

REGULAR MEETING OF THE MUSCONETCONG SEWERAGE AUTHORITY

Chairman Rattner called the meeting to order at 7:35 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, John Kieser, Patrick Kunkel, Melanie Michetti, Michael Pucilowski, Steven Rattner, Joseph Schwab, Edward Schwartz, John Sylvester

MEMBERS ABSENT: Daren Phil

OTHERS PRESENT: Larry Kron, Esq., Fenton Purcell, James Schilling

Chairman Rattner open and closed the meeting to the public.

The amended meeting minutes of August 23, 2012 were approved on a motion offered by Mr. Pucilowski, seconded by Mr. Bates. Roll Call:

Mr. Bates	Yes	Mr. Pucilowski	Yes
Mr. Benson	Abstain	Mr. Rattner	Yes
Mr. Hoyt	Yes	Mr. Schwab	Yes
Mr. Kieser	Yes	Mr. Schwartz	Abstain
Mr. Kunkel	Abstain	Mr. Sylvester	Yes
Mrs. Michetti	Abstain		

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

Chairman Rattner mentioned that there were two accounts over the budget. Mr. Kron asked what were the accounts and how far over the budget did they exceed. Mr. Schilling indicated that they were accounts for the Trustee Administrative fees and Unemployment. The Trustee Administrative fees were over the budget by \$2,693.75 and Unemployment was over by \$69.95. He said he would like to take the money from Sludge Disposal to cover the overage. A motion was made by Mr. Kunkel to transfer \$2693.75 from the budget that was allocated for Sludge to the Trustee Administrative fees and to transfer \$69.95 from the Sludge Account to pay for Unemployment. Mr. Keiser questioned if adequate funds should be transferred to accommodate year end projections. Mr. Kron said only if you know what they are. Mr. Keiser said that Mr. Schilling had projections for the year end and that it would make sense to increase the appropriate line items at this time. Chairman Rattner disagreed and mentioned that budgets are not adjusted to keep extra money unless there is a specific bill with an exact amount. Mr. Sylvester questioned why the Trustee Administrative fees and Unemployment fees were over the budget. Mr. Schilling offered that the costs went up along with some of the other expenses. Chairman Rattner mentioned that the budget is very close and transfers have to be done because it is not always known exactly what the costs are going to be. The motion was seconded by Mrs. Michetti and the affirmative roll call vote of members present.

Commissioner Schwab stated that the MSA was still holding the Jogi Construction payment voucher until the maintenance bond is received and the final payment could be released. The pending voucher list was amended due to the fact that a charge from Netcong Hardware was listed at \$35.95 and was actually \$35.98. The amended pending vouchers were approved for payment on a motion offered by Mr. Schwab, seconded by Mr. Keiser and the affirmative roll call vote of members present.

CONSTRUCTION ACCT	
Jogi Construction (Contract 220 - final)	\$6,580.72
CONSTRUCTION TOTAL	\$6,580.72
ADP	\$767.16
ATS Environmental	\$985.00
Accurate Waste Systems	\$2,700.00
Atlantic Tomorrows Office	\$38.94
Nicholas Barbato	\$350.40
Bio Triad Environmental	\$1,940.00
Cintas Corp.	\$940.24
Cintas First Aid & Safety	\$189.14
Robert Colabella	\$481.08
Daily Record	\$126.68
Keith DeFazio	\$402.22
Deli Delicious	\$67.97
Divita Balance Service Co.	\$270.00

Federal Express	\$86.31
Fisher Scientific	\$34.95
Grainger	\$911.40
Susan Grebe	\$158.00
Susan Grebe	\$205.00
Hess (PS 2, 3, 4, 6)	\$2,100.61
Hess (PS 5)	\$147.92
J C P & L	\$8,871.22
Kemira Water Solutions	\$4,985.37
Eddie Koster Plumbing	\$1,204.03
LTPA	\$2,840.00
Lowe's	\$82.91
Miselly Paper Products	\$169.90
NJSHBP	\$14,891.60
NJ American Water	\$651.91
Napa Auto Parts	\$74.10
Netcong Hardware	\$35.98
Nusbaum Stein	\$1,642.50
Occupational Health Centers of NJ	\$138.50
One Call Concepts	\$22.42
PPL Energy Plus	\$17,046.25
Pan Metro Service	\$500.00
Passaic Valley Sewerage	\$32,981.00
Polydyne	\$4,104.00
QC Laboratories	\$339.00
Quill	\$164.70
R&J Control, Inc.	\$1,500.00
Roxbury Township Water Dept.	\$66.14
James Schilling	\$594.97
Shell Fleet Plus	\$724.13
Spectraserv	\$15,012.00
Star Ledger	\$178.64
Stat Pads, LLC	\$297.00
Dave Stracco	\$240.00
Unum Life Insurance	\$1,462.53
Verizon	\$647.30
Verizon Communication	\$50.74
WEF	\$79.00
Waste Management	\$4,127.26
Zep Sales & Service	\$2,734.36

Chairman Rattner had two questions before approving the monthly correspondence for September. 1) On the letter from the County of Sussex, is there anything that has to be reviewed? Mr. Benson replied that the biggest problems for Sussex County from the State right now are related to habitat questions. The State has taken the biggest part of Stanhope's sewer service area off the map specifically because of the Barn Owl and a bobcat species, saying that if those animals were to come back into Stanhope it would cause a problem. Stanhope was not going to challenge it and would leave it up to the potential developer of the land because it would be too expensive for the Borough of Stanhope to have the studies done. Mr. Benson also noted that it has nothing to do with the MSA, it has to do with habitat only and the area in question is referred to as Stanhope Mountain, which is on the north side of the high school and down along Route 206 north by the Black Forest Restaurant. 2) Chairman Rattner also questioned the letter from the NJDEP regarding the 5G2 Basic Industrial Stormwater Permit and if there were any issues. Mr. Schilling answered that there were no issues and he has a document that he will submit to the State.

Mr. Hoyt questioned the progress of the new security gate and the violation notice. It was noted that Mr. Schilling would address the issue in his monthly report.

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

- A. 8/23/12 County of Sussex – Service Area Map
- B. 8/29/12 MSA Letter to MC Towns – Consenting to Proposed WQMP
- C. 9/5/12 NJEIFP – Contract No. 240 Final Quantities Change Order
- D. 9/10/12 Township of Mt. Olive – Violation Notice for Gate
- E. 9/19/12 NJDEP – 5G2 – Basic Industrial Stormwater Permit
- F. 9/24/12 Resolution for Borough of Stanhope to Connect to Pump Station No. 6

Mr. Schilling indicated that flow readings for the month of September will be available in early October. As of Monday, September 24th, the MSA disposed of 271,000 gallons of sludge to Passaic Valley Sewerage. Compared to August of last year the number of gallons have been reduced by 319,000 gallons, which results in about a \$25,000.00 savings.

Mr. Schilling reported that the MSA had an E-JIF inspection on August 27th, which is a regulation for compliance. It went very well. The MSA received a score of 99 out of 100. They took a point off for the drains in the garage because of the piping underground and they cannot verify that those pipes are not leaking. He also reported that overtime was reduced again from 6 hours for weekends and holidays to 5 hours. Overall this year the MSA has reduced scheduled overtime by 37.5%.

Mr. Schilling also reported that the MSA received a Notice of Violation on September 10th from the Township of Mount Olive regarding the gate project and not having the required permits. He said that the bid specifications clearly pointed out that the contractor is responsible for permit compliance. He had a conversation with the contractor who said he was getting it resolved. He also spoke to the Gary Lindsey, the Mount Olive Inspector, to make sure that the contractor is getting the issue resolved. At this time the Township is still waiting for the paperwork from the electrical contractor even though the electrical work has been completed and once everything is submitted the permit will be issued. The Township will be conducting another inspection and they will have to conduct some borings and excavations. Mr. Schilling indicated that he did not think the contractor buried the gate deep enough. Mrs. Michetti indicated that the excavation must be 30 inches from the top of the conduit. Mr. Bates suggested that pictures should be taken regularly of the construction to cover any further issues.

Mr. Schilling also noted that the annual transformer testing was done by Rueter Haney. The cost is \$750.00 per year to have the high voltage transformers fluids tested to see if there is any corrosiveness or anything wrong. The question was brought up that if there is a problem what should be done. Mr. Schilling replied that Rueter Haney would recommend how to correct any problems.

Mr. Schilling also reported that the MSA responded to an odor complaint from Capital Customer Care Center in Stanhope on September 13th. He discussed the odor complaint with one of the managers. That same day the MSA installed an insert on one of its manholes. Most of the manholes already have inserts and he thought it was Stanhope's. The MSA put an insert in right away. He notified Brian McNeilly of the actions. Mr. Benson questioned where the insert was located. Mr. Schilling responded it was at the Capital Customer Care Center driveway.

Mr. Schilling also reported that the UV parts associated with the UV-12 contract arrived on September 12th. Presently, two of the three channels are completely installed and up and running. Also, the energy consumption has been reduced by 40%. Previously, with the old bulbs it took 100% power to obtain the 100% intensity and now it takes 60% power to obtain the same intensity. Mrs. Michetti asked if the reduction was because of the type of bulbs that were installed or just because the bulbs were changed. Mr. Schilling answered that the bulbs had exceeded their life expectancy and needed to be changed.

Mr. Schilling also reported that he attended an E-JIF regulatory seminar on September 11th. The intention of the seminar is to help authorities remain compliant with the ever-changing rules and regulations. He also noted that he submitted the 2013 budget to the Personnel Committee for review and comment. Also, in his Quarterly Safety Report he identified about 71 locations primarily in Plant #1 and in the sludge holding tank where the concrete is breaking away from the railings. He sent the list with the general locations to Lee T. Purcell Associates and the Engineering Committee. He received a call from Jim Demitriou about the matter. He also noted it seems that the spots that were repaired about 10 years ago seem to be the same spots that are breaking away again. He said that the Authority does not have this problem in Plant #2 and #3. He believes that because the railings are on the outside of the footings in Plant #1 and the contractor had drilled holes and put the poles in the holes, water now gets inside and freezes. Jim Demitriou from LTPA is going to do an inspection of the problem areas and will do a report. Mr. Schwab questioned if they were just loose or starting to come apart. Mr. Schilling indicated that concrete fell and broke when he and 3 other employees were in the tank working and nobody was hurt. Mr. Rattner indicated that if there is a safety issue it should be a priority. Mr. Kieser questioned if the employees should be wearing hardhats. Mr. Schilling responded he was not sure and the tank is not considered a construction zone. Mr. Kieser suggested hardhats should be required. Discussion took place regarding creating a hardhat policy and the matter should be further investigated. Mrs. Michetti suggested that everyone may need a refresher course in site safety. Mr. Schilling indicated that the employees receive annual training and he will follow up to make sure the MSA has the appropriate training in place. Mrs. Michetti also questioned who was the competent person in charge of the confined space entry and suggested that confined space should be appropriately labeled. Mr. Benson suggested that he meet with Mr. Schilling and discuss the insurance liabilities and coverage. Mr. Rattner said that a couple years ago the Township of Mount Olive had participated in a confined space program with the Budd Lake Fire Department and that may be a good resource for the MSA also. Mr. Rattner also suggested getting a new Risk Manager for the MSA since the present Risk Manager does not forward any information and is not very efficient.

Mr. Schilling also reported on the letter received from the Mayor of Stanhope for the water on Pump Station #6 and that he was pleased to see there will be no charge for the connection. He will need to engage some services from LTPA and Larry Kron, Esq. to see if the MSA may be encroaching on a right-of-way of a residence. Mr. Benson indicated the only concerns from Stanhope were that the property has no utilities going into the building at the site and does the contractor tie into the line or hook-in. He also said there was a concern over what assurances the Borough will have that the water is turned off after it is used.

Lastly, Mr. Schilling reported that as part of his goals and objectives for the year he will be providing for a server to network the computers. He put some specifications together and has received three price quotes. The lowest quote was \$6,011.79. The contract will provide for hardware, software, installation, automatic backup, security and annual technical support. Mr. Schilling highly recommended that this work be completed so that the MSA can be more computer compliant and up-to-date. The other quotes he received were for \$8,428.00 and \$9,820.00. Chairman Rattner asked if any references from the contractor were provided or checked. Mr. Schilling indicated that he would follow up with a reference check. Mr. Kron advised that a resolution would have to be prepared to accept the quotes and award the project without going out to bid.

Mr. Schwab question Mr. Schilling about the purchase from Bio-Triad for the odor control supplies and how long would that supply last. Mr. Schilling said the odor control can be adjusted and in the warmer months you need more product and as the weather turns colder less product will be needed. Mr. Rattner asked if the vendor gave him an estimate of what the annual cost would be. Mr. Schilling said the vendor had estimated the gallons that would be required. He also indicated that he is still adjusting the system and was not sure at this point how much product would be needed annually. Mrs. Michetti indicated that the system may cost over the quote threshold. Mr. Schilling reiterated that the equipment and installation were provided to the MSA at no cost, but you have to use the vendor's product. Chairman Rattner indicated if the MSA has to go out for bid next year that can be done at that time.

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

Mr. Fenton Purcell, PE reported on E.I. Associates regarding work at Lake Hopatcong State Park. He also summarized the issues with Pump Station No. 6 in Stanhope. He confirmed that Mr. Schilling has followed up and completed the NJDEP request on Industrial Stormwater. Mr. Purcell also reported that Contracts 220, 230 and 240 are complete and the MSA is still waiting for the contractor's maintenance bond for Contract 220. Change Order #1 for contract 240 has been approved which resulted in a \$140,000.00 reduction in the cost, but the time for completion was extended. He also discussed the NJDEP Asset Management Program and indicated that it is actually an EPA program not a DEP program. Mr. Keiser questioned if the Asset Management Program is the same as a Capital Maintenance Plan, or would a Capital Maintenance Plan be part of it, and noted that Mr. Schilling would be preparing an annual maintenance plan for the next 5 years. Mr. Purcell said that would be very beneficial and could be incorporated in the Asset Management Program. He offered to meet with Mr. Schilling to discuss it. Mr. Purcell also explained about the NJDEP Needs Survey and his office had communicated with Mr. Schilling for the list of items to put on the survey. He confirmed that LTPA had issued the annual engineer's certification letter to the bank stating that an amount of \$268,608.64 in funds has been reserved for expenses.

Mr. Kron addressed the request for the Alternate Dispute Resolution from the NJDEP. He indicated that the MSA was advised that the DEP is not going to participate on it. He said that the appeal, and the stay on the appeal, are pending.

Mr. Pucilowski commented that the NJDEP and the Infra Structure Trust is making Asset Management a part of their process. The MSA can get extra points if it has an Asset Management Plan and the authority could get moved up the priority list for funding. Someone questioned if that included all assets of the authority or just pertains to what improvement are being done. Mr. Pucilowski indicated that it covers most of the bigger assets of the MSA and it also addresses capital plans and future improvement.

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

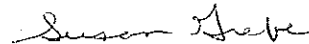
The hiring of a qualified purchasing agent was discussed. Mr. Sylvester indicated that Netcong Borough had a purchasing agent that may be interested in the position and the cost would be \$2,000.00 per year. Chairman Rattner asked if that would include all purchases. Mr. Sylvester indicated it would not cover day to day operations. Mr. Schilling asked how it would impact, speed up or slow down, the day to day purchasing processes. Mrs. Michetti indicated the purchasing agent would have more knowledge of the different levels of purchasing and the requirements of the Local Public Contracts Law. Mr. Kron advised the purchasing agent could review all potential purchases once a month and advise. There was more discussion on which items the purchasing agent would be reviewing. It was decided to have the purchasing agent meet with Mr. Schilling to discuss the MSA purchases and procedures, and then he could be present at the next meeting to discuss the position and what would be involved.

Discussion for the 2013 Fiscal Budget: Mr. Schilling reported that he had a number of conversations with Mr. Montanino, the MSA Auditor. He indicated that pension must be increased to \$92,500.00. Chairman Rattner stated that the State will send information ahead of time indicating what the increases for pensions will be. Mr. Schilling said he added two new categories to the Budget for next year. He summarized what changes he would like to make to the Budget to better categorize items and control spending and costs. Chairman Rattner explained that the commissioners need to see the proposed budget and the accounts so the differences can be seen from one year to the next. Mr. Schwartz questioned the cost of the telephone service. Mr. Schilling responded that the telephone cost only covered services from Verizon and Nac.net and he would like to include other vendors such as Mission Systems and One Call. Mr. Schwartz stated that those services may be better included under a technology category. Mr. Schwartz suggested comparing costs to see if the MSA switched to Optimum it would cut back on telephone costs. Additional discussion took place regarding the budget costs and sub-categories that Mr. Schilling would like to include and had discussed with the Auditor. Mr. Benson said he believed that where there is a certain percent increase in a line item aside from anticipated costs increases, there should be a smaller line item indicating what account it is being taken out of so there could be more of an understanding of the fluctuations. Chairman Rattner explained how the budget is calculated in more detail and talked about some of the specific line items. He suggested that a special informal budget meeting would be in order. Mrs. Michetti indicated that the MSA is three weeks late starting the budget. Chairman Rattner further explained the requirements to have the budget approved by the State. It was decided that a special informal budget meeting would be held on October 2, 2012 at 7:00 PM.

Mrs. Michetti questioned the service from Mission Systems and asked about the leased lines. She suggested that the MSA check on which lines are needed. Mrs. Michetti also questioned about cable drops and internet services in all the MSA buildings. She indicated that authorities and municipalities could have free drops installed and if that service is still available the MSA should look into it for future needs. Chairman Rattner explained that he believed that was only for 10 year renewals.

Motion made by Mr. Sylvester, seconded by Mr. Hoyt and the affirmative roll call vote of members present, Chairman Rattner adjourned the meeting at 9:26 PM.

Respectfully Submitted:


Susan Grebe,
Administrative Assistant