

REGULAR MEETING OF THE MUSCONETCONG SEWERAGE AUTHORITY

Chairman Rattner called the meeting to order at 7:34 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, Melanie Michetti, Michael Pucilowski, Steven Rattner, Richard Schindelar, John Sylvester

MEMBERS ABSENT: Andrew Cangiano, Brian McNeilly, Joseph Schwab

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

Chairman Rattner opened and closed the meeting to the public.

Chairman Rattner introduced Debra Palma. Mrs. Palma was to be designated as the MSA's Qualified Purchasing Agent to fill Mr. Joss' position upon his retirement March 31st. Mrs. Palma introduced herself and told the commissions about her current position as the Office and Purchasing Supervisor at the Hackettstown MUA, along with her experience and certifications. She looked forward to assisting with the MSA's purchasing needs and working with the commissioners and consultants.

Resolution No. 17-18 Designating Debra Palma as Purchasing Agent for the MSA, was moved by Mr. Pucilowski, seconded by Mr. Sylvester and the affirmative roll call vote of members present.

RESOLUTION NO. 17-18
Resolution Designating as Purchasing
Agent for the Musconetcong Sewerage Authority

WHEREAS, P.L. 2009, c.166, codified as N.J.S.A. 40A:11-2 et seq., supplementing and amending Chapter 11 of Title 40A of the New Jersey Statutes allows local contracting units in New Jersey to create the position of Purchasing Agent; and

WHEREAS, pursuant to N.J.S.A. 40A:11-9 the MSA did by Resolution No. 12-42, adopted on November 15, 2012, create the position of Purchasing Agent; and

WHEREAS, by Resolution No. 13-06 adopted on February 6, 2013 the MSA did establish the job description and salary for the position of Purchasing Agent; and

WHEREAS, the position of Purchasing Agent will become vacant as of March 31, 2017; and

WHEREAS, the MSA desires to fill that position; and

WHEREAS Deborah Palma has applied for the position of Purchasing Agent for the MSA and has presented a valid Qualified Purchasing Agent Certificate issued by the New Jersey Division of Local Government Services, Department of Community Affairs, and has submitted all other employment application material as requested;

NOW, THEREFORE, BE IT RESOLVED, by the Commissioners of the Musconetcong Sewerage Authority that Deborah Palma is hereby appointed to the position of Purchasing Agent for the Musconetcong Sewerage Authority effective April 1, 2017.

Mrs. Palma thanked the commissioners and left the meeting at 7:45 PM.

The Reorganization and Regular Meeting Minutes of February 23, 2017 were approved on a motion offered by Mr. Bruno, seconded by Mr. Grogan and the affirmative roll call vote of members present.

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

Treasurer's Report- March 1, 2017
Operating Account

Balance as of February 1, 2017:		\$ 1,166,181.38
Receipts (February):		
Hospitalization	3,063.50	
Municipal Revenue	775,028.45	
Disability Reimbursements	2,971.05	
		\$ 81,063.00
Total Disbursements for February:		\$ 179,273.55
Balance as of March 1, 2017:		\$ 1,769,970.83

RENEWAL & REPLACEMENT ACCOUNT

Balance as of February 1, 2017:		\$ 621,376.07
Receipts:		0.00
Disbursements:		0.00
Balance as of March 1, 2017:		\$ 621,376.07

ESCROW ACCOUNT

Balance as of February 1, 2017:		\$ 6,217.94
Receipts:		0.00
Disbursements	Nusbaum Stein (Stanhope-Byram Allocation Agreement)	391.60
Balance as of March 1, 2017:		\$ 5,826.34

CAPITAL IMPROVEMENT/RESERVE FOR RETIREMENT ACCOUNT

Balance as of February 1, 2017:		\$ 1,135,532.85
Receipts:		0.00
Disbursements:		0.00
Balance as of March 1, 2017:		\$ 1,135,532.85

ANALYSIS OF BALANCES:

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

EXPENDITURES REPORT - 2017 BUDGET

3/1/17

	2017	YEAR-TO-DATE		%
	BUDGET	EXPENDITURES	BALANCE	
Admin - Salaries and Wages	\$165,000.00	\$29,774.83	\$135,225.17	81.95%
Trustee Admin Fees	\$20,000.00	\$7,515.00	\$12,485.00	62.43%
Administrative - Other Expenses	\$40,000.00	\$7,346.05	\$32,653.95	81.63%
Legal	\$30,000.00	\$2,875.10	\$27,124.90	90.42%
Audit	\$10,000.00	\$0.00	\$10,000.00	100.00%
Engineer	\$30,000.00	\$350.00	\$29,650.00	98.83%
Pension	\$90,000.00	\$0.00	\$90,000.00	100.00%
Social Security	\$68,000.00	\$12,513.81	\$55,486.19	81.60%
Unemployment	\$7,000.00	\$0.00	\$7,000.00	100.00%
Hospitalization	\$228,500.00	\$44,806.53	\$183,693.47	80.39%
Disability Insurance	\$10,000.00	\$1,452.15	\$8,547.85	85.48%
Operating - Salaries and Wages	\$700,000.00	\$131,793.17	\$568,206.83	81.17%
Reserve for Future Retirement	\$0.00	\$0.00	\$0.00	100.00%
Telephone	\$20,000.00	\$1,700.74	\$18,299.26	91.50%
Electric	\$500,000.00	\$42,388.31	\$457,611.69	91.52%
Propane/Fuel Oil/ Gasoline	\$40,000.00	\$2,861.94	\$37,138.06	92.85%
Supplies/Chemicals	\$160,000.00	\$15,317.07	\$144,682.93	90.43%
Laboratory Supplies	\$12,000.00	\$1,129.73	\$10,870.27	90.59%
Office	\$25,000.00	\$8,607.25	\$16,392.75	65.57%
External Services	\$70,000.00	\$4,085.17	\$65,914.83	94.16%
Education/Training	\$20,000.00	\$781.39	\$19,218.61	96.09%
Laboratory Fees	\$30,000.00	\$1,108.00	\$28,892.00	96.31%
Maintenance/Repairs	\$150,000.00	\$6,901.34	\$143,098.66	95.40%
Insurance	\$110,000.00	\$41,474.63	\$68,525.37	62.30%
NJDEP Fees	\$25,000.00	\$150.00	\$24,850.00	99.40%
Permit/Compliance Fees	\$25,000.00	\$270.60	\$24,729.40	98.92%
Equipment	\$60,000.00	\$0.00	\$60,000.00	100.00%
Sludge Removal	\$700,000.00	\$45,512.00	\$654,488.00	93.50%
Contingency	\$25,000.00	\$0.00	\$25,000.00	100.00%
Capital Improvement	\$200,000.00	\$0.00	\$200,000.00	100.00%
Renewal and Replacement	\$200,000.00	\$0.00	\$200,000.00	100.00%
TOTAL	\$3,770,500.00	\$410,714.81	\$3,359,785.19	89.11%

EXPENDITURES REPORT - 2016 BUDGET

3/1/17

	2016	YEAR-TO-DATE		%
	BUDGET	EXPENDITURES	BALANCE	REMAINING
Admin - Salaries and Wages	\$160,000.00	\$156,302.98	\$3,697.02	2.31%
Trustee Admin Fees	\$20,000.00	\$18,196.72	\$1,803.28	9.02%
Administrative - Other Expenses	\$35,000.00	\$26,397.40	\$8,602.60	24.58%
Legal	\$25,000.00	\$22,784.60	\$2,215.40	8.86%
Audit	\$10,000.00	\$0.00	\$10,000.00	100.00%
Engineer	\$20,000.00	\$9,065.08	\$10,934.92	54.67%
Pension	\$86,000.00	\$81,313.24	\$4,686.76	5.45%
Social Security	\$65,000.00	\$64,521.22	\$478.78	0.74%
Unemployment	\$7,000.00	\$5,448.24	\$1,551.76	22.17%
Hospitalization	\$219,260.00	\$204,123.22	\$15,136.78	6.90%
Disability Insurance	\$10,000.00	\$4,983.65	\$5,016.35	50.16%
Operating - Salaries and Wages	\$666,640.00	\$664,936.38	\$1,703.62	0.26%
Reserve for Future Retirement	\$5,000.00	\$0.00	\$5,000.00	100.00%
Telephone	\$20,000.00	\$13,649.53	\$6,350.47	31.75%
Electric	\$530,000.00	\$384,950.43	\$145,049.57	27.37%
Propane/Fuel Oil/ Gasoline	\$40,000.00	\$11,884.02	\$28,115.98	70.29%
Supplies/Chemicals	\$160,000.00	\$149,231.90	\$10,768.10	6.73%
Laboratory Supplies	\$10,000.00	\$9,655.05	\$344.95	3.45%
Office	\$20,000.00	\$19,961.47	\$38.53	0.19%
External Services	\$70,000.00	\$48,425.16	\$21,574.84	30.82%
Education/Training	\$20,000.00	\$16,386.38	\$3,613.62	18.07%
Laboratory Fees	\$30,000.00	\$18,154.00	\$11,846.00	39.49%
Maintenance/Repairs	\$150,000.00	\$129,583.85	\$20,416.15	13.61%
Insurance	\$110,000.00	\$93,674.95	\$16,325.05	14.84%
NJDEP Fees	\$25,000.00	\$20,652.05	\$4,347.95	17.39%
Permit/Compliance Fees	\$25,000.00	\$13,795.48	\$11,204.52	44.82%
Equipment	\$60,000.00	\$23,011.74	\$36,988.26	61.65%
Sludge Removal	\$700,000.00	\$605,298.00	\$94,702.00	13.53%
Contingency	\$25,000.00	\$0.00	\$25,000.00	100.00%
Capital Improvement	\$200,000.00	\$200,000.00	\$0.00	0.00%
Renewal and Replacement	\$200,000.00	\$200,000.00	\$0.00	0.00%
TOTAL	\$3,723,900.00	\$3,216,386.74	\$507,513.26	13.63%

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

CAPITAL IMPROVEMENT ACCOUNT	
Mott MacDonald	\$1,935.00
RENEWAL & REPLACEMENT ACCOUNT	
Hayes Pump	\$31,810.00
OPERATING ACCOUNT	
ADP	\$888.63
Accurate Waste Removal Services	\$9,200.00
American Wear	\$607.28
AmeriGas Propane	\$2,285.84
Nicholas Barbato (mileage reimb)	\$149.80
Nicholas Barbato (work boot reimb)	\$59.76
Beyer Ford	\$34,482.00
Blue Diamond Disposal	\$283.55
Cintas First Aid	\$65.05
Cit-e-Net, LLC	\$1,500.00
Constellation New Energy	\$21,995.45
Coyne Chemical	\$4,573.41
Daily Record	\$34.32
Environmental Resource Associates	\$474.36
Eurofins QC Labs	\$593.00
Family Ford	\$310.02
Fisher Scientific	\$73.91
Franks Trattoria	\$200.19
Grainger	\$3,929.80
Susan Grebe (petty cash & mileage reimb)	\$154.43
Hach	\$340.06
JCP&L	\$16,109.14
Loftus Electric	\$5,650.00

Lowes	\$208.01
MSA Payroll 3/10/17	\$32,115.33
MSA Payroll 3/24/17	\$37,930.90
Mott MacDonald	\$1,400.13
NJSHBP	\$17,063.32
NJ American Water	\$687.55
NJWEA Registrar	\$304.00
Nusbaum Stein	\$2,017.00
One Call	\$18.75
PCS Pump & Process	\$5,492.25
PERS	\$88,879.00
PMZ Landscaping	\$550.00
Passaic Valley Sewerage Commission	\$32,016.00
Polydyne	\$1,508.40
Printwurks	\$127.15
R-D Trucking	\$22,176.00
Roxbury Water Dept.	\$134.94
James Schilling	\$91.56
Shell Fleet	\$147.27
Slgn Connection	\$250.00
Staples	\$18.88
State Chemical Solutions	\$3,128.80
Treasure, State of NJ	\$1,375.00
Verizon	\$748.43
Verizon	\$162.10
Verizon Wireless	\$225.36
WEF	\$879.00

Chairman Rattner briefly discussed the correspondence received. Mr. Scheri indicated he was prepared to review the correspondence and documents regarding the ITC East proposed Water Quality Management Plan Amendment. The commissioners discussed the project details. An escrow would be requested. A recommendation and consent resolution could be prepared for the April meeting agenda.

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

- A. 2/23/17 Gregory Ploussas, PE - Proposed WQMP Amendment for ITC East, Block 106, Lot 2, Mount Olive
- B. 2/24/17 NJDEP - MSA Water Quality Program, Compliance Inspection Report
- C. 3/15/17 John Scheri, PE - Need for Emergency Replacement of Aeration Basin Slide Gates and Weir Gates

Mr. Schilling asked the commissioners if they had any questions or comments regarding his monthly report.

Mr. Schilling discussed the accidental death and dismemberment policy the MSA provides for the commissioners. He recently obtained an updated copy of the policy along with a beneficiary designation form. The beneficiary forms must be filled out and kept on file at the MSA office. The insurance certificate and beneficiary designation forms would be sent out to the commissioners for their review and use.

Chairman Rattner asked about the new light poles installed. Mr. Schilling explained that the lights were not functioning and he had high rating LED lights installed outside the plant.

Mr. Schilling reported that the Local Government Energy Audit Application has been received by the LGEA and is being administered by TRC Solutions. A case manager has been assigned. The energy audit is underway and he is waiting to hear back from them. He noted that the energy audit will help with making future decisions for the plant.

Mr. Schilling also discussed the results of the annual NJDEP compliance inspection. The plant was in full compliance. The cover letter of the report did not mention anything about odors or concerns, however, the on-line inspection report does mention that the lead inspector did not notice any odors during his site visit and was unable to find evidence linking any source of sewerage odor to the facility.

Mr. Schilling also reported about the aeration basin condition at Plant #2, Train #4, which is currently off-line and dewatered. The plant was long overdue for a dewatering, cleaning and inspection. There was significant component damage failure in Plant #2, Train #4, which was built in 1996 under Contract #150. The slide gates and adjustable weir gates as well as the two baffles are completely inoperable and in some instances at the bottom of the tank. He has photos available for review. The Engineering Committee met earlier that evening to inspect the plant and see the excessive amount of rags on the shaft and impellers. He further explained the

problems involved because of the rags. Chairman Rattner suggested that the Authority should increase the frequency of the maintenance inspections and review programs so that there are no more critical problems in the foreseeable future.

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

Mr. Scheri reported that he received a call regarding the MSA Staff's activities to inspect process Train #4. He advised that it is best practice to take process units out of service every couple of years to conduct an inspection. He had conducted his inspection on March 9th. The primary clarifier unit was in reasonably good condition for a twenty year old piece of equipment. It should be scheduled for some rehabilitation work. The clarifier scum baffle is severely corroded and should be scheduled for replacement. Several problems were observed in the aeration basin. The five (5) gates that control the flow into the tank, and the two (2) effluent weir gates were severely corroded and he recommended that they should be replaced as quickly as possible. Mott MacDonald obtained some quotes from several manufacturers. He was able to contact the original supplier of the gates. The recommendation from the Engineering Committee meeting held earlier that evening is to declare an emergency condition to begin the process of retaining the replacement gates. Mr. Scheri obtained quotes for aluminum and stainless steel gates. The existing gates are aluminum, but current practice is to install stainless steel gates in process tankage. The estimated cost for the stainless steel gates he is recommending will be about \$6,000.00 more if all seven gates are replaced. His estimate for the Aeration Tank No. 4 replacement project is approximately \$175,000.00 for labor and materials. Mr. Scheri recommended fixing the one tank as soon as possible.

Mr. Pucilowski explained that the Engineering Committee considers the gates to be the biggest problem because the time frame to have the gates manufactured and delivered could be up to 14 to 16 weeks, which in turn makes the replacement of the gates an emergent condition. He further explained that the cost would be approximately \$50,000.00 to replace the gates. The Committee recommends that the labor go out to bid. The bids could be received before the gates are delivered by the manufacturer. Chairman Rattner recommended that the process be started as soon as possible to get the work done. The emergency circumstances and funding was discussed. A motion was made by Chairman Rattner, seconded by Mr. Pucilowski that the commissioners of the MSA declare an emergency situation effecting public health, safety and welfare as a result of the recent inspection of Plant #2, Train #4 conducted by MSA Consulting Engineer, John Scheri, PE, on March 9th, and also declare a need to begin, on an emergency basis, the steps to procure the sliding gates necessary to make the needed repairs at a cost not to exceed \$50,000.00. The motion was approved by the affirmative roll call vote of members present.

Mr. Scheri explained the next step would be to prepare a contract to obtain competitive bids for the installation of the gates, which can be done in a timely manner. Mott MacDonald will prepare that information over the course of the next month and have it ready for the April meeting for authorization to receive bids for the installation of the gates. The third step, which is referenced in his report, would be to do inspections of Trains #3, #2, and #1, and design a standard contract to replace gates in those tanks because there is a high probability that the same conditions exist in those tanks. Presently the Committee is recommending to get Train #4 back in service since it is critical to the operation of the plant.

Mr. Scheri reported on the status of the headworks facilities discussions and has also submitted a revised proposal for conducting a hazardous materials assessment for the old service building.

Mr. Scheri also reported that Mott MacDonald has received copies of the plan and documents regarding the ITC East WQMP amendment. Once an escrow is provided, Mott MacDonald will be reviewing the information and providing a recommendation for a consent resolution for the WQMP amendment.

Mr. Scheri reported that Mott MacDonald has submitted a proposal for consideration by the Authority for the development of a GIS database for the MSA's pipelines, force main and interceptors. The Engineering Committee has discussed the proposal. One of the items that was discussed was access to the easements. Many of the Authority's interceptor lines are in easements. He suggested that the permission to access those easements be confirmed, and also, confirm verification that the easements exist. Chairman Rattner suggested that the MSA Attorney review the property records. A budget should be prepared for the project. Mrs. Michetti suggested that a letter should be sent to the member municipalities asking for any information the towns may already have and explaining that the MSA is cross referencing its files to be sure that all required easements are on file. Chairman Rattner asked that Mr. Dwyer draft a letter to send out to the municipalities.

Mr. Sylvester asked about the recent inspections and past inspections of all the four plants and if they all need to be on-line simultaneously. Mr. Schilling discussed the recent inspections and was unsure of past inspections before his employment with the MSA. He explained about the problem with rags and debris. Installation of headworks should solve the problem. He also talked about the designs of each plant and the gallonage for each plant. All trains do not need to run simultaneously. The emergency situation with Plant #2 is also due to potential problems with Plant #3, which is currently off-line. Mr. Schilling stated that it is his goal to get all four trains completely drained, cleaned and inspected this year. The funding would come out of renewal and replacement account.

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

Chairman Rattner discussed the draft of the procedures for the transfer of sewer reservation allocation between member municipalities that Mr. Dwyer had prepared, which was being reviewed. He explained that the Authority has been under the impression that it had a right of first refusal as indicated in a past letter from Larry Kron, Esq. in 2005. Mr. Dwyer has reviewed that letter and the right of first refusal was primarily due to the bonds the MSA had at that time. Chairman Rattner further discussed the transfers between municipalities and the fact that sewer allocation is a valuable commodity. He believed that the municipalities should be able to negotiate their sewer allocation like any other asset. He talked about some past concerns. He indicated that he would like to see something simpler to try to effectuate the process and procedures.

Mr. Dwyer explained that there are several service agreements between the MSA and the member municipalities. They are not all the same, but they are similar. Also, the agreements are not all in one document, there are different agreements with different dates. He agreed with Chairman Rattner, that the MSA should establish a procedure to make sewer allocation transfers between member municipalities as simple as possible, subject to the market price at the time of the transfer. He believed, with the way the service agreements are written, the MSA would need to get unanimous consent from the member municipalities to allow that process to be adopted, so thereafter transfers could be a simple process between the municipalities.

The service agreement riders for the recent allocation transfer from Stanhope to Byram were discussed. Mr. Dwyer and Mr. Schilling had discussed that transfer agreements should be dated at the end of the month to reflect the sewer allocation charges. The riders to Byram and Stanhope's service agreements could be signed by the MSA. Mr. Dwyer suggested the riders should be indicated or dated as of April 1, 2017.

Mr. Schilling asked about revising the service agreements for all the member municipalities. Mr. Dwyer responded that the Authority would have to contact its Bond Counsel to start that process. Chairman Rattner suggested that if Bond Counsel has no objection, then the Authority should proceed with the changes and find out what is going to be required to make future sewer allocation transfers between member municipalities easier.

Mr. Schindelar disagreed with a process to let member municipalities transfer allocation from one to another without consent from the MSA and other member municipalities. He felt that the other municipalities not involved in the transfer could miss out on opportunities for their towns. The commissioners discussed the concern. Mr. Schilling pointed out that the MSA should not have to get involved with sewer allocation transfers between municipalities. Chairman Rattner discussed how the plant, with the original towns and allocations, were planned and designed. He further explained about initial funding from the towns. The right of first refusal was discussed, and the fact that rule did not apply to the MSA service agreements anymore because of the change in bond requirements. Chairman Rattner suggested that Mr. Dwyer follow up on drafting a simpler procedure in accordance with the service agreements and the updated bond requirements.

Chairman Rattner confirmed that it would be proper to sign the riders to Stanhope and Byram's service agreements with the date as of April 1, 2017. Mr. Dwyer noted that MSA Resolution #17-05 already gave authorization for the Authority to sign the rider agreements.

Chairman Rattner briefly discussed the William Penn Foundation. The Foundation has granted money to the River Watchers, which is part of the Musconetcong Watershed Association, to install two mechanized monitoring systems on the Musconetcong River. One monitor would be east of the MSA facilities plant and one monitor would be west of the plant. The monitors would be installed to measure temperatures and flows. The commissioners discussed the monitoring processes, the locations of the monitors in relationship to the MSA plant, and what it would mean for the MSA.

Motion made by Mr. Sylvester, seconded by Mrs. Michetti and the affirmative vote of members present, Chairman Rattner adjourned the meeting at 8:59 PM.

Respectfully Submitted:

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

Susan Grebe,
Administrative Assistant