

**REGULAR MEETING OF THE MUSCONETCONG SEWERAGE AUTHORITY**

Chairman Rattner called the meeting to order at 7:31 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, Michael Grogan, Melanie Michetti, Michael Pucilowski, Steven Rattner, Richard Schindelar (arrived 7:33 PM), Joseph Schwab, John Sylvester

**MEMBERS ABSENT:** Thomas Bruno, Brian McNeilly, Daren Phil

**OTHERS PRESENT:** Patrick Dwyer, Esq., Lee Purcell, PE, James Schilling

Chairman Rattner opened and closed the meeting to the public.

The Regular Meeting Minutes of August 27, 2015, were approved on a motion offered by Mr. Benson, seconded by Mr. Grogan. Roll Call:

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

Mr. Schindelar entered the meeting at 7:33 PM.

The Closed Session Meeting Minutes of August 27, 2015, were approved on a motion offered by Mr. Pucilowski, seconded by Mr. Schwab. Roll Call:

Mr. Bates	Yes	Mr. Rattner	Yes
Mr. Benson	Yes	Mr. Schindelar	Absent
Mr. Grogan	Yes	Mr. Schwab	Yes
Mrs. Michetti	Yes	Mr. Sylvester	Absent
Mr. Pucilowski	Yes		

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

**TREASURER'S REPORT- SEPTEMBER 1, 2015**

**OPERATING ACCOUNT**

<b>Balance as of August 1, 2015:</b>		<b><u>\$ 1,094,492.60</u></b>
<b>Receipts (August):</b>		
Hospitalization	2,688.36	
Caesars Enterprises - Bally's Conf. Refund	214.00	
Municipal Revenue	467,437.52	
		<b><u>\$470,339.88</u></b>
		<b><u>\$ 1,564,832.48</u></b>

**Disbursements (August):**

NJSHBP	\$17,287.14
Admin Salaries	\$5,621.65
Plant Salaries	\$22,626.81
Unemployment	\$26.86
Social Security	\$2,181.74
Admin Salaries	\$5,621.65
Plant Salaries	\$22,880.49
Unemployment	\$26.86
Social Security	\$2,201.15
Renewal & Replacement	\$50,000.00
Capital Improvement	\$75,000.00
ADP	\$599.80
ATS Environmental	\$900.00
Accurate Waste	\$1,275.00
Scott Allen (disability reimb)	\$80.00
Nicholas Barbato (work boots)	\$99.23
Blue Diamond	\$605.00

Cintas Corp	\$582.80
Cintas First Aid	\$48.13
Cleary Giacobbe	\$175.00
Keith DeFazio (mileage reimb)	\$103.04
FedEx	\$28.70
Fisher Scientific	\$241.90
Grainger	\$99.56
Susan Grebe (mileage reimb)	\$49.68
Hach Company	\$1,114.26
JCP&L	\$25,148.51
Kemira	\$4,802.36
Kenvil Power Mower	\$107.20
Lowe's	\$24.94
McMaster Carr	\$139.64
NJ American Water	\$1,034.09
New Jersey Door Works	\$3,480.00
Najarian Associates	\$392.50
Nusbaum Stein	\$4,938.60
One Call	\$28.52
Passaic Valley Sewerage	\$77,440.00
Printwurks	\$187.68
Pumping Services	\$1,654.48
Eurofins QC Inc.	\$5,108.00
Quinn's Consulting	\$900.00
R-D Trucking	\$32,480.00
R&R Pump	\$779.50
Reuter & Hanney	\$855.00
Roxbury Water Dept.	\$134.94
James Schilling (mileage reimb)	\$191.77
Shell Fleet Plus	\$387.75
Staples	\$360.39
Stat Pads	\$297.00
Terex Services	\$2,559.80
Treasurer State of NJ (Barbato license)	\$50.00
Treasurer State of NJ (Schilling license)	\$100.00
USA Bluebook	\$975.64
Verizon	\$706.25
Verizon Communications	\$54.99
Verizon Wireless	\$225.18

Total Disbursements for August: \$ 375,021.18  
Balance as of September 1, 2015: \$ 1,189,811.30

**RENEWAL & REPLACEMENT ACCOUNT**

Balance as of August 1, 2015: \$ 578,033.44  
Receipts: 3<sup>rd</sup> Quarter Transfer from Operating 50,000.00  
Disbursements: A.C. Schultes, Inc. 8,130.00  
Nusbaum Stein 165.00  
Essex Engineering 5,399.00  
LTPA 255.00  
Balance as of September 1, 2015: \$ 614,084.44

**ESCROW ACCOUNT**

Balance as of August 1, 2015: \$ 3,320.34  
Receipts: 0.00  
Disbursements: 0.00  
Balance as of September 1, 2015: \$ 3,320.34

**CAPITAL IMPROVEMENT/RESERVE FOR RETIREMENT ACCOUNT**

Balance as of August 1, 2015: \$ 780,000.00  
Receipts: 3<sup>rd</sup> Quarter Transfer from Operating 75,000.00  
Disbursements: 0.00  
Balance as of September 1, 2015: \$ 855,000.00

**ANALYSIS OF BALANCE:**

Capital Improvement \$ 825,000.00  
Reserve for Retirement \$ 30,000.00

**EXPENDITURES REPORT - 2015 BUDGET**

9/15/15

	2015	YEAR-TO-DATE		%
	BUDGET	EXPENDITURES	BALANCE	REMAINING
Admin - Salaries and Wages	\$155,000.00	\$107,053.98	\$47,946.02	30.93%
Trustee Admin Fees	\$30,000.00	\$17,718.63	\$12,281.37	40.94%
Administrative - Other Expenses	\$35,000.00	\$13,880.21	\$21,119.79	60.34%
Legal	\$25,000.00	\$13,575.60	\$11,424.40	45.70%
Audit	\$14,000.00	\$0.00	\$14,000.00	100.00%
Engineer	\$20,000.00	\$6,030.00	\$13,970.00	69.85%
Pension	\$86,000.00	\$77,573.00	\$8,427.00	9.80%
Social Security	\$60,000.00	\$42,593.09	\$17,406.91	29.01%
Unemployment	\$7,000.00	\$5,163.39	\$1,836.61	26.24%
Hospitalization	\$222,900.00	\$148,981.75	\$73,918.25	33.16%
Disability Insurance	\$10,000.00	\$4,933.98	\$5,066.02	50.66%
Operating - Salaries and Wages	\$632,000.00	\$447,243.82	\$184,756.18	29.23%
Reserve for Future Retirement	\$15,000.00	\$0.00	\$15,000.00	100.00%
Telephone	\$18,000.00	\$10,091.34	\$7,908.66	43.94%
Electric	\$527,000.00	\$267,185.13	\$259,814.87	49.30%
Propane/Fuel Oil/ Gasoline	\$35,000.00	\$12,302.51	\$22,697.49	64.85%
Supplies/Chemicals	\$140,000.00	\$91,962.24	\$48,037.76	34.31%
Laboratory Supplies	\$10,000.00	\$6,897.29	\$3,102.71	31.03%
Office	\$20,000.00	\$13,608.01	\$6,391.99	31.96%
External Services	\$50,000.00	\$38,758.36	\$11,241.64	22.48%
Education/Training	\$15,000.00	\$14,705.74	\$294.26	1.96%
Laboratory Fees	\$25,000.00	\$14,650.70	\$10,349.30	41.40%
Maintenance/Repairs	\$100,000.00	\$83,712.09	\$16,287.91	16.29%
Insurance	\$110,000.00	\$97,555.42	\$12,444.58	11.31%
NJDEP Fees	\$25,000.00	\$17,528.86	\$7,471.14	29.88%
Permit/Compliance Fees	\$100,000.00	\$6,892.70	\$93,107.30	93.11%
Equipment	\$60,000.00	\$8,618.74	\$51,381.26	85.64%
Sludge Removal	\$600,000.00	\$468,298.81	\$131,701.19	21.95%
Contingency	\$25,000.00	\$0.00	\$25,000.00	100.00%
Capital Improvement	\$300,000.00	\$225,000.00	\$75,000.00	25.00%
Renewal and Replacement	\$200,000.00	\$150,000.00	\$50,000.00	25.00%
<b>TOTAL</b>	<b>\$3,671,900.00</b>	<b>\$2,412,515.39</b>	<b>\$1,259,384.61</b>	<b>34.30%</b>

Mr. Schwab noted that there was one correction to the pending voucher list under the Escrow Account from \$220.00 to \$275.00.

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

<b>ESCROW ACCOUNT</b>	
Nusbaum Stein (Lake Hopatcong TWA resolution & review)	\$275.00
<b>ESCROW ACCOUNT TOTAL</b>	<b>\$275.00</b>
<b>RENEWAL &amp; REPLACEMENT</b>	
PCS Pump and Process (rebuild RAS pumps for buildings 1 & 2)	\$6,280.00
Pumping Services (PS #4 by-pass)	\$4,826.40
<b>RENEWAL &amp; REPLACEMENT ACCOUNT TOTAL</b>	<b>\$11,106.40</b>
<b>OPERATING ACCOUNT</b>	
ADP	\$583.97
Atlantic Tomorrow Office (copy machine contract)	\$414.75
Blue Diamond	\$265.00
Cintas Corp. (September Uniforms)	\$466.24
Cintas First Aid (clean & restock cabinets)	\$63.84
Keith DeFazio (license renewal reimbursement)	\$50.00
Divita Balance Service (calibrate lab equipment)	\$290.00
Eurofins QC Labs	\$330.00
Fisher Scientific (lab supplies)	\$46.08
Grainger (centrifugal pump, thermal unit, sheeting rags, cleaner)	\$1,221.49
Susan Grebe (disability insurance reimb)	\$80.00
JCP&L (main plant & pump stations)	\$26,048.17
Kemira	\$5,012.41
LTPA (Givaudan review of file and meeting)	\$720.00
Lowe's (hardware, tools, float supplies, electrical supplies)	\$379.27

MSA Payroll 9/11/15	\$29,451.99
MSA Payroll 9/25/15	\$32,854.94
NJSHP (August health ins.)	\$17,287.14
NJ American Water	\$1,142.47
NJ Door Works (repair garage door & front office door)	\$1,465.00
Northeast Industrial Tech (micro screen belts)	\$4,988.52
Nusbaum Stein (CP, closed minutes, )	\$314.60
One Call (August service)	\$33.48
PCS Pump and Process (new impeller)	\$2,350.00
Patrick Pisano (license renewal reimbursement)	\$50.00
Quill (archive boxes)	\$45.98
Quinn's Consulting (office furniture)	\$400.00
R-D Trucking	\$25,410.00
James Schilling (mileage reimb)	\$31.95
Shell Fleet Plus	\$257.69
Staples (paper towels, gloves, copy paper)	\$242.10
State of New Jersey - Dept. of Labor (annual assessment)	\$133.70
Treasurer State of NJ Bureau of Fire Code (annual renewal fee)	\$199.00
Trend Landscaping (landscaping at PS #2,3,4,5)	\$14,725.00
Unum Life Ins. (4th quarter)	\$1,384.67
Verizon	\$703.69
Verizon Communications ( internet)	\$54.99
Verizon Wireless	\$225.18
<b>OPERATING TOTAL</b>	<b>\$169,723.31</b>

Mr. Schilling asked if the commissioners had reviewed his monthly report and if anyone had any questions or comments. Mr. Schwab asked about Mr. Schilling's informal conversation with Susan Rosenwinkle of the NJDEP at the NJEIT Seminar that he had attended on September 14<sup>th</sup>. Mr. Schilling explained that he and Ms. Rosenwinkle, along with Commissioner Pucilowski had an informal discussion at the seminar regarding future limits regarding nitrates. They also discussed the future DRBC limits. Mrs. Rosenwinkle offered to review the MSA's DRBC Docket. Mrs. Rosenwinkle also explained to Mr. Schilling the requirements for submitting the annual Progress Report to the NJDEP.

Mr. Schilling reported that the MSA is required to submit an application to the DRBC since the Authority has received a new permit. He has begun preparing the application to the DRBC advising them of the change on the MSA's permit. He will also need Mr. Dwyer and LTPA to review and help with the preparation of the application. He asked for an estimated budget from Mr. Dwyer and Mr. Purcell for their professional services.

Chairman Rattner asked about Mr. Schilling's and Mr. Purcell's meeting with Givaudan on September 10<sup>th</sup>. He briefly explained the past history of Givaudan's submissions for wastewater pre-treatment to the Township of Mount Olive. Mr. Schilling explained that he met with Givaudan to listen to their plan for a system that will convert their industrial waste to a domestic waste because he was interested to hear how the system works. He also explained to the representatives at Givaudan that they must submit their plan to Mount Olive for approval and the MSA cannot approve their plans. Mr. Schwab noted that the MSA's engineer should not have attended the meeting without an escrow provided.

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

Mr. Dwyer questioned what the MSA would gain from Susan Rosenwinkle's review of the MSA's DRBC Docket. Mr. Schilling responded that she offered her opinion and it might be helpful. Mr. Pucilowski agreed. There was further discussion regarding the new permit and the future DRBC limits. Chairman Rattner explained some of the past instances with the DRBC and the docket regulations. He also noted that the DRBC never did a study on the Muskie to establish a baseline. Mr. Schilling further explained the downstream discharge limits and regulations. Mr. Dwyer questioned again about Ms. Rosenwinkle's review of the MSA's DRBC Docket. Mr. Schwab noted that the only downfall would be that she could be an advisory to them. Mr. Schilling believed that she was an ally to the MSA. Mr. Schilling suggested that the Authority get the application process completed.

The Maintenance and Repairs Report for the month of September was accepted on a motion offered by Mr. Pucilowski, seconded by Mr. Grogan and the affirmative vote of members present.

Lee Purcell, PE reported that the first compliance report to the NJDEP is due July 1, 2016. Mr. Purcell mentioned that the MSA may have to request an extension on the Stay for the NJDEP permit after six months. Mr. Dwyer indicated that the Stay does not require an extension. The litigation was put on hold and the litigation can only be put on hold for six months so, when the time period ends the MSA will have to ask for a six month extension to put it on hold again.

Mr. Purcell also reported that he could not attend the NJEIT Seminar due to a meeting conflict. Mr. Schilling gave him information from the seminar that he has reviewed. He explained that one of the new options was that there is now a 30 year payback period instead of 20 years. He also explained the benefits to the MSA.

Mr. Purcell mentioned that LTPA would not meet with or advise Givaudan again and the project is for Mount Olive's approval.

Mr. Purcell also reported that the developer's review of the Roxbury Park sanitary sewer capacity is still on hold until Roxbury and Netcong discuss the development proposal and the need for an inter-municipal agreement. He reiterated that the developer only wants to know if there is sufficient sewerage allocation for the project at this time.

Chairman Rattner suggested that he or Mr. Schilling should give a courtesy to the Mount Olive Township Business Administrator regarding the meeting with Givaudan and explain that the MSA is aware that the project is for Mount Olive's approval. The MSA only accepts the domestic waste and does not have the ability to move the project forward.

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

**Resolution No. 15-24 Authorizing the Execution of an Agreement with the North Jersey Wastewater Cooperative Pricing System to Become a Member for the Period from October 1, 2015 through November 24, 2019**, was moved by Mr. Sylvester, seconded by Mr. Schwab and the affirmative roll call vote of members present.

#### **RESOLUTION NO. 15-24**

#### **Resolution of the Musconetcong Sewerage Authority Authorizing the Execution of an Agreement with the North Jersey Wastewater Cooperative Pricing System ("NJWCPS") to Become a Member for the Period from October 1, 2015 through November 24, 2019**

**WHEREAS**, the North Jersey Wastewater Cooperative Pricing System ("NJWCPS") was created to conduct a voluntary cooperative pricing system with wastewater treatment facilities, municipalities, and other public bodies located in Northern New Jersey; and

**WHEREAS**, the purpose of the NJWCPS is to provide substantial savings on various goods and services to its members through the cooperative public bidding process; and

**WHEREAS**, the Musconetcong Sewerage Authority desires to enter into an Agreement with the NJWCPS, which is administered by the Passaic Valley Sewerage Commission ("PVSC") as Lead Agency, to become a member of the NJWCPS for the period of October 1, 2015 through November 24, 2019.

**BE IT RESOLVED**, by the Musconetcong Sewerage Authority, County of Morris, State of New Jersey as follows:

1. The Commissioners of the Musconetcong Sewerage Authority hereby authorizes the execution of an Agreement with the North Jersey Wastewater Cooperative Pricing System by the Passaic Valley Sewerage Commission as Lead Agency as of October 1, 2015 pursuant to N.J.S.A. 40A:11-11(5). Said Agreement is to become a member of NJWCPS for the remainder of its five (5) year term expiring on November 24, 2019.
2. The Musconetcong Sewerage Authority Clerk is hereby directed to submit a copy of this adopted Resolution, along with an executed Agreement, to Passaic Valley Sewerage Commission as Lead Agency of the NJWCPS.

The Chairman, Secretary, Director and all appropriate Musconetcong Sewerage Authority officials are authorized and directed to perform all required acts in order to effect the purpose of this Resolution.

**Resolution No. 15-25 Authorizing the Director to Receive Sealed Proposals for Contract FC-16, Ferric Chloride as Described in the Technical Specifications on October 15, 2015 at 10:00 a.m.**, was moved by Mr. Pucilowski, seconded by Mrs. Michetti and the affirmative roll call vote of members present.

RESOLUTION NO. 15-25

Resolution of the Musconetcong Sewerage Authority  
Authorizing the Director to Receive Sealed Proposals for  
Contract FC-16, Ferric Chloride as Described in the Technical Specifications  
on October 15, 2015 at 10:00 a.m. in the Office of the Authority's  
Water Pollution Control Facility

WHEREAS, a need exists for the Authority to purchase Ferric Chloride as described in the Technical Specifications as detailed in Contract FC-16; 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 FC-16 as described in the Technical Specifications on October 15, 2015 at 10:00 a.m. at the office of the Authority'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 Authority at the Water Pollution Control Facility located at 110 Continental Drive, Budd Lake, New Jersey. The Contract Specifications may be obtained by contacting the Authority's Office at 973-347-1525.

Mr. Schilling suggested that the commissioners go into closed session to discuss personnel negotiations before the 2016 Budget discussion.

Mr. Purcell left the meeting at 8:09 PM.

Motion made by Mr. Pucilowski, seconded by Mr. Sylvester and the affirmative roll call vote of members present for the commissioners to go into closed session at 8:09 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 are 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 and action of the closed session of the Musconetcong Sewerage Authority;

2. The general nature of the subject matter to be discussed is as follows: Personnel Negotiations

The above subject matter will be made public once negotiations are completed and it is deemed to be in the public interest.

Motion to reopen the meeting to the public at 8:18 PM was offered by Mr. Pucilowski, seconded by Mr. Sylvester and the affirmative roll call vote of members present.

Chairman Rattner asked Mr. Schilling to give the commissioners an overview of the 2016 Budget. Mr. Schilling discussed some of the documents that were distributed for the meeting. He explained how he estimated his 2015 year end forecast and what items may be over budget for 2015. He reported on each expense account for 2015 and the costs associated with the expenditures. He also reported on the meeting of the Finance Committee on September 14<sup>th</sup>. They discussed reducing the Reserve for Retirement Account for the 2016 Budget from \$15,000.00 to \$5,000.00, which will help to avoid a budget increase. He discussed the 2016 budgeted funds for the various expense accounts and the changes for the 2016 Budget. He explained that Capital Improvement should be lowered from \$300,000.00 to \$200,000.00 for the 2016 Budget as a short term consideration so that the budget would not impact the member municipalities. The commissioners discussed some of the future projects that would need to be accomplished at the plant and pump stations. Chairman Rattner discussed NJEIT financing for certain projects. Mr. Schilling noted that 30 year financing was not available for regular projects. Mr. Pucilowski explained the NJEIT short term financing options presented at the NJEIT seminar.

Mr. Schilling also talked about the sludge expense increases, which are impacting the 2015 Budget as well as the 2016 Budget. He reported that over the past several months sludge amounts have increased. He reviewed past years where he was able to reduce sludge amounts. He is forecasting approximately 400,000 gallons of sludge a month or less. He indicated that there were a couple of months that had really high sludge amounts this year with one million three hundred gallons being the highest monthly total. That puts the sludge expense account approximately \$60,000.00 over budget for 2015.

Mr. Schilling summarized that the two expense categories for 2015 which are at risk for being over budget included sludge in the amount of \$60,000.00, and potentially, operating salaries and wages in the amount of approximately \$8,000.00. He was concerned with overtime that may be required for snow storms or any other unexpected events before the year end. Mr. Sylvester asked Mr. Schilling and the commissioners why not increase the budget for 2016, with the risk of these expenses and possibly others increasing. He explained about some past experiences with other organizations that did not increase their budget over several years and the problems that could occur. He briefly discussed his concerns and contingencies that could happen over the course of 12 months. He suggested that there should be at least a very minimal budget increase of perhaps one to one and a half percent. Mr. Schwab agreed and briefly discussed the MSA's budgets over the last couple of years. He pointed out that with no increases last year, this year, or next year it could create the need for a large increase in a couple of years. Mr. Sylvester noted that regular everyday expense increases need to be considered over the course of a year. Mr. Schwab said that if the Authority increases the budget by \$50,000.00 that would equal a 1.36 percent budget increase. The commissioners discussed the budget increase and the refunds to the MSA's member municipalities. The screens removal system project for 2016 and the costs associated with the project were discussed. The commissioners agreed on a 1.5 percent budget increase. Mr. Schilling said he would forward all necessary information to the commissioners before the October meeting. The 2016 Budget Approval will be on the October Meeting Agenda.

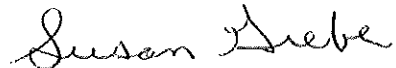
Chairman Rattner summarized past discussions and correspondence regarding the reappointment of CP Engineers as MSA's Alternate Engineer. He noted that Mr. Phil sent an e-mail indicating that he could not be present at the meeting that evening due to a work conflict, but would abstain from any decisions regarding the reappointment of CP Engineers. Chairman Rattner and the commissioners discussed the draft letter that MSA Attorney Mr. Dwyer had prepared addressed to CP Engineers regarding their reappointment as Alternate Engineer for 2015 and thanking them for their interest.

Motion made by Mr. Benson, seconded by Mr. Schindelar to send a final copy of the letter prepared by the MSA's Attorney to CP Engineers regarding the MSA's Alternate Engineer position for 2015. The motion was approved by the affirmative vote of all members present except Mr. Schwab. Mr. Schwab abstained.

Mr. Pucilowski reported that the Engineering Committee was still obtaining information for the appointment of several Special Needs Engineers. The matter would be on the October Meeting Agenda for further discussion.

Motion made by Mr. Sylvester, seconded by Mr. Benson and the affirmative vote of members present, Chairman Rattner adjourned the meeting at 9:02 PM.

Respectfully Submitted:



Susan Grebe,  
Administrative Assistant