



Lambertville Municipal Utilities Authority

Tuesday, May 4, 2021, 6:00 PM

Virtual Zoom Meeting Minutes

Link: <https://us02web.zoom.us/j/85330920373>

The meeting was called to order at 6:01 p.m. by Chairwoman MacGregor who read the statement of compliance with the Open Public Meetings Act, by adoption of *Resolution 005-2021* setting forth meeting dates for 2021-2022. Notification was additionally published on Thursday, February 11, 2021 to the Hunterdon County Democrat and also noticed in the Times of Trenton. A copy of the agenda was posted on the web sites of the LMUA and the City of Lambertville.

Pledge of Allegiance.

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

Absent: Jacqueline Middleton-Alternate I, Holly Havens-Alternate II Board Member

Also Present: Thomas F. Horn, P.E.-Executive Director, C. Gregory Watts-Watts, Tice & Skowronek, Kathy Leary-CFO, Howard Matteson, CDM Smith

Public Participation Instructions for Zoom.

Acknowledging that there was public in attendance, Mrs. Ege read the public participation instructions for the record.

Virtually by Computer: If you are currently utilizing a computer to participate, you would click the **“Raise Hand” button** on the bottom of the screen. This will place you in a queue that I can see for when it’s time to take public comments. People are sorted in the order they raised their hands. When I call on you, a message will pop-up asking if you want to unmute yourself. If you choose to move forward and place a public comment or question, choose to unmute, if you have changed your mind then choose deny.

Telephonically by Phone: If you are dialing in tonight on your phone, to **“raise your hand” dial *9** to be placed in the queue. When called on, the system will ask you to confirm being un-muted to proceed.

Once called, I will ask you to please state your full name and address into the record, then please feel free to make your comment or ask a question. You will remain unmuted while the governing body responds. Please make sure there is no background noise such as the T.V. on, music or loud chatter.

When public comments are finished, participants will be placed back on mute for the duration of the meeting.

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Minutes.

The minutes from the April 6, 2021 virtual regular meeting were approved with the 2 typo corrections on page 5 as indicated by Mrs. Pettit with a motion made by Mr. Uhl and seconded by Mr. Rotondi and followed by a unanimous roll call vote. MOTION CARRIED

Governing Body Member	Recorded Vote:		Abstain	Not Voting	Not Present
	Aye	Nay			
Janine MacGregor	X				
Vincent Uhl	X				
Paul Rotondi	X				
Russell Lambert	X				
Helen Pettit	X				
Jacqueline Middleton					X
Holly Havens					X

Correspondence.

1. NJDEP Notice of Equipment out of Service-Primary Clarifier: In a letter dated April 13, 2021 Mr. Horn confirmed his phone call to NJDEP on April 9th advising them that the primary clarifier was taken offline for maintenance.
2. NJDEP Notice of Equipment Online-Primary Clarifier: In a letter dated April 30, 2021 Mr. Horn informed the NJDEP that the tank maintenance was completed and the tank was back in service on the 29th. Mr. Horn also noted that everything went well with the maintenance upgrades.

Chairpersons Report-Janine MacGregor.

Mrs. MacGregor did not have a report, but extended her thanks to everyone at the LMUA saying that “everyone is doing a great job”. Mrs. MacGregor briefly discussed the main topics of the meeting with the Asset Management Plan being the main topic of discussion tonight. The Authority’s Engineer, Howard Matteson from CDM Smith is in attendance to present the status of the plan.

Engineer’s Report.

Mr. Horn formally introduced and welcomed Howard Matteson, CDM Smith who has prepared an update on the Asset Management Plan. The project is being fully funded through a grant issued to the Authority.

Mr. Matteson thanked Mr. Horn and Mrs. MacGregor for the introduction and explained that this is a draft for the Board’s review and there is no action needed by the Board tonight. At this time, Mr. Matteson presented the Board and the public with a power point presentation outlining the Asset Management Plan via screen share. The full draft plan was sent to the Board earlier in the month for their review and comments.

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Mr. Matteson explained the key components of the plan are: introduction, asset inventory, asset business risk, financial plan and recommendations. The introduction explains what the plan is and some history on the Authority, the asset inventory is a detailed list of all Authority assets, the asset business risk is the “combination of probability of failure and consequence of failure” with the items rated the highest rising to the top of our to do list. The financial plan is unique to the Authority and projects out 20 years. Mr. Matteson confirmed that the Authority’s plan is compliant with the requirements of the Environmental Protection Agency, EPA and the New Jersey Department of Environmental Protection, NJDEP.

Mr. Matteson explained that the “Asset Management Plan is a tool for planning and budgeting capital, operation and maintenance spending over a 20 year period.” The assets are divided into three groups: the treatment plant, the collections system and the pumping stations. The main goal of the plan is to anticipate what needs to be done far enough into the future so that user rates can be adjusted in small increments to build up the funds needed. Mrs. MacGregor pointed out that the Authority is currently utilizing a 10 year plan and wanted to make sure that Mr. Matteson has reviewed this and will in some way incorporate it into the Asset Management Plan.

Mr. Matteson reviewed the top priorities under the three main groups that have been identified as a result of the plan. Firstly under the main plant, the belt filter press was named a priority as it is an older and more critical piece of machinery in our sludge removal process. Another major item is the repairs to the collections system. The majority of the collections system is original from the 1950’s and because of its age it has been placed to the top of the list. As part of the asset management grant, Mr. Matteson will be contracting a company to begin inspection of the collections system in order to identify only areas in need of repair. The Board discussed the rating process of the plan and Mr. Matteson explained there are five major factors used equally to determine which items are rated as high priority. Lastly he noted the pumping stations should be considered but are not as critical as the first two items. He went over the items he felt were needed at the Swan, N. Union and Coryell pump stations. He made the Board aware that the costs for connection of properties with onsite septic systems have not been included in the plan. Ms. Pettit noted that the Ferry Street pump station was not included on the summary list and felt that it should be factored in. Mr. Horn confirmed that the station was reviewed and it is included in the plan it is just not listed on the presentation as it was recently rehabilitated.

At the conclusion of his report Mr. Matteson asked if there were any questions or concerns. Ms. Pettit recommended that a glossary should be included in the final plan for the purposes of public transparency as there are a lot of technical terms and acronyms used. Mrs. MacGregor would like an explanation of how the business risk is calculated included in the next draft. Also to that point, Mrs. Pettit would like the term “Business Risk” renamed to “Authority Risk” as it is not an accurate term for an authority. She stated that “this is a service and not a business” and that it is not the Authority’s mission to make money. Mr. Matteson will include some language in the beginning of the plan indicating the change in terminology. The Board had a few more specific questions on Mr. Matteson’s report. Mr. Horn explained that our intergovernmental customers, Bucks County W&SA and Stockton Borough do pay a portion of the costs for capital projects. Mr. Matteson suggested that if the Board would like more time for questions and review on the plan a separate meeting could be setup. Mrs. MacGregor requested that Mr. Matteson look into the possibility of merging the Asset

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Management Plan and the Proforma Cash Flow spread sheet so they are linked and can be updated together as needed. Mr. Horn agreed and said once the plan is finished he will set up a separate meeting to go over any changes the Board had noted tonight and may need in the future. The Board thanked Mr. Matteson for his time tonight and for all of the work on the plan before leaving the meeting at 7:08 p.m.

Executive Directors Report-Thomas Horn.

OPERATIONS REPORT FOR APRIL 2021: Mr. Horn reported that operations staff worked on normal maintenance including the bi-annual tank cleaning. Contractors were in to grout a few joints in the tank for the clarifier project.

ODOR CONTROL: No calls for April.

UNION/ PERSONNEL: Mr. Horn reported that the updates for the Employee Handbook and Personnel Policies and Procedures have been made and reviewed by Mr. Watts. It will be sent out for the Board's review and can be discussed at our upcoming meetings in June or August. The Board will need to get these approved by November as required by our insurance. **Union Negotiations:** The Authority had submitted information the Union had requested and are currently waiting for a response. Once Mr. Horn hears back from them he will update Mr. Watts and the Personnel Committee.

REGULATORY: Biofilter and carbon unit continue to be monitored. The DEP Inspector was out for their annual inspection this past month and there were no serious issues of concern. There were a few minor maintenance requests that Mr. Horn is addressing.

ADMINISTRATIVE ISSUES:

Accounting/ billing program: The data discovery process is continuing with the Edmunds software upgrade.

NJIB Loan: Work on the long term financing is being rescheduled to the fall. The NJIB is requiring that all work under the Asset Management Plan grant to be completed before closing on the loan. Our Financial Advisor feels that it makes sense to wait until the Authority has fully submitted for the grant.

Replacement of Biofilter Media: The bid opening has been pushed back to 5/25/21 to allow the bidders more time to submit.

Sodium Hypochlorite & Sodium Bisulfite: The requests for proposals were advertised 4/22/21 with a bid opening date of May 20th.

The operations staff participated in a training session with the fire department on operating a device they have for trench rescues that works with our Vac truck.

FINANCIAL DISCLOSURE STATEMENT: The Board was notified that the DCA had extended the filing deadline to May 31st.

Memo-Status of Capital Improvements.

Mr. Horn reviewed his spreadsheet entitled *Capital Projects 2019-2021, April Update* with the Board reporting that the first clarifier is complete and the second clarifier will be done in May. The rest of the projects are complete and waiting for DEP inspection.

Connection Fee & User Fees for FY 2022.

Mr. Horn reviewed the proposed FY 2022 connection fee report calculated by Bowman & Co. the Authority's Special Projects Auditor. The fee is calculated by taking the Authority's capital base and dividing it by the total number of single family equivalent dwelling units. Based upon these parameters, Bowman & Co. find the maximum allowable connection fee for FY 2022 to be \$6,855. Ms. Pettit had a few editorial changes, one was on Schedule A that included adding the title "Capital Base Subtotal" to the subtotaled amount under Capital Base and the second was on Schedule B to add the word "Qualifying" to Senior Citizens.

At the April 6th meeting the Board agreed on a proposed rate increase of 3.91% or \$5.00 more per unit, per quarter effective July 1, 2021. The increase would cover operating expenses, the bond coverage and capital improvements for FY 2022. The Board reviewed the rate increases as shown on the proposed FY 2022 Rate Schedule.

Hearing no other questions or comments, Mrs. MacGregor noted that the rate hearing has been scheduled for June 1st and will be held via Zoom Webinar at 6:00 p.m.

FY 2021 Annual Audit.

A discussion on the Board's review of the 2020 Audit Report took place. Ms. Pettit noted that "we as the Board of Commissioners are the ones that are ultimately responsible." Mrs. MacGregor noted that she appreciated all of Ms. Pettit's attention to detail. Ms. Pettit would like the terminology on page 35, third line under the *Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate* section the term "Township" should be changed to "Authority." Mr. Horn will contact Suplee Clooney to correct this in their files.

RESOLUTION 024-2021 GOVERNING BODY CERTIFICATION OF THE ANNUAL AUDIT

WHEREAS, N.J.S.A. 40A:5A-15 requires the governing body of each local authority to cause an annual audit of its accounts to be made, and

WHEREAS, the annual audit report for the fiscal year ended June 30, 2020 has been completed and filed by the Registered Municipal Accountant with the Clerk of the City of Lambertville pursuant to N.J.S.A. 40A:5A-15, and

WHEREAS, N.J.S.A. 40A:5A-17, requires the governing body of each authority to, within 45 days of receipt of the annual audit, certify by resolution to the Local Finance Board that each member thereof has personally reviewed the annual audit report, and specifically the sections of the audit report entitled "**General Comments**,"

"**Recommendations**," and "**Schedule of Findings and Questioned Costs**," and has evidenced that review by group affidavit in the form prescribed by the Local Finance Board, and

WHEREAS, the members of the governing body have received the annual audit and have personally reviewed the annual audit, and have specifically reviewed the sections of the annual audit report entitled "**General Comments**,"

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"Recommendations," and "Schedule of Findings and Questioned Costs," in accordance with N.J.S.A. 40A:5A-17.

NOW, THEREFORE BE IT RESOLVED, that the governing body of the Lambertville Municipal Utilities Authority hereby certifies to the Local Finance Board of the State of New Jersey that each governing body member has personally reviewed the annual audit report for the fiscal year ended June 30, 2020, and specifically has reviewed the sections of the audit report entitled "**General Comments**," "**Recommendations**," and "**Schedule of Findings and Questioned Costs**," and has evidenced that review by group affidavit in the form prescribed by the Local Finance Board.

BE IT FURTHER RESOLVED that the secretary of the authority is hereby directed to promptly submit to the Local Finance Board the aforesaid group affidavit, accompanied by a certified true copy of this resolution.

Moved: Mrs. MacGregor

Second: Mr. Rotondi

Governing Body Member	<u>Recorded Vote:</u>		Abstain	Not Voting	Not Present
	Aye	Nay			
Janine MacGregor	X				
Vincent Uhl	X				
Paul Rotondi	X				
Russell Lambert	X				
Helen Pettit	X				
Jacqueline Middleton					X
Holly Havens					X

Chief Financial Officer's Report.

Mr. Rotondi made a motion to approve the bill list for April. Mr. Uhl seconded the motion. An affirmative roll call was taken in favor of the motion by all members present. MOTION CARRIED Mrs. Leary noted that there were a couple large bills this month that included the annual payment to the State for our discharge permit and the biannual insurance liability payment.

Governing Body Member	<u>Recorded Vote:</u>		Abstain	Not Voting	Not Present
	Aye	Nay			
Janine MacGregor	X				
Vincent Uhl	X				
Paul Rotondi	X				
Russell Lambert	X				
Helen Pettit	X				
Jacqueline Middleton					X
Holly Havens					X

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Attorney's Report.

Union Contract: Mr. Watts reported that Mr. Horn covered the status of negotiations in his report earlier. The Authority is waiting for the Union representatives to reach out with a meeting date to go over the upcoming contract with the Personnel Committee. He will keep the Board informed on any new developments.

Public Comment.

At this time Mrs. Ege confirmed that public was in attendance tonight and asked if there were any questions or comments. Shirah Gray a resident from 17 Northfield Court asked where the plant was in terms of the total treatment capacity. Mr. Horn replied that the plant is running at about 44% of the 1.5 million gallons per day capacity. Ms. Gray asked how old the intergovernmental agreements were between Bucks County W&S Authority and Stockton Borough as well as the age of the force mains connecting them to our treatment facility. Mr. Horn confirmed that Stockton's pipe was installed in the 1980's and Bucks County W&S Authority installed a new force main in 2007. Mr. Watts confirmed that both agreements were brought up to date within the past ten years.

Ms. Gray then asked about the increase in flow seen from Bucks from 2012 to 2019 and how sustainable our system is for future capacity. Mr. Horn confirmed that Bucks has a contract limit of about 625,000 gallons a day but are currently not near that limit. The Lambertville MUA would need to approve any increase to the discharge before Bucks could approve any new projects that could impact it. Ms. Gray asked if the Authority is budgeting for an increase in flows from our intergovernmental agreements. Mr. Horn explained that we do see higher flow in some years mostly based on infiltration but at this time do not feel it is necessary to plan for an increase in plant capacity.

Ms. Gray asked if the Authority had a "built in buffer" for climate changes related to global warming factors that could affect the amount of infiltration and ultimately increase flow. Mr. Horn explained that we do not treat storm water and that infiltration is a minor concern that should have a minimal impact on the plant. He stated that if our capacity were to increase to 80% of our total capacity we would then need to do a study and possibly plan on an expansion. Ms. Gray asked if an extended drought could affect our treatment system. Mr. Horn confirmed the plant wouldn't be affected by a drought.

There was a discussion on the recent hotel developments, Closson property acquisition by the City and proposed school redevelopment plan and how these would affect our capacity. Mr. Horn said the Closson property is currently connected and the City plans on reusing the existing buildings. Both the hotel and school developments are still in the beginning stages of planning and any new developments would need to come before the Board for approval prior to any work beginning.

Mrs. MacGregor thanked Ms. Gray for her interest in the sewer system and for all of her questions. Mr. Horn added that should anything further come up to please contact our office.

Adjournment.

The meeting adjourned at 7:40 p.m. with a motion made by Mrs. MacGregor seconded by Mr. Rotondi and followed by a unanimous voice vote taken in favor of the motion 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 June 1, 2021.