

REGULAR MEETING OF THE MUSCONETCONG SEWERAGE AUTHORITY

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

MEMBERS PRESENT: James Benson, Thomas Bruno, Brian McNeilly, Melanie Michetti, Michael Pucilowski, Steven Rattner, Joseph Schwab, John Sylvester (arrived 7:34 PM)

MEMBERS ABSENT: Donald Bates, Andrew Cangiano, Michael Grogan, Richard Schindelar

OTHERS PRESENT: Patrick Dwyer, Esq., John Scheri, PE, Marvin Joss, James Schilling

Chairman Rattner opened and closed the meeting to the public.

The meeting minutes of November 22, 2016 were approved on a motion offered by Mr. Bruno, seconded by Mr. Schwab. Roll Call:

Mr. Bates	Absent	Mrs. Michetti	Yes
Mr. Benson	Abstain	Mr. Pucilowski	Yes
Mr. Bruno	Yes	Mr. Rattner	Yes
Mr. Cangiano	Absent	Mr. Schindelar	Absent
Mr. Grogan	Absent	Mr. Schwab	Yes
Mr. McNeilly	Yes	Mr. Sylvester	Absent

The Expenditures/Treasurer's Report for December 1, 2016 was accepted on a motion offered by Mr. Bruno, seconded by Mr. McNeilly and the affirmative roll call vote of members present.

TREASURER'S REPORT- DECEMBER 1, 2016
OPERATING ACCOUNT

Balance as of November 1, 2016:		<u>\$ 1,193,623.52</u>
Receipts (November):		
	Hospitalization	3,111.62
	Municipal Revenue	648,849.29
		<u>\$ 1,845,584.43</u>
Total Disbursements for November:		<u>\$ 206,070.67</u>
Balance as of December 1, 2016:		<u>\$ 1,639,513.76</u>

RENEWAL & REPLACEMENT ACCOUNT

Balance as of November 1, 2016:		<u>\$ 586,576.07</u>
Receipts:		0.00
Disbursements:		<u>0.00</u>
Balance as of December 1, 2016:		<u>\$ 586,576.07</u>

ESCROW ACCOUNT

Balance as of November 1, 2016:		<u>\$ 3,453.54</u>
Receipts:	55 Lackawana Development (Stanhope-Byram Allocation)	3,000.00
Disbursements	Nusbaum Stein (Stanhope-Byram Allocation Agreement)	<u>1,650.00</u>
Balance as of December 1, 2016:		<u>\$ 4,803.54</u>

CAPITAL IMPROVEMENT/RESERVE FOR RETIREMENT ACCOUNT

Balance as of November 1, 2016:		<u>\$ 1,111,864.85</u>
Receipts:		0.00
Disbursements:		<u>0.00</u>
Balance as of December 1, 2016:		<u>\$ 1,111,864.85</u>

ANALYSIS OF BALANCES:

Capital Improvement	\$ 1,061,864.85
Reserve for Retirement	\$ 50,000.00

EXPENDITURES REPORT - 2016 BUDGET
12/1/16

	2016	YEAR-TO-DATE		%
	<u>BUDGET</u>	<u>EXPENDITURES</u>	<u>BALANCE</u>	<u>REMAINING</u>
Admin - Salaries and Wages	\$160,000.00	\$144,722.76	\$15,277.24	9.55%
Trustee Admin Fees	\$20,000.00	\$18,196.72	\$1,803.28	9.02%
Administrative - Other Expenses	\$35,000.00	\$23,999.14	\$11,000.86	31.43%
Legal	\$25,000.00	\$20,042.20	\$4,957.80	19.83%
Audit	\$10,000.00	\$0.00	\$10,000.00	100.00%
Engineer	\$20,000.00	\$8,365.08	\$11,634.92	58.17%
Pension	\$86,000.00	\$81,313.24	\$4,686.76	5.45%
Social Security	\$65,000.00	\$59,578.41	\$5,421.59	8.34%
Unemployment	\$7,000.00	\$5,442.86	\$1,557.14	22.24%
Hospitalization	\$219,260.00	\$201,025.48	\$18,234.52	8.32%
Disability Insurance	\$10,000.00	\$4,983.65	\$5,016.35	50.16%
Operating - Salaries and Wages	\$666,640.00	\$616,065.06	\$50,574.94	7.59%
Reserve for Future Retirement	\$5,000.00	\$0.00	\$5,000.00	100.00%
Telephone	\$20,000.00	\$12,270.29	\$7,729.71	38.65%
Electric	\$530,000.00	\$315,459.74	\$214,540.26	40.48%
Propane/Fuel Oil/ Gasoline	\$40,000.00	\$8,929.42	\$31,070.58	77.68%
Supplies/Chemicals	\$160,000.00	\$135,856.02	\$24,143.98	15.09%
Laboratory Supplies	\$10,000.00	\$7,703.90	\$2,296.10	22.96%
Office	\$20,000.00	\$19,755.45	\$244.55	1.22%
External Services	\$70,000.00	\$46,026.73	\$23,973.27	34.25%
Education/Training	\$20,000.00	\$16,386.38	\$3,613.62	18.07%
Laboratory Fees	\$30,000.00	\$17,279.00	\$12,721.00	42.40%
Maintenance/Repairs	\$150,000.00	\$110,081.83	\$39,918.17	26.61%
Insurance	\$110,000.00	\$93,674.95	\$16,325.05	14.84%
NJDEP Fees	\$25,000.00	\$20,452.05	\$4,547.95	18.19%
Permit/Compliance Fees	\$25,000.00	\$12,742.98	\$12,257.02	49.03%
Equipment	\$60,000.00	\$23,011.74	\$36,988.26	61.65%
Sludge Removal	\$700,000.00	\$498,858.00	\$201,142.00	28.73%
Contingency	\$25,000.00	\$0.00	\$25,000.00	100.00%
Capital Improvement	\$200,000.00	\$175,000.00	\$25,000.00	12.50%
Renewal and Replacement	\$200,000.00	\$150,000.00	\$50,000.00	25.00%
TOTAL	\$3,723,900.00	\$2,847,223.08	\$876,676.92	23.54%

The pending vouchers for the month of December were approved for payment on a motion offered by Mr. McNeilly, seconded by Mr. Benson and the affirmative roll call vote of members present.

ESCROW ACCOUNT	
Nusbaum Stein	\$677.60
OPERATING ACCOUNT	
ADP	\$532.54
American Wear	\$455.46
AmeriGas Propane	\$1,666.17
Nicholas Barbato (dental reimbursement)	\$665.72
Blue Diamond Disposal	\$283.55
Certified Laboratories	\$371.47
Cintas First Aid	\$95.72
Constellation New Energy	\$18,758.95
Coyne Chemical	\$4,738.93
Daily Record	\$79.88
Keith DeFazio (work boot reimbursement)	\$107.96
Eurofins QC Labs	\$578.00
Fisher Scientific	\$790.95
Grainger	\$241.81
Susan Grebe (mileage, dental & eye reimb)	\$396.78
JCP&L	\$8,435.62
Loftus Electric	\$5,650.00
Lowes	\$502.39
MSA Payroll 12/2/16	\$33,438.97
MSA Payroll 12/16/16	\$33,989.53
Mott MacDonald	\$350.00
NJSHBP	\$17,784.61

Najarian Associates	\$1,052.50
Netcong Hardware	\$50.36
The New Jersey Herald	\$41.10
Northeast Computer Repair	\$391.99
Nusbaum Stein	\$1,865.20
One Call	\$36.25
PCS Pump	\$2,296.42
Passaic Valley Sewerage Commission	\$30,600.00
Patrick Pisano (work boot reimbursement)	\$149.99
Polydyne	\$1,944.00
R-D Trucking	\$16,240.00
R&J Control	\$2,089.25
Roxbury Township Water Dept.	\$134.94
James Schilling (mileage reimbursement)	\$100.00
Shell Fleet	\$254.74
Staples	\$228.15
Treasurer, State of NJ	\$200.00
Verizon Wireless	\$225.18
West Chester Machinery	\$41.18

Chairman Rattner asked if the MSA has ever disposed sludge at SCMUA. Mr. Schilling responded that the Authority has never sent sludge to the SCMUA during his employment at the MSA. Chairman Rattner suggested that the Authority should appoint the SCMUA as a backup for sludge disposal and use SCMUA at least once a year, so if there ever is a problem with PVSC, the Authority will have the backup information ahead of time and can use the SCMUA. Mr. Schilling noted that the MSA has a five year contract with PVSC. Also, when there was a problem from Hurricane Sandy, the MSA sent sludge to Parsippany-Troy Hills, which is less expensive than SCMUA. Chairman Rattner suggested that if Parsippany is less expensive, the MSA should consider Parsippany as a backup alternative. The matter should be included on the reorganization meeting agenda in February. Mrs. Michetti asked if Mr. Schilling would get some sludge disposal quotes from other agencies to consider at the reorganization meeting.

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

- A. 11/15/16 USEPA - Progressive Properties Partial Grant Condition Waiver
- B. 11/16/16 NJDEP - RD Management WQMP Amendment - Correction to Consent List
- C. 11/22/16 Gregory Ploussas, PE - RD Management WQMP Amendment Consent Request
- D. 11/28/16 SCMUA - Adopted FY 2017 Rate Schedule

Mr. Schilling asked if the commissioners had reviewed his monthly report and if anyone had any questions. He updated the commissioners that 2017 IRS Standard Mileage rates for reimbursement would be lowered to 53.5 cents. Polymer bids were received on December 13th and there is actually a reduction in costs. Polymer bid award would be on the January meeting agenda.

Mr. Schilling also discussed the MSA's 2016 Budget and preliminary year end forecasts.

The Directors Report, and Repairs and Maintenance Report, for the month of December were accepted on a motion offered by Mr. Sylvester, seconded by Mr. McNeilly and the affirmative vote of members present.

Mr. Scheri reported regarding the headworks facilities. Mott MacDonald has confirmed three sites in northern New Jersey with headworks screens that are available for inspection. He will review schedules with the Engineering Committee and arrange a date for the site tours.

Mr. Scheri also reported that Mott MacDonald has continued to stay involved with the AEA regarding the suitably sensitive test method rule and the arsenic issue. AEA is actively looking into those issues at this time.

Mr. Scheri also discussed R-D Management's WQMP Amendment in Mount Olive. He reviewed the maps submitted by the project engineer. The property being considered for the amendment was originally in Future Sewer Service Area Plan adopted by the MSA and approved by the NJDEP in 1993.

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

Resolution No. 16-35 Adopting the MSA 2017 Budget, was moved by Mr. Schwab, seconded by Mrs. Michetti and the affirmative roll call vote of members present.

**RESOLUTION NO. 16-35
2017 ADOPTED BUDGET RESOLUTION
MUSCONETCONG SEWERAGE
AUTHORITY**

Fiscal Year: From January 1, 2017 To December 31, 2017

WHEREAS, the Annual Budget and Capital Budget/Program for the Musconetcong Sewerage Authority for the fiscal year beginning January 1, 2017 and ending, December 31, 2017 has been presented for adoption before the governing body of the Musconetcong Sewerage Authority at its open public meeting of December 15, 2016; and

WHEREAS, the Annual Budget and Capital Budget as presented for adoption reflects each item of revenue and appropriation in the same amount and title as set forth in the introduced and approved budget, including all amendments thereto, if any, which have been approved by the Director of the Division of Local Government Services; and

WHEREAS, the Annual Budget as presented for adoption reflects Total Revenues of \$ 4,387,219.00, Total Appropriations, including any Accumulated Deficit, if any, of \$4,494,219.00 and Total Unrestricted Net Position utilized of \$107,000.00; and

WHEREAS, the Capital Budget as presented for adoption reflects Total Capital Appropriations of \$558,550.00 and Total Unrestricted Net Position planned to be utilized of \$0.00; and

NOW, THEREFORE BE IT RESOLVED, by the governing body of Musconetcong Sewerage Authority, at an open public meeting held on December 15, 2016 that the Annual Budget and Capital Budget/Program of the Musconetcong Sewerage Authority for the fiscal year beginning, January 1, 2017 and, ending, December 31, 2017 is hereby adopted and shall constitute appropriations for the purposes stated; and

BE IT FURTHER RESOLVED, that the Annual Budget and Capital Budget/Program as presented for adoption reflects each item of revenue and appropriation in the same amount and title as set forth in the introduced and approved budget, including all amendments thereto, if any, which have been approved by the Director of the Division of Local Government Services.

The fully signed Musconetcong Sewerage Authority Adopted 2017 Budget Document will be posted on the Musconetcong Sewerage Authority's official website at msa-nj.org. A copy will also be kept on file at the MSA office and may be obtained by contacting the office at 973-347-1525 extension 201.

Resolution No. 16-36 Authorizing the MSA Director to submit an application to the Local Government Energy Audit Program of the New Jersey Board of Public Utilities, was moved by Mr. Sylvester, seconded by Mr. Pucilowski and the affirmative roll call vote of members present.

RESOLUTION NO. 16-36

**Resolution of the Musconetcong Sewerage Authority
Authorizing the Director to Make Application to the Local Government
Energy Audit ("LGEA") Program of the New Jersey Board of Public Utilities ("BPU")**

WHEREAS, the New Jersey Board of Public Utilities has created and authorized the Local Government Energy Audit ("LGEA") Program to provide free energy audits to New Jersey government-related entities; and

WHEREAS, the Musconetcong Sewerage Authority may qualify for the Program; and

WHEREAS, the benefits of the Program may include recommendations in the audit report for energy conservation measures ("ECM's") and incentives to implement same which would be beneficial to the MSA;

NOW, THEREFORE, BE IT RESOLVED, by the Commissioners of the Musconetcong Sewerage Authority that the Director is hereby authorized to make application to the Local Government Energy Audit ("LGEA") Program for a free energy audit, and to submit such application forms and documents as are reasonably required to complete the application.

Copies of the application shall be kept on file at the Office of the Authority at the Water Pollution Control Facility located in Budd Lake, New Jersey.

Resolution No. 16-37 Authorizing the MSA Director to receive sealed proposals on January 18, 2017 for Contract LS-17 to Provide Laboratory Services, was moved by Mr. Bruno, seconded by Mr. Pucilowski and the affirmative roll call vote of members present.

RESOLUTION NO. 16-37
Resolution of the Musconetcong Sewerage Authority
Authorizing the Director to Receive Sealed Proposals for
Contract LS-17 to Provide Laboratory Services as described in the
Technical Specifications on January 18, 2017
at 10:00 a.m. in the Office of the Authority's Water
Pollution Control Facility

WHEREAS, the Authority has a need for laboratory services as described in the Technical Specifications detailed in the bid package for Contract LS-17; 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 LS-17 Laboratory Services as described in the Technical Specifications on January 18, 2017 at 10:00 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.

Chairman Rattner discussed the matter regarding work boot reimbursements for the MSA Staff. The Contract states that employees must be reimbursed for work boot purchases within five days. There were two options to consider to make the reimbursements in five days. A check or petty cash could be used. If the reimbursement is made by check, those payments should be added to the list of items that do not need prior monthly payment approval. Reimbursements could also be made with the petty cash, but the amount of petty cash available will need to be increased. The MSA QPA, Mr. Joss, had previously recommended that a check should be utilized for the reimbursements and not petty cash. Mr. Schwab and the commissioners agreed that it would be proper to reimburse the employees with a check. Chairman Rattner asked that a resolution be prepared and added to the January meeting agenda adding the work boot reimbursements to the list of items that may be endorsed without prior payment approval. The reimbursements could be included as an employee contractual item as per the agreement.

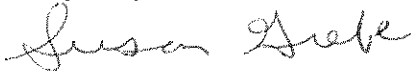
Mrs. Michetti questioned about a copy of a letter Roxbury Township received from the NJDEP regarding non-compliance of the Authority's physical connection permit and why it was not include in the meeting agenda. Mr. Schilling responded that the letter was addressed to his attention and he did not normally include his correspondence on the meeting agenda, unless it was of significant importance. The letter was sent in error and did not need to be included on the agenda. The MSA is in compliance and has been all along. The NJDEP is mandating that all reports, applications and payments must be done online. The State failed to monitor their online system. He had to call and e-mail the NJDEP to acknowledge the system submittals that he had made. The MSA was never, at anytime, in non-compliance. He had completed the submittal process on November 17th. The physical connection permit does not expire until March 2017. The only outstanding issue was to pay the fee, which he submitted online December 1st. He apologized for his hindsight and not including the letter on the meeting agenda. Mrs. Michetti explained her position and asked for better communication in writing for future issues. Chairman Rattner asked that Mr. Schilling include all correspondence regarding permits or operations of the facilities on the agenda in the future.

Chairman Rattner announced that Beth Styler Barry is leaving the Musconetcong Watershed Association to go to another organization. Alan R. Hunt, PhD. will be taking her place. Dr. Hunt holds a PhD. in urban studies. Chairman Rattner attended the reception for Dr. Hunt and it was suggested that Dr. Hunt should take a tour of the MSA facilities. Chairman Rattner also suggested the Musconetcong Regional Planning Board Chairman be invited for the tour of the facilities.

Mr. Dwyer reported on the Stanhope Byram Sewer Allocation Agreement. A draft resolution was sent out to the member municipalities on November 28th for their consideration and consent of the agreement. The MSA's approving resolution for the agreement can be placed on the January 26th meeting agenda as long as the five municipalities' consent resolutions are approved and received in time for the MSA's January meeting.

Motion made by Mr. Sylvester, seconded by Mr. McNeilly and the affirmative vote of members present, Chairman Rattner adjourned the meeting at 7:59 PM.

Respectfully Submitted:



Susan Grebe,
Administrative Assistant