:25 AM
To: Amy Rhead; 'Catherine Gleason'; Dolores Dalessandro; Doris Flynn; Ellen Horak; Linda DeSantis; Lashway, Lisa
Subject: MSA Meeting Minutes - January 22, 2015

Attached are the approved meeting minutes of the MSA's meeting on January 22nd.

*Susan Grebe,
Administrative Assistant
Musconetcong Sewerage Authority
110 Continental Drive, Budd Lake, NJ 07828
973-347-1525 ext. 201*

REGULAR MEETING OF THE MUSCONETCONG SEWERAGE AUTHORITY

Vice Chairman Sylvester 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, Michael Grogan, Brian McNeilly, Melanie Michetti, Rich Schindelar, Joseph Schwab, John Sylvester

MEMBERS ABSENT: James Benson, Darren Phil, Michael Pucilowski, Steven Rattner, Edward Schwartz

OTHERS PRESENT: Patrick Dwyer, Esq., Lee Purcell, PE, Fenton Purcell, PE, James Schilling, Marvin Joss

Vice Chairman Sylvester opened and closed the meeting to the public.

The Regular Meeting Minutes of December 18, 2014 were approved on a motion offered by Mr. McNeilly seconded by Mrs. Michetti and the affirmative roll call vote of members present.

The Litigation Closed Session Meeting Minutes of December 18, 2014 were approved on a motion offered by Mr. Schwab, seconded by Mr. McNeilly and the affirmative roll call vote of members present.

The Personnel Closed Session Meeting Minutes of December 18, 2014 were approved on a motion offered by Mr. McNeilly, seconded by Mr. Schwab and the affirmative roll call vote of members present.

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

TREASURER'S REPORT- JANUARY 1, 2015

OPERATING ACCOUNT

Balance as of December 1, 2014:		\$ 1,233,943.82
Receipts (December):		
	Hospitalization	2,688.36
	4 th Qtr Revenue Transfer	831,645.63
		<u>834,333.99</u>
		\$ 1,883,068.20
Total Disbursements - December:		\$ 265,595.61
Balance as of January 1, 2015:		<u>\$ 1,617,472.59</u>

RENEWAL/REPLACEMENT ACCOUNT

Balance as of December 1, 2014:		\$ 603,979.40
Receipts:	4 th Qtr Transfer from Revenue	50,000.00
Disbursements:	LTPA	(4,930.00)
	Hayes Pump	(11,770.00)
Balance as of January 1, 2015:		<u>\$ 637,279.40</u>

ESCROW ACCOUNT

Balance as of December 1, 2014:		\$ 2,952.34
Receipts:		0.00
Disbursements:		0.00
Balance as of January 1, 2015:		<u>\$ 2,952.34</u>

CAPITAL IMPROVEMENT ACCOUNT

Balance as of December 1, 2014:		\$ 525,000.00
Receipts:	4 th Qtr Transfer from Revenue	75,000.00
Disbursements:		0.00
Balance as of January 1, 2015:		<u>\$ 600,000.00</u>

EXPENDITURES REPORT - 2014 BUDGET
1/1/15

	2014	YEAR-TO-DATE		%
	BUDGET	EXPENDITURES	BALANCE	REMAINING
Admin - Salaries and Wages	\$149,000.00	\$142,543.36	\$6,456.64	4.33%
Trustee Admin Fees	\$60,000.00	\$20,407.26	\$39,592.74	65.99%
Administrative - Other Expenses	\$33,000.00	\$32,328.22	\$671.78	2.04%
Legal	\$25,000.00	\$21,278.88	\$3,721.12	14.88%
Audit	\$14,000.00	\$0.00	\$14,000.00	100.00%
Engineer	\$20,000.00	\$14,710.00	\$5,290.00	26.45%
Pension	\$86,000.00	\$65,069.00	\$20,931.00	24.34%
Social Security	\$60,000.00	\$57,165.32	\$2,834.68	4.72%
Unemployment	\$7,000.00	\$5,223.31	\$1,776.69	25.38%
Hospitalization	\$222,800.00	\$180,799.96	\$42,000.04	18.85%
Disability Insurance	\$10,000.00	\$6,763.94	\$3,236.06	32.36%
Operating - Salaries and Wages	\$620,000.00	\$559,031.79	\$60,968.21	9.83%
Reserve for Future Retirement	\$15,000.00	\$15,000.00	\$0.00	0.00%
Telephone	\$15,000.00	\$13,528.32	\$1,471.68	9.81%
Electric	\$527,000.00	\$367,227.06	\$159,772.94	30.32%
Propane/Fuel Oil/ Gasoline	\$35,000.00	\$24,029.54	\$10,970.46	31.34%
Supplies/Chemicals	\$135,100.00	\$121,797.57	\$13,302.43	9.85%
Laboratory Supplies	\$8,000.00	\$7,991.11	\$8.89	0.11%
Office	\$20,000.00	\$14,288.55	\$5,711.45	28.56%
External Services	\$50,000.00	\$48,201.80	\$1,798.20	3.60%
Education/Training	\$15,000.00	\$8,642.57	\$6,357.43	42.38%
Laboratory Fees	\$25,000.00	\$17,943.77	\$7,056.23	28.22%
Maintenance/Repairs	\$100,000.00	\$94,104.99	\$5,895.01	5.90%
Insurance	\$110,000.00	\$96,056.31	\$13,943.69	12.68%
NJDEP Fees	\$25,000.00	\$18,768.25	\$6,231.75	24.93%
Permit/Compliance Fees	\$150,000.00	\$64,942.00	\$85,058.00	56.71%
Equipment	\$60,000.00	\$47,496.18	\$12,503.82	20.84%
Sludge Removal	\$550,000.00	\$434,235.29	\$115,764.71	21.05%
Contingency	\$25,000.00	\$0.00	\$25,000.00	100.00%
Capital Improvement	\$300,000.00	\$300,000.00	\$0.00	0.00%
Renewal and Replacement	\$200,000.00	\$200,000.00	\$0.00	0.00%
TOTAL	\$3,671,900.00	\$2,999,574.35	\$672,325.65	18.31%

The pending vouchers for the month of January were approved for payment on a motion offered by Mr. Schwab, seconded by Mrs. Michetti and the affirmative roll call vote of members present;

DEBT SERVICE ACCOUNT	
NJIT (Loan S340 384-06 loan payment)	\$23,433.19
NJIT (Loan S340 384-07 loan payment)	\$11,041.21
NJIT (Loan S340 384-08 loan payment)	\$25,979.21
TD Bank NA (Series 2002 Loan payment)	\$73,492.39
RENEWAL & REPLACEMENT	
Hayes Pump	\$11,589.00
Nusbaum Stein	\$462.00
OPERATING ACCOUNT	
ADP	\$641.36
AmeriGas	\$1,973.95
Vince Barbato (dental reimb)	\$216.06
Blue Diamond Disposal	\$265.00
Certified Labs	\$1,145.97
Cintas Corp.	\$582.80
Cintas First Aid	\$131.86
Cleary Giacobbe	\$525.00
Daily Record	\$14.08
Keith DeFazio (mileage reimb)	\$87.88
eMaint Enterprises, LLC	\$3,060.00
Grainger (detergent)	\$215.85
Hayes Pump	\$973.43
JCP&L	\$5,456.90
Kemira	\$4,551.33
LTPA	\$180.00
Lowe's	\$148.54
MSA Payroll 1/2/15	\$31,823.91
MSA Payroll 1/16/15	\$30,615.59

Motion Industries	\$314.63
NJEIT	\$1,335.00
NJEIT	\$1,459.25
NJEIT	\$2,474.38
NJSHP	\$17,287.14
NJ Utilities Authority JIF	\$40,954.67
Najarian Associates	\$1,315.00
Northeast Computer	\$3,064.40
Nusbaum Stein	\$2,514.60
One Call	\$32.94
PERS	\$77,573.00
Pan Metro	\$600.00
Passaic Valley Sewerage Commission	\$15,179.00
Pegasus Electric Motors	\$2,450.00
Peterson & Sons Tree Service	\$300.00
Philadelphia Mixing Solutions	\$8,847.25
Patrick Pisano (work boot reimb)	\$37.02
Pumping Services	\$2,110.00
QC Labs	\$207.00
Quill	\$939.98
Randolph Township	\$1,100.00
James Schilling (dental reimb)	\$600.00
Shell Fleet Plus	\$232.72
Spectraserve	\$16,848.00
Staples	\$695.19
Robert Still (dental reimb)	\$600.00
TD Bank NA	\$4,935.00
Treasurer, State of NJ	\$200.00
Unum Life Insurance	\$1,384.67
VM Associates	\$4,330.00
Verizon	\$703.84
Verizon Communications	\$54.99
Verizon Wireless	\$225.40
WEF	\$282.00

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

- A. 12/10/14 NJDOT – Pavement Preservation Project for Warren, Sussex & Morris Counties
- B. 12/24/14 LTPA – Contract 255 Service & Dilution Water Pumps Project Final Specifications
- C. 1/6/15 Borough Clerk, Borough of Netcong – Resolution Appointing Michael Grogan Commission for Five Year Term
- D. 1/15/15 LTPA – Contract 255 Service & Dilution Water Pumps Project Additional Fees

Mr. Schilling asked the commissioners if they had reviewed his monthly report and if anyone had any questions or comments. Mr. Schilling reported that the NJDEP has allowed the MSA to combine the two annual physical connection permits into one, which will save \$200.00 per year on permit fees. Mrs. Michetti confirmed with Mr. Schilling that both permits are due at the same time so neither of the permits will lapse. Mr. Schilling responded that they are both due on February 4th annually.

The Director's Report, and Maintenance and Repairs Report, for the month of January was accepted on a motion offered by Mr. McNeilly, seconded by Mr. Schwab and the affirmative vote of members present.

Fenton Purcell, PE reported on the status of The Dilution Water Pump Assembly and Cushion Check Valve Project. LTPA has approved the shop drawings submitted by A.C. Schultes. The contractor advised that the pump will be installed during the last week in February.

Mr. Purcell also reported on Contract 255 for the removal and replacement of the service water and dilution water pumping assemblies. The specifications are complete and two copies have been forwarded to the Authority. Resolution No. 15-1 was on the agenda to authorize the MSA Director to receive proposals on February 19th. LTPA should be able to recommend the bid award at the February meeting.

The Engineer's Report for the month of January was accepted on a motion offered by Mr. McNeilly, seconded by Mr. Schindelar and the affirmative vote of members present.

Resolution No. 15-1 Authorizing the Director to Receive Sealed Proposals for Contract No. 255 for the Water Dilution and Service Pumps Project as Described in the Technical Specifications on February 19, 2015 at 10:30 a.m. in the Office of the MSA, was moved by Mr. Schwab, seconded by Mr. McNeilly and the affirmative roll call vote of members present.

RESOLUTION NO. 15-1

Resolution of the Musconetcong Sewerage Authority
Authorizing the Director to Receive Sealed Proposals for
Contract No. 255 for the Water Dilution and Service Pumps Project
as Described in the Technical Specifications on
February 19, 2015 at 10:30 a.m. In the Office of the Authority's
Water Pollution Control Facility

WHEREAS, a need exists for Water Dilution and Service Pumps as described in the Technical Specifications as detailed in Contract No. 255; and

WHEREAS, funds are available for said Contract.

NOW, THEREFORE, BE IT RESOLVED, by the Commissioners of the Musconetcong Sewerage Authority that the Director is hereby authorized to receive sealed proposals for Contract No. 255, Water Dilution and Service Pumps as described in the Technical Specifications on February 19, 2015 at 10:30 a.m. at the office of the Authority's Water Pollution Control Facility, located at 110 Continental Drive, Budd Lake, New Jersey. At that time and place, the sealed bids will be opened publicly and read aloud.

Copies of the Contract Specifications are on file at the Office of the Authority at the Water Pollution Control Facility located in Budd Lake, New Jersey. The Contract Specifications may be obtained by contacting the Authority's Office at 973-347-1525.

Mr. Schwab reviewed LTPA's fees for both pump projects and asked if the commissioners had reviewed LTPA's letter of January 15th listed under the monthly correspondence. Mr. Sylvester asked if the fees were within the approved budget. Mr. Purcell said that the total construction cost for the one dilution pump is \$28,000.00 which includes LTPA's fees and the contractor's fees. The total cost for all four pumps will be approximately \$120,000.00. Mr. Purcell explained that the MSA had expended \$3,144.00 for the design services. The estimated construction inspection fees are \$1,360.00 and the bid is \$23,000.00. Mr. Schwab asked if LTPA's total costs would be about 10% of the construction cost. Mr. Purcell said yes, and the fees were all inclusive. Mr. Schwab explained that infrastructure projects were very cumbersome to handle administratively, but there were advantages when working with the renewal and replacement and capital improvement accounts so the engineering costs for these projects should be at about 10% or less. He indicated that he approved of LTPA's estimate for Contract No. 255 and asked if any of the commissioners had comments. A motion was made by Mr. Schwab to authorize the expenditures of \$5,780.00 as listed in Attachment 1 to LTPA's letter dated January 15, 2015 for the estimated engineering fees provided by LTPA during construction for the dilution water pumps and service water pumps project Contract No. 255, seconded by Mrs. Michetti and approved by the affirmative roll call vote of members present. Mr. Sylvester asked if the authorized fees were outside of the scope of work for Resolution No. 15-1. Mr. Schwab said authorization includes soliciting bids, receiving bids, any shop drawings that may be needed and construction inspection fees for Contract No. 255.

Mr. McNeilly suggested that the alternate engineer's position should be discussed. He indicated that he believed the position is not really applicable and did not think an alternate engineer needed to be appointed for 2015 at the reorganization meeting. Mr. Schwab noted that the alternate engineer could be needed for more than a back-up to LTPA in case of conflicts. He believed it would be good to have a firm appointed for 2015. An alternative engineer could also be used for a second opinion on engineering issues or for quality control. He suggested it would be good to have a professional services contract approved and in place in case a need arises. Mrs. Michetti noted that it does not cost anything to have an alternate engineer appointed. The MSA would only have expenses if it were to utilize the services of the alternate engineer. She explained some of the MSA's past needs for an alternate engineer. There was some discussion about past procedures and how the MSA decided who should be appointed. Mr. Schwab explained the procedures and how it was decided that CP Engineers was initially appointed two years ago. He also added that CP Engineers has knowledge and experience with sewerage plants. Mr. McNeilly asked if the MSA has ever utilized CP Engineers since they have been appointed alternate engineer. Mr. Schwab responded that there have not been any large scale projects that would require alternate engineering services in the past two years since CP Engineers was appointed, but this year's projects were probably going to be up scaled and a need could arise. He reiterated that there are no expenses to appoint an alternate engineer and he did not think there was any reason for the Engineering Committee to have to go through the long selection process again to replace CP Engineers just because there were a couple newspaper articles in one small Sussex County newspaper. It was his opinion that the situation should be discussed directly with CP Engineers. Mr. Sylvester asked Mr. McNeilly if the newspaper articles were of concern to him. Mr. McNeilly responded that he was only objective to the position of alternate engineer and did not believe it was a needed position. Mr. McNeilly mentioned that someone from the firm is always present at the MSA meetings. Mrs. Michetti mentioned that CP Engineers were also the Mount Arlington Municipal Engineers and it could be another reason why they come to the MSA's meetings. Mr. Sylvester asked if that could be considered a conflict. The commissioners discussed the issue and if there were any conflicts to consider. Mrs. Michetti reiterated that if a large scale project were to be required, it would be good to have an alternate engineer for validation and additional advice. It may also help to save funding. Mr. McNeilly asked if an alternate attorney should also be appointed for backup legal services. Mrs. Michetti said she thought that had been considered in past. Mr. McNeilly

compared the requirements of legal services and engineering services. Mr. Schwab said engineering is more a matter of economics and an alternate engineer could save money. Mr. Schwab reiterated his suggestion that the commissioners should speak directly with CP Engineers. Mrs. Michetti asked Mr. McNeilly if the issue should be discussed further at the reorganization meeting when additional commissioners that could contribute more insight regarding the matter would be present. It was decided to discuss the matter further at the next month's regular meeting under old business on the Agenda. Mr. Schilling was asked to contact CP Engineers to find out if they actually wanted to be reappointed and maintain the position of alternate engineer for the MSA, if they presently represented any of the other MSA municipalities, and to discuss the newspaper articles regarding Sussex County Community College so he could report to the commissioners at the next month's MSA meeting.

Mr. Joss left the meeting at 8:12 PM.

Motion made by Mr. McNeilly, seconded by Mr. Schindelar and the affirmative roll call vote of members present for the commissioners to go into closed session at 8:14 PM:

WHEREAS, Section 8 of the Open Public Meetings Act (N.J.S.A. 10:4-12 (b) (1-9) permits the exclusion of the public from meeting in certain circumstances;

WHEREAS, the Commissioners of the Musconetcong Sewerage Authority are of the opinion that such circumstances exist.

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the Musconetcong Sewerage Authority as follows:

1. The public shall be excluded from discussion of, action on and hearing the tape of closed session of the Musconetcong Sewerage Authority;
2. The general nature of the subject matter to be discussed is as follows: Litigation
The above subject matter will be made public once the litigation is resolved.

Motion to reopen the meeting to the public at 8:18 PM was offered by Mr. McNeilly, seconded by Mr. Schwab and the affirmative vote of members present.

Resolution No. 15-02 Authorizing the Chairman to Enter Into a Stipulation of Settlement in the Matter of the MSA v. NJDEP Filed in the Office of Administrative Law Under AOL Docket No. ELU 05549-2013, was moved by Mr. McNeilly, seconded by Mr. Schindelar and the affirmative roll call vote of members present.

RESOLUTION NO. 15-02

**Resolution of the Musconetcong Sewerage Authority
Authorizing the Chairman to Enter Into a Stipulation of
Settlement in the Matter of the Musconetcong Sewerage Authority
v. New Jersey Department of Environmental Protection Filed in the Office
of Administrative Law Under AOL Docket No. ELU 05549-2013**

WHEREAS, on or about November 7, 2011 the Musconetcong Sewerage Authority (the "Authority") filed a Request for an Adjudicatory Hearing (the "Action") with the New Jersey Department of Environmental Protection ("DEP") seeking relief from certain conditions contained in a Final New Jersey Pollutant Discharge Elimination System ("NJPDES") Permit No. NJ0027821 (the "Permit") which was issued to the Authority by the DEP Division of Water Quality on October 14, 2011; and

WHEREAS DEP granted said request on January 20, 2012; and

WHEREAS said matter was assigned AOL Docket No. ELU 05549-2013; and

WHEREAS the Authority requested and was granted a stay of enforcement against the permit conditions for phosphorous, nitrates and Total Dissolved Solids on or about June 8, 2012; and

WHEREAS the parties have entered into negotiations regarding the subject matter of the Action in an attempt to amicably resolve their dispute; and

WHEREAS on or about August 12, 2014 DEP issued a draft permit which includes new effluent limits for the contested limits except for Total Nitrate; and

WHEREAS, a proposed Stipulation of Settlement has been drafted setting forth terms for the resolution of the issues in the pending Action except for the effluent limitation for Total Nitrate; and

WHEREAS pursuant to the proposed Stipulation of Settlement the unresolved portion of the Action pertaining to Total Nitrate shall be placed on the inactive list at the Office of Administrative Law on consent of the parties pending anticipated rule changes by DEP with respect to Total Nitrate; and

WHEREAS the Stipulation of Settlement provides for an administrative stay by DEP with respect to limits for Total Nitrate until the rule changes are made; and

WHEREAS the Authority believes it is in the best interest of the Authority to enter into the proposed Stipulation of Settlement;

NOW, THEREFORE, BE IT RESOLVED, by the Commissioners of the Musconetcong Sewerage Authority that Steven Rattner as Chairman of the Authority is hereby authorized to enter into the attached Stipulation of Settlement on behalf of the Authority.

Lee Purcell, PE and Fenton Purcell, PE left the meeting at 8:21 PM.

Motion made by Mr. Schindelar, seconded by Mr. Schwab and the affirmative roll call vote of members present for the commissioners to go into closed session at 8:22 PM:

WHEREAS, Section 8 of the Open Public Meetings Act (N.J.S.A. 10:4-12 (b) (1-9) permits the exclusion of the public from meeting in certain circumstances;

WHEREAS, the Commissioners of the Musconetcong Sewerage Authority are of the opinion that such circumstances exist.

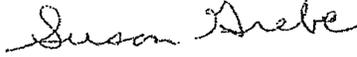
NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the Musconetcong Sewerage Authority as follows:

3. The public shall be excluded from discussion of, action on and hearing the tape of closed session of the Musconetcong Sewerage Authority;
4. The general nature of the subject matter to be discussed is as follows: Personnel
The above subject matter will be made public once the threat of potential litigation is resolved.

Motion to reopen the meeting to the public at 8:36 PM was offered by Mr. McNeilly, seconded by Mrs. Michetti and the affirmative vote of members present.

Motion made by Mr. McNeilly, seconded by Mr. Schindelar and the affirmative roll call vote of members present, Vice Chairman Sylvester adjourned the meeting at 8:37 PM.

Respectfully Submitted:



Susan Grebe,
Administrative Assistant