

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: Andrew Cangiano, Michael Grogan, Brian McNeilly, Melanie Michetti, Michael Pucilowski, Steven Rattner, Richard Schindelar, Joseph Schwab, Elmer Still

MEMBERS ABSENT: James Benson, Thomas Bruno, John Sylvester

OTHERS PRESENT: Patrick Dwyer Esq., James Wancho 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 September 27, 2018 were approved on a motion offered by Mr. McNeilly, seconded by Mr. Schwab. Roll Call:

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

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

Treasurer's Report- October 1, 2018
Operating Account

Balance as of September 1, 2018: **\$ 878,650.10**

Receipts (September):

Hospitalization	2,218.70
Municipal Revenue	<u>298,211.48</u>
Total Receipts:	<u>300,430.18</u>

Disbursements (September):

NJSHBP (Sept. Benefits)	\$13,688.06
Administrative Salaries	\$6,206.04
Operating Salaries	\$25,686.25
Unemployment	\$59.71
Social Security	\$2,745.12
Health Waivers - 3rd Qtr	\$4,808.74
Administrative Salaries	\$6,206.04
Operating Salaries	\$24,649.94
Unemployment	\$41.76
Social Security	\$2,297.96
Accurate Waste	\$25,760.00
Adapco	\$5,372.55
ADP	\$443.19
Scott Allen (mileage)	\$81.42
American Wear	\$759.10
Aqua Pro-Tech Labs	\$2,115.00
Vince Barbato (dental reimb)	\$200.00
Bio Triad	\$10,650.00
Blue Diamond Disposal	\$297.70
Anthony Chaaya (disability reimb)	\$64.03
Cintas First Aid	\$203.25
Coburn Chemicals	\$7,606.53
Robert Colabella (dental reimb)	\$465.30
Constellation New Energy	\$14,829.02
Daily Record	\$129.17
Keith DeFazio (License renewal)	\$50.00
EAW Security	\$767.72
Environmental Resources Assoc.	\$137.72

Ferraioli, Wielkotz, Cerullo & Cuva	\$2,000.00
Fisher Scientific	\$121.51
Franks Trattoria	\$190.49
GMH Associates	\$2,350.00
Grainger	\$162.01
Susan Grebe (petty cash, miles, disability)	\$167.64
JCP&L	\$9,777.15
Corey Jozowski (dental, miles, disability)	\$1,110.31
Lowe's	\$320.40
Netcong Hardware	\$142.70
NJ American Water	\$804.26
NJ Bureau of Fire Code	\$256.01
Nusbaum Stein	\$754.80
Office Concepts	\$685.03
One Call	\$53.75
Passaic Valley Sewerage Commission	\$62,510.00
PS&S	\$9,804.35
Roxbury Twp. Water Dept.	\$134.94
James Schilling (dental & mileage reimb)	\$145.96
Shell Fleet	\$417.69
Sign Connection	\$640.00
SK Paper Shred	\$220.00
Staples	\$166.98
Tractor Supply Co.	\$199.99
Tritec Office Equipment	\$71.61
Unum Life Ins.	\$1,464.35
Verizon	\$861.31
Verizon Communications	\$68.22
Verizon Wireless	\$225.20
WEF (renewal Schindelar)	\$172.00

Total Disbursements for September: \$ 252,319.78
Balance as of October 1, 2018: \$ 926,760.50

RENEWAL & REPLACEMENT ACCOUNT

Balance as of September 1, 2018: \$ 420,065.26
Receipts: 0.00
Disbursements: 0.00
Balance as of October 1, 2018: \$ 420,065.26

ESCROW ACCOUNT

Balance as of September 1, 2018: \$ 6,552.99
Receipts: 0.00
Disbursements: 0.00
Balance as of October 1, 2018: \$ 6,552.99

CAPITAL IMPROVEMENT/RESERVE FOR RETIREMENT ACCOUNT

Balance as of September 1, 2018: \$ 1,192,502.82
Receipts: 0.00
Disbursements: GMH Associates (Contracts #270, 275, 280, 285) 199,047.16
Nusbaum Stein (NJIB Appl.) 220.00
PS&S (Contracts #270, 275 & 295) 29,197.89
Suburban Consulting (GIS Project) 3,007.50
Balance as of October 1, 2018: \$ 961,030.27

ANALYSIS OF BALANCES:

Capital Improvement \$ 911,030.27
Reserve for Retirement \$ 50,000.00

EXPENDITURES REPORT – 2018 BUDGET
October 1, 2018

	2018	YEAR-TO-DATE		%
	BUDGET	EXPENDITURES	BALANCE	
Admin - Salaries and Wages	\$165,000.00	\$132,657.96	\$32,342.04	19.60%
Trustee Admin Fees	\$20,000.00	\$15,030.00	\$4,970.00	24.85%
Administrative - Other Expenses	\$40,000.00	\$15,119.26	\$24,880.74	62.20%
Legal	\$30,000.00	\$14,522.90	\$15,477.10	51.59%
Audit	\$15,000.00	\$3,875.00	\$11,125.00	74.17%
Engineer	\$30,000.00	\$23,911.44	\$6,088.56	20.30%
Pension	\$100,000.00	\$1,363.00	\$98,637.00	98.64%
Social Security	\$65,500.00	\$50,490.39	\$15,009.61	22.92%
Unemployment	\$7,000.00	\$5,837.25	\$1,362.75	19.47%

Hospitalization	\$220,000.00	\$134,977.86	\$85,022.14	38.65%
Disability Insurance	\$10,000.00	\$6,473.32	\$3,526.68	35.27%
Operating - Salaries & Wages	\$684,500.00	\$518,522.94	\$165,977.06	24.25%
Reserve for Future Retirement	\$0.00	\$0.00	\$0.00	100.00%
Telephone	\$20,000.00	\$13,176.42	\$6,823.58	34.12%
Electric	\$482,500.00	\$242,812.59	\$239,687.41	49.68%
Propane/Fuel Oil/ Gasoline	\$29,000.00	\$13,193.44	\$15,806.56	54.51%
Supplies/Chemicals	\$170,000.00	\$163,007.17	\$6,992.83	4.11%
Laboratory Supplies	\$12,000.00	\$6,708.44	\$5,291.56	44.10%
Office	\$25,000.00	\$23,609.82	\$1,390.18	5.56%
External Services	\$70,000.00	\$50,014.21	\$19,985.79	28.55%
Education/Training	\$20,000.00	\$12,350.95	\$7,649.05	38.25%
Laboratory Fees	\$30,000.00	\$8,545.75	\$21,454.25	71.51%
Maintenance/Repairs	\$180,000.00	\$137,366.34	\$42,633.66	23.69%
Insurance	\$110,000.00	\$99,774.53	\$10,225.47	9.30%
NJDEP Fees	\$25,000.00	\$28,306.35	-\$3,306.35	-13.23%
Permit/Compliance Fees	\$5,000.00	\$34,254.96	-\$29,254.96	-585.10%
Equipment	\$60,000.00	\$58,514.72	\$3,485.28	5.81%
Sludge Removal	\$720,000.00	\$459,449.78	\$260,550.22	36.19%
Contingency	\$25,000.00	\$0.00	\$25,000.00	100.00%
Capital Improvement	\$100,000.00	\$75,000.00	\$25,000.00	25.00%
Renewal and Replacement	\$300,000.00	\$225,000.00	\$75,000.00	25.00%
TOTAL	\$3,770,500.00	\$2,571,666.79	\$1,198,833.21	31.80%

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

CAPITAL IMPROVEMENT ACCOUNT:

GMH Associates	\$3,960.61
Nusbaum Stein	\$198.00
PS&S	\$42,010.02
Suburban Consulting Engineers	\$3,492.50

RENEWAL & REPLACEMENT ACCOUNT

G.P. Jager, Inc. (grinder)	\$11,132.14
Pumping Services	\$6,229.15

OPERATING ACCOUNT:

Accurate Waste Services	\$26,040.00
ADP	\$540.06
AEA	\$3,100.00
Scott Allen (mileage)	\$171.38
Allied Oil	\$5,567.32
Allmax Software	\$880.00
American Wear	\$607.28
Aqua Pro-Tech Labs	\$311.25
Bally's Atlantic City	\$1,176.00
Nicholas Barbato (dental reimbursement)	\$501.00
Vince Barbato (mileage & dental reimbursement)	\$766.89
Jim Benson (AEA conf.)	\$406.00
Blue Diamond Disposal	\$297.70
Andrew Cangiano (AEA conf.)	\$553.00
Cintas First Aid	\$109.15
Cleary Jacobbe	\$52.50
Coburn Chemicals	\$7,624.37
Robert Colabella (dental reimb)	\$75.00
Constellation New Energy	\$25,968.68
Daily Record	\$16.34
E&G Exterminators	\$230.00
Fisher Scientific	\$265.70
Grainger	\$458.82
Michael Grogan (AEA conf.)	\$700.00
JCP&L	\$9,457.50
Corey Jozowski (dental reimbursement)	\$208.00
Lowes	\$155.44
MSA Payroll 10/5/18	\$31,812.47
MSA Payroll 10/19/18	\$32,303.51
Brian McNeilly (AEA conf.)	\$700.00
NJSHBP	\$13,688.06
NJWEA	\$80.00
NJ American Water	\$769.08
NJ League of Municipalities	\$275.00
Netcong Hardware	\$21.54

Nusbaum Stein	\$1,630.20
Office Concepts Group	\$690.96
One Call	\$56.25
PS&S	\$5,698.71
Pan Metro	\$600.00
Parkhurst Distributing	\$3,816.40
Passaic Valley Sewerage Commission	\$30,926.00
Michael Pucilowski (AEA conf.)	\$406.00
R&J Controls	\$640.50
James Schilling (AEA conf. & mileage)	\$829.44
Rich Schindeljar (AEA conf.)	\$700.00
Joseph Schwab (AEA conf.)	\$406.00
Shell Fleet	\$412.11
Treasurer, State of NJ	\$173.00
USALCO	\$17,299.31
Verizon	\$850.18
Verizon Communications	\$74.42
Verizon Wireless	\$225.18
OPERATING TOTAL:	\$231,123.70
GRAND TOTAL:	\$298,146.12

The notification of roadway projects for Mount Arlington and the five year moratorium was briefly discussed. The following correspondence for the month of October was received and filed on a motion offered by Mr. Pucilowski, seconded by Mr. Schwab and the affirmative vote of members present.

- A. 9/28/18 SCMUA – Proposed FY2019 Rate Schedule
- B. 10/15/18 Stanley Puszcz, PE – Notification of Roadway Projects – Mount Arlington Spring 2019
- C. 10/21/18 Paul Cabral – USEPA/USACE Mansfield Trail Super Fund Project

Mr. Schilling asked the commissioners if there were any questions regarding his monthly report. Mr. Schilling updated the commissioners regarding an e-mail he received concerning the USEPA and USACE Mansfield Trail Super Fund Project. He explained that approximately 20 homes in East Brookwood Village in Byram near an area by the Mansfield Trail have contaminated water. The engineering firm CDM Smith is representing the EPA and Army Corp of Engineers. They are conducting a feasibility study on how to get clean water to these homes. Mr. Schilling indicated that he spoke to both the Stanhope and Byram Town Administrators regarding the issue. Mr. Schilling explained his concern was that CDM Smith's plan is to pull the water out of the contaminated well and then discharge nitrate rich backwash along with any other constituents into the MSA sewer line. He pointed out to the representative from CDM Smith that East Brookwood is not in the MSA's service area and that the MSA does not accept industrial waste in accordance with its municipal service contracts. He also pointed out that the MSA has its own nitrate and effluent limitations that the Authority must adhere to, and any decisions must be presented to the member municipalities. Mr. McNeilly explained where the homes are located and history of the problem to the commissioners. He indicated that the problem stems from the former Denny's Dump dating as far back as 2010 causing water and air quality issues in the neighborhood. The EPA has contacted him numerous times over past years trying to solve the problem.

Mr. Schilling reported that the MSA office has been experiencing phone and internet issues. He and the MSA Administrator are looking into other options. Optimum was on site to survey the facilities to see if cable will be an option. They will be following up.

Mr. Schilling updated the commissioners that on October 22nd he received a call from an MSA Roxbury customer citing odor issues at his home. Roxbury Township was also contacted about the problem. Mr. Schilling promptly followed up with the home owner. The MSA Staff went to the property and surrounding areas to inspect for possible problems. Everything was flowing properly and there is nothing wrong with the MSA sewer line in that area.

Mr. Schilling also reported that he is in the process of a full review of the tertiary design report. He forwarded the information to the Engineering and Finance Committees.

Mr. Schilling also reported that the major projects for headworks and tertiary are moving along with the design phase. He spoke to Sandra Smith, PE of PS&S and now is the appropriate time for him to set up the H2 Loan with NJIB, with no obligation. He asked if there were any objections to his setting up the H2 Loan at this time. Mrs. Michetti asked if the Authority could add another project in the future if the need arises. Mr. Wancho indicated that a project could be added or subtracted if needed.

Lastly, Mr. Schilling reported that recently the Authority had an annual inspection by a new person of the NJ JIF Loss Control. It was highlighted in the report that the "Facilities are exceptionally well maintained on the interiors and exteriors. The Authority should be commended as they have demonstrated a strong commitment to safety." He will send a copy of the report to the commissioners.

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

Mr. Wancho reported that PS&S has completed the sampling for the air permit. The sampling is favorable to the Authority so they are using that data to finalize the model. When the model is completed they will submit it to the NJDEP. The NJDEP has extended the deadline resubmittal until November 7th. The NOV remains pending.

Mr. Wancho also reported that all work on Sludge Thickener #2 has been completed. Work on Gravity Thickener #3 has started, but is on hold pending receipt of the influent stilling well. Work on Primary Clarifier Drive #1 is complete with the exception on the existing plow. Primary Clarifier Drive #2 has been delivered and will be installed shortly.

Mr. Wancho also reported that PS&S submitted the preliminary design drawings and report for the tertiary treatment.

Mr. Wancho also reported on the headworks facility. PS&S has been on-site doing survey work. They have scheduled the borings which should be done the first week in November. Design work is proceeding based on the equipment evaluations, etc.

Mr. Dwyer asked if the better air quality test results will eliminate the need for an Air Permit. Mr. Wancho responded that the NJDEP will still require the submittal of an Air Permit application however their response should be impacted by the favorable test results.

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

Resolution No. 18-47, Establishing MSA Meeting Dates for the Calendar Year 2019, was moved by Mr. Pucilowski, seconded by Mr. Schwab and the affirmative roll call vote of members present.

RESOLUTION NO. 18-47
Resolution Establishing Meeting Dates
for the Musconetcong Sewerage Authority
for the Calendar Year 2019

WHEREAS, the Musconetcong Sewerage Authority ("MSA") hereby establishes the following meeting dates for the Calendar Year 2019, which meetings will begin at 7:30 p.m. and will be held at the MSA's Water Pollution Control Facilities located at 110 Continental Drive in Budd Lake, New Jersey:

January 24th
February 28th (Reorganization @ 7:30 PM followed by Regular Meeting)
March 28th
April 25th
May 23rd
June 27th
July 25th
August 22nd
September 26th
October 24th
November 21st (Third Thursday)
December 19th (Third Thursday – before the Holidays)

The commissioners discussed some terms and conditions contained in the 2019 PVSC agreement. Chairman Rattner had a concern that in case of an emergency the MSA could not dispose and treat its sludge elsewhere without penalties. Mr. Dwyer noted that the contract indicated if the PVSC cannot take the sludge they are not responsible. Mr. Schilling further explained about past situations and the concerns.

Resolution No. 18-48, Awarding a Contract to Passaic Valley Sewerage Commission to Treat Sludge from the MSA, was moved by Mr. Schindelar, seconded by Mr. Cangiano and the affirmative roll call vote of members present.

RESOLUTION NO. 18-48
Resolution of the Musconetcong Sewerage Authority ("MSA")
Awarding a Contract to Treat Sludge from the MSA Treatment Plant
at the Passaic Valley Sewerage Commission

WHEREAS, the Musconetcong Sewerage Authority (hereinafter "MSA") desires to have the sludge from its treatment facilities treated and disposed of at a licensed treatment facility; and

WHEREAS, MSA has had its sludge treated and disposed of since 2006 at the facilities of the Passaic Valley Sewerage Commission (hereinafter "PVSC"); and

WHEREAS, PVSC has agreed to continue to receive and treat the sludge from the MSA; and

WHEREAS, PVSC has submitted a Contract to provide treatment at its facilities as follows:

1. A five (5) year period from January 1, 2019 through December 31, 2023 at the rate of Forty-Eight (\$48.00) Dollars per one thousand (1,000) gallons for the first (1st) year of a five (5) year term with yearly adjustments thereafter as follows:

Price Per Thousand Gallons	\$48.00 for	2019
	\$49.00 for	2020
	\$50.00 for	2021
	\$51.00 for	2022
	\$52.00 for	2023; and

WHEREAS, N.J.S.A. 40A:11-5(2) permits the award of a contract without public advertising for bids and bidding with a public body of this State of any subdivision thereof; and

WHEREAS, PVSC is a public corporation of the State of New Jersey; and

WHEREAS, MSA believes it is most advantageous to dispose of and treat its sludge at the treatment facilities of PVSC.

NOW, THEREFORE, BE IT RESOLVED, by the Commissioners of the Musconetcong Sewerage Authority that a Contract is hereby award to PVSC for discharge and treatment of the sludge from the MSA at the following rates:

Price Per Thousand Gallons	\$48.00 for	2019
	\$49.00 for	2020
	\$50.00 for	2021
	\$51.00 for	2022
	\$52.00 for	2023; and

BE IT FURTHER RESOLVED, that James Schilling as Director of the MSA is hereby authorized to sign the Agreement between the PVSC and the MSA; and

BE IT FURTHER RESOLVED, that the MSA publish in its official newspaper a legal advertisement advising of the award as required by N.J.S.A. 40A:11-5.

Resolution No. 18-49, Authorizing MSA Director to Receive Sealed Proposal for Contract P-19 for ZETAG 8818 Cationic Emulsion Polymer or Equivalent, was moved by Mr. Schindelar, seconded by Mrs. Michetti and the affirmative roll call vote of members present.

RESOLUTION NO. 18-49
Resolution of the Musconetcong Sewerage Authority ("MSA")
Authorizing the Director to Receive Sealed Proposals for
Contract P-19 for ZETAG 8818 Cationic Emulsion Polymer or
Equivalent as Described in the Technical Specifications on
November 15, 2018 at 10:00 a.m. in the Office of the MSA's
Water Pollution Control Facility

WHEREAS, the MSA has a need for ZETAG 8818 Cationic Emulsion Polymer or Equivalent to operate its wastewater treatment facility as described in the Technical Specifications in the bid package for Contract P-19; and

WHEREAS, funds are available for said Contract.

NOW, THEREFORE, BE IT RESOLVED, by the Commissioners of the Musconetcong Sewerage Authority that the Director is hereby authorized to receive sealed proposals for Contract P-19, ZETAG 8818 Cationic Emulsion Polymer or Equivalent as described in the Technical Specifications on November 15, 2018 at 10:00 a.m. at the office of MSA's Water Pollution Control Facility, located at 110 Continental Drive, Budd Lake, New Jersey. At that time and place, the sealed bids will be opened publicly and read aloud.

Copies of the Contract Specifications are on file at the office of the MSA at the Water Pollution Control Facility located in 110 Continental Drive, Budd Lake, New Jersey. The Contract Specifications may be obtained by contacting the MSA's office at (973) 347-1525.

The proposed budget for 2019 was discussed. Chairman Rattner commended MSA Director James Schilling for his work and efforts preparing the budget numbers and presentation for the Finance Committee. Chairman Rattner discussed the 2% cap to start in 2020. Mr. Schwab discussed the Capital Improvement and Renewal and Replacement Accounts. The accounts will not be included with the 2% cap. He explained about his concern that the balances would affect the funding and additional debt service from the NJIB because those accounts are usually reduced to offset the additional payments for the debt service. Fortunately, those accounts will not be affected as they had in the past since they are pulled out of the operating expenditures and are not part of the 2% cap. Mr. Schilling noted that is consistent with the actual annual budget the Authority approves and adopts each year. Mr. Schwab explained that going forward the spread sheet showing the budget expenditures will be slightly different to show the Capital and Renewal and Replacement Accounts apart from the operating expenditures. Chairman Rattner and Mr. Schwab further discussed the various items of concern that were addressed at the Finance Committee Meeting held with the MSA Auditor, Paul Cuva. Mr. Schwab explained that the increase in the budget will be 1.25% for the operating expenses and the overall budget increase, with the debt service included, will be 0.92%. Chairman Rattner further discussed how the 2% cap will work and that any extra percentages can be banked from year to year.

A motion to approve the budget increase of 1.25% for operating expenses and an overall increase of 0.92% was made by Mr. Schwab, seconded by Mr. McNeilly and the affirmative roll call vote of members present.

The commissioners discussed the position of Purchasing Commissioner. The Purchasing Commissioner should be kept informed of larger equipment purchases. It was decided that Mr. Still would fill the position of Purchasing Commissioner for Mr. Bates who recently retired from the MSA. A motion to appoint Mr. Still as Purchasing Commissioner was offered by Mr. Schwab, seconded by Mr. McNeilly and the affirmative vote of members present.

Motion made by Mr. Grogan, seconded by Mr. Still and the affirmative vote of members present, Chairman Rattner adjourned the meeting at 8:51 PM.

Respectfully Submitted:



Susan Grebe,
Administrative Assistant