

**REGULAR MEETING OF THE MUSCONETCONG SEWERAGE AUTHORITY**

Chairman Rattner called the meeting to order at 7:40 PM, following the Reorganization Meeting. 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, Thomas Bruno, Andrew Cangiano, Michael Grogan, Brian McNeilly, Melanie Michetti, Michael Pucilowski, Steven Rattner, Richard Schindelar, Joseph Schwab, John Sylvester

**MEMBERS ABSENT:** None

**OTHERS PRESENT:** Patrick Dwyer Esq., John Scheri PE, Marvin Joss QPA, James Schilling MSA Director, Susan Grebe Admin.

Chairman Rattner opened and closed the meeting to the public.

The meeting minutes of January 26, 2017 were approved on a motion offered by Mr. Sylvester, seconded by Mr. Pucilowski and the affirmative vote of members present.

Mr. Schwab reviewed the expenditures for 2016. Approximately 13% was left in the 2016 Budget to be refunded back to the municipalities. He thanked the Director and Administrator for their budgeting efforts. The Expenditures/Treasurer's Report for February 1, 2017 was accepted on a motion offered by Mr. Schwab, seconded by Mr. Bruno and the affirmative roll call vote of members present.

**TREASURER'S REPORT- FEBRUARY 1, 2017**  
**OPERATING ACCOUNT**

<b>Balance as of January 1, 2017:</b>		<b><u>\$ 1,519,049.93</u></b>
<b>Receipts (January):</b>		
Hospitalization	3,063.50	
Municipal Revenue	75,378.55	
Interest	1,853.35	
		<b><u>\$ 80,295.40</u></b>

**Disbursements (January):**

Unum Life Insurance	\$1,452.15
NJ Utilities Authorities JIF	\$40,524.63
NJSHPB (January health ins.)	\$17,063.32
Robert Colabella (work boot reimb)	\$119.52
Administrative Salaries	\$5,943.95
Operating Salaries	\$25,834.08
Unemployment	\$460.78
Social Security	\$2,461.79
Administrative Salaries	\$5,943.95
Operating Salaries	\$30,215.99
Unemployment	\$524.32
Social Security	\$2,797.00
ADP	\$1,062.13
American Wear	\$910.92
AmeriGas Propane	\$2,326.97
Atlantic Tomorrow	\$17.36
Vincent Barbato (work boots & eye)	\$689.90
Blue Diamond Disposal	\$667.10
Cintas First Aid	\$74.46
Cleary Giacobbe	\$52.20
Constellation New Energy	\$22,698.02
Coyne Chemical	\$9,146.63
Daily Record	\$128.52
Keith DeFazio (dental reimb)	\$110.20
eMaintenance	\$3,060.00
Eurofins QC Labs	\$679.00
Fisher Scientific	\$1,373.67
Franks Trattoria	\$378.00
Grainger	\$678.15
Susan Grebe (petty cash & eye reimb)	\$191.97
Hach Company	\$16.27

Hayes Pump	\$1,216.51
JCP&L	\$19,598.10
JW Topping	\$950.00
Lackawana Computer Repair	\$5,269.88
McMaster-Carr	\$6,092.50
Morristown Lumber	1,130.00
Mott MacDonald	\$350.00
NJEIT	\$19,144.63
NJEIT	\$10,039.22
NJEIT	\$24,619.91
NJ American Water	\$1,528.39
Napa Auto Parts	\$140.00
Netcong Hardware	\$13.82
New Jersey Herald	\$23.10
Nusbaum Stein	\$2,041.60
One Call	\$40.00
Pan Metro Services	\$600.00
Passaic Valley Sewerage Commission	\$55,800.00
Patrick Pisano (dental reimb)	\$726.24
Pumping Service	\$8,890.00
R-D Trucking	\$26,880.00
Randolph Township	\$1,100.00
James Schilling (tolls & eye reimb)	\$98.30
Shell Fleet Plus	\$161.03
Star Ledger (NJ Advance Media)	\$196.95
State Industrial Products	\$278.30
Robert Still (work boot & dental)	\$876.24
TD Bank	\$63,060.68
Treasurer, State of NJ	\$150.00
USA Blue Book	\$170.39
Verizon	\$1,476.12
Verizon Wireless	\$415.95
WEF	\$386.00
Zep	\$197.14

Total Disbursements for January: \$ 431,163.95  
Balance as of February 1, 2017: \$ 1,168,181.38

**RENEWAL & REPLACEMENT ACCOUNT**

Balance as of January 1, 2017: \$ 636,576.07  
Receipts: 0.00  
Disbursements: PCS Pump & Process (2 pumps) 15,200.00  
Balance as of February 1, 2017: \$ 621,376.07

**ESCROW ACCOUNT**

Balance as of January 1, 2017: \$ 6,525.94  
Receipts: 0.00  
Disbursements: Nusbaum Stein (Stanhope-Byram Allocation Agreement) 99.00  
Nusbaum Stein (RD Management WQMP Amendment) 209.00  
Balance as of February 1, 2017: \$ 6,217.94

**CAPITAL IMPROVEMENT/RESERVE FOR RETIREMENT ACCOUNT**

Balance as of January 1, 2017: \$ 1,136,072.85  
Receipts: 0.00  
Disbursements: Mott MacDonald (Headworks) 540.00  
Balance as of February 1, 2017: \$ 1,135,532.85

**ANALYSIS OF BALANCES:**

Capital Improvement \$ 1,085,532.85  
Reserve for Retirement \$ 50,000.00

**EXPENDITURES REPORT - 2017 BUDGET**

2/1/17

	2017	YEAR-TO-DATE		%
	<u>BUDGET</u>	<u>EXPENDITURES</u>	<u>BALANCE</u>	<u>REMAINING</u>
Admin - Salaries and Wages	\$165,000.00	\$11,887.90	\$153,112.10	92.80%
Trustee Admin Fees	\$20,000.00	\$7,515.00	\$12,485.00	62.43%
Administrative - Other Expenses	\$40,000.00	\$1,763.75	\$38,236.25	95.59%
Legal	\$30,000.00	\$1,216.60	\$28,783.40	95.94%

Audit	\$10,000.00	\$0.00	\$10,000.00	100.00%
Engineer	\$30,000.00	\$0.00	\$30,000.00	100.00%
Pension	\$90,000.00	\$0.00	\$90,000.00	100.00%
Social Security	\$68,000.00	\$5,258.79	\$62,741.21	92.27%
Unemployment	\$7,000.00	\$0.00	\$7,000.00	100.00%
Hospitalization	\$228,500.00	\$14,818.06	\$213,681.94	93.52%
Disability Insurance	\$10,000.00	\$1,452.15	\$8,547.85	85.48%
Operating - Salaries and Wages	\$700,000.00	\$56,050.07	\$643,949.93	91.99%
Reserve for Future Retirement	\$0.00	\$0.00	\$0.00	100.00%
Telephone	\$20,000.00	\$738.01	\$19,261.99	96.31%
Electric	\$500,000.00	\$0.00	\$500,000.00	100.00%
Propane/Fuel Oil/ Gasoline	\$40,000.00	\$1,454.31	\$38,545.69	96.36%
Supplies/Chemicals	\$160,000.00	\$8,183.94	\$151,816.06	94.89%
Laboratory Supplies	\$12,000.00	\$229.74	\$11,770.26	98.09%
Office	\$25,000.00	\$8,329.88	\$16,670.12	66.68%
External Services	\$70,000.00	\$2,080.13	\$67,919.87	97.03%
Education/Training	\$20,000.00	\$277.39	\$19,722.61	98.61%
Laboratory Fees	\$30,000.00	\$382.00	\$29,618.00	98.73%
Maintenance/Repairs	\$150,000.00	\$205.36	\$149,794.64	99.86%
Insurance	\$110,000.00	\$41,474.63	\$68,525.37	62.30%
NJDEP Fees	\$25,000.00	\$150.00	\$24,850.00	99.40%
Permit/Compliance Fees	\$25,000.00	\$0.00	\$25,000.00	100.00%
Equipment	\$60,000.00	\$0.00	\$60,000.00	100.00%
Sludge Removal	\$700,000.00	\$23,080.00	\$676,920.00	96.70%
Contingency	\$25,000.00	\$0.00	\$25,000.00	100.00%
Capital Improvement	\$200,000.00	\$0.00	\$200,000.00	100.00%
Renewal and Replacement	\$200,000.00	\$0.00	\$200,000.00	100.00%
<b>TOTAL</b>	<b>\$3,770,500.00</b>	<b>\$186,547.71</b>	<b>\$3,583,952.29</b>	<b>95.05%</b>

**EXPENDITURES REPORT - 2016 BUDGET**  
2/1/17

	2016	YEAR-TO-DATE		%
	<u>BUDGET</u>	<u>EXPENDITURES</u>	<u>BALANCE</u>	<u>REMAINING</u>
Admin - Salaries and Wages	\$160,000.00	\$156,302.98	\$3,697.02	2.31%
Trustee Admin Fees	\$20,000.00	\$18,196.72	\$1,803.28	9.02%
Administrative - Other Expenses	\$35,000.00	\$26,397.40	\$8,602.60	24.58%
Legal	\$25,000.00	\$22,784.60	\$2,215.40	8.86%
Audit	\$10,000.00	\$0.00	\$10,000.00	100.00%
Engineer	\$20,000.00	\$9,065.08	\$10,934.92	54.67%
Pension	\$86,000.00	\$81,313.24	\$4,686.76	5.45%
Social Security	\$65,000.00	\$64,521.22	\$478.78	0.74%
Unemployment	\$7,000.00	\$5,448.24	\$1,551.76	22.17%
Hospitalization	\$219,260.00	\$204,123.22	\$15,136.78	6.90%
Disability Insurance	\$10,000.00	\$4,983.65	\$5,016.35	50.16%
Operating - Salaries and Wages	\$666,640.00	\$664,936.38	\$1,703.62	0.26%
Reserve for Future Retirement	\$5,000.00	\$0.00	\$5,000.00	100.00%
Telephone	\$20,000.00	\$13,649.53	\$6,350.47	31.75%
Electric	\$530,000.00	\$384,950.43	\$145,049.57	27.37%
Propane/Fuel Oil/ Gasoline	\$40,000.00	\$11,884.02	\$28,115.98	70.29%
Supplies/Chemicals	\$160,000.00	\$149,216.18	\$10,783.82	6.74%
Laboratory Supplies	\$10,000.00	\$9,655.05	\$344.95	3.45%
Office	\$20,000.00	\$19,961.47	\$38.53	0.19%
External Services	\$70,000.00	\$48,425.16	\$21,574.84	30.82%
Education/Training	\$20,000.00	\$16,386.38	\$3,613.62	18.07%
Laboratory Fees	\$30,000.00	\$18,154.00	\$11,846.00	39.49%
Maintenance/Repairs	\$150,000.00	\$129,583.85	\$20,416.15	13.61%
Insurance	\$110,000.00	\$93,674.95	\$16,325.05	14.84%
NJDEP Fees	\$25,000.00	\$20,652.05	\$4,347.95	17.39%
Permit/Compliance Fees	\$25,000.00	\$13,795.48	\$11,204.52	44.82%
Equipment	\$60,000.00	\$23,011.74	\$36,988.26	61.65%
Sludge Removal	\$700,000.00	\$605,298.00	\$94,702.00	13.53%
Contingency	\$25,000.00	\$0.00	\$25,000.00	100.00%
Capital Improvement	\$200,000.00	\$200,000.00	\$0.00	0.00%
Renewal and Replacement	\$200,000.00	\$200,000.00	\$0.00	0.00%
<b>TOTAL</b>	<b>\$3,723,900.00</b>	<b>\$3,216,371.02</b>	<b>\$507,528.98</b>	<b>13.63%</b>

Mr. Schwab questioned fees charged on Nusbaum Stein's invoice regarding shared services agreement. Chairman Rattner explained that the MSA had an older truck from the compost facility that was not being used by the Authority. One of the towns was interested in repairing and using the truck, and offered to provide a shared services agreement to the Authority so that the Authority could still use the dump truck if there was a need. The other option would be to dispose of the truck. Chairman Rattner explained that the MSA was only researching the implications at this time. The town that has made the offer was Netcong. Mr. Schwab did not agree with the expense disbursed for the attorney's research. Chairman Rattner explained the possible value of the agreement and the Authority's responsibility to obtain the most it could for its assets. Mr. Schwab suggested that open discussion concerning the matter should be required for the future.

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

<b>ESCROW ACCOUNT</b>	
Nusbaum Stein	\$391.60
<b>OPERATING ACCOUNT</b>	
ADP	\$593.78
American Wear	\$607.28
AmeriGas Propane	\$1,011.46
Applied Analytics	\$3,829.00
Association of Environmental Authorities	\$3,700.00
Blue Diamond Disposal	\$283.55
Cintas First Aid	\$95.70
Cleary Jacobbe	\$437.50
Constellation New Energy	\$25,820.55
Coyne Chemical	\$4,844.83
E&G Exterminators	\$230.00
Eurofins QC Labs	\$726.00
Fisher Scientific	\$780.16
Grainger	\$1,215.48
Susan Grebe (mileage reimb)	\$46.22
JCP&L	\$16,567.76
Keller Welding	\$485.00
Lowe's	\$482.06
MSA Payroll 2/10/17	\$32,334.97
MSA Payroll 2/24/17	\$33,436.26
McMaster-Carr	\$188.69
Mott MacDonald	\$350.00
Musconetcong Watershed Association	\$250.00
NJSHBP	\$17,063.32
NJ American Water	\$734.21
NJWEA Registrar	\$76.00
NJWEA North Jersey Section	\$640.00
Netcong Hardware	\$54.90
The New Jersey Herald	\$41.10
Nusbaum Stein	\$1,491.60
One Call	\$18.75
PMZ Landscaping	\$550.00
Pegasus Electric Motors	\$1,275.00
Peterson & Sons Tree Service	\$150.00
R-D Trucking	\$22,432.00
James Schilling (Mileage & eye glass reimb)	\$318.11
Shell Fleet	\$244.41
Staples	\$277.37
Star Ledger	\$192.30
State Chemical Solutions	\$944.00
Verizon	\$737.73
Verizon Wireless	\$225.00
WEF	\$428.00

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

- A. 1/30/17 Vincent Montanino, RMA - Revised Fee Schedule for MSA 2016 Audit Preparation Contract Agreement
- B. 2/10/17 SCMUA - Alternate Sludge Disposal Agreement
- C. 2/1/17 NJDEP - International Trade Center East WQMP Amendment

Mr. Schilling asked the commissioners if they had any comments or questions regarding his report. He had had a couple of minor updates for the commissioners.

Mr. Schilling reported there were some changes in the Rice Notice Requirements. He had e-mailed the information to the Personnel Committee and Mr. Dwyer that day.

Mr. Schilling also reported on the Lake Hopatcong Water Level Management Plan. He had received an e-mail indicating that the NJDEP approved the spring refill that normally occurs on March 1st. The date was moved up approximately 5 days. The outflow will be 8 cfs, and as previously discussed, this should not be a problem for the MSA.

Lastly, Mr. Schilling reported that on February 16th the MSA had its annual NJDEP inspection. Frank Panico of the NJDEP conducted the inspection. Mr. Schilling was waiting for the official report, but he did not anticipate any issues. While Mr. Panico was at the Authority, he asked Mr. Schilling about an odor complaint that was called into the NJDEP hotline on February 15th. The complaint cited the sewerage authority at Houdalille Road, which is the pump station in Stanhope. The complaint came from a River Road property owner. Mr. Panico toured the entire facility and cited that he did not notice any odors and would record that comment into the annual inspection report.

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

Mr. Scheri reported on the facilities planning. Mott MacDonald is assisting Mr. Schilling in preparing a sampling plan to assess performance and pollutant removal efficiencies across individual unit processes at the MSA wastewater treatment plant. The plan should be done in a couple of days. It will be useful for many reasons and purposes for the Authority.

Mr. Scheri also reported that he met with the Engineering Committee and they toured Hanover Sewerage Authority's and Caldwell's headworks screening facilities. The Committee met earlier that week and reviewed some questions on what the MSA's headworks project could encompass. He prepared a formal project schedule identifying the various permits and time lines to seek approvals so the Authority could consider its options on when it wants to initiate preliminary design activities, detailed design permitting, and then the actual construction.

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

**Resolution No. 17-08 Authorizing Vincent Montanino, RMA to Prepare 2016 MSA Audit Under New Firm Name of Ferraioli, Wielkotz, Cerullo & Cuva, was moved by Mr. Schwab, seconded by Mr. Bruno and the affirmative roll call vote of members present.**

**RESOLUTION NO. 17-08  
Resolution of the Musconetcong Sewerage Authority  
Authorizing the Award of a Contract for Professional  
Services to Vincent M. Montanino of Ferraioli, Wielkotz, Cerullo & Cuva  
Which has Merged with VM Associates, Inc.  
for Auditing Services Pursuant To N.J.S.A. 40A:11-5 and  
without Public Advertising as a Professional Service**

WHEREAS, the Musconetcong Sewerage Authority had a need to acquire auditing services as a non-fair and open contract for the period from February 27, 2016 through February 1, 2017 pursuant to the provisions of N.J.S.A. 40A:11-5; and  
WHEREAS, the anticipated term of this contract is one (1) year; and  
WHEREAS, Vincent M. Montanino of VM Associates, Inc., submitted a proposal indicating that they would provide auditing services at the rate of Seven Thousand Five Hundred (\$7,500.00) Dollars; and

WHEREAS, Vincent M. Montanino submitted a proposal indicating that he would provide additional accounting services on an as-needed basis. These additional accounting services would be billed at the rate on the attached Fee Schedule; and

WHEREAS, Vincent M. Montanino of VM Associates, Inc., completed and submitted a Business Entity Disclosure Certification which certifies that they have not made any reportable contributions to a political committee or candidate in the Borough of Hopatcong, Borough of Mount Arlington, Township of Byram, Township of Mount Olive, Borough of Netcong, Township of Roxbury or Borough of Stanhope in the previous one (1) year, and that the contract will prohibit them from making any reportable contributions through the term of the contract; and

WHEREAS the MSA awarded the professional services contract to VM Associates, Inc.; and

WHEREAS Vincent M. Montanino advised that his firm VM Associates has recently merged with Ferraioli, Wielkotz, Cerullo & Cuva;

NOW, THEREFORE, BE IT RESOLVED, by the Commissioners of the Musconetcong Sewerage Authority that by reason of the merger of Vincent M. Montanino and VM Associates into Ferraioli, Wielkotz, Cerullo & Cuva the Chairman is hereby authorized to enter into a Contract with Ferraioli, Wielkotz, Cerullo & Cuva formerly known as Vincent M. Montanino of VM Associates, Inc.; and be it

FURTHER RESOLVED, that the Business Disclosure Entity Certification and the Determination of Value be placed on file with this Resolution; and be it

FURTHER RESOLVED, that the Contract shall not exceed Seven Thousand Five Hundred (\$7,500.00) Dollars for annual auditing services without further authorization from the Commissioners of the Musconetcong Sewerage Authority, and that the hourly rates shall be the same as the contract with VM Associates, Inc.; and be it

FURTHER RESOLVED, that this Resolution is subject to Ferraioli, Wielkotz, Cerullo & Cuva providing satisfactory proof of malpractice insurance; and be it

FURTHER RESOLVED, that the Chairman is authorized to execute the Contract in the form attached hereto; and be it

FURTHER RESOLVED, that the Contract between MSA and Vincent M. Montanino of VM Associates, Inc., for the period from February 27, 2016 through February 1, 2017 is hereby cancelled; and be it

FURTHER RESOLVED, that the Musconetcong Sewerage Authority publish in the official newspaper of publication a legal advertisement advising of the award as required by N.J.S.A. 40A:11-5.

Chairman Rattner discussed Senate Bill S2834 which was introduced in the beginning of the year. The Senate Assembly Bill was put in place a little bit after. He explained that it is a bipartisan support that is going to require all water purveyors to do a cyber audit and harden against cyber attacks and other types of attacks. He has been personally following up on the bill with the staff he has in Morristown because it needs a financial impact. He was not sure if it may be a state mandate state pay, since most purveyors are private. He advised that he wanted to make sure the commissioners were aware of this bill because it could affect their municipalities.

Chairman Rattner also discussed Senate Bills A4415 and S2926, which will require annual water loss audits for purveyors. He noted that in the current addition of the bills it will only be required if you have 3,300 customers or more.

Mr. Pucilowski indicated that he attended a JIF meeting on February 22nd and it was discussed at the meeting that Toms River MUA had a cyber attack. He explained the incident. The JIF has a policy that makes an authority liable for the first \$10,000.00 for a cyber attack incident. They are working to modify that clause, so if an authority takes certain precautions for cyber security they may only be responsible for 20 percent of that the \$10,000.00. Mr. McNeilly noted that JIF should be notified if the Authority would be considering cyber security precautions because JIF will refer the coordinated resources.

Regarding the Stanhope Byram Sewer Allocation Agreement, Mr. McNeilly explained that the Borough of Stanhope's resolution regarding the matter is a the agenda for the Borough's meeting the following Tuesday. The municipal allocations for Stanhope and Byram will not be revised until the transfer is finalized with the developer and the riders are signed.

Mr. Pucilowski reported that the Engineering Committee is working diligently on the headworks project. The big question is whether or not the MSA has a building for the project. Mr. Scheri is reviewing that concern. They are also looking at whether or not to make the demolition of the existing old service building part of the project or not. Hopefully at next month's meeting the Committee will be able to make a recommendation for the project.

Motion made by Mr. Sylvester, seconded by Mr. Grogan and the affirmative vote of members present, Chairman Rattner adjourned the meeting at 8:03 PM.

Respectfully Submitted:

A handwritten signature in cursive script that reads "Susan Grebe".

Susan Grebe,  
Administrative Assistant