



**Lambertville Municipal Utilities Authority
Regular Meeting Minutes
Tuesday, June 5, 2018, 6:00 PM
Lambertville Wastewater Treatment Facility,
Lambert Lane Extended**

The meeting was called to order at 6:00 p.m. by Mr. Uhl with a statement of compliance with the Open Public Meetings Act, providing the required legal notice published on Thursday, May 10, 2018 to The Hunterdon County Democrat and also noticed The Trenton Times. A copy of the agenda and minutes were posted on the bulletin board and web site of the LMUA and the City of Lambertville.

Roll Call.

Mrs. Ege called the roll as follows:

LMUA Board:

Present: Vincent Uhl-Vice Chairperson, Paul Rotondi-Treasurer, Robert Hayes-Secretary, Russell Lambert Alternate-1

Janine MacGregor- Chairperson entered the meeting during the Financial Advisor's Report at 6:39 p.m.

Absent: Joseph Polizzi-Member & Megan Ruf-Alternate-2

Also Present: Thomas F. Horn, P.E.-Executive Director, Kathy Leary-CFO, C. Gregory Watts-Attorney, Watts Tice & Skoronek, and Jacqueline Klapp, Stenographer

Pledge of Allegiance.

Mr. Uhl led the public in the Pledge of Allegiance.

Minutes.

The regular minutes of the April 3, 2018 meeting were approved in a motion made by Mrs. MacGregor and seconded by Mr. Rotondi. An affirmative roll call was taken by all members present except for Mr. Uhl and Mr. Hayes who abstained as they were absent. MOTION PASSED *Note that this was voted on after closed session at 7:33 p.m. when Mrs. MacGregor was present.

The regular minutes of the May 1, 2018 meeting were approved in a motion made by Mr. Uhl and seconded by Mr. Hayes. An affirmative roll call was taken by all members present except for Mr. Lambert who abstained as he was absent. MOTION PASSED

Public Hearing.

FY 2018-2019 Connection Fee:

Jaqueline Klapp, Court Reporter is present for the Public Hearing concerning the proposed connection fee for the coming fiscal year. A copy of the transcript shall be available to the public for a reasonable fee in the Authority's administration office. Mr. Watts explained that based on the recommendation of Bowman and Company, LLP the maximum statutory rate to increase the connection fee is \$6,033.00. This is \$168.00 more than the current fee of \$5,865.00. He continued to clarify that the fee was calculated in accordance with the

provision of N.J.S.A. 40:14A-8(b). The Board may charge less than the maximum but cannot go over that calculated limit. Any property that wishes to connect to the sanitary sewer system of the Authority shall be charged a fee to represent a fair payment towards the cost of the system. Mr. Uhl asked if the Board had any comments or questions in regards to the new connection fee.

Resolution 024-2018 “Approving the Connection Fee”

WHEREAS, after a public hearing held by the Lambertville Municipal Utilities Authority (“Authority”) on June 5, 2018, pursuant to the provisions of N.J.S.A. 40:14A-8, sewer connection fees were determined by the Authority; and

WHEREAS, the hookup fee for the fiscal year from July 1, 2018 through June 30, 2019 was prepared by Bowman & Company, LLP, Special Projects Auditor to the Authority using the parameters contained in P.L. 1986, c. 526 shows that the LMUA is in accordance with legislation limits to increase the connection fee to \$6,033.00.

NOW, THEREFORE BE IT RESOLVED, by the Commissioners of the Lambertville Municipal Utilities Authority that commencing on July 1, 2018 sewer connection fees are hereby established at \$6,033.00 per equivalent dwelling unit (EDU); and

BE IT FURTHER RESOLVED that a schedule of the aforesaid connection fees shall at all times be kept on file at the offices of the Lambertville Municipal Utilities Authority, Lambert Lane Extended, Lambertville, New Jersey, and shall at all reasonable times be open to public inspection.

Mr. Rotondi made a motion to adopt Resolution 024-2018 approving the 2018-2019 connection fee for new users. Mr. Hayes seconded the motion. An affirmative roll call vote was taken by all members present. MOTION CARRIED

Governing Body Member	Recorded Vote		Abstain	Absent
	Aye	Nay		
Janine MacGregor				X
Vincent Uhl	X			
Robert Hayes	X			
Paul Rotondi	X			
Joseph Polizzi				X
Russell Lambert	X			

FY 2018-2019 Rate Schedule:

The user rates for the coming 2018-2019 fiscal year shall remain the same. Mr. Horn explained that the Board is reviewing the rates with our Financial Advisor and they may decide to increase them at a later date. Should the Board find a user rate change necessary the Authority shall publish sufficient notice of a rate hearing to make the public aware. Mr. Watts reviewed the annual user rates as written on Resolution 026-2018 for the transcription.

Seeing no questions Mr. Uhl requested a motion to approve Resolution 026-2018.

Resolution 026-2018 “Approving the Rate Schedule”

WHEREAS, after a public hearing held by the Lambertville Municipal Utilities Authority (“Authority”) on June 5, 2018, pursuant to the provisions of N.J.S.A. 40:14A-8, user charge amounts were determined by the Authority; and

WHEREAS, the user charge system is reviewed by the Authority every year to ensure proper charges for users so that the Authority may operate, manage and maintain the sewerage facilities in an efficient manner; and

WHEREAS, after review the Special Projects Auditor, Bowman & Company, LLP does not recommend a change in user charge amounts.

NOW, THEREFORE BE IT RESOLVED, by the Commissioners of the Lambertville Municipal Utilities Authority that commencing on July 1, 2018 sewer use charge amounts will remain the same and are hereby established at \$472.00 per equivalent dwelling unit (EDU) per year for residential use, \$354.00 per EDU, per year for Senior Citizens; \$587.20 per EDU per year for commercial use and increased proportionally for all other rates as per the Rate Schedule dated July 1, 2018 through June 30, 2019.

BE IT FURTHER RESOLVED that a schedule of the aforesaid user charge amounts shall at all times be kept on file at the offices of the Lambertville Municipal Utilities Authority, Lambert Lane Extended, Lambertville, New Jersey, and shall at all reasonable times be open to public inspection.

Effective on June 5, 2018

Mr. Hayes made a motion to adopt Resolution 026-2018 approving the 2018-2019 rate schedule. Mr. Rotondi seconded the motion. An affirmative roll call vote was taken by all members present. MOTION CARRIED

Governing Body Member	Recorded Vote			
	Aye	Nay	Abstain	Absent
Janine MacGregor				X
Vincent Uhl	X			
Robert Hayes	X			
Paul Rotondi	X			
Joseph Polizzi				X
Russell Lambert	X			

Mr. Uhl stated that this concludes the public hearing portion of the meeting and thanked Mrs. Klapp for attending.

Public Comment.

There were no members of the public in attendance.

Correspondence.

1. 21 Belvidere Ave. Suspension: A letter confirming sewer billing suspension was sent May 14, 2018 after confirming that the property is uninhabitable. Billing will resume after a final CO has been issued by the City.

2. Chamber of Commerce Pride 5K Request: An email request dated May 23, 2018 from Delaware River Towns Chamber of Commerce for coverage of the cost of the portable comfort stations at the 2018 Pride 5k Run was reviewed by the Board. After a discussion of the Authority’s budgeted amount for community contributions the Board decided to approve the request but will stipulate that in the future the Chamber will be a limited to two requests a year so as to make the funds available to other community events as well.

Amendment of Resolution 030-2018 “Approving Payment of the Portable Comfort Stations for the 2018 Pride 5K Run”

WHEREAS, the Board received an email dated May 23, 2018 from David Morgan, Executive Director of the Delaware River Towns Chamber of Commerce requesting that the Lambertville Municipal Utilities Authority (LMUA) cover the costs of portable comfort stations at the 2018 Pride 5K Run; and

WHEREAS, the 2018 Pride 5K Run took place on May 11, 2018 to celebrate the beginning of Pride week in both Lambertville, NJ and New Hope, PA; and

WHEREAS, the Board wishes to support the 2018 Pride 5K Run by covering the costs of the portable comfort stations.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Lambertville Municipal Utilities Authority agree to cover the costs of the portable comfort stations not to exceed \$480.00 at 2018 Pride 5K Run that was held on May 11, 2018.

Moved: Mr. Uhl

Seconded: Mr. Lambert

Governing Body Member	Recorded Vote		Abstain	Absent
	Aye	Nay		
Janine MacGregor				X
Vincent Uhl	X			
Robert Hayes	X			
Paul Rotondi	X			
Joseph Polizzi				X
Russell Lambert	X			

Chairpersons Report.

There was no report from Chairwoman.

Engineers Update– CDM Smith, Inc.

Our Engineer had nothing new to report.

Executive Directors Report – Thomas Horn.

JUNE 2018 OPERATIONS & MAINTENANCE:

Treatment Facility Operations and Maintenance.

Mr. Horn updated the Board on the following and reported no major issues of concern at the treatment plant over the past month.

Joints in the riverside wall of the clarifiers and RBC tanks were leaking. Mr. Horn had a contractor come in and re-grout the joints. The carbon in the belt press scrubber was changed on the 23rd of this month to maintain odor remediation.

Collection Systems Work Memo.

Mr. Horn updated the Board on the inspection progress of our sewer mains contributing to the Swan Street Main. The staff was able to inspect most of the main between S. Main Street and S. Union Street. The line between S. Union Street and Wilson Street is in bad shape with misaligned joints and cracks in the pipe. The line between S. Main Street and Wilson Street has a lot of root clumps. The staff has also inspected the Swan Street line between Route 518 and Studdiford. While the line looks to be in good condition they noticed higher than normal flow and plan to investigate this further.

ODOR ISSUES: The Authority did receive an email complaint from Rago Arts Gallery on May 15th at 3:45 p.m. After an investigation of our lines the Authority concluded there was no flow issue and contacted the superintendent for the Stockton pump station who confirmed that the chemical feed system was off line due to a power loss the night before. The superintendent placed the system back online and increased the feed to full strength for the summer season.

UNION/ PERSONNEL ISSUES: The topic of Non-Union raises was tabled for discussion during closed session.

REGULATORY ISSUES: Continued monitoring of the biofilter and carbon unit.

No response has been received in regards to the discharge permit.

Local Limit Analysis: No change.

ADMINISTRATIVE ISSUES:

S. Franklin Street Water & Sewer: No update.

FY 2019 budget: The budget has been approved by the DCA and is up for adoption by the Board tonight.

Swan Pump Station: Final inspection by FEMA was done and our reimbursement request was submitted. The final building inspections have been completed and everything passed.

SWAN STREET P.S. RESILIENCY PROJECT MEMO: Mr. Horn updated the Board on the outcome from the May 31st meeting with DEP and the City. The DEP is now open to proceeding further with the project but have requested a few stipulations with respect to the land that would be used for the project. In order to eliminate State liability from the land both parties would agree to swap City owned land for the State land. Both parties have agreed and a Memorandum of Understanding would be developed based upon this.

Amendment of Resolution 023-2018 “Introduction of the 2019 Budget”

WHEREAS, the Annual Budget and Capital Budget for the Lambertville Municipal Utilities Authority for the fiscal year beginning, July 1, 2018 and ending, June 30, 2019 has been presented before the governing body of the Lambertville Municipal Utilities Authority at its open public meeting of April 3, 2018; and

WHEREAS, the Annual Budget as introduced reflects Total Revenues of \$2,067,519, Total Appropriations, including any Accumulated Deficit if any, of \$1,957,181 and Total Unrestricted Net Position utilized of \$273,000; and

WHEREAS, the Capital Budget as introduced reflects Total Capital Appropriations of \$273,000 and Total Unrestricted Net Assets planned to be utilized as funding thereof, of \$273,000; and

WHEREAS, the schedule of rates, fees and other charges in effect will produce sufficient revenues, together with all other anticipated revenues to satisfy all obligations to the holders of bonds of the Authority, to meet operating expenses, capital outlays, debt service requirements, and to provide for such reserves, all as may be required by law, regulation or terms of contracts and agreements; and

WHEREAS, the Capital Budget/Program, pursuant to N.J.A.C. 5:31-2 does not confer any authorization to raise or expend funds; rather it is a document to be used as part of the said Authority's planning and management objectives. Specific authorization to expend funds for the purposes described in this section of the budget, must be granted elsewhere; by bond resolution, by a project financing agreement, by resolution appropriating funds from the Renewal and Replacement Reserve or other means provided by law.

NOW, THEREFORE BE IT RESOLVED, by the governing body of the Lambertville Municipal Utilities Authority, at an open public meeting held on April 3, 2018 that the Annual Budget, including all related schedules, and the Capital Budget/Program of the Lambertville Municipal Utilities Authority for the fiscal year beginning, July 1, 2018 and ending, June 30, 2019 is hereby approved; and

BE IT FURTHER RESOLVED, that the anticipated revenues as reflected in the Annual Budget are of sufficient amount to meet all proposed expenditures/expenses and all covenants, terms and provisions as stipulated in the said Authority's outstanding debt obligations, capital lease arrangements, service contracts, and other pledged agreements; and

BE IT FURTHER RESOLVED, that the governing body of the Lambertville Municipal Utilities Authority will consider the Annual Budget and Capital Budget/Program for adoption on June 5, 2018.

Mr. Uhl made a motion to approve an amendment to Resolution 023-2018 introducing the 2019 Budget for fiscal year 2018-2019. Mr. Hayes seconded the motion. An affirmative call vote was taken by all members present. MOTION CARRIED

Governing Body Member	Recorded Vote			
	Aye	Nay	Abstain	Absent
Janine MacGregor				X
Vincent Uhl	X			
Robert Hayes	X			
Paul Rotondi	X			
Joseph Polizzi				X
Russell Lambert	X			

Resolution 027-2018 “Adoption of the 2019 Budget”

WHEREAS, the Annual Budget and Capital Budget/Program for the Lambertville Municipal Utilities Authority for the fiscal year beginning July 1, 2018 and ending, June 30, 2019 has been presented for adoption before the governing body of the Lambertville Municipal Utilities Authority at its open public meeting of June 5, 2018; and

WHEREAS, the Annual Budget and Capital Budget as presented for adoption reflects each item of revenue and appropriation in the same amount and title as set forth in the introduced and approved budget, including all amendments thereto, if any, which have been approved by the Director of the Division of Local Government Services; and

WHEREAS, the Annual Budget as presented for adoption reflects Total Revenues of \$ 2,067,519, Total Appropriations, including any Accumulated Deficit, if any, of \$1,957,181 and Total Unrestricted Net Position utilized of \$273,000; and

WHEREAS, the Capital Budget as presented for adoption reflects Total Capital Appropriations of \$273,000 and Total Unrestricted Net Position planned to be utilized of \$273,000; and

NOW, THEREFORE BE IT RESOLVED, by the governing body of Lambertville Municipal Utilities Authority, at an open public meeting held on June 5, 2018 that the Annual Budget and Capital Budget/Program of the Lambertville Municipal Utilities Authority for the fiscal year beginning, July 1, 2018 and, ending, June 30, 2019 is hereby adopted and shall constitute appropriations for the purposes stated; and

BE IT FURTHER RESOLVED, that the Annual Budget and Capital Budget/Program as presented for adoption reflects each item of revenue and appropriation in the same amount and title as set forth in the introduced and approved budget, including all amendments thereto, if any, which have been approved by the Director of the Division of Local Government Services.

Mr. Uhl made a motion to approve Resolution 026-2018 adopting the 2019 Budget for fiscal year 2018-2019. Mr. Hayes seconded the motion. An affirmative roll call vote was taken by all members present. MOTION CARRIED

Governing Body Member	Recorded Vote			
	Aye	Nay	Abstain	Absent
Janine MacGregor				X
Vincent Uhl	X			
Robert Hayes	X			
Paul Rotondi	X			
Joseph Polizzi				X
Russell Lambert	X			

Chief Financial Officer's Report - Kathy Leary.

Mr. Rotondi made a motion to approve the bill lists for May. Mr. Hayes seconded the motion. An affirmative roll call was taken in favor of the motion by all members present. MOTION CARRIED.

Mr. Rotondi questioned the bill from John Cronce. Mr. Horn explained that the bill was for an emergency sewer opening and repair due to a jetter cutter getting lodged inside the sewer main.

Attorney's Report – Greg Watts.

Attorney Watts had no issues of concern this month.

Financial Advisor Report.

At our May meeting the Board had asked our Financial Advisor, Josh Nikyta from Acacia Financial Group to attend to discuss alternative funding through NJIB, (previously known as NJEIT) as there are three major Capital projects that need to be addressed in the near future as well as a number of smaller projects. In response to the

Board's request, Mr. Nikyta had prepared financial analyses for the proposed Capital plan. Mr. Horn reviewed the analyses with the Board as Mr. Nikyta was not able to attend.

Proposed Capital Plan Memo.

Mr. Horn summarized by saying that Mr. Nikyta has prepared two sets scenarios with three different rate adjustments in each. There are three with no NJIB borrowing and three that would include NJIB borrowing showing the effects against user rates. He further explained that these scenarios take into consideration the Rate Covenant that states that the Authority shall charge sufficient rates to cover the operating expenses plus an additional amount equal to 120 % of our annual debt service.

Mrs. MacGregor entered the meeting and the Board reviewed the current discussion on user rates with her. There was a long discussion on the proposed rate changes and how it would affect our users. In the past the Board has tried to hold the line on the rates while making the necessary Capital improvements. Based on Mr. Nikyta's analyses the Authority will need to make some incremental rate increases in order to meet our current Bond requirements even without taking a NJIB improvement loan.

The Board reviewed the spread sheet entitled *Pro-Forma Cash-Flow Model, Scenario 1a* showing a 2% rate increase over a 10 year period with no NJIB borrowing. Based on the anticipated expense escalation with just a 2% rate increase and no capital improvements the Authority could expect to deplete the surplus fund after five years. Based on the probable outcome the Board agreed that this was not a viable option. Then they reviewed the other scenarios such as 3.45% with no NJIB borrowing and a 3.9% with or a variable annual increase starting at 2% and increasing in specific years with NJIB borrowing.

The Board would like Mr. Horn to take his list of recommended Capital improvements and fine tune the estimated costs and organize the list from the highest to the lowest priority.

The Board would like to take some time to review additional scenarios before deciding. Mr. Horn will ask Mr. Nikyta to send one of his Pro-Forma Cash-Flow Model sheets so the Board can review different scenarios on their own.

Mrs. MacGregor would like to invite the Mayor or someone from City Council to a future meeting to take part and be aware of the Authority's intention to raise rates in order to borrow from NJIB for much needed Capital Improvements.

It was the decision of the Board to schedule a rate hearing at a later meeting after they decide on an ongoing plan and to invite the Mayor with the intention of moving forward with the NJIB loan and a 10 year rate plan. Appropriate notice will be provided and advertised in the Democrat to make the public aware of the Board's intentions. It should also be noted that the Board will not be holding a meeting in July.

Closed Session.

Mr. Horn recommended that the Board move to go into closed session in order to discuss raises for the non-union personnel for FY 2018-2019.

Resolution 028-2018 Authorizing a Closed Session to Discuss Non-Union Salaries

WHEREAS, the Board of the Lambertville Municipal Utilities Authority is subject to certain requirements of the Open Public Meetings Act, N.J.S.A. 10:4-6, et seq; and

WHEREAS, the Open Public Meetings Act, N.J.S.A. 10:4-12, provides that a closed session, not open to the public, may be held for certain specified purposes when authorized by N.J.S.A. 10:4-12(b).

NOW, THEREFORE, BE IT RESOLVED that the Board of the Lambertville Municipal Utilities Authority hereby moves to go into closed session on Tuesday, June 5, 2018 at The LMUA Treatment Facility located at Lambert Lane Extended, Lambertville for the purpose of discussing non-union salaries.

BE IT FURTHER RESOLVED that the matters discussed in and minutes of the closed session shall be disclosed to the public when the reason for confidentiality no longer exists.

Mrs. MacGregor made a motion to approve Resolution 028-2018 “Authorizing a Closed Session to Discuss Personnel Salaries Pertaining to Non-Union Employees” Mr. Rotondi seconded the motion. An affirmative roll call vote was taken by all members present. MOTION CARRIED

Governing Body Member	Recorded Vote			
	Aye	Nay	Abstain	Absent
Janine MacGregor	X			
Vincent Uhl	X			
Robert Hayes	X			
Paul Rotondi	X			
Joseph Polizzi				X
Russell Lambert	X			

The LMUA Board convened in closed session at 7:21 p.m.

The LMUA Board re-convened in regular session at 7:30p.m.

After convening from the closed session the Board agreed to move the below Resolution 029-2018.

Resolution 029-2018 “Establishing Non-Union Employee Salaries”

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Lambertville Municipal Utilities Authority hereby approves a 2.75% raise for all Non-Union employees, effective July 1, 2018.

Mrs. MacGregor made a motion to approve Resolution 029-2018 establishing non-union employee salaries effective July 1, 2018. Mr. Rotondi seconded the motion. An affirmative roll call vote was taken in favor of the motion by all members present. MOTION CARRIED

Governing Body Member	Recorded Vote			
	Aye	Nay	Abstain	Absent
Janine MacGregor	X			
Vincent Uhl	X			
Robert Hayes	X			
Paul Rotondi	X			
Joseph Polizzi				X
Russell Lambert	X			

Adjournment.

The meeting adjourned at 7:34 p.m. with a unanimous voice vote taken by all members present. MOTION CARRIED.

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Respectfully submitted,

Melissa S. Ege

Melissa S. Ege,
Administrative Assistant

Approved at the regularly scheduled Lambertville MUA Board meeting held on August 7, 2018.