

REGULAR MEETING OF THE MUSCONETCONG SEWERAGE AUTHORITY

Vice Chairman Sylvester called the meeting to order at 7:32 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: Donald Bates, James Benson, Thomas, Bruno, Andrew Cangiano, Michael Grogan, Brian McNeilly, Michael Pucilowski, Joseph Schwab, John Sylvester

MEMBERS ABSENT: Melanie Michetti, Steven Rattner, Richard Schindelar

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

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

The meeting minutes of March 22, 2018 were approved on a motion offered by Mr. Schwab, seconded by Mr. Bruno. Roll Call:

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

The closed session minutes of March 22, 2018 were approved on a motion offered by Mr. McNeilly, seconded by Mr. Cangiano and the affirmative roll call vote of members present.

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

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

Treasurer's Report- April 1, 2018
Operating Account

Balance as of March 1, 2018: **\$1,743,269.13**

Receipts (March):

Hospitalization	2,218.70
Municipal Revenue	245,867.16
Jim Benson (conference refund)	406.00
Total Receipts:	<u>248,491.86</u>

Disbursements (March):

NJSHBP	\$13,688.06
Administrative Salaries	\$6,145.26
Plant Salaries	\$26,877.79
Unemployment	\$548.56
Social Security	\$2,918.46
Health Waivers (1st qtr)	\$4,808.74
Administrative Salaries	\$6,088.18
Plant Salaries	\$24,052.03
Unemployment	\$2,328.03
Social Security	\$437.03
ADP	\$693.95
Accurate Waste	\$8,760.00
Advanced Card Services	\$155.00
American Wear	\$455.46
AmeriGas Propane	\$1,394.34
Aqua-Pro-Tech Labs	\$2,080.00

Cintas First Aid	\$151.32
Cit-e-Net	\$1,500.00
Cleary Giacobbe	\$70.00
Constellation New Energy	\$22,746.72
Daily Record	\$35.26
Fisher Scientific	\$227.38
Grainger	\$529.50
Horizon Tool & Mold	\$3,340.00
JCP&L	\$9,213.83
JW Topping & Associates	\$950.00
Lowe's	\$102.05
MGL Printing Solutions	\$195.00
Maryland Biochemicals	\$4,185.22
NJ American Water	\$714.05
Netcong Hardware	\$18.87
Nusbaum Stein	\$2,323.20
Office Concepts Group	\$607.83
One Call	\$41.25
PERS	\$97,822.24
Passaic Valley Sewerage	\$28,576.00
Peterson & Son Tree Removal	\$1,200.00
Roxbury Twp. Water Dept.	\$134.94
James Schilling	\$636.88
Shell Fleet	\$275.88
St. Jude Tribute Program	\$100.00
Treasurer, State of NJ	\$1,375.00
Tritec Office Equipment	\$7,100.00
USALCO	\$5,829.58
USA Bluebook	\$92.14
Verizon	\$750.77
Verizon Communications	\$74.79
Verizon Wireless	\$225.20
WEF	\$535.00

Total Disbursements for March: \$ 293,110.79
Balance as of April 1, 2018: \$ 1,698,650.20

RENEWAL & REPLACEMENT ACCOUNT

Balance as of March 1, 2018: \$ 287,838.26
Receipts: Qual-Lynx (Plant # emergency repairs) 40,744.00
Disbursements: 0.00
Balance as of April 1, 2018: \$ 328,168.66

ESCROW ACCOUNT

Balance as of March 1, 2018: \$ 7,001.24
Receipts: 0.00
Disbursements: Nusbaum Stein (Crownpoint Development) 253.00
Balance as of April 1, 2018: \$ 6,748.24

CAPITAL IMPROVEMENT/RESERVE FOR RETIREMENT ACCOUNT

Balance as of March 1, 2018: \$ 1,327,819.43
Receipts: Plans & Specs for Contract #270 100.00
Disbursements: Daily Record (Contract #270.00) 150.24
Mott MacDonald (Microscreens) 1,723.50
Nusbaum Stein (Contract #270) 1,892.00
Star Ledger (Contract #270) 444.20
Balance as of April 1, 2018: \$ 1,323,465.49

ANALYSIS OF BALANCES:

Capital Improvement \$ 1,273,465.49
Reserve for Retirement \$ 50,000.00

**EXPENDITURES REPORT – 2017 BUDGET
APRIL 1, 2018**

	2017	YEAR-TO-DATE		%
	BUDGET	EXPENDITURES	BALANCE	REMAINING
Admin - Salaries and Wages	\$165,000.00	\$158,702.66	\$6,297.34	3.82%
Trustee Admin Fees	\$20,000.00	\$15,030.00	\$4,970.00	24.85%
Administrative - Other Expenses	\$40,000.00	\$33,670.43	\$6,329.57	15.82%
Legal	\$30,000.00	\$24,978.10	\$5,021.90	16.74%
Audit	\$10,000.00	\$0.00	\$10,000.00	100.00%
Engineer	\$30,000.00	\$10,456.59	\$19,543.41	65.14%
Pension **	\$90,000.00	\$89,468.54	\$531.46	0.59%
Social Security	\$68,000.00	\$63,711.42	\$4,288.58	6.31%
Unemployment	\$7,000.00	\$6,033.18	\$966.82	13.81%
Hospitalization **	\$228,500.00	\$173,123.05	\$55,376.95	24.23%
Disability Insurance	\$10,000.00	\$6,617.93	\$3,382.07	33.82%
Operating - Salaries & Wages	\$700,000.00	\$647,992.33	\$52,007.67	7.43%
Reserve for Future Retirement	\$0.00	\$0.00	\$0.00	100.00%
Telephone	\$20,000.00	\$17,914.14	\$2,085.86	10.43%
Electric **	\$500,000.00	\$410,567.43	\$89,432.57	17.89%
Propane/Fuel Oil/ Gasoline	\$40,000.00	\$13,349.56	\$26,650.44	66.63%
Supplies/Chemicals	\$160,000.00	\$145,912.00	\$14,088.00	8.81%
Laboratory Supplies	\$12,000.00	\$8,215.65	\$3,784.35	31.54%
Office	\$25,000.00	\$18,857.86	\$6,142.14	24.57%
External Services	\$70,000.00	\$65,314.76	\$4,685.24	6.69%
Education/Training	\$20,000.00	\$6,913.30	\$13,086.70	65.43%
Laboratory Fees	\$30,000.00	\$13,990.86	\$16,009.14	53.36%
Maintenance/Repairs **	\$150,000.00	\$145,029.79	\$4,970.21	3.31%
Insurance	\$110,000.00	\$97,149.97	\$12,850.03	11.68%
NJDEP Fees	\$25,000.00	\$21,807.07	\$3,192.93	12.77%
Permit/Compliance Fees	\$25,000.00	\$1,820.60	\$23,179.40	92.72%
Equipment	\$60,000.00	\$58,457.96	\$1,542.04	2.57%
Sludge Removal **	\$700,000.00	\$632,061.09	\$67,938.91	9.71%
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%
TOTAL	\$3,770,500.00	\$3,287,146.27	\$483,353.73	12.82%

****TRANSFERS 11/21/17**

Hospitalization to Pension	\$10,000.00
Electric to Sludge	\$25,000.00
Electric to Maint. & Repairs	\$25,000.00

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

	2018	YEAR-TO-DATE		%
	BUDGET	EXPENDITURES	BALANCE	REMAINING
Admin - Salaries and Wages	\$165,000.00	\$42,674.34	\$122,325.66	74.14%
Trustee Admin Fees	\$20,000.00	\$7,515.00	\$12,485.00	62.43%
Administrative - Other Expenses	\$40,000.00	\$8,777.49	\$31,222.51	78.06%
Legal	\$30,000.00	\$3,140.30	\$26,859.70	89.53%
Audit	\$15,000.00	\$0.00	\$15,000.00	100.00%
Engineer	\$30,000.00	\$350.00	\$29,650.00	98.83%
Pension	\$100,000.00	\$1,363.00	\$98,637.00	98.64%
Social Security	\$65,500.00	\$15,378.38	\$50,121.62	76.52%
Unemployment	\$7,000.00	\$5,134.30	\$1,865.70	26.65%
Hospitalization	\$220,000.00	\$52,242.73	\$167,757.27	76.25%
Disability Insurance	\$10,000.00	\$1,336.12	\$8,663.88	86.64%
Operating - Salaries & Wages	\$684,500.00	\$175,548.60	\$508,951.40	74.35%
Reserve for Future Retirement	\$0.00	\$0.00	\$0.00	100.00%
Telephone	\$20,000.00	\$2,917.78	\$17,082.22	85.41%
Electric	\$482,500.00	\$54,263.21	\$428,236.79	88.75%
Propane/Fuel Oil/ Gasoline	\$29,000.00	\$8,374.26	\$20,625.74	71.12%
Supplies/Chemicals	\$170,000.00	\$28,650.36	\$141,349.64	83.15%
Laboratory Supplies	\$12,000.00	\$405.03	\$11,594.97	96.62%
Office	\$25,000.00	\$9,332.81	\$15,667.19	62.67%
External Services	\$70,000.00	\$5,058.46	\$64,941.54	92.77%
Education/Training	\$20,000.00	\$214.00	\$19,786.00	98.93%

Laboratory Fees	\$30,000.00	\$3,373.56	\$26,626.44	88.75%
Maintenance/Repairs	\$180,000.00	\$27,748.91	\$152,251.09	84.58%
Insurance	\$110,000.00	\$43,237.72	\$66,762.28	60.69%
NJDEP Fees	\$25,000.00	\$1,375.00	\$23,625.00	94.50%
Permit/Compliance Fees	\$5,000.00	\$1,386.18	\$3,613.82	72.28%
Equipment	\$60,000.00	\$8,428.55	\$51,571.45	85.95%
Sludge Removal	\$720,000.00	\$79,992.00	\$640,008.00	88.89%
Contingency	\$25,000.00	\$0.00	\$25,000.00	100.00%
Capital Improvement	\$100,000.00	\$0.00	\$100,000.00	100.00%
Renewal and Replacement	\$300,000.00	\$0.00	\$300,000.00	100.00%
TOTAL	\$3,770,500.00	\$588,218.09	\$3,182,281.91	84.40%

Resolution No. 18-24, Approving Final Payment to JEV Construction for Contract #265, was moved by Mr. Schwab, seconded by Mr. Cangiano and the affirmative roll call vote of members present. Mr. Schwab noted that approval of the maintenance bond is also included in the resolution.

RESOLUTION NO. 18-24
Resolution of the Musconetcong Sewerage Authority
Approving Final Payment to JEV Construction, LLC for Contract #265
Aeration Basins No. 1, 2 & 3 Gate Rehabilitation

WHEREAS, the Musconetcong Sewerage Authority had a need for repairs to equipment at its wastewater treatment facility at 110 Continental Drive North, Budd, Lake, NJ 07828; and WHEREAS after a public bidding process Contract No. 265 was awarded to JEV Construction, LLC ("JEV"); and

WHEREAS JEV completed the work and submitted a Contractor's Application and Certificate for Payment dated April 6, 2018, and a Certification of Contractor dated April 7, 2018; and

WHEREAS the work was reviewed and confirmed as complete by MSA Consulting Engineer Mott MacDonald in a letter to MSA dated April 18, 2018; and

WHEREAS the original Contract was amended by Change Orders; and

WHEREAS the Total Amount Due with Change Orders is \$351,602.00 and the Total Amount Paid is \$220,483.34, so that the Total Amount Due is now \$131,118.66;

NOW, THEREFORE, BE IT RESOLVED, by the Commissioners of the Musconetcong Sewerage Authority that final payment be made to JEV under Contract #265 in the amount of \$131,118.66, and that the maintenance bond from Hudson Insurance Company dated April 17, 2018 be accepted and filed with MSA for Contract #265.

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

CAPITAL IMPROVEMENT ACCOUNT:

Daily Record	\$9.89
Mott MacDonald	\$600.00
Nusbaum Stein	\$858.00
PS&S	\$11,916.20

ESCROW ACCOUNT:

Mott MacDonald	\$282.50
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RENEWAL & REPLACEMENT ACCOUNT

JEV Construction	\$131,118.66
Mott MacDonald	\$1,144.24
Nusbaum Stein	\$198.00

OPERATING ACCOUNT:

ADP	\$564.08
ATS Environmental	\$3,725.00
Accurate Waste Services	\$50,112.00
Scott Allen (mileage, Dental, NJWEA Conference)	\$1,116.18
American Wear	\$1,971.01
AmeriGas Propane	\$1,502.36
Aqua Pro-Tech Labs	\$285.00
Bally's Atlantic City	\$2,712.00
Nicholas Barbato (NJWEA Conference)	\$361.00
Don Bates (NJWEA Conference)	\$361.00
Bearing & Drive Solutions	\$5,297.61
BioTriad Environmental	\$17,750.00
Blue Diamond Disposal	\$595.40
Cintas First Aid	\$1,263.88
City Fire Equipment	\$165.00
Cleary Giacobbe	\$245.00
Coburn Chemicals	\$4,453.31

Constellation New Energy	\$50,084.49
E&G Exterminators	\$230.00
Environmental Resource Associates	\$399.62
Fisher Scientific	\$277.17
Fleet Pump & Service Group	\$2,050.00
Frank's Trattoria (safety luncheon)	\$421.40
Gralnger	\$218.50
Susan Grebe (petly cash & mileage)	\$155.79
Mike Grogan (NJWEA Conference)	\$361.00
Hach	\$416.44
Horizon Tool & Mold	\$835.00
JCP&L	\$16,867.00
Corey Jozowski (mileage)	\$54.28
Lackawanna Computer Repair	\$3,805.78
Lowe's	\$122.20
MSA Payroll 3/23/18	\$31,795.92
MSA Payroll 4/6/18	\$31,485.52
MSA Payroll 4/20/18	\$31,359.01
Maryland Biochemical	\$10,544.99
McMaster Carr	\$1,915.54
Brian McNeilly (NJWEA Conference)	\$361.00
Mott MacDonald	\$350.00
NJSHP	\$13,688.06
NJ American Water	\$791.20
NJ Door Works	\$4,940.00
NJ Utilities Authorities JIF	\$56,536.81
NJ Water Environment Association Registrar	\$3,808.00
Nusbaum Stein	\$2,664.20
Office Concepts Group	\$1,001.24
One Call	\$82.50
PCS Pump & Process	\$1,002.24
PS&S	\$19,954.43
Pan Metro Services	\$600.00
Passaic Valley Sewerage Commission	\$29,516.00
Polydyne	\$1,562.40
Michael Pucilowski (NJWEA Conference)	\$248.00
Pumping Services	\$7,901.13
Rutgers University	\$275.00
James Schilling (mileage & NJWEA Conference)	\$884.09
Joseph Schwab (NJWEA Conference)	\$474.00
Shell Fleet	\$348.12
Sign Connection	\$920.00
David Stracco (dental)	\$207.00
Tractor Supply Store	\$69.97
Treasurer State of NJ (air permit fee)	\$3,707.00
Treasurer State of NJ (air quality permitting program)	\$1,267.00
USA Blue Book	\$260.01
United Federate Systems	\$1,197.00
Unum	\$1,504.17
Verizon	\$754.74
Verizon Communications	\$74.79
Verizon Wireless	\$225.18
WEF	\$344.00

Vice Chairman Sylvester introduced Stan Puszc, PE, from CP Engineering to discuss the need for approval of a utility easement from Mount Arlington to the MSA. Mr. Puszc thanked Mr. Schilling and MSA Attorney Patrick Dwyer for all their assistance over the past month with preparing the easement. Mr. Puszc explained about some property diversions that were encumbered by Green Acres. One of the properties is the MSA's Pump Station No. 4. An easement was created without knowledge of the need to get Green Acres approvals to divert the property. The Borough of Mount Arlington started the process to get Green Acres approvals to divert the property in 2014 and had to pay penalties. Mr. Puszc further explained about the surveying of the properties and other transactions. The Borough achieved Green Acres satisfaction in 2016. There was a series of public notices and a final public hearing. The NJDEP Commissioner approved the transactions and diversions on August 29, 2017. The Borough appeared before the State House Commission for a hearing in November of 2017, which led to a series of conditions. The condition that relates to the subject easement is known as a corrective easement. When the easement was created there was no reference to the fact that it was Green Acres. The NJDEP drafted the easement to include language that was important to recognize the history of why the easement occurred during their encumbrance of the property by Green Acres and also indicated that the survey attached to the easement is certified by Green Acres. After several meetings with the MSA Attorney and Director, along with revisions requested by the MSA, the easement has been finalized for approvals and signatures from the MSA.

Resolution No. 18-25, Modifying an Easement Agreement between the Borough of Mount Arlington and the Musconetcong Sewerage Authority on Certain Property in the Borough of Mount Arlington Known as Block 18, Lot 12, was moved by Mr. Cangiano, seconded by Mr. Schwab and the affirmative roll call vote of members present.

RESOLUTION NO. 18-25
Resolution of the Musconetcong Sewerage Authority
Modifying an Easement Agreement between the
Borough of Mount Arlington and the Musconetcong
Sewerage Authority on Certain Property in the Borough of Mount
Arlington Known as Block 18, Lot 12 on the Tax Map
of the Borough of Mount Arlington

WHEREAS, on April 20, 1994, the Borough of Mount Arlington granted to the Musconetcong Sewerage Authority (hereinafter "Authority") a permanent municipal utility easement for the installation of a pumping station and appurtenance on a portion of said property known as Block 18, Lot 12; and

WHEREAS, the Authority constructed the aforesaid pumping station and appurtenances on said property; and

WHEREAS the parties did modify reduce the area which was the subject of said easement by Modification of Easement Agreement dated December 1, 2010; and

WHEREAS, it has been determined that the property upon which the pumping station has been constructed is within a "Green Acres" designated area by the State of New Jersey Department of Environmental Protection; and

WHEREAS, the easement area has been the subject of a swap agreement between the Borough of Mt. Arlington and the Green Acres Program of the State of New Jersey which agreement is intended to reimburse the Green Acres Program for MSA's use of the easement area;

WHEREAS, the easement area has been re-surveyed in accordance with Green Acres requirements; and

NOW, THEREFORE, BE IT RESOLVED, by the Commissioners of the Musconetcong Sewerage Authority that the Authority agrees to modify the Easement Agreement dated April 20, 1994, as set forth in the Revised Utility Easement attached hereto; and

The Chairman or Director of the Musconetcong Sewerage Authority is hereby authorized to execute said Revised Utility Easement so that it may be recorded.

Mr. Puszcz Left the meeting at 7:47 PM. He thanked Vice Chairman Sylvester and the commissioners.

The following correspondence for the month of April was approved on a motion offered by Mr. McNeilly, seconded by Mr. Bruno and the affirmative roll call vote of members present.

- A. 4/2/18 NJDEP – Treatment Works Approval, 34 Bank Street, Netcong, Crownpoint Development
- B. 4/9/18 Karen Read, PERMA Risk Management -- Executed NJ Utilities Authorities JIF Contract
- C. 4/18/18 Ceren Aralp, PE – Contract #265 Final Payment and Change Order #4
- D. 4/20/18 Melanie Michetti, PE – 2017 Unmetered Flow Adjustments for Roxbury Township and Mount Arlington Borough

Mr. Schilling asked if the commissioners had reviewed his monthly report and if anyone had any questions. Mr. Pucilowski asked for an update on the ransom ware cyber attack. Mr. Schilling explained that the system has been hardened and a cloud backup is in place. The last step is some file restoration that has been sent out to a forensic specialist. They expect 100% restoration of the encrypted files. Mr. Schwab asked if the MSA's Risk Management person can offer some type of training for the employees against cyber attacks. Mr. Schilling indicated that there are programs through the JIF and he has been getting a lot of training.

Mr. Schilling mentioned the elected officials training that the JIF asks the commissioners to participate in. He noted that many of the commissioners cannot attend the training because of their schedules. He was at a JIF Fund Commissioners' meeting the previous day and found out that the Authority could have the training presentation held at the MSA facilities. A sign-in sheet would have to be prepared and notarized by MSA Attorney, Mr. Dwyer. The Authority would then be able to get credit for all of the commissioners. The commissioners agreed that it would be a good idea to consider.

Mr. Schilling also reminded the commissioners that Financial Disclosures Statements are due on April 30th.

Mr. Schilling reported that the Engineering Committee will hold a meeting before the monthly May 24th meeting. The Authority had some great results with the energy audit. Fundamentally, the audit referenced lighting and energy reduction costs. He has forwarded the information to the Engineering Committee for review. He noted that the lighting in the conference room and most of the building is no longer being manufactured and was banned around 2014, so when the supply runs out a new lighting system will have to be considered.

Mr. Schilling reported that work on the GIS program will start on May 2nd. A meeting for the project was held the previous week.

Mr. Schilling also reported that on April 24th the flow to Plant No. 2 was reporting low by approximately one million gallons of flow. He and the staff did some trouble shooting and found that the gates were blocked solid with rags forcing the balance of flow over to Plant No. 1. The staff pulled the rags out, and two hours later the gates were blocked with rags again. The staff pulled the rags out again and the problem has not happened again since then. Mr. Schilling wanted to point out this problem with the rags again, because is it important that the screening project move forward. He will meet with the Engineering Committee to discuss moving forward with this project. The potential debt service will also have to be considered for the project. Mr. McNeilly asked if the problem could be occurring in the pump stations. Mr. Schilling explained how the pump stations work and the routine maintenance performed on the pump stations. Mr. Schilling did not believe the rags were caused by problems or blockages with the pump stations. Mr. Bruno asked if the problem could be weather related. The commissioners discussed some of the possible reasons for the problem. Mr. Wancho noted that the rags are a common problem. He explained the concerns and indicated that a plant of this size needs to be equipped with screening and grit removal.

Mr. Schilling also reported that Chairman Rattner has asked about having the Musconetcong River Management Council (MRMC) hold a meeting at the MSA facilities sometime this year. He pointed out that in July 2017 the commissioners approved a request to host a meeting and a tour, but a resolution would have to be adopted approving the date of the meeting. A date would be decided and a resolution can be prepared for the May meeting.

Mr. Pucilowski asked for an update on the meeting regarding Senate Bill 848. Mr. Schilling reported that he attended a meeting at the Passaic Valley Sewerage Commission along with the AEA and other colleagues. After the meeting, he discussed items of concern with MSA Attorney Pat Dwyer. He and Mr. Dwyer met with MSA Bond Counsel, Bob Beinfeld, and Auditor Paul Cuva, RMA. Mr. Beinfeld provided a wonderful history of the MSA's bonds and debt service. They reviewed the Senate Bill at the meeting. Mr. Schilling also responded to a questionnaire distributed by the AEA. The DCA received the bill from the Senate and they are not sure how to authorize the bill because it will affect the local authorities. The DCA is asking the AEA to work with them on the issues because local authorities do not all bill in the same way and prepare their budgets the same. The DCA needs to get an understanding on how various authorities operate. Mr. Schilling believed that the MSA is in-line with the business model of Senate Bill 848 and that it will not affect the MSA because the Authority's budget is consistent with the member municipality budgets with a 2 percent cap.

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

Mr. Wancho reported that PS&S has been working on the air permit. The permit application was submitted to the NJDEP on April 6th. It was deemed administratively complete by the NJDEP and is under technical review. They expect to hear back from the NJDEP within 90 days with a draft permit for review.

Mr. Wancho updated the commissioners on Contract #270. The demolition work is complete. PS&S is reviewing submittals from the contractor. In the process of doing the demolition work and tank inspections the contractor indicated that due to the condition of the internals of the tanks some parts and wiring would need replacing. The interior of the tanks also would need to be sandblasted and painted. PS&S received a quote from the contractor to do the extra work. He explained the concerns related to doing the repairs now rather than waiting until the project is completed. He recommended that the work should be done now before the project is completed because it will likely damage the newly installed thickener drives. The quote received from the contractor for doing Contract #270 was slightly higher than expected. Mr. Wancho explained the benefits of using the same contractor to do these repairs rather than publically bid for quotes from other contractors. He suggested a change order to Contract #270, but the quote received was over the 20 percent threshold, and that quote was only for one of the units. The total cost to repair both units, so the project could be completed properly and in a timely manner, would be \$78,000.00 which would be 42 percent of the original contract amount. He explained, to the commissioners, the options and alternatives that could be considered. The commissioners discussed the options in accordance with the Local Contracts Law. Mr. Schwab

discuss the issues with the contractor. The time of completion for the project was discussed, so that the additional repairs could be addressed and completed properly. Mr. Pucilowski suggested that an amendment to the contract could be issued. Mr. Schwab surmised that the repairs for the first tank should be completed by the contractor with a change order. The second tank repairs, if they are necessary, could be bid. Mrs. Palma noted that as long as the repairs are under \$40,000.00 the Authority will only need to get quotes for the additional work and will not have to go out for bids. Mr. Wancho pointed out that the Authority would need a contractor who could do the replacement of the parts along with completing the sandblasting and painting within a 10 to 12 week window of the installation of the drives. A motion was made by Mr. Schwab, seconded by Mr. McNeilly to authorize a change order not to exceed 19.99 percent of the original contract amount bid on Contract #270 to GMH associates for replacement parts, and sandblasting and painting the interior of Tank #1, roll call:

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

RESOLUTION NO. 18-26

**Resolution of the Musconetcong Sewerage Authority
To Award a Change Order #1 for Contract No. 270 to GMH Associates of America, Inc.
for Parts, Wiring, Sandblasting and Painting Interior of Tank**

WHEREAS, on March 22, 2018 by Resolution No. 18-19 the Musconetcong Sewerage Authority awarded Contract No. 270 to GMH Associates of America, Inc. ("GMH") for Sludge Thickener Drives Replacement in the amount of \$179,999.99; and

WHEREAS, during the performance of the work it was discovered that additional repairs and work were needed to MSA's facilities, namely, parts, wiring, sandblasting and painting the interior of the tank; and

WHEREAS the Commissioners of the Musconetcong Sewerage Authority hereby make the following findings of fact:

1. GMH has submitted a Change Order #1 request for additional work in connection with Contract No. 270.
2. Change Order #1 has been reviewed by PS&S, MSA's Consulting Engineers, which has recommended that Change Order #1 dated be executed.
3. That the additional work is necessary for the proper maintenance and operation of MSA's facilities.
4. The Treasurer of the Musconetcong Sewerage Authority has certified that funds are available.

NOW, THEREFORE, BE IT RESOLVED, by the Commissioners of the Musconetcong Sewerage Authority that a Change Order #1 for Contract No. 270 is awarded to GMH Associates of America, Inc. in an amount not to exceed 19.99% of the contract amount; and be it

FURTHER RESOLVED, that the amount of the Change Order #1 shall not exceed 19.99% of the contract amount without further approval from the Musconetcong Sewerage Authority, and the Musconetcong Sewerage Authority shall not be liable to pay any amount over and above 19.99% of the contract amount without its prior written approval; and be it

FURTHER RESOLVED, that James Schilling as Director is hereby authorized to sign and award Change Order #1 for Contract No. 270 to GMH Associates of America, Inc. in the amount not to exceed 19.99% of the contract amount on behalf of the Musconetcong Sewerage Authority.

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

Resolution No. 18-21, Awarding a Contract to PS&S for Engineering Services in Connection with Contract #270, was moved by Mr. Schwab, seconded by Mr. Bruno and the affirmative roll call vote of members present.

RESOLUTION NO. 18-21

**Resolution of the Musconetcong Sewerage Authority
Awarding Contract for Professional Services to
Paulus, Sokolowski & Sartor, LLC ("PS&S") for
Engineering Services in Connection with Contract #270
Thickener Drive Replacement Construction**

WHEREAS, the Musconetcong Sewerage Authority requires consulting engineering services in connection with the review and oversight of Contract #270 which was recently awarded to GMH Associates for Thickener Drive Replacement; and

WHEREAS, N.J.S.A. 40A:11-5 permits the award of a contract for professional services without public advertising or bidding; and

WHEREAS PS&S has submitted a proposal dated April 12, 2018 to render certain professional services for the construction phase of Contract #270; and

WHEREAS, the Musconetcong Sewerage Authority is desirous of engaging PS&S to perform said work; and

WHEREAS PS&S has estimated the amount of time and cost for each phase of its services; and

WHEREAS PS&S estimates that it will spend 40 hours on Construction Phase Office Engineering at a fee of \$5,400, plus 80 hours on Construction Phase Field Engineering at a cost of \$10,800;

NOW, THEREFORE, BE IT RESOLVED, by the Commissioners of the Musconetcong Sewerage Authority that a contract is hereby awarded to PS&S to provide engineering services in connection with the construction phases of Contract #270 in an amount not to exceed \$5,400 for Construction Phase Office Engineering, and in an amount not to exceed \$10,800 for Construction Phase Field Engineering pursuant to the proposal from PS&S dated April 12, 2108; and be it

FURTHER RESOLVED that the above amounts shall not be increased without further authorization by the Musconetcong Sewerage Authority; and be it

FURTHER RESOLVED, that James Schilling, as Director of the Musconetcong Sewerage Authority is hereby authorized to sign the Agreement between PS&S and the Musconetcong Sewerage Authority; and be it

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

Resolution No. 18-22, Authorizing the Award of a Contract for Odor Control Products, was moved by Mr. Bruno, seconded by Mr. McNeilly and the affirmative roll call vote of members present.

RESOLUTION NO. 18-22
Resolution of the Musconetcong Sewerage Authority
Authorizing the Award of a Contract for Odor Control Product

WHEREAS, the Musconetcong Sewerage Authority has a need to purchase odor control product for its odor control equipment; and

WHEREAS the MSA received three (3) proposals as follows:

<u>Proposer</u>	<u>Quote</u>
BioTriad	\$17,750 per 55 gallon drum i.e. \$32.27/gallon
Heyward Florida, Inc.	\$56/gallon
BioConversion Technology	\$45/gallon

WHEREAS MSA has examined the three (3) proposals and has determined that the proposal submitted by BioTriad best meets the Authority's needs, that the proposer is well qualified to provide these services, and that their proposal was the lowest price received; and

WHEREAS, funds are available in the annual budget of the Musconetcong Sewerage Authority; and

WHEREAS the Musconetcong Sewerage Authority has engaged the services of a Qualified Purchasing Agent for the 2018;

NOW, THEREFORE, BE IT RESOLVED, by the Commissioners of the Musconetcong Sewerage Authority that the Director is hereby authorized to enter into an agreement with BioTriad to purchase atmospheric odor neutralization product known as VaporDOX 2000 Series as set forth in the Proposal from BioTriad dated February 6, 2018; and be it

FURTHER RESOLVED, that the Contract shall not exceed Seventeen Thousand Seven Hundred Fifty (\$17,750.00) Dollars without further authorization from the Commissioners of the Musconetcong Sewerage Authority; and be it

FURTHER RESOLVED, that the Director is authorized to execute the Proposal with BioTriad dated February 6, 2018.

Mr. Schilling explained the need to establish a Premium Only Section 125 Plan. In May 2010 Governor Christi enacted this law establishing the Premium Only Section 125 Plan for employee medical benefit contributions and the Authority should have established the plan at that time so that employee medical contributions were deducted pre-tax. The payroll error was discovered recently when the Auditor was conducting the 2017 Audit. A resolution is required to adopt and establish a Premium Only Section 125 Plan and the payroll error can be corrected. Mr. Schilling further explained that the employees have the option to opt-in or opt-out of the Plan and a form will be distributed to the employees to fill out in accordingly.

Resolution No. 18-23, Establishing a Premium Only Section 125 Plan Pursuant to Section 125 of the Internal Revenue Code, was moved by Mr. McNeilly, seconded by Mr. Bruno and the affirmative roll call vote of members present.

RESOLUTION NO. 18-23
Resolution of the Musconetcong Sewerage Authority
Establishing a Premium Only Section 125 Plan
Pursuant to Section 125 of the Internal Revenue Code

WHEREAS, the Musconetcong Sewerage Authority (hereinafter "Authority") desires to afford its employees the benefits available under such health benefit program as may be in effect for the Authority's employees from time to time (the "Health Care Program") as permitted pursuant to Section 125 of the Internal Revenue Code and the Treasury Regulations promulgated by the IRS thereunder; and

WHEREAS the Authority also desires to reap whatever benefits are available to it under such a Plan; and

WHEREAS in order to afford itself and its employees such benefits it is necessary for the Authority to adopt a Plan;

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

1. The Authority does hereby adopt the attached Premium Only Section 125 Plan with Opt In – Opt Out provision.
2. The attached Plan shall remain in place until such time as the Authority decides, in its sole discretion, that the Plan is no longer necessary or beneficial, in which case it may be withdrawn.
3. The Chairman of the Authority is hereby authorized to execute such Plan on behalf of the Authority.

Mr. Schwab asked Mr. McNeilly for an update of the abnormal flow issue in Stanhope. Mr. McNeilly said the town presently has five flow meters and they are segregating a certain portions of town. They also have a rain gauge. They are seeing some abnormal flow activity in the upper portion of the town. They are also inspecting with the cameras and are developing a plan. He has been reviewing past reports supplied by Mr. Schilling and noted that there was a time when some of the other member towns' numbers went very high. He opined the problem in Stanhope could be a seam or break in a pipe. They will be pinpointing spots on a map. They are going to declare an emergency at the end of the meter setup based upon the fact that the stress being put on Stanhope's internal pump stations is so bad there is a chance of an imminent failure of the 40 year old pump stations. The town is taking the issue very seriously and the research will continue.

Vice Chairman Sylvester indicated that Ms. Grebe has opted to have her annual review and salary increase discussed in open session. Mr. Schilling has opted to have his review and salary increase discussed in closed session. Vice Chairman Sylvester told Ms. Grebe that her review submitted by Mr. Schilling was positive and exemplary. She does her job well and on time. He further explained that because of government issues at this time, the Personnel Committee has decided to grant a 2 percent hourly increase retroactive to January 1, 2018. Ms. Grebe thanked the commissioners. A motion was made by Mr. McNeilly to approve a 2 percent hourly increase to Ms. Grebe retroactive to January 1, 2018. The motion was seconded by Mr. Cangiano and the affirmative roll call vote of members present.

Mrs. Palma and Mr. Wancho left the meeting at 9:07 PM.

Motion made by Mr. Schwab, seconded by Mr. Bruno and the affirmative roll call vote of members present for the commissioners to go into closed session at 9:08 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 is of the opinion that such circumstances exist.

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

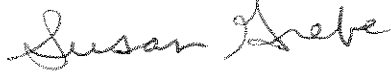
1. The public shall be excluded from discussion of, action on and hearing the tape of closed session of the Musconetcong Sewerage Authority;
2. The general nature of the subject matter to be discussed is as follows: Personnel
The above subject matter will be made public once the negotiations are complete and it is deemed to be in the public interest.

Motion to reopen the meeting to the public at 9:27 PM was offered by Mr. McNeilly, seconded by Mr. Grogan and the affirmative vote of members present.

Vice Chairman Sylvester indicated to Mr. Schilling that the commissioners agreed on a 2 percent salary increase for him, retroactive to January 1, 2018. The commissioners had also discussed Mr. Schilling's obtaining a UST license and have decided, that upon receipt of the license, he will receive an annual stipend of \$2,000.00. He will receive the stipend each year after his review by the Personnel Committee. This year, after he passes the UST license examine, he will receive the \$2,000.00 stipend. A motion was made by Mr. Schwab to approve a 2 percent salary increase to Mr. Schilling retroactive to January 1, 2018, along with an annual \$2,000.00 stipend upon his obtaining a UST license. The motion was seconded by Mr. Bates and the affirmative roll call vote of members present.

Motion made by Mr. McNeilly, seconded by Mr. Grogan and the affirmative roll call vote of members present, Vice Chairman Sylvester adjourned the meeting at 9:32 PM.

Respectfully Submitted:

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

Susan Grebe,
Administrative Assistant