

**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:** Thomas Bruno, Michael Grogan, Brian McNeilly, Melanie Michetti (arrived 7:34), Steven Rattner, Richard Schindelar, Joseph Schwab, Elmer Still, John Sylvester

**MEMBERS ABSENT:** James Benson, Andrew Cangiano, Michael Pucilowski

**OTHERS PRESENT:** Patrick Dwyer Esq., James Wancho PE, Debbie Palma QPA, James Schilling MSA Director, Susan Grebe Administrative Assistant

Chairman Rattner opened and closed the meeting to the public.

The regular meeting minutes of November 20, 2018 were approved on a motion offered by Mr. Sylvester, seconded by Mr. Still. Roll Call:

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

The closed session minutes of November 20, 2018 were approved on a motion offered by Mr. Schwab, seconded by Mr. Still. Roll Call:

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

The closed session minutes will be made public once negotiations are complete and it is deemed to be in the public interest.

The Expenditures/Treasurer's Report of December 1, 2018 was accepted on a motion offered by Mr. McNeilly, seconded by Mr. Schindelar and the affirmative roll call vote of members present.

**Treasurer's Report- December 1, 2018**  
**Operating Account**

<b>Balance as of November 1, 2018:</b>		<b><u>\$ 1,196,247.34</u></b>
<b>Receipts (November):</b>		
Hospitalization	2,218.70	
Municipal Revenue	<u>250,732.90</u>	
<b>Total Receipts:</b>	<b><u>252,951.60</u></b>	
<b>Disbursements (November):</b>		
NJSHP	\$13,688.06	
Administrative Salaries	\$6,206.04	
Operating Salaries	\$23,271.05	
Unemployment	\$2.79	
Social Security	\$2,255.00	
Administrative Salaries	\$6,206.04	
Operating Salaries	\$24,490.66	
Unemployment	\$2.79	
Social Security	\$2,285.78	
Administrative Salaries	\$6,206.04	
Operating Salaries	\$25,010.36	
Unemployment	\$3.66	
Social Security	\$2,325.54	
Accurate Waste	\$34,345.00	
ADP	\$411.67	

Scott Allen (work boots & miles)	\$207.41
American Wear	\$607.28
AmeriGas Propane	\$840.99
Aqua Pro-Tech Labs	\$313.00
Blue Diamond Disposal	\$297.70
Cintas First Aid	\$86.05
Coburn Chemicals	\$7,519.56
Constellation New Energy	\$14,900.99
Daily Record	\$124.18
Keith DeFazio (work boots reimb)	\$149.95
Fisher Scientific	\$777.60
Susan Grebe (petty cash & mileage)	\$130.15
JCP&L	\$11,250.23
Lackawanna Computer Repair	\$1,007.48
Lowe's	\$129.22
Netcong Hardware	\$39.05
NJ Advance Media (Star Ledger)	\$198.50
Nusbaum Stein	\$1,677.20
Office Concepts	\$357.01
One Call	\$63.75
PS&S	\$1,735.18
R&J Control	\$3,484.50
Reiner Pump Systems	\$5,995.00
Shell Fleet	\$271.52
State Industrial Products	\$4,397.04
Tractor Supply	\$317.46
United Federated Systems	\$668.75
USALCO	\$5,794.90
Verizon	\$857.16
Verizon Communications	\$75.10
Verizon Wireless	\$225.20

**RENEWAL & REPLACEMENT ACCOUNT**

Balance as of November 1, 2018:	\$ 477,703.97
Receipts:	0.00
Disbursements: GMH Associates (stilling well)	14,500.00
Balance as of December 1, 2018:	<u>\$ 463,203.97</u>

**ESCROW ACCOUNT**

Balance as of November 1, 2018:	\$ 6,552.99
Receipts:	0.00
Disbursements:	0.00
Balance as of December 1, 2018:	<u>\$ 6,552.99</u>

**CAPITAL IMPROVEMENT/RESERVE FOR RETIREMENT ACCOUNT**

Balance as of November 1, 2018:	\$ 936,389.14
Receipts:	0.00
Disbursements: GMH Associates (Contracts #270 & 290)	109,379.01
PS&S (Contracts #270, 275, 285, 295 & 300)	36,191.71
Balance as of December 1, 2018:	<u>\$ 790,798.42</u>

**ANALYSIS OF BALANCES:**

Capital Improvement	\$ 740,798.42
Reserve for Retirement	\$ 50,000.00

**EXPENDITURES REPORT – 2018 BUDGET  
December 1, 2018**

	2018	YEAR-TO-DATE	BALANCE	%
	BUDGET	EXPENDITURES		REMAINING
Admin - Salaries and Wages	\$165,000.00	\$157,442.12	\$7,557.88	4.58%
Trustee Admin Fees	\$20,000.00	\$15,030.00	\$4,970.00	24.85%
Administrative - Other Expenses	\$40,000.00	\$25,548.17	\$14,451.83	36.13%
Legal	\$30,000.00	\$17,882.80	\$12,117.20	40.39%
Audit	\$15,000.00	\$3,875.00	\$11,125.00	74.17%
Engineer	\$30,000.00	\$25,162.83	\$4,837.17	16.12%
Pension	\$100,000.00	\$1,363.00	\$98,637.00	98.64%
Social Security	\$65,500.00	\$59,921.52	\$5,578.48	8.52%
Unemployment	\$7,000.00	\$5,650.15	\$1,349.85	19.28%
Hospitalization	\$220,000.00	\$153,875.55	\$66,124.45	30.06%
Disability Insurance	\$10,000.00	\$6,473.32	\$3,526.68	35.27%
Operating - Salaries & Wages	\$684,500.00	\$614,624.35	\$69,875.65	10.21%
Reserve for Future Retirement	\$0.00	\$0.00	\$0.00	100.00%

Telephone	\$20,000.00	\$15,483.66	\$4,516.34	22.58%
Electric	\$482,500.00	\$304,389.99	\$178,110.01	36.91%
Propane/Fuel Oil/ Gasoline	\$29,000.00	\$20,285.38	\$8,714.62	30.05%
Supplies/Chemicals	\$170,000.00	\$205,939.83	-\$35,939.83	-21.14%
Laboratory Supplies	\$12,000.00	\$7,828.65	\$4,171.35	34.76%
Office	\$25,000.00	\$24,744.78	\$255.22	1.02%
External Services	\$70,000.00	\$56,406.43	\$13,593.57	19.42%
Education/Training	\$20,000.00	\$12,507.79	\$7,492.21	37.46%
Laboratory Fees	\$30,000.00	\$10,466.14	\$19,533.86	65.11%
Maintenance/Repairs	\$180,000.00	\$152,430.98	\$27,569.02	15.32%
Insurance	\$110,000.00	\$99,774.53	\$10,225.47	9.30%
NJDEP Fees	\$25,000.00	\$28,479.35	-\$3,479.35	-13.92%
Permit/Compliance Fees	\$5,000.00	\$39,097.46	-\$34,097.46	-681.95%
Equipment	\$60,000.00	\$56,514.72	\$3,485.28	5.81%
Sludge Removal	\$720,000.00	\$550,760.78	\$169,239.22	23.51%
Contingency	\$25,000.00	\$0.00	\$25,000.00	100.00%
Capital Improvement	\$100,000.00	\$100,000.00	\$0.00	0.00%
Renewal and Replacement	\$300,000.00	\$300,000.00	\$0.00	0.00%
<b>TOTAL</b>	<b>\$3,770,500.00</b>	<b>\$3,071,959.28</b>	<b>\$698,540.72</b>	<b>18.53%</b>

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

**CAPITAL IMPROVEMENT ACCCOUNT:**

PS&S \$53,485.85

**OPERATING ACCOUNT:**

ADP \$627.76  
Scott Allen (mileage reimb) \$81.42  
American Aquatic Testing \$950.00  
American Wear \$607.28  
AmeriGas Propane \$1,784.75  
Aqua Pro-Tech Labs \$2,225.00  
Nicholas Barbato (dental reimb) \$275.36  
Patrick Biasi (dental & work boots reimb) \$876.23  
Cintas First Aid \$72.49  
Communications Systems, Inc. \$500.00  
Constellation New Energy \$19,303.49  
Daily Record \$59.94  
Divita Balance Service (lab calibrations) \$395.00  
Essex Engineering \$950.00  
Ferraioli, Wielkotz, Cerullo & Cuva \$2,267.44  
Frank's Trattoria \$327.06  
Grainger \$63.06  
JCP&L \$14,871.14  
Corey Jozowski (work boots) \$150.00  
Lackawana Computer Repair \$395.00  
Lowe's \$251.60  
MSA Payroll 11/30/18 \$32,436.25  
MSA Payroll 12/14/18 \$35,803.24  
NJSHBP \$13,688.06  
NJ American Water \$581.15  
Napa Auto Parts \$415.25  
Netcong Hardware \$46.53  
Nusbaum Stein \$592.80  
One Call \$40.00  
PCS Pump and Process \$1,103.28  
PS&S \$24,695.35  
Passaic Valley Sewerage Commission \$35,203.00  
Polydyne \$1,562.40  
Printwurks \$128.89  
Roxbury Twp. Water Dept. \$134.94  
James Schilling (mileage reimb) \$213.47  
Shell Fleet \$271.28  
Stat Pads \$297.00  
State Chemical Solutions \$4,127.94  
David Stracco (work boots) \$139.99  
Tractor Supply \$190.26  
Treasurer, State of NJ \$200.00  
Tritec Office Equipment \$68.86  
USALCO \$11,835.25  
Verizon \$859.42  
Verizon Communications \$79.78

Chairman Rattner briefly reviewed the correspondence received for the month of December. The NJDEP Administrative Order and Notice of Civil Administrative Penalty Assessment will be discussed in closed session. Mr. Wancho will discuss the proposal for Contract No. 295 during his report. Mr. Dwyer noted that PVSC Agreement still indicated that the rates could still be changed every year.

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

- A. 11/27/18 NJDEP – Water Pollution Control Facility Administrative Order and Notice of Civil Administrative Penalty Assessment
- B. 11/30/18 SCUMA – FY 2019 Rate Schedule
- C. 12/4/18 James Wancho, PE – Proposal for Final Design, Bid and Construction Phase Services for Microstrainer Replacement Project – MSA Contract No. 295
- D. 12/11/18 PVSC – Executed Agreement Between PVSC and MSA

Mr. Schilling asked the commissioners if there were any questions regarding his monthly report.

Mr. Schilling updated the commissioners regarding the deferred compensation plan and appointing him as the administrator for the plan at the February Reorganization Meeting.

Mr. Schilling also updated the commissioners that he will need a resolution of approval for authorization to submit the Annual Reports for 2018 to the Delaware River Basin Commission.

Mr. Schilling also pointed out the extensive flows for the member municipalities for the month of November which are directly associated to the 7+ inches of rain received for the month. Several of the towns were at 93 or higher percentile of their flow allocation. Chairman Rattner briefly discussed past years where there have been extensive flows. Mr. McNeilly also discussed the issue and suggested the problem should be corrected. The commissioners discussed options for the issue. Mr. Schwab noted that as part of the municipal permitting process for collection systems each town will eventually be required to televise their lines. Hopefully at that point the issue will get further addressed by the member municipalities.

Lastly, Mr. Schilling requested that Resolution #18-51 awarding Contract P-10 to Polydyne, Inc., be tabled at this time. The bid was in compliance, but he has received some new information that he is in the process of evaluating and recent tests have shown 55% less consumption. The Award of Contract will have to be extended.

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

Mrs. Palma left the meeting at 7:55 PM.

Mr. Wancho reported that the only update to his monthly report was that the SPCC Plan was submitted to the MSA Director for his review.

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

**Resolution No. 18-50**, Approving and Introducing the MSA 2019 Budget, was moved by Mr. Schwab, seconded by Mrs. Michetti and the affirmative roll call vote of members present.

**RESOLUTION #18-50  
2019 AUTHORITY BUDGET RESOLUTION  
MUSCONETCONG SEWERAGE AUTHORITY**

**FISCAL YEAR:** FROM: January 1, 2019 TO: December 31, 2019

WHEREAS, the Annual Budget and Capital Budget for the Musconetcong Sewerage Authority for the fiscal year beginning, January 01, 2019 and ending, December 31, 2019 has been presented before the governing body of the Musconetcong Sewerage Authority at its open public meeting of November 20, 2018; and

WHEREAS, the Annual Budget as introduced reflects Total Revenues of \$4,427,402.00 , Total Appropriations, including any Accumulated Deficit if any, of \$4,535,380.00 and Total Unrestricted Net Position utilized of \$107,978.00; and

WHEREAS, the Capital Budget as introduced reflects Total Capital Appropriations of \$2,376,732.00 and Total Unrestricted Net Position planned to be utilized as funding thereof, of \$0.00; and

WHEREAS, the schedule of rates, fees and other charges in effect will produce sufficient revenues, together with all other anticipated revenues to satisfy all obligations to the holders of bonds of the Authority, to meet operating expenses, capital outlays, debt service requirements, and to provide for such reserves, all as may be required by law, regulation or terms of contracts and agreements; and

WHEREAS, the Capital Budget/Program, pursuant to N.J.A.C. 5:31-2, does not confer any authorization to raise or expend funds; rather it is a document to be used as part of the said Authority's planning and management objectives. Specific authorization to expend funds for the purposes described in this section of the budget, must be granted elsewhere; by bond resolution, by a project financing agreement, by resolution appropriating funds from the Renewal and Replacement Reserve or other means provided by law.

NOW, THEREFORE BE IT RESOLVED, by the governing body of the Musconetcong Sewerage Authority, at an open public meeting held on November 20, 2018 that the Annual Budget, including all related schedules, and the Capital Budget/Program of the Musconetcong Sewerage Authority for the fiscal year beginning, January 01, 2019 and ending, December 31, 2019 is hereby approved; and

BE IT FURTHER RESOLVED, that the anticipated revenues as reflected in the Annual Budget are of sufficient amount to meet all proposed expenditures/expenses and all covenants, terms and provisions as stipulated in the said Authority's outstanding debt obligations, capital lease arrangements, service contracts, and other pledged agreements; and

BE IT FURTHER RESOLVED, that the governing body of the Musconetcong Sewerage Authority will consider the Annual Budget and Capital Budget/Program for adoption on December 20, 2018.

A copy of the Musconetcong Sewerage Authority's Introduced and Approved 2019 Budget will be permanently kept on file at the office of the water pollution control plant at 110 Continental Drive, Budd Lake, New Jersey. A copy may be obtained by calling the office at 973-347-1525. Upon approval by the State, and the MSA's adoption, a copy of the MSA Adopted 2018 Budget will be posted on the Musconetcong Sewerage Authority's official website at [msa-nj.org](http://msa-nj.org). A copy of the adopted budget will also be permanently kept on file at the MSA office.

**Resolution No. 18-51**, Awarding Contract P-10 to Polydyne, Inc., was tabled until further evaluations can be conducted.

**Resolution No. 18-52**, Authorizing Budget Transfers for 2018 Budget, was moved by Mr. Bruno, seconded by Mr. Sylvester and the affirmative roll call vote of members present.

**RESOLUTION NO. 18-52  
MUSCONETCONG SEWERAGE AUTHORITY  
2018 BUDGET TRANSFERS**

WHEREAS: There appears to be insufficient funds in the following accounts to meet the demands thereon for the balance of the current fiscal year,

PERMIT COMPLIANCE  
NJDEP FEES  
SUPPLIES & CHEMICALS

WHEREAS: There appears to be a surplus in the following accounts over and above the demand deemed to be necessary for the balance of the current fiscal year,

CONTINGENCY  
ELECTRIC  
SLUDGE DISPOSAL  
HOSPITALIZATION

NOW, THEREFORE, BE IT RESOLVED, that in accordance with the provision of N.J.S.A. 5:31-2.8, part of the surplus in the amounts heretofore mentioned, be and the same, is hereby transferred to the accounts mentioned as being insufficient to meet the current demands; and,

BE IT FURTHER RESOLVED that the Treasurer is hereby authorized and directed to make the following transfers:

<u>FROM</u>	<u>TO</u>	<u>AMOUNT</u>
CONTINGENCY	PERMIT COMPLIANCE	\$ 25,000.00
ELECTRIC	PERMIT COMPLIANCE	\$ 10,000.00
ELECTRIC	NJDEP FEES	\$ 5,000.00
ELECTRIC	SUPPLIES & CHEMICALS	\$ 20,000.00
SLUDGE DISPOSAL	SUPPLIES & CHEMICALS	\$ 25,000.00
HOSPITALIZATION	SUPPLIES & CHEMICALS	\$ 25,000.00

**Resolution No. 18-53**, Authorizing and Approving Late Submission of the 2019 Budget, was moved by Mr. Schindelar, seconded by Mr. McNeilly and the affirmative roll call vote of members present.

**RESOLUTION #18-53  
AUTHORIZING AND APPROVING LATE SUBMISSION  
OF THE ANNUAL BUDGET FOR THE  
MUSCONETCONG SEWERAGE AUTHORITY TO THE DCA**

**FISCAL YEAR: FROM: January 1, 2019 TO: December 31, 2019**

WHEREAS, the Musconetcong Sewerage Authority has introduced the 2019 budget; and

WHEREAS, there exists a regulation requiring submittal of the introduced and approved budget to the DCA at least 60 days prior to the beginning of each fiscal year; and

WHEREAS, the Musconetcong Sewerage Authority required additional time because information was not available in time for introduction of the MSA 2019 Budget; and

WHEREAS, the DCA 2019 Budget year submission was not able to be completed in accordance with the required time frame.

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

1. This resolution shall authorize late submission of the 2019 Budget to the DCA for the reason noted above.
2. A copy of this resolution shall be provided to the DCA upon adoption.

**Resolution No. 18-54**, Authorizing Temporary Budget Appropriations, was moved by Mr. McNeilly, seconded by Mr. Schindelar and the affirmative roll call vote of members present.

**RESOLUTION #18-54  
MUSCONETCONG SEWERAGE AUTHORITY  
AUTHORIZING TEMPORARY APPROPRIATIONS  
FOR THE YEAR ENDING DECEMBER 31, 2019  
PRIOR TO ADOPTION OF THE BUDGET**

WHEREAS, N.J.A.C. 5:31-2.5 provides that, where any contracts, commitments or payments are to be made prior to the adoption of the fiscal year end December 31, 2019 Budget, temporary appropriations be made for the purposes and amounts required in the manner and time therein provided; and

WHEREAS, the date of this Resolution is prior to or within the first thirty days of January 1, 2019; and

WHEREAS, the total appropriation made shall not exceed the total of the appropriations made for all purposes in the fiscal year end December 31, 2018 Budget.

NOW, THEREFORE BE IT RESOLVED, by the Chairman and Commissioners of the Musconetcong Sewerage Authority that the following temporary appropriations be made and that a certified copy of this Resolution is transmitted to the Authority's Administrator for her records:

Operating Revenues:	
Service Charges – Intergovernmental	
Total Operating Revenues	\$ 1,106,850.50
Administration:	
Salaries & Wages	
Fringe Benefits	
Other Expenses	
Total Administration	\$ 41,151.00
Cost of Providing Services:	
Salary & Wages	
Fringe Benefits	
Other Expenses	
Total Cost of Providing Services	\$ 175,520.00
Total Principal Payment of Debt Service In Lieu of Depreciation	\$ 39,208.00
Total Operating Appropriations	\$ 255,879.00
Non-Operating Appropriations:	
Total Interest Payments on Debt	
Other Reserves	
Total Non Operating Appropriations	\$ 46,118.00
Total Operating & Non Operating Appropriations	\$ 301,997.00

Mr. Schwab noted that a proposal from PS&S for final design, bid and construction phase services for the Microtrainer Replacement Project, Contract #295, was included with the agenda. He asked that the commissioners review the proposal so that it can be discussed at the January 24<sup>th</sup> meeting.

Motion made by Mrs. Michetti, seconded by Mr. McNeilly and the affirmative roll call vote of members present for the commissioners to go into closed session at 8:02 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 and action of the closed session of the Musconetcong Sewerage Authority;
2. The general nature of the subject matter to be discussed is as follows: Potential Litigation  
The above subject matter will be made public once the threat of potential litigation is over and/or decided.

Motion to reopen the meeting to the public at 8:28 PM was offered by Mrs. Michetti, seconded by Mr. Still and the affirmative vote of members present.

A motion was made by Mr. McNeilly, seconded by Mr. Bruno to authorize the payment of a \$500.00 fine and the approval for the MSA Engineer to prepare a letter identifying the cause of the odor violation along with a description indicating how the issue has been rectified in response to an Administrative Order and Notice of Civil Administrative Penalty Assessment received from the NJDEP on November 27, 2018. Roll Call:

Mr. Benson	Absent	Mr. Pucilowski	Absent
Mr. Bruno	Yes	Mr. Rattner	Yes
Mr. Cangiano	Absent	Mr. Schindelar	Yes
Mr. Grogan	Yes	Mr. Schwab	Yes
Mr. McNeilly	Yes	Mr. Still	No
Mrs. Michetti	Yes	Mr. Sylvester	No

Mr. Schilling will pay the fine on-line the following day. Chairman Rattner asked that the response letter be sent to the proper NJDEP representative as soon as possible.

Mr. Wancho left the meeting at 8:29 PM.

Motion made by Mr. McNeilly, seconded by Mr. Grogan and the affirmative roll call vote of members present for the commissioners to go into closed session at 8:29 PM. Ms. Grebe was dismissed from the closed session.

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.

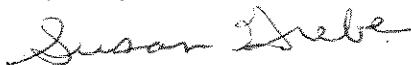
NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the Musconetcong Sewerage Authority as follows:

3. The public shall be excluded from discussion and action of the 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 negotiations are complete.

Motion to reopen the meeting to the public at 8:37 PM was offered by Mr. Still, seconded by Mr. Schindelar and the affirmative vote of members present.

Motion made by Mr. McNeilly, seconded by Mr. Grogan and the affirmative vote of members present, Chairman Rattner adjourned the meeting at 8:38 PM.

Respectfully Submitted:



Susan Grebe,  
Administrative Assistant