



Lambertville Municipal Utilities Authority
Tuesday, April 2, 2019, 6:00 PM
Lambertville Wastewater Treatment Facility,
Lambert Lane Extended
Meeting Minutes

The meeting was called to order at 6:03 p.m. by Chairwoman MacGregor with a statement of compliance with the Open Public Meetings Act, providing the required legal notice published on Thursday, February 14, 2019 to The Hunterdon County Democrat, 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. MacGregor called the roll as follows:

LMUA Board:

Present: Janine MacGregor-Chairwoman, Paul Rotondi-Treasurer, Russell Lambert-Secretary, Helen Pettit-Member, Jacqueline Middleton-Alternate I & Michael Gaudio-Alternate II

Absent: Vincent Uhl-Vice Chairman

Also Present: Thomas F. Horn, P.E.-Executive Director, Kathy Leary-CFO, Greg Watts-Attorney, Watts, Tice and Skowroneck

Pledge of Allegiance.

Mrs. MacGregor led the public in the Pledge of Allegiance.

Minutes.

The minutes of the February 5, 2019 reorganization meeting were approved in a motion made by Ms. Pettit and seconded by Mr. Rotondi followed by a unanimous roll call vote by all members present except for Ms. Middleton who abstained as she was not present for the meeting. MOTION CARRIED.

The minutes of the March 5, 2019 regular meeting were approved in a motion made by Ms. Pettit and seconded by Mr. Rotondi followed by a unanimous roll call vote by all members present. MOTION CARRIED

Public Comment.

None.

Correspondence.

None.

Chairwoman's Report.

The Authority plans to schedule a joint meeting with the City to inform them of our plan to increase user rates in the near future.

Engineers Report – CDM Smith, Inc.

This was discussed in the Executive Director's report.

Executive Directors Report – Thomas Horn.

TREATMENT FACILITY: The staff finished the plant PS rehab and the instrumentation contractor was out to connect the new control panel to the SCADA system. Last item on this is replacement of the sidewalks. We started our semiannual tank cleaning.

COLLECTION SYSTEM: The staff worked on an issue with our Swan Street PS. The pumps were picked up by the vendor to be repaired. These are under warranty.

ODOR CONTROL: There were no calls concerning odors in March.

UNION/ PERSONNEL: Mr. Horn advised the Board that Bruce Lee has been hired as our new Operator after the successful completion of the drug screening and physical. Mr. Lee officially started Monday, March 11th.

REGULATORY: An onsite inspection was performed on February 20th of our laboratory and Mr. Horn has responded to address the required corrections and changes. The annual PT test for the lab has been done.

ADMINISTRATIVE ISSUES: At the approval of our JIF, Albitron, LLC has been hired for the office restoration work. They are anticipated to start April 8th and should take approximately two weeks to complete.

5 FERRY STREET: Mr. Horn had received a request from the homeowner for reimbursement of plumber's charges from a sewer backup that occurred on Sunday, March 10th. Staff first received a call on Sunday notifying the Authority of one possible backup at 5 Ferry St. Staff responded quickly to check our station at the location and at that time found no issues. On Monday the Authority received calls from two other residents complaining of their sewer backing up. When our staff responded this time they checked the sewer main in the street further and found a blockage. This was cleared and TV'd to ensure there would be no further issues. The homeowner at 5 Ferry St. is now requesting reimbursement for the plumbers costs in the amount of \$324.55.

A discussion occurred in regards to the cause of this blockage. Mr. Horn suspected that there may have been some grease causing the blockage due to a couple of restaurants that feed into this part of the main. The Board asked if the Authority receives a copy of the County Board of Health grease trap inspections. They also asked if there was a City Ordinance for maintaining grease traps. After a discussion the Board requested that the staff look into the best possible way to ensure that restaurant grease traps in the City are being properly maintained. The Authority will also contact the City to find out more about check valve regulation as well.

Mr. Watts advised the Board of the precedence the Authority would be setting should they agree to pay for the pumping costs associated by the backup. The Board discussed the conditions of the backup and the fact that the homeowner did make us aware of the situation on Sunday. Mr. Watts advised the Board that a resolution should be drawn up with a detailed description specific to this incident only and why the Authority feels they should pay for the homeowner's plumbing costs. The Board agreed with Mr. Watt's recommendation and asked that he

prepare a resolution to approve at the May 7th meeting to reimburse the homeowner at 5 Ferry Street for plumbing costs in an amount not to exceed \$324.55. The resolution should also include that the homeowner is directed to install a check valve so as to prevent any future backups into the residence.

WMP UPDATE: The County's deadline is June 30, 2019 to complete this.

There are no updates on the inclusion of the homes located at the end of S. Franklin Street or the vacant lots located at 2 Rock Road West.

NJ MEL: 2019 Elected Officials Training.

Each Board member who completes the training will earn a \$250 credit towards the Authority's 2019 assessment. Four members have completed the training so far.

2019 Financial Disclosure Statements.

A memo was emailed to the Board members, Attorney, Engineer and managerial staff notifying them of their responsibility to file their 2019 financial disclosures. The three new Board members were given PIN#'s to verify and create their login accounts with the DCA. The disclosures need to be filed with the DCA by April 30th.

Memo-Swan Creek Resiliency.

Mr. Horn updated the Board on the outcome from his meeting with the Mayor and DEP concerning the Swan Creek Resiliency Project. The City continues to negotiate for the land owned by the Lambertville Station Inn, Swan Creek Holding Co. to swap with the State for the land needed to proceed with the project. The State had made it clear that they will not consider any other piece of the land for the deal. The City has to decide if the project is worth going through condemnation. Should the City decide not to go through with the project the Authority will need to add the force main replacement to our Capital Projects list. Mr. Horn will keep the Board informed of any new developments.

Memo-Status of Capital Improvements.

Collections System: Mr. Horn reported that they are finalizing plans for the collection system work at Swan and North Union Streets.

Treatment Plant: Suburban is finalizing plans and specifications for the roofs, repaving the plant and access road. They are currently preparing specifications on the clarifiers parts, disinfection facilities and drain repairs in the press and control buildings.

Asset Management Plan: CDM Smith continues to add to their asset inventory list.

Mr. Horn would like to request DEP approval to advertise for bids soon so the Authority can award contracts prior to June 30th. After that date the loans will go from a 75%-25% to 50%-50% zero interest to market rate.

Resolution 020-2019 *Establishment of Amounts Budgeted for Professional Service Contracts for FY 2019*

WHEREAS, the Lambertville Municipal Utilities Authority (“Authority”), by virtue of Resolution 014 - 2019, authorized the retaining of Howard S. Matteson, P.E., of CDM - Smith to serve as Engineer for the Authority; by virtue of Resolution 015 - 2019 authorized retaining of Robert J. Butvilla of Suplee, Clooney & Company as Auditor, and Carol A. McAllister of Bowman & Company, LLP, as Special Projects Auditor; by virtue of Resolution 016 - 2019 authorized the Authority to retain the services of Acacia Financial Group as Financial Advisor; by virtue of Resolution 017 - 2019 authorized the Authority to retain the services of C. Gregory Watts, Esq., of Watts, Tice & Skowronek to serve as Legal/Labor Attorney and to retain the services of Capehart & Scatchard to serve as Bond Counsel at an hourly blended rate of \$205.00 for an amount of \$35,000.00 plus \$1.10 per thousand dollars of Bonds issued, all as specified in the Contract; by virtue of Resolution 018 - 2019 the Authority retain the services of Fairview Insurance Agency to serve as Risk Manager; and

WHEREAS, the aforesaid Resolutions retaining the services of the said professionals should have included a Contract amount for each professional that will not be exceeded without further approval by the Authority; and

WHEREAS, the Authority desires by this Resolution to set forth the contractual limits for the aforesaid professionals for FY2019.

NOW, THEREFORE, BE IT RESOLVED by the Lambertville Municipal Utilities Authority that the above-named Resolutions are hereby amended and modified to reflect the following contractual limits for expenses:

1. For Engineering - \$8,500.00.
2. For Financial Advisor - Hourly rates of \$50.00/\$250.00 plus \$15,000.00 per Bond issue as specified in Contract.
3. For Legal/Labor Attorney - \$7,000.00.
4. For Bond Counsel - \$35,000.00 plus \$1.10 per thousand dollars of Bonds issued as specified in Contract.
5. For Auditor - \$23,700 as specified in Contract.
6. For Special Projects Auditor - Hourly rates of \$50.00/\$237.00 not to exceed amount specified in Contract.
7. For Risk Manager - \$2,700.00.

BE IT FURTHER RESOLVED by the Lambertville Municipal Utilities Authority that it hereby certifies that it has available funds for the aforesaid purposes in the FY2019 Operating Budget for the said professional services.

MOTION BY: Mrs. MacGregor

SECONDED BY: Mr. Rotondi

ROLL CALL VOTE:

Governing Body Member	Recorded Vote		Abstain	Absent
	Aye	Nay		
Janine MacGregor	X			
Vincent Uhl				X
Paul Rotondi	X			

Russell Lambert	X
Helen Pettit	X
Jacqueline Middleton	X

The Board did not move **Resolution 021-2019** as payment of \$72,000 to the City of Lambertville has been included in the FY 2020 Authority Budget.

FY 2020 Authority Budget

Mr. Horn reviewed the changes to the FY 2020 Authority budget as outlined in his memorandum dated March 29, 2019. He described an overall increase of \$17,597 mainly due to outside lab work and pension increases. The Board held a brief discussion on salaries and our current benefit package. Ms. Pettit recommended that once the Asset Management Plan is complete that we add a line item for spare parts. Mr. Horn explained that the lab fees have increased due to raising rates and the addition of sample pickup charges. With our current DEP permit we have additional lab requirements as well. Mr. Horn intends on bidding these services out to try and find something more economical. Quality of services will be a main concern when looking at the bids.

User fees will most likely need to be increased to meet our bond requirements with the new loan application to NJ IB for the Capital Improvements. At the May meeting the Board plans to review the Authorities' rate history sheet as well as the financial analysis from Acacia. A total revenue projection including Lambertville, Bucks County, Stockton, connection fees and delinquent charges will be prepared for their review.

The Board then compared and questioned all of the major changes to the budget. In the 2020 Operating Budget, the main increases were pension, lab, the engineers' annual report, accounting and audit services. There will be an anticipated decrease in the repayment of our debt service.

In the 2020 Capital Budget, Mr. Horn proposed the following capital improvements to be funded through the proposed NJ IB Capital Improvements loan: major collection system repairs, replacement of chains and flights for the primary and secondary clarifiers, replacement the roofs on the control building and belt press/ garage building and re-pavement of the plant and access road. Upon seeing no further questions or concerns Mrs. MacGregor moved the below resolution.

Resolution 022-2019 *Introducing the 2020 Authority Budget*

WHEREAS, the Annual Budget and Capital Budget for the Lambertville Municipal Utilities Authority for the fiscal year beginning, July 1, 2019 and ending, June 30, 2020 has been presented before the governing body of the Lambertville Municipal Utilities Authority at its open public meeting of April 2, 2019; and

WHEREAS, the Annual Budget as introduced reflects Total Revenues of \$ 2,067,519, Total Appropriations, including any Accumulated Deficit if any, of \$1,974,778; and

WHEREAS, the Capital Budget as introduced reflects Total Capital Appropriations of \$965,000 and Total Unrestricted Net Position planned to be utilized as funding thereof, of \$50,000; 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 2, 2019 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, 2019 and ending, June 30, 2020 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 4, 2019.

Governing Body Member	Recorded Vote			
	Aye	Nay	Abstain	Absent
Janine MacGregor	X			
Vincent Uhl				X
Paul Rotondi	X			
Russell Lambert	X			
Helen Pettit	X			
Jacqueline Middleton	X			

Mrs. MacGregor made a motion to approve Resolution 022-2019 introducing the 2020 Authority Budget. Ms. Pettit seconded the motion. A unanimous voice vote was taken in favor of the motion by all members present. MOTION CARRIED

Chief Financial Officer’s Report - Kathy Leary.

Mr. Rotondi made a motion to approve the bill list for March. Mrs. MacGregor seconded the motion. An affirmative roll call was taken in favor of the motion by all members present. MOTION CARRIED.

Attorney’s Report – Greg Watts.

Mr. Watts had no issues of concern.

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Adjournment.

The meeting adjourned at 7:19 p.m. with a unanimous voice vote taken by all members present. MOTION CARRIED.

Respectfully submitted,

Melissa S. Ege

Melissa S. Ege, Administrative Assistant

Approved at the regularly scheduled Lambertville MUA Board meeting held on May 7, 2019.