

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, Andrew Cangiano, Michael Grogan, Brian McNeilly, Melanie Michetti, Michael Pucilowski, Steven Rattner Joseph Schwab, John Sylvester

MEMBERS ABSENT: Donald Bates, James Benson, Richard Schindelar

OTHERS PRESENT: Patrick Dwyer Esq., Ceren Aralp 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 June 22, 2017 were approved on a motion offered by Mr. Pucilowski, seconded by Mr. Schwab. Roll Call:

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

The Expenditures/Treasurer's Report of July 1, 2017 was accepted on a motion offered by Mr. McNeilly, seconded by Mr. Schwab and the affirmative roll call vote of members present.

Treasurer's Report - July 1, 2017

Operating Account

Balance as of June 1, 2017: **\$ 1,005,259.98**

Receipts (June):

Hospitalization	2,282.46	
Municipal Revenue	680,520.97	
Caesar's Enterprises	117.12	
James Benson (NJWEA conference)	331.00	
Richard Schindelar (NJWEA conference)	577.00	
		<u>\$ 683,828.55</u>
		<u>\$ 1,689,088.53</u>

Disbursements (June):

NJSHBP (June health ins.)	\$13,688.06
Administrative Salaries	\$5,943.95
Operating Salaries	\$22,880.19
Unemployment	\$276.97
Social Security	\$2,233.76
Administrative Salaries	\$6,297.44
Operating Salaries	\$24,677.72
Unemployment	\$223.86
Social Security	\$2,400.52
ADP	\$224.37
ATS Environmental	\$995.45
Adapco	\$5,289.57
Scott Allen (dental & eye reimb)	\$687.48
American Wear	\$407.52
Bearing & Drive Solutions	\$0.99
Cintas First Aid	\$49.81
Cleary Giacobbe	\$857.50
Robert Colabella (work boot reimb)	\$59.76
Constellation New Energy	\$14,432.34
Coyne Chemical	\$4,507.35
Delaware River Basin Commissson	\$820.00
Eurofins QC Inc.	\$535.00
FedEx	\$34.86
Ferraioli, Wielkotz, Cerullo & Cuva	\$7,500.00
Fisher Scientific	\$258.79

Susan Grebe (mileage & dental reimb)	\$281.19
Hach	\$91.96
JCP&L	\$7,166.03
Kenvil Power Mower	\$182.45
Lower's	\$357.61
Maryland Biochemical	\$7,329.07
NJ American Water	\$719.58
Napa Auto Parts	\$78.60
Netcong Hardware	\$179.88
Nusbaum Stein	\$710.60
One Call	\$33.75
PERS	\$2,392.54
R-D Trucking	\$19,584.00
Shell Fleet	\$247.20
Staples	\$499.31
Treasurer, State of NJ	\$200.00
USA Bluebook	\$5,097.44
Verizon	\$741.31
Verizon Communications	\$69.13
Verizon Wireless	\$225.18
Administrative Salaries	\$5,943.95
Operating Salaries	\$25,966.44
Unemployment	\$118.65
Social Security	\$2,837.73
2nd Qtr Health Waivers	\$4,808.74
2nd Qtr Transfer - Renewal & Replacement	\$50,000.00
2nd Qtr Transfer - Capital Improvement	\$50,000.00
NJSHBP (July health ins.)	\$13,688.06

Total Disbursements for June: \$ 314,833.66
Balance as of July 1, 2017: \$ 1,374,254.87

RENEWAL & REPLACEMENT ACCOUNT

Balance as of June 1, 2017: \$ 603,445.61
Receipts: 2nd Quarter Transfer from Operating 50,000.00
Disbursements: Nusbaum Stein (Contract #260 & 265) 1,298.00
Daily Record (Contract #265) 177.56
Star Ledger (Contract #265) 498.94
Hayes (pump reconditioning) 13,685.00
Balance as of July 1, 2017: \$ 637,786.11

ESCROW ACCOUNT

Balance as of June 1, 2017: \$ 6,169.24
Receipts: 0.00
Disbursements: Nusbaum Stein (Hopalong State Park WQMP Amendment) 220.00
Balance as of July 1, 2017: \$ 5,949.24

CAPITAL IMPROVEMENT/RESERVE FOR RETIREMENT ACCOUNT

Balance as of June 1, 2017: \$ 1,183,237.85
Receipts: 2nd Quarter Transfer from Operating 50,000.00
Disbursements: 0.00
Balance as of July 1, 2017: \$ 1,233,237.85

ANALYSIS OF BALANCES:

Capital Improvement \$ 1,183,237.85
Reserve for Retirement \$ 50,000.00

EXPENDITURES REPORT - 2017 BUDGET

7/1/17

	2017	YEAR-TO-DATE		%
	BUDGET	EXPENDITURES	BALANCE	REMAINING
Admin - Salaries and Wages	\$165,000.00	\$83,623.28	\$81,376.72	49.32%
Trustee Admin Fees	\$20,000.00	\$7,515.00	\$12,485.00	62.43%
Administrative - Other Expenses	\$40,000.00	\$16,659.08	\$23,340.92	58.35%
Legal	\$30,000.00	\$13,719.30	\$16,280.70	54.27%
Audit	\$10,000.00	\$0.00	\$10,000.00	100.00%
Engineer	\$30,000.00	\$2,450.13	\$27,549.87	91.83%
Pension	\$90,000.00	\$3,010.54	\$86,989.46	96.65%
Social Security	\$68,000.00	\$34,595.13	\$33,404.87	49.12%
Unemployment	\$7,000.00	\$0.00	\$7,000.00	100.00%
Hospitalization	\$228,500.00	\$103,760.10	\$124,739.90	54.59%
Disability Insurance	\$10,000.00	\$1,612.95	\$8,387.05	83.87%
Operating - Salaries and Wages	\$700,000.00	\$353,898.19	\$346,101.81	49.44%

Reserve for Future Retirement	\$0.00	\$0.00	\$0.00	100.00%
Telephone	\$20,000.00	\$5,859.05	\$14,140.95	70.70%
Electric	\$500,000.00	\$170,540.27	\$329,459.73	65.89%
Propane/Fuel Oil/ Gasoline	\$40,000.00	\$7,640.67	\$32,359.33	80.90%
Supplies/Chemicals	\$160,000.00	\$85,589.42	\$74,410.58	46.51%
Laboratory Supplies	\$12,000.00	\$2,043.76	\$9,956.24	82.97%
Office	\$25,000.00	\$12,729.54	\$12,270.46	49.08%
External Services	\$70,000.00	\$20,854.00	\$49,146.00	70.21%
Education/Training	\$20,000.00	\$5,068.56	\$14,931.44	74.66%
Laboratory Fees	\$30,000.00	\$5,604.36	\$24,395.64	81.32%
Maintenance/Repairs	\$150,000.00	\$49,588.89	\$100,411.11	66.94%
Insurance	\$110,000.00	\$97,149.97	\$12,850.03	11.68%
NJDEP Fees	\$25,000.00	\$20,140.07	\$4,859.93	19.44%
Permit/Compliance Fees	\$25,000.00	\$468.60	\$24,531.40	98.13%
Equipment	\$60,000.00	\$7,210.20	\$52,789.80	87.98%
Sludge Removal	\$700,000.00	\$287,672.00	\$412,328.00	58.90%
Contingency	\$25,000.00	\$0.00	\$25,000.00	100.00%
Capital Improvement	\$200,000.00	\$100,000.00	\$100,000.00	50.00%
Renewal and Replacement	\$200,000.00	\$100,000.00	\$100,000.00	50.00%
TOTAL	\$3,770,500.00	\$1,599,003.06	\$2,171,496.94	57.59%

Mr. Schwab explained that there was one amendment to the pending voucher list. D&V Landscaping fees were revised to omit sales tax. The corrected amount is \$1,985.00. Chairman Rattner noted that almost half the total amount of the pending vouchers for the month was due to the loan payments. The pending vouchers, as amended, for the month of July were approved for payment on a motion offered by Mr. McNeilly, seconded by Mr. Cangiano and the affirmative roll call vote of members present.

CAPITAL IMPROVEMENT

Mott MacDonald \$2,814.00

ESCROW ACCOUNT

Mott MacDonald \$180.00

RENEWAL & REPLACEMENT ACCOUNT

Mott MacDonald \$11,829.23

Nusbaum Stein \$1,353.00

OPERATING ACCOUNT

ADP \$770.85

ATS Environmental \$350.00

Accurate Waste \$3,506.25

Scott Allen (disability reimbursement) \$80.40

American Wear \$759.10

Atlantic Tomorrows Office \$37.02

Vince Barbato (disability reimbursement) \$80.40

Bearing & Drive Solutions \$5,297.61

Patrick Biasi (disability reimbursement) \$80.40

Blue Diamond Disposal \$283.55

Cintas First Aid \$105.49

Robert Colabella (disability reimbursement) \$80.40

Communication Systems Inc. \$702.47

Constellation New Energy \$13,124.78

Coyne Chemical \$4,646.67

D&V Landscaping \$1,985.00

Daily Record \$107.36

Keith DeFazio (mileage & disability reimbursement) \$99.66

E&G Exterminators \$230.00

Eurofins QC Labs \$673.00

Franks Trattoria \$230.00

Gralinger \$215.25

Susan Grebe (mileage and petty cash reimb) \$71.17

JCP&L \$14,486.10

Kenvil Power Mower \$26.05

Lowe's \$187.00

MSA Payroll 6/30/17 \$38,534.28

MSA Payroll 7/14/17 \$34,899.75

McMaster-Carr \$2,224.23

Mott MacDonald \$700.00

NJSHBP \$13,688.06

NJEIT (loan payment S340 384-06) \$124,911.16

NJEIT (loan payment S340 384-07) \$28,194.15

NJEIT (loan payment S340 384-08) \$59,708.65

NJ American Water \$732.89

NJ Business & Industry Association \$240.00

NJWEA Registrar \$17.00

Napa Auto Parts \$114.55

Netcong Hardware	\$111.00
Northeast Industrial Tech	\$5,280.89
Nusbaum Stein	\$330.00
One Call	\$40.00
PCS Pump & Process	\$5,655.00
Pan Metro	\$850.00
Passaic Valley Sewerage Commission	\$68,080.00
Patrick Pisano (disability reimbursement)	\$80.40
Polydyne	\$1,508.40
Pumping Services	\$4,303.50
R-D Trucking	\$31,392.00
SK Paper Shred	\$300.00
James Schilling (eye & mileage reimbursement)	\$571.97
Shell Fleet	\$194.32
Staples	\$411.61
State of NJ Dept. of Labor	\$114.59
David Stracco (disability reimbursement)	\$80.40
TD Bank, NA	\$408,305.09
Treasurer, State of NJ	\$150.00
Turtle & Hughes	\$3,076.00
Unum Life Insurance Company	\$1,490.54
Verizon	\$741.14
Verizon Communications	\$69.13
Verizon Wireless	\$225.34
WEF	\$214.00
Zep	\$4,055.75

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

A. 6/28/17 NJDEP - 2017 Non-Potable Water Proficiency Test Study

Mr. Schilling asked if the commissioners had reviewed his monthly report and if anyone had any questions or comments. Chairman Rattner questioned about the pumps purchased for the plant. He noted that Mr. Schilling had received three quotes for the pumps in conformance with the contract bidding laws. He explained his about past experiences with cumulative aggregates and his concerns with the pump purchases. He asked for Mrs. Palma's advice on the matter. Mrs. Palma explained that in most cases the concern with aggregation is how much you spend with one particular vendor, but if the Authority is using different vendors for different projects, it should not be a problem, even if its buying the same piece of equipment. Mr. Schilling explained that he obtained three price quotes for the pumps, then purchased the pump with the lowest price quote. Chairman Rattner had concerns because it was a big expense. Mrs. Palma noted that a resolution should be prepared for the purchase since the expense is over \$17,500.00, and a business entity disclosure should be obtained from the vendor and included with the resolution. Mr. Dwyer will prepare a resolution for next month's meeting.

Mrs. Palma left the meeting at 7:41 PM.

Mr. Schilling updated the commissioners that two pumps were received earlier that day, however, the two stations in need of repair have five pumps total. Two of the pumps have failed so those pumps will be installed right away. He is getting a repair quote on one pump. He obtained a repair quote on a fourth pump for \$12,600.00 to rebuild the pump. A new pump would cost \$14,800.00. He will follow up on the pump repairs and purchases in the near future with the commissioners. Resolutions will be prepared in accordance with the Contract Law.

Mr. Schilling also noted some of the improvements to the plant's campus. The summer help that was hired has greatly contributed to the improvements. Chairman Rattner asked that a reported be submitted at the end of the summer listing the work that was accomplished by the summer employees and the salaries expended.

Mr. Schilling also reported on a trial study he is conducting with DelPak 1525 (aluminum chloride). The trial only started the previous day and already he is seeing good results. The price is very competitive. He will keep the commissioners posted on the progress and results. Mr. Schilling further explained about the chemicals involved, and the testing and comparisons being done. The ultimate goal of this study is to use less product to save money, produce less sludge mass, and obtain better phosphorous removal and sludge compaction along with better water quality and maybe ph. Chairman Rattner questioned if aluminum chloride is similar to alum. Mr. Schilling explained the differences between the aluminum chloride and pure alum and talked about the of difference types of aluminum based chemicals. Chairman Rattner discussed some health issues with alum and his concerns in the past.

Mr. Pucilowski asked about the status of the energy audit application. Mr. Schilling responded that he and Ms. Grebe had submitted all requested information and are waiting to hear back.

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

Mrs. Aralp reported that Mott MacDonald had reviewed the plant hydraulics and alternative layout to evaluate options to reduce the headworks facility footprint. They will be presenting their evaluation to the Authority shortly.

Mrs. Aralp also reported that Mott MacDonald has assisted in the review of the contractor's insurance documentation for Contract #260. They have received the first shop drawing from the contractor for the project. Similarly, for Contract #265, Mott MacDonald is working on review of the bid documents with the MSA Attorney. Time frames for the completion of the projects were discussed.

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

Chairman Rattner indicated that he would like to extend the MSA's invitation to the Musconetcong River Management Council to hold one of its meetings at the MSA Plant Facilities. They hold six meetings per year. The Musconetcong River Management Council was established by the Department of the Interior when the River was declared wild and scenic. The River Management Council has supported the MSA on issues and concerns in the past. Every municipality on the Musconetcong River is a member of the River Management Council and has a representative. Mr. Schwab asked how many members would be attending the meeting. Chairman Rattner said approximately 12 people attend the meeting. The meeting would be added to the River Management's 2018 meeting schedule. Mr. Schilling noted that he would need to be on the MSA facilities premises when the meeting is held and would be happy to attend the meeting. He believed it was important to maintain relationships with groups on the river. A motion was made by Mr. Sylvester, seconded by Mr. Pucilowski to invite the Musconetcong River Management Council to hold one of its meetings at the MSA Facilities in 2018. The motion was approved by the affirmative roll call vote of members present. A resolution would be prepared when a River Management Council meeting date is established for next year.

Mr. Dwyer reported that he spoke with the engineer for the Pequannock Sewerage Authority as suggested by the MSA's Bond Counsel. Pequannock Sewerage Authority has a relationship with Two Bridges. They have had some gallonage allocation transfers in the past. From the discussions he had, he believed that the Authority is on the right track for keeping the Standard Operating Procedures the Authority recently put in place for any future gallonage allocation transfers between municipalities. The best recommendation is to have an open process so that whoever wants to buy gallonage from a member municipality must make it known to all member municipalities that they are interested in buying gallonage from another municipality and whoever wants to sell will have the opportunity to sell. The towns would set the price, that is not up to the Authority. If there is more than one buyer or seller they can share the transfer if they want to, but it would be up to the municipalities. Mr. Sylvester asked about the right of first refusal in the contracts. Mr. Dwyer responded that the right of first refusal is dependent on the bonding requirements. The current bonding requirements do not affect transfers, but if in the future any changes are made, then the MSA would have to go through the process with approving resolutions from all member municipalities again. Mr. Dwyer will finalized the draft for the SOP for the MSA's August meeting and it can be adopted at that time.

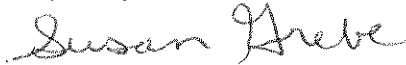
Mr. Schilling reported to the commissioners that the MSA Staff has no use for the 1993 dump truck in the compost facility. The truck has 3,305 miles. The biggest concern is maintenance for the truck because it has been sitting for such a long time. Mr. Schilling did some research and tried to establish the value of the truck. His best guess is between \$8,900.00 and \$10,000.00. He had previously e-mailed the information to the commissioners. Mr. Sylvester indicated that Netcong may not be interested in purchasing the truck for \$10,000.00. Mr. Schwab suggested that Netcong make an offer for the truck. Mr. Schilling noted that the funds received for the truck would be refunded back to the seven member towns at the end of the year. Mr. Schilling explained the truck has a lot of dry rot in the hoses, tires, etc. An offer of \$2,500.00 from Netcong was discussed. Mr. Dwyer suggested an appraisal should be done and the towns could all bid on the truck. Netcong may very well wind up being the only bidder. Mrs. Michetti suggested to ask a local mechanic to do an inspection and appraisal of the truck. Mr. Schilling noted that the truck is not legal to go out on the road.

Mr. McNeilly asked if the truck can be open to auction to the seven member municipalities. Mr. Schwab suggested that each of the commissioners should talk with their towns to see if any of the member municipalities would be interested in the truck. A simple letter from each of the towns indicating if they are interested or not should be sent to the MSA. The matter could then be decided at the MSA August 24th meeting.

Mr. Sylvester noted that an executive session would be required for the next month's meeting to discuss salaries for personnel. Rice notices should be sent to Ms. Grebe and Mr. Schilling by Mr. Dwyer.

Motion made by Mr. Grogan, seconded by Mrs. Michetti and the affirmative vote of members present, Chairman Rattner adjourned the meeting at 8:20 PM.

Respectfully Submitted:

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

Susan Grebe,
Administrative Assistant