

**REGULAR MEETING OF THE MUSCONETCONG SEWERAGE AUTHORITY**

Chairman Rattner 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, Michael Grogan, Brian McNeilly, Melanie Michetti, Daren Phil, Michael Pucilowski, Steven Rattner, Richard Schindelar, Joseph Schwab
- MEMBERS ABSENT:** John Sylvester
- OTHERS PRESENT:** Patrick Dwyer, Esq., Lee Purcell, PE, Fenton Purcell, PE, James Schilling, Marvin Joss

Chairman Rattner opened and closed the meeting to the public.

The Reorganization Meeting Minutes of February 26, 2015 were approved on a motion offered by Mr. McNeilly seconded by Mr. Schwab and the affirmative vote of members present.

The Regular Meeting Minutes of February 26, 2015 were approved on a motion offered by Mr. McNeilly seconded by Mr. Schwab and the affirmative vote of members present.

The Expenditures/Treasurer's Report for the month of February was accepted on a motion offered by Mr. Pucilowski, seconded by Mr. McNeilly and the affirmative roll call vote of members present.

**TREASURER'S REPORT- MARCH 1, 2015**  
**OPERATING ACCOUNT**

Balance as of February 1, 2015:		<u>\$ 1,295,683.07</u>
Receipts (February):		
	Hospitalization	2,688.36
		<u>2,688.36</u>
		<u>\$ 1,298,371.43</u>
Disbursements - February:		<u>\$ 277,186.26</u>
Balance as of March 1, 2015:		<u>\$ 1,021,185.17</u>

**RENEWAL/REPLACEMENT ACCOUNT**

Balance as of February 1, 2015:		<u>\$ 625,228.30</u>
Receipts:		0.00
Disbursements:		209.00
	Nusbaum Stein	145.88
	Daily Record	424.08
	Star Ledger	2,170.00
	LTPA	4,780.00
	Applied Analytics	<u>4,780.00</u>
Balance as of March 1, 2015:		<u>\$ 617,499.44</u>

**ESCROW ACCOUNT**

Balance as of February 1, 2015:		<u>\$ 2,952.34</u>
Receipts:		0.00
Disbursements:		0.00
Balance as of March 1, 2015:		<u>\$ 2,952.34</u>

**CAPITAL IMPROVEMENT ACCOUNT**

Balance as of February 1, 2015:		<u>\$ 630,000.00</u>
Receipts:		0.00
Disbursements:		0.00
Balance as of March 1, 2015:		<u>\$ 630,000.00</u>

**EXPENDITURES REPORT - 2015 BUDGET**

3/1/15

	2015	YEAR-TO-DATE		%
	<u>BUDGET</u>	<u>EXPENDITURES</u>	<u>BALANCE</u>	<u>REMAINING</u>
Admin - Salaries and Wages	\$149,000.00	\$33,895.91	\$115,104.09	77.25%
Trustee Admin Fees	\$60,000.00	\$10,203.63	\$49,796.37	82.99%
Administrative - Other Expenses	\$33,000.00	\$6,831.40	\$26,168.60	79.30%
Legal	\$25,000.00	\$1,667.60	\$23,332.40	93.33%
Audit	\$14,000.00	\$0.00	\$14,000.00	100.00%
Engineer	\$20,000.00	\$680.00	\$19,320.00	96.60%
Pension	\$86,000.00	\$77,573.00	\$8,427.00	9.80%
Social Security	\$60,000.00	\$13,351.43	\$46,648.57	77.75%
Unemployment	\$7,000.00	\$2,507.08	\$4,492.92	64.18%
Hospitalization	\$222,800.00	\$49,028.88	\$173,771.12	77.99%
Disability Insurance	\$10,000.00	\$1,384.67	\$8,615.33	86.15%
Operating - Salaries and Wages	\$620,000.00	\$139,006.19	\$480,993.81	77.58%
Reserve for Future Retirement	\$15,000.00	\$15,000.00	\$0.00	0.00%
Telephone	\$15,000.00	\$1,743.09	\$13,256.91	88.38%
Electric	\$527,000.00	\$86,158.73	\$440,841.27	83.65%
Propane/Fuel Oil/ Gasoline	\$35,000.00	\$3,317.59	\$31,682.41	90.52%
Supplies/Chemicals	\$135,100.00	\$13,355.53	\$121,744.47	90.11%
Laboratory Supplies	\$8,000.00	\$1,573.62	\$6,426.38	80.33%
Office	\$20,000.00	\$7,067.85	\$12,932.15	64.66%
External Services	\$50,000.00	\$10,342.65	\$39,657.35	79.31%
Education/Training	\$15,000.00	\$337.00	\$14,663.00	97.75%
Laboratory Fees	\$25,000.00	\$1,020.00	\$23,980.00	95.92%
Maintenance/Repairs	\$100,000.00	\$10,987.76	\$89,012.24	89.01%
Insurance	\$110,000.00	\$40,954.67	\$69,045.33	62.77%
NJDEP Fees	\$25,000.00	\$200.00	\$24,800.00	99.20%
Permit/Compliance Fees	\$150,000.00	\$692.80	\$149,307.20	99.54%
Equipment	\$60,000.00	\$4,750.00	\$55,250.00	92.08%
Sludge Removal	\$550,000.00	\$53,720.03	\$496,279.97	90.23%
Contingency	\$25,000.00	\$0.00	\$25,000.00	100.00%
Capital Improvement	\$300,000.00	\$0.00	\$300,000.00	100.00%
Renewal and Replacement	\$200,000.00	\$0.00	\$200,000.00	100.00%
<b>TOTAL</b>	<b>\$3,671,900.00</b>	<b>\$587,351.11</b>	<b>\$3,084,548.89</b>	<b>84.00%</b>

**EXPENDITURES REPORT - 2014 BUDGET**

3/1/15

	2014	YEAR-TO-DATE		%
	<u>BUDGET</u>	<u>EXPENDITURES</u>	<u>BALANCE</u>	<u>REMAINING</u>
Admin - Salaries and Wages	\$149,000.00	\$142,543.36	\$6,456.64	4.33%
Trustee Admin Fees	\$60,000.00	\$20,407.26	\$39,592.74	65.99%
Administrative - Other Expenses	\$33,000.00	\$32,728.11	\$271.89	0.82%
Legal	\$25,000.00	\$20,164.88	\$4,835.12	19.34%
Audit	\$14,000.00	\$4,330.00	\$9,670.00	69.07%
Engineer	\$20,000.00	\$14,710.00	\$5,290.00	26.45%
Pension	\$86,000.00	\$65,069.00	\$20,931.00	24.34%
Social Security	\$60,000.00	\$57,165.32	\$2,834.68	4.72%
Unemployment	\$7,000.00	\$5,223.31	\$1,776.69	25.38%
Hospitalization	\$222,800.00	\$181,616.02	\$41,183.98	18.48%
Disability Insurance	\$10,000.00	\$6,763.94	\$3,236.06	32.36%
Operating - Salaries and Wages	\$620,000.00	\$559,031.79	\$60,968.21	9.83%
Reserve for Future Retirement	\$15,000.00	\$15,000.00	\$0.00	0.00%
Telephone	\$15,000.00	\$13,753.72	\$1,246.28	8.31%
Electric	\$527,000.00	\$372,683.96	\$154,316.04	29.28%
Propane/Fuel Oil/ Gasoline	\$35,000.00	\$26,236.21	\$8,763.79	25.04%
Supplies/Chemicals	\$135,100.00	\$128,653.86	\$6,446.14	4.77%
Laboratory Supplies	\$8,000.00	\$7,991.11	\$8.89	0.11%
Office	\$20,000.00	\$15,273.28	\$4,726.72	23.63%
External Services	\$50,000.00	\$48,201.80	\$1,798.20	3.60%
Education/Training	\$15,000.00	\$8,730.45	\$6,269.55	41.80%
Laboratory Fees	\$25,000.00	\$18,009.77	\$6,990.23	27.96%

Maintenance/Repairs	\$100,000.00	\$96,514.99	\$3,485.01	3.49%
Insurance	\$110,000.00	\$96,056.31	\$13,943.69	12.68%
NJDEP Fees	\$25,000.00	\$18,768.25	\$6,231.75	24.93%
Permit/Compliance Fees	\$150,000.00	\$68,597.60	\$81,402.40	54.27%
Equipment	\$60,000.00	\$58,793.43	\$1,206.57	2.01%
Sludge Removal	\$550,000.00	\$469,616.29	\$80,383.71	14.62%
Contingency	\$25,000.00	\$0.00	\$25,000.00	100.00%
Capital Improvement	\$300,000.00	\$300,000.00	\$0.00	0.00%
Renewal and Replacement	\$200,000.00	\$200,000.00	\$0.00	0.00%
<b>TOTAL</b>	<b>\$3,671,900.00</b>	<b>\$3,072,634.02</b>	<b>\$599,265.98</b>	<b>16.32%</b>

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

<b>RENEWAL &amp; REPLACEMENT</b>	
LTPA	\$425.00
<b>OPERATING ACCOUNT</b>	
ADP	\$670.42
Scott Allen (mileage reimb)	\$158.70
AmeriGas	\$2,946.39
Applied Analytics	\$384.00
Nicholas Barbato (dental reimb)	\$600.00
Blue Diamond Disposal	\$265.00
Certified Labs	\$2,631.66
Cintas Corp.	\$466.24
Cintas First Aid	\$77.42
Cit-e-net	\$1,500.00
Cleary Giacobbe Alfieri Jacobs	\$52.50
Daily Record	\$22.00
Deli Delicious	\$470.00
Environmental Resource Associates	\$522.20
Fisher Scientific	\$856.35
Grainger	\$2,374.00
Susan Grebe (mileage reimb)	\$41.35
Hach Company	\$21.26
Hayes Pump	\$901.23
JCP&L	\$49,751.30
J.W. Topping	\$950.00
Kemira	\$5,026.63
LTPA	\$3,220.00
Lowe's	\$342.65
MSA Payroll 3/13/15	\$29,964.91
MSA Payroll 3/27/15	\$33,425.81
McMaster Carr	\$524.70
NJSHBP	\$17,287.14
NJ American Water	\$850.63
Netcong Hardware	\$3.14
One Call	\$17.08
PCS Pump & Process	\$1,320.00
Parkhurst Distributors	\$3,435.60
Passaic Valley Sewerage Commission	\$21,120.00
Pumping Services	\$16,410.00
QC Labs	\$4,151.50
Quill	\$359.00
R-D Trucking	\$18,480.00
R&J Control	\$3,684.51
R&R Pump Control Services	\$22,075.01
Roxbury Township Water Dept.	\$134.94
Shell Fleet Plus	\$393.62
Spectraserve	\$8,190.00
Elmer Still	\$7,704.00
David Stracco (dental reimb)	\$260.00
USA Bluebook	\$746.86
Unum Life Insurance	\$1,364.64
Verizon	\$704.35
Verizon Communications	\$54.99
Verizon Wireless	\$225.30
WEF	\$752.00

The following correspondence for the month of March was received and filed on a motion offered by Mrs. Michetti, seconded by Mr. Benson and the affirmative vote of members present.

- A. 2/23/15 NJDEP – Mt. Olive Township Highlands Sewer Service Area Map Correction
- B. 3/6/15 Patrick Dwyer, Esq. – Retainer Agreement for 2015 Legal Counsel Services
- C. 3/12/15 Mount Olive Police Dept. – Police Unity Tour Donations
- D. 3/12/15 Melanie Michetti, PE – 2014 Unmetered Flow Adjustments for Roxbury Township and Mount Arlington Borough
- E. 3/17/15 Lee T. Purcell Associates – Review of Mt. Olive Township Highlands Sewer Service Area Map Correction
- F. 3/17/15 Lee T. Purcell Associates – Request for Consent Resolution for Jefferson Twp. Water Quality Management Plan Amendment
- G. 3/13/15 Patrick Dwyer, Esq. – MSA vs NJDEP draft letter to Administrative Law Judge
- H. 3/17/15 Patrick Dwyer, Esq. – MSA vs NJDEP Letter to Administrative Law Judge and Original Stipulation of Settlement
- I. 3/20/15 Thomas F. Carroll, III, Esq. – Notice of Public Hearing for Amended Preliminary Site Plan for Roxwood Associates, LLC

Mr. Schilling asked the commissioners if they had reviewed his monthly report and if anyone had any questions or comments. Mr. Phil asked about the tree that was leaning towards the home next to Pump Station #6 and noted that it may be more costly to survey the property line then to work it out with the property owner. Mr. Schilling said that he had an existing survey from Stanhope Borough and LTPA will review the survey to make sure which property the tree is on. Mr. Schilling also mentioned that the property between the house and the pump station was very narrow, but it looked like the tree is on the MSA's property. The commissioners discussed the cost to remove the tree and recommended that Mr. Schilling have the tree removed. Mr. Dwyer advised that the MSA should first make sure it is the Authority's tree before it is removed. Mrs. Michetti suggested that the property owner should be notified so the Authority can see what the response is. Chairman Rattner asked Mr. Purcell if the MSA has a survey from when the Authority took over Pump Station #6. Mr. Purcell said there is a survey and a deed that was received from Stanhope. Mr. Dwyer suggested that his firm would find out who owns the neighboring property so he could send a notice suggesting the tree needs to be removed and get a response from the property owner, and then the tree can be removed properly.

Mr. Schilling noted that Financial Disclosure Statements are due on April 30<sup>th</sup>.

Mr. Schilling reminded the commissioners that the annual WEF conference will be held in May and he encouraged the commissioners to attend.

Mr. Schilling also reported that VM Associates had completed the annual audit. There were no issues this year and he thanked the Administrator for all her efforts.

Mr. Schilling reported that Pump Station #6 is essentially fully restored. He and the staff are waiting on one last component for the generator. The pump station generator was under 55-1/2 inches of potable water and it was able to be repaired. He explained the circumstances of the situation and the repairs required. The whole incident cost approximately \$38,000.00 and the MSA will be responsible to pay \$1,000.00. He further explained the insurance requirements and payments. Mr. Schilling also discussed solutions that will be put in place to prevent this problem from happening in the future. Mr. Schilling said that he received fantastic support from the MSA's engineering firm, the MSA Staff and MSA's external services. Mrs. Michetti asked if all the pump stations were being inspected everyday. Mr. Schilling explained that because of employee overtime rotations sometime they cannot get to all of the stations on weekends and holidays.

Mr. Schilling also indicated that because of the emergency repairs required for Pump Station #6 two vendors exceeded the public contract purchasing laws. He discussed the matter with Mr. Joss. Mr. Joss suggested that a resolution should be passed acknowledging that this was an emergency situation so the auditor has a record of the expenditures and an explanation that it was an emergency recognized by the commissioners, and therefore, normal purchasing policies could not be followed. Chairman Rattner asked Mr. Dwyer to get the details for the next month's meeting. Chairman Rattner also discussed the fact that additional work could be required for Pump Station #6, which may require additional resolutions.

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

Fenton Purcell, PE reported on the dilution water pump installation. The pump is being operated by a motor owned by the contractor, AC Schultes. The contractor has finally received the new motor for the pump and asked if the MSA could continue to use the existing motor until the motors and pumps are received and installed for Contract #255 which should be in approximately a month.

Mr. Purcell also reported on the status of Contract #255. The shop drawings have been received. LTPA is reviewing them and will have them out in a couple of days. The contractor is on schedule for both projects.

Lee Purcell, PE discussed the NJDEP mapping revision for Mount Olive Township. He discussed the revision with the Mount Olive Township Engineer and the mapping revision done by the NJDEP is correct.

Mr. Purcell also discussed the proposed wastewater management plan amendment for Jefferson Township. He noted that there were several narrative items in the plan that should be corrected. He discussed the items with the MSA Chairman. Chairman Rattner mentioned that the Freeholders had already approved the plan amendment on March 11<sup>th</sup>. He was hoping that the wording changes can still be accomplished. He contacted the County and suggested that a letter needs to be sent indicating the wording that needs to be changed on the plan amendment. Mr. Purcell explained the comments he had regarding the plans that he reviewed for the wastewater management plan amendment. He presented some of the maps that were included on the CD with the letter from the County that he reviewed and explained the areas of concern to the commissioners. Mr. Purcell explained the layout of the pump stations and interceptor, what the future needs for Jefferson Township may be, the gallonage that the plant is currently taking in, and what the plant capacity actually is. Chairman Rattner asked Mr. Purcell if he could prepare a concept plan that shows the MSA's program going back. Mr. McNeilly made a motion to authorize the Chairman to sign the letter to the NJDEP which will be prepared by Lee T. Purcell Associates with the MSA's comments regarding the Jefferson Township Wastewater Quality Management Plan Amendment. Mr. Pucilowski suggested that copies of the letter should also be sent to Sussex County PAC and Jefferson Township. The motion was seconded by seconded by Mrs. Michetti and the affirmative vote of members present.

Lastly, Mr. Purcell reported that the MSA is still waiting for the escrow to review the information submitted by E.I. Associates for Hopatcong State Park connection to the interceptor at Center Street in Roxbury Township. He spoke with William White at the NJDEP regarding the matter. Mr. White indicated that he is concerned about the fouling of his system during the off-season. Mr. Purcell explained his suggestion to resolve the issue to Mr. White and sent Mr. White a formal written e-mail explaining his suggestion for a grinder pump and force main. He received a call from E.I. Associates and also explained to them the need to install a small pump station.

Mr. Schindelar asked about the progress of the Asset Management Plan. Mr. Schilling indicated that he has been working on the Asset Management Plan and it is proceeding well along with another program that is also a type of Asset Management Plan. He said the plan will be done on April 1<sup>st</sup> and then the MSA will be able to capture and track costs for work orders much easier. He will be updating serial numbers for the new equipment for Pump Station #6. Chairman Rattner suggested that the Asset Management Plan should be updated and discussed and put on the April or May meeting agenda. Mr. Schindelar suggested the information should be kept together with as-built plans in case of an emergency so all information could be readily accessed together. Mr. Schilling said the Authority does have room with as-built plans from the different construction phases of the plant over the years. He explained that the Asset Management Plan is an on-line program. The E-Maintenance Asset/Maintenance Operation Program is web based and both plans are different from actual physical drawings.

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

Mr. Schwab regrettably announced that he will need to withdraw from the Personnel Committee. Chairman Rattner asked if any of the commissioners would like to take Mr. Schwab's place. Mr. Pucilowski offered to help out and advise the Committee if and when needed.

Mr. Pucilowski reported that the Engineering Committee met at the Roxbury Municipal Building to discuss the appointment of CP Engineers as MSA's alternate engineer. He explained that the Engineering Committee needs to do some additional follow-up on some outstanding questions regarding the issue. He will need some information from Mr. Joss regarding the fair and open contract award process. He anticipated that the Engineering Committee will have more input for the next month's meeting in April.

Chairman Rattner asked if there was any further information regarding Roxwood Associates. Mr. Purcell reiterated that Roxbury and Netcong needed to workout an inter-municipal agreement. LTPA will review the project when advised.

Mr. Pucilowski noted that he spoke to Mr. Dwyer about conflicts of engineering. Mr. Dwyer reported that he had reviewed some of the rules that govern conflicts for Board Professionals and they are varied for each profession. He explained that conflicts are always fact sensitive. The National Society of Engineers has the strictest set of rules with the greatest degree to a conservative approach as to what is considered a conflict. The New Jersey Ethics Law also applies to conflicts. With regard to the MSA's position he believed there could be circumstances where there could be conflicts and some circumstances that would not be a conflict because CP Engineers represents one of the member municipalities of the MSA. He reiterated that he believed it is a very fact sensitive situation and there is no clear answer to the issue of conflicts if CP Engineers were to be appointed as the MSA's alternate engineer. He advised that the conservative approach is to always stay away from a conflict when possible. Mr. Phil noted that CP Engineers would not be able to be involved with any matters regarding Jefferson Township since they represent Jefferson Township and that can cause conflicts in the future with regard to Jefferson Township's WQMP Amendment that was discussed earlier in the meeting.

Mr. Schwab briefly discussed the Finance Committee meeting held earlier that evening. He referred to the Schedule of Amounts Due to Municipalities prepared by VM Associates that will be sent to the commissioners via e-mail. Included in that schedule are the FEMA funds that were recovered and they will be refunded back to the municipalities because the funds were taken out of the Operating Account. The total amount of FEMA funds the MSA will eventually receive back is approximately \$65,000.00.

The commissioners briefly discussed the signed Stipulation of Settlement received back from the NJDEP. Chairman Rattner explained some of the conditions of the Stipulation to the commissioners.

Motion made by Mr. McNeilly, seconded by Mr. Benson and the affirmative roll call vote of members present, Chairman Rattner adjourned the meeting at 8:42 PM.

Respectfully Submitted:

A handwritten signature in cursive script that reads "Susan Grebe". The signature is written in black ink and is positioned above a horizontal line.

Susan Grebe,  
Administrative Assistant