



Lambertville Municipal Utilities Authority
Tuesday, May 7, 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. Ege called the roll as follows:

LMUA Board:

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

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 April 2, 2019 regular meeting were approved in a motion made by Mr. Rotondi and seconded by Mr. Lambert followed by a unanimous roll call vote by all members present except for Mr. Uhl who abstained as he was absent. MOTION CARRIED

Public Comment.

None.

Correspondence.

1. 47 & 49 Swan St. Connection Permit Fees Due: In a letter dated April 3, 2019 the Authority re-advised the property owner of their unpaid connection fees for two permits originally issued in 2008. Since the property did not connect within the one year permit period additional connection fees were due before they would be allowed to connect. Mr. Horn reported that the fees have now been paid and the permits have been updated and reissued.
2. 31 N. Franklin St.: Capacity and connection fee policy was verified in a letter dated April 11, 2019. Approval of the three units was re-verified and the Authority advised the owner that additional connection fees would be due prior to connection since the permit was originally issued in 2015. A copy of the letter was sent to the Construction office to help enforce our permit policy.
3. 169 N. Main St., New Hope, PA: Capacity and availability was approved in a letter dated April 17, 2019 for the proposed additional two units.

4. 7 Grant Ave. Rear: A letter dated April 22, 2019 was sent to the City of Lambertville Construction office to advise them that the Authority has not received an application for connection into the sewer system for the new apartment located at the address. We ask that they keep us informed on the property's status.
5. Capital Projects Requests: Bucks & Stockton Capital Projects requests were sent on April 29th as per their current service agreements. The Authority has calculated \$39,275.01 due from Bucks County and \$5,948.50 due from Stockton.

Chairwoman's Report.

Mrs. MacGregor asked about the progress of the meeting with the Mayor to go over our impending rate increase. Mr. Horn will contact the City and set something up to review everything with the Mayor.

Engineers Report – CDM Smith, Inc.

This was discussed in the Executive Director's report.

Executive Directors Report – Thomas Horn.

TREATMENT FACILITY: Staff finished our semiannual tank cleaning and the plant PS rehab.

COLLECTION SYSTEM: The staff worked on normal maintenance.

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

UNION/ PERSONNEL: No issues.

REGULATORY: Our lab past the annual DEP PT test.

ADMINISTRATIVE ISSUES: At the April 2nd meeting the Board had decided to conditionally approve the reimbursement request from the owner of 5 Ferry Street for plumber's charges. A resolution to approve this is on this meeting's agenda.

FY 2020 Budget: The DCA had some comments and corrections to the budget. One correction, was addressed in Resolution 023-2019 to amend the debt service amounts in the budget to reflect the amounts in our recent audit report. This is on the agenda for approval tonight.

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.

Memo-E.D. Vacation.

Mr. Horn notified the Authority that he will be on vacation from May 20th through May 24th. He plans to leave a list of priorities for the operators to do while he is away.

021-2019 REIMBERSMENT FOR SEWERAGE BACK-UP

WHEREAS, the Lambertville Municipal Utilities Authority (“Authority”) received a call from the owners of 5 Ferry Street regarding a sanitary sewer back-up into those premises; and

WHEREAS, Authority personnel were immediately dispatched to investigate and visually could find no blockage in the Authority’s main; and

WHEREAS, the property owner’s plumber later determined that there was a blockage in the Authority’s sewer main; and

WHEREAS, the Authority thereafter re-investigated its sewer line adjacent to the subject premises, jetted the line and found that there was, in fact, a blockage in the Authority’s sewer main; and

WHEREAS, costs associated with a blockage such as this would not ordinarily be the responsibility of the Authority, but since the Authority was unable to initially discover the blockage, it has determined that it is in the best interests of the Authority and the owner of 5 Ferry Street that it reimburse the homeowner for the plumbing fees incurred by them in the amount of \$324.55; and

WHEREAS, funds exist in the Authority’s budget for this purpose.

NOW, THEREFORE, BE IT RESOLVED by the Lambertville Municipal Utilities Authority that based upon the unique circumstances set forth in this Resolution, it hereby authorizes the reimbursement of the owner of 5 Ferry Street for plumbing costs involved in the sewer line blockage in the total amount of \$324.55.

BE IT FURTHER RESOLVED that the owner of 5 Ferry Street shall be directed by the Authority to install a check valve in order to prevent future back-ups.

MOTION BY: Mrs. MacGregor

SECONDED BY: Ms. Pettit

ROLL CALL VOTE:	Janine MacGregor	- yes
	Vincent Uhl	- yes
	Paul Rotondi	- yes
	Russell Lambert	- yes
	Helen Pettit	- yes
	Jacqueline Middleton	- did not vote
	Michael Gaudio	- did not vote

Mr. Horn will send a letter out to the homeowner advising them of the reimbursement authorization and that they are responsible for the installation of a check valve.

023-2019 RESOLUTION TO AMEND THE FY 2020 AUTHORITY BUDGET

WHEREAS, on the 2nd day of April, 2019 the Lambertville Municipal Utilities Authority adopted Resolution 022-2019 approving the budget for fiscal year beginning July 1, 2019 and ending June. 30, 2020; and

WHEREAS, a public hearing on said budget will be held on June 4, 2019; and

WHEREAS, it is the desire of the Board to amend said approved budget.

NOW, THEREFORE BE IT RESOLVED, by the Governing Body of the Lambertville Municipal Utilities Authority, County of Hunterdon that the following amendments are made to the approved budget for the fiscal year beginning July 1, 2019 and ending June. 30, 2020 as follows:

OPERATING BUDGET	From	To
Total Principal Payments on Debt Service	\$383,298	\$387,299
Total Appropriations, including any Accumulated Deficit	\$1,974,778	\$1,978,779

BE IT FURTHER RESOLVED, that two (2) certified copies of this resolution shall be filed forthwith in the Office of the Director of Local Government Services for certification of the Lambertville Municipal Utilities Authority budget so amended.

MOTION BY: Mrs. MacGregor

SECONDED: Mr. Rotondi

ROLL CALL VOTE:		
	Janine MacGregor	- yes
	Vincent Uhl	- yes
	Paul Rotondi	- yes
	Russell Lambert	- yes
	Helen Pettit	- yes
	Jacqueline Middleton	- did not vote
	Michael Gaudio	- did not vote

Memo-Bond Counsel.

At the February reorganization meeting the Board awarded a professional contract for Bond Counsel to Capehart and Scatchard for 2019. Before a contact could be executed, their only lawyer who handles Authority bonds left the firm. Mr. Horn reviewed the other proposals submitted for the position and recommends that the Board appoint McManimon, Scotland and Bauman who have experience with the NJIB process. Ms. Pettit requested that some additional language be placed in the resolution to include that the “Authority wished to repeal the original award to Capehart and Scatchard and award in lieu of to McManimon, Scotland & Baumann” Mr. Watts advised that the Board also include language stipulating that the professional service contract is awarded subject to the approval of himself and Mr. Horn.

024-2019 AUTHORIZING PROFESSIONAL SERVICE CONTRACT FOR BOND COUNSEL

WHEREAS, the Lambertville Municipal Utilities Authority (“Authority”), by virtue of Resolution 017-2019, authorized the retaining of Thomas J. Hastie, Jr., of Capehart & Scatchard, P.A. to serve as Bond Counsel for the Authority, and

WHEREAS, as of March 5, 2019, Thomas Hastie Jr. is no longer with Capehart & Scatchard, P.A. and as a result the firm no longer has an attorney who specializes in public finance; and

WHEREAS, a contract between Capehart & Scatchard, P.A. and the Authority has not been executed; and

WHEREAS, the Board wishes to repeal the original contract award to Capehart & Scatchard, P.E.; and

WHEREAS, due to these circumstances, the Authority wishes to appoint Christopher B. Langhart of McManimon, Scotland & Baumann to serve as Bond Counsel; and

WHEREAS, N.J.S.A. 40A:11-5 requires that the Resolution authorizing the award of contracts for “Professional Services” without competitive bids and the contracts themselves must be available for public inspection; and

WHEREAS, pursuant to the Fair and Open Process proposals were received on January 11, 2019 for Bond Counsel; and

WHEREAS, the proposals and documents have been reviewed and the proposal from McManimon, Scotland & Baumann has been found to be in the best interest of the Authority; and

WHEREAS, McManimon, Scotland & Baumann shall be retained pursuant to the proposal previously submitted and dated January 11, 2019; and

WHEREAS, this award is subject to approval of their professional services contract by Mr. Horn and Mr. Watts; and

WHEREAS, the Authority’s CFO has certified that funds are available for this contract.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Lambertville Municipal Utilities Authority, as follows:

1. Thomas F. Horn is hereby authorized and directed to execute an agreement with Christopher B. Langhart of McManimon, Scotland & Baumann to serve as Bond Counsel, with an hourly rate of \$135.00-\$250.00 and for an amount not to exceed \$25,000 for the contract period through February 4, 2020.
2. The Authority shall publish notice of this action as required by law.
3. The Resolution shall be effective immediately upon adoption.

MOTION BY: Mrs. MacGregor

SECONDED: Mr. Uhl

ROLL CALL VOTE:	Janine MacGregor	- yes
	Vincent Uhl	- yes
	Paul Rotondi	- yes
	Russell Lambert	- yes
	Helen Pettit	- yes
	Jacqueline Middleton	- did not vote
	Michael Gaudio	- did not vote

Memo-Status of Capital Improvements.

Collections System: Suburban has submitted the plans and specifications to the DEP for review. Mr. Horn reported that the cultural and environmental reviews are finished.

Treatment Plant:

- Roofs: submitted the plans and specifications to the DEP for review.
- Clarifiers Parts: submitted the plans and specifications to the DEP for review.
- Repaving Plant and Access Road: submitted the plans and specifications to the DEP for review.
- Disinfection Facilities: working on design
- Drain Repairs: working on design

Mr. Horn would like to get authorization from the Board to advertise for bids for the collections system work to be received by May 29th with the intention to award subject to DEP approval at the June 4th meeting. The other projects may need a special meeting to award them in time for our Bond Counsel to prepare the short term loan paperwork. The disinfection facilities and drain repair plans and specifications are not close to being completed and will not be ready to award prior to the June 30th deadline. After a discussion, Mr. Horn requested that the Board authorize him to solicit bids for all capital projects to ensure that the bids are received in time to make the submission deadline. The Board then decided on June 11th or June 18th as possible dates to hold the special meeting depending on when we receive DEP approvals.

Mrs. MacGregor made a motion to authorized Mr. Horn to advertise for bids for the Capital Improvement Projects with the intent to award prior to the June 30th submission deadline. Ms. Pettit seconded the motion. An affirmative roll call was taken in favor of the motion. MOTION PASSED

Suburban Consulting Engineers, Inc. had submitted an amendment to their original agreement for professional engineering services for the Capital Improvements Projects to include their assistance during the bid and construction phases. There were some questions on the amendment, including why the rates are the same for the bidding/ construction services as they are for professional engineering services. Mr. Horn explained that this is a blended rate which is reflected in their current rate schedule as per their professional services proposal. Mr. Horn also assured the Board that he reviews all of the bills before it goes before the Board for payment. Ms. Pettit would like the proposed Resolution 025-2019 to be called amendment #1. Seeing no further issues or questions Mrs. MacGregor moved the below resolution.

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

RESOLUTION 025-2019 AUTHORIZING CONTRACT AMENDMENT #1 TO THE 2019 COLLECTION SYSTEM WORK WITH SUBURBAN CONSULTING ENGINEERS, INC. FOR BIDDING SERVICES, CONSTRUCTION INSPECTION & ADMINISTRATION

WHEREAS, the Lambertville Municipal Utilities Authority's ("LMUA") by virtue of Resolution 037-2018, awarded a contract to Suburban Consulting Engineers, Inc. ("Suburban") for professional engineering services for collection system and waste water treatment plant work to be funded through the NJ I-Bank; and

WHEREAS, Suburban submitted a contract amendment dated April 22, 2019 to their original professional services agreement to include bidding, construction inspection & administration services for collection system improvements; and

WHEREAS, the contact amendment proposes a fee not to exceed \$47,490 which is in addition to their original professional services agreement fee not to exceed \$127,320; and

WHEREAS, the Executive Director, has reviewed the amendment and recommends that the LMUA authorize the contract amendment as written.

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the Lambertville Municipal Utilities Authority at the meeting of May 7, 2019 as follows:

1. Suburban Consulting Engineers, Inc. contract amendment dated April 22, 2019 is hereby authorized for bidding, construction inspection and administration services, dated April 22, 2019, in an amount not to exceed \$47,490.
2. Thomas F. Horn, P.E., Executive Director is hereby authorized and directed to execute any and all documents and to take any and all actions necessary to implement this resolution.
3. The Resolution shall be effective immediately upon adoption.

MOTION BY: Mrs. MacGregor

SECONDED: Mr. Rotondi

ROLL CALL VOTE:	Janine MacGregor	- yes
	Vincent Uhl	- yes
	Paul Rotondi	- yes
	Russell Lambert	- yes
	Helen Pettit	- yes
	Jacqueline Middleton	- did not vote
	Michael Gaudio	- did not vote

The Bank of New York has requested that the Authority update its list of authorized signatures to verify and perform transactions.

RESOLUTION 026-2019 AUTHORIZED SIGNATURE LISTING

WHEREAS, the Lambertville Municipal Utilities Authority is authorized by statute to establish and maintain such bank accounts as it may find necessary and convenient in order for it to exercise its public and essential governmental functions, and

WHEREAS, as the result of a recent audit examination, the Trustee must maintain a current updated listing of authorized individuals from whom the Bank of New York Mellon is permitted to receive instruction,

NOW, THEREFORE, be it resolved that the following individuals of the Lambertville Municipal Utilities Authority will be authorized to perform transactions relating to the Bank of New York Mellon.

- Janine MacGregor
- Vincent Uhl
- Russell Lambert
- Paul Rotondi
- Thomas F. Horn
- Kathy Leary

MOTION BY: Mrs. MacGregor

SECONDED: Mr. Uhl

ROLL CALL VOTE:	Janine MacGregor	- yes
	Vincent Uhl	- yes
	Paul Rotondi	- yes
	Russell Lambert	- yes
	Helen Pettit	- yes
	Jacqueline Middleton	- did not vote
	Michael Gaudio	- did not vote

FY 201-2020 RATES & CONNECTION FEES.

Mr. Horn reviewed the following handouts with the Board to begin our annual review of sewer use and connection fees: *Rate Schedule, Effective July 1, 2018, History of User Charge Amounts 1983-2019, Bowman & Co.’s Connection Fee Calculation: As of June 30, 2018, Acacia’s Pro-Forma Cash-Flow Model, Scenario 2b, Annual Cash Receipts Summary FY 2014- FY 2019.*

Connection Fee Calculation: Overall the connection fee as prepared by Bowman & Co. proposes a maximum increase of \$165.00 per EDU. The maximum connection fee beginning July 1, 2019 is proposed to be \$6,198 per EDU.

ACACIA Pro-Forma Cash-Flow Model, Scenario 2b: Mr. Horn reviewed the updated spreadsheet originally prepared by Mr. Nyikita in June of 2018 when he was reviewing the Authorities financial status. Included in his sheet is the provision of 120% of the Authorities annual debt service, listed as “coverage target.” This model was one of several models Mr. Nyikita prepared to review various rate scenarios with some base on our current debt and some with the addition of a new

capital improvement project. Each model projects (10) ten years ahead to show the Authorities' extended financial state for user rate planning. In 2018 *Scenario 2b* was the Board's choice for a preferred rate plan at a fixed increase of 3.93% each year for (10) ten years. Mr. Rotondi reminded the Board that the main reason for a rate increase is to ensure that the Authority continues to have sufficient funds to operate as well as be able to put funds into its reserve account, *Capital Improvements Fund*. This fund can be used by the Authority for any unforeseen repairs or replacements needed maintain on operational facility. Mrs. MacGregor also pointed out that when CDM Smith completes their Asset Management report there will be other improvement projects that may need to be addressed.

History of User Charge Amounts: Mrs. MacGregor discussed the user rate history with the Board, pointing out that in the 1990's the user rates were increased a small percentage each year. Then starting in 2010 the Board decided not to raise them for (7) seven years. The result of not raising the rates and paying the City \$72,000 yearly has depleted our reserves. Mrs. MacGregor stated that this is the case we shall make before the Mayor and City when we explain the necessity for a rate increase.

Current Rate Schedule, effective July 1, 2018: The Board reviewed the current rate schedule set at \$118.00 per quarter for all residential users. The Board considered a possible increase of 4% each year or just increasing the rate to the closest whole number of \$122 - \$123 per quarter for residential users.

Annual Cash Receipts Summary: The Board discussed the major line items contributing to the total to-date and projected revenue for FY 2019. The spreadsheet has yearly totals broken down into Lambertville Sewer Paid, Interest, Municipal Sewer Paid and Connections Paid.

Upon review and discussion of all the hand outs and at the advisement of Mr. Watts it was the Board's decision to advertise for a rate hearing at our June 4th meeting for the connection fee and user rates.

Prior to the rate hearing the Authority will schedule a meeting with the Mayor to discuss the impending rate changes and to answer any questions she may have.

Chief Financial Officer's Report - Kathy Leary.

Mrs. MacGregor made a motion to approve the bill list for April. Mr. Rotondi 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.

Memo dated April 15, 2019, *Update to Confined Space Agreement*: Mr. Watts advised the Board that he had received communication from the Fire Commission's Attorney requesting a change to our current agreement. The Commission would like the Authority to be responsible for any equipment used for confined space that becomes contaminated or is in need of replacement. Mr. Watts thinks that this is a reasonable request so long as we include language that stipulates that the Authority is only responsible for confined space equipment involving the Authority. Mr. Watts will prepare some language for the Board to review at our June 4th meeting.

Lambertville Municipal Utilities Authority

Tuesday, May 7, 2019, 6:00 PM

Lambertville Wastewater Treatment Facility, Lambert Lane Extended

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Adjournment.

The meeting adjourned at 7:28 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 June 4, 2019.