

Minutes - November 15, 2018

The regular meeting of the Cinnaminson Sewerage Authority was held on November 15, 2018 in the conference room located within the Cinnaminson Municipal Building and commenced at 6:30 PM.

Chairman Richard Strobel was not present. Vice Chairman Robert O'Connor opened the meeting and read the following:

**OPEN PUBLIC MEETINGS ACT**

N.J.S.A. 10:4-6 et seq.

Adequate notice of this meeting has been provided in accordance with the Open Public Meetings Act by;

- (a) prominently posting the Annual Notice of Meetings Resolution and maintaining such notice on a public bulletin board reserved for such or similar announcements.
- (b) by submitting the Annual Notice of Meetings Resolution for publication in the Burlington County Times, the Board's official newspaper, and the Courier Post, the Board's alternate official newspaper in February 2018 within seven days of the Board's reorganization meeting;
- (c) filing the Annual Notice of Meetings Resolution with the Clerk of the Township of Cinnaminson; and
- (d) mailing the Annual Notice of Meetings Resolution to any persons who shall have prepaid to receive such notice.

This statement shall be entered into the minutes.

On roll call by Secretary Judy Devone those present were Board Members: Peter Galosi, Robert O'Connor, Richard Strobel (who arrived just after Vice Chairman read the Open Public Meetings Act) and Thomas Kollar. Mr. Frank Szymkowski was absent. Also in attendance were Cynthia Doerr, Administrator, Wayne D. Simpson, Authority Engineer, Bradford Smith, Authority Solicitor and Kevin Kramer, Superintendent of Operations.

Authority employee Matthew Naisby was in public attendance along with Mr. James Fisher of Pechter's of Southern NJ.

Vice Chairman Robert O'Connor turned the meeting over to Chairman, Richard Strobel.

**RATE HEARING**

Mr. Strobel stated that a rate hearing was first on the agenda and a resolution for the Commissioners' consideration, 2018/2019-38 Connection Fees, was posted to the document site. Mr. Strobel confirmed with Cynthia Doerr that the hearing was advertised in Authority's official newspaper with the proposal. He noted that page two of the resolution lists the specific revisions that are pending before the Board. He stated that as part of the rate hearing there is sworn testimony presented and said Authority Solicitor, Brad Smith, has been delegated the task of conducting the hearing.

**Mr. Smith:** This evening the Authority will be conducting a Rate Hearing pursuant to the provisions of NJSA 40:14A-8 which authorizes the Authority to charge and collect rents, rates, fees and other charges for use or services of the sewerage system and to revise those charges upon a showing that the proposed adjustments are necessary and reasonable. New Jersey law requires that the connection fees must be recomputed at the end of the fiscal year according to a statutorily prescribed formula set forth in a previously cited statute. After public hearing and adoption, the new connection fees, a one-time charge, may be imposed upon those who subsequently connect to the sewer system. Current users have already paid a connection fee and will not be affected. The purpose of sewerage connection fees is for the new user, who is benefiting from the capital costs of the sewer system, to contribute to the local sewer authority's already incurred debt service and thereby to relieve prior users of a portion of that burden in order that all users share the debt service equally. We will hear testimony from the Sewerage Authority's independent auditor, Mr. Michael Holt, CPA, with the firm of Holman, Frenia & Allison with respect to his review and calculation of the Authority's residential and non-residential connection fees which are set forth in a proposed form of resolution which you have before you. In addition to Mr. Holt, you will hear testimony from the Sewerage Authority's Engineer, Mr. Wayne Simpson of Alaimo Associates, regarding equivalent dwelling units, referred to as EDUs, and average daily flow which calculations are needed and used by Mr. Holt in performance of this connection fee calculation. Again, these calculations are set forth in a statutory formula as prescribed by the previously cited statute. At the conclusion of each witness' testimony, the Board and members of the public will have an opportunity to question the witness.

Mr. Smith then asked Cynthia Doerr, Authority Administrator, if notice of the Rate Hearing was published in two newspapers of general circulation in the area serviced by the Authority, at least 20 days before today, and also whether the notice was provided to the Clerk of Cinnaminson within that time period. Cynthia Doerr confirmed both items.

Mr. Smith called Mr. Wayne Simpson, Cinnaminson Sewerage Authority Engineer, as his first witness and swore him in. He confirmed through questioning that Mr. Simpson is Engineer for the Cinnaminson Sewerage Authority and has been a Registered Professional Engineer in the state of New Jersey since 1982. He also confirmed that Mr. Simpson is Engineer for three other authorities, Evesham MUA, South Brunswick Township and Old Bridge MUA, and has been working as Engineer for the Cinnaminson Sewerage Authority for approximately 34 years.

Mr. Smith confirmed that Mr. Simpson performs certain calculations with respect to connection fees that are utilized by the Sewerage Authority Auditor in determining the annual connection fee schedule and that he has been performing those calculations for the Authority since 2008. He also confirmed that Mr. Simpson has assisted in performing those calculations for Evesham MUA several times over the last fifteen years. He confirmed with Mr. Simpson that exhibit CSA-1 was a true and current copy of Mr. Simpson's resume, asked that it be submitted into evidence, and asked that Mr. Simpson be accepted as an expert with respect to connection fee calculations. Chairman Richard Strobel confirmed that the Board would accept Mr. Simpson as an expert and submit his resume into evidence.

Mr. Smith gave Mr. Simpson a copy of exhibit CSA-2, a letter written by Mr. Simpson which explained certain calculations he made, and Mr. Smith asked Mr. Simpson to review it. Mr. Simpson reviewed his calculations in detail noting that he determined an average daily flow per residential unit based on two different billing cycles of dry weather flow and then averaged those together. He confirmed that the average was 189.8 gallons per day per EDU (equivalent dwelling unit.) He explained further that he averaged the daily flow at the Sewerage Treatment Plant for that same time period. The average daily flow was 1,094,500 gallons and he divided that number by the 189.8 gallons per day per EDU to arrive at a total EDU estimate of 5,766 in the system. Mr. Smith confirmed that Mr. Simpson made those calculations according to parameters as set forth in NJ statutes and that Mr. Holt uses those calculations for his part of the connection fee calculation. Mr. Smith then confirmed that the Board would accept CSA-2 into evidence. He asked if there were any questions from the Board for the witness and hearing none, asked for any questions from the public. Hearing none, he called on Mr. Holt to testify.

Mr. Smith swore in Mr. Holt, confirmed that he is the Independent Auditor for the Cinnaminson Sewerage Authority and a partner in the firm of Holman, Frenia & Allison with offices in Medford and Toms River, NJ. He also confirmed with Mr. Holt that he is a Certified Public Accountant, a Registered Municipal Accountant and a Public School Accountant, licensed in the state of New Jersey. He confirmed through questioning that Mr. Holt is also a member of the American Institute of Certified Public Accountants and the Registered Municipal

Accountants Association, and is certified as a Municipal Finance Officer. Upon questioning, Mr. Holt further confirmed that he has thirty years experience in auditing governmental agencies, is familiar with the connection fee calculations as required by the statutes in this State and has performed over thirty such calculations over the years. Mr. Smith also confirmed through questioning that Mr. Holt represents fifteen other authorities and numerous municipalities that have utility funds that operate the same way. Mr. Smith confirmed with Mr. Holt that exhibit CSA-3 was a true and correct copy of Mr. Holt's resume. Mr. Smith then asked that CSA-3 be admitted into evidence and that the Board recognize Mr. Holt as an expert with respect to connection fee calculations. Chairman Strobel, hearing no objections from the Board, agreed to admit the resume and accept the expert testimony from the witness.

Mr. Smith handed Mr. Holt what was marked as CSA-4a, b and c and confirmed it was a summary of Mr. Holt's calculations for the connection fee. Mr. Smith asked that Mr. Holt explain how his calculations were performed and the results of the calculations. Mr. Holt explained that he determines the numerator of the equation which is the system cost, noting that he uses a running tab of what the cost has been since inception in 1958, all the way through January 31, 2018 financial statements. He stated that the capital costs, primarily made up of the debt service payments and interest that has been paid over that period of time, along with other capital costs that have been paid, are just over \$33,057,000. Mr. Smith confirmed with Mr. Holt that all the capital costs from which he made his calculations were set forth in exhibit CSA-4c. Mr. Holt continued, stating that he used that total of 33,057,000 and divided it by Mr. Simpson's calculated total EDU estimate of 5,766 to come up with 5,733. He stated his suggestion was to round the number down to 5,700 which would raise the current fee from \$5,500.00 to \$5,700.00, a \$200.00 increase. Mr. Smith confirmed with Mr. Holt, based on his expertise and experience, that the connection fee rate of \$5,700.00 was reasonable and necessary. Mr. Smith then confirmed with Mr. Holt that the connection fee would result in the rate for Class I residential units being \$5,700.00, for Class II units being \$4,275.00, for Class 3 units being \$3,800.00 and for Class IV units being \$2,850.00. Mr. Smith also confirmed with Mr. Holt that with respect to non-residential users, the connection fee charge based on the estimated daily average flow and gallons per day should be multiplied by \$19.00. He offered Mr. Holt's calculations marked as CSA-4a, b, and c into evidence and the Board admitted the documents. Mr. Smith asked if the Board had any questions for Mr. Holt.

Mr. O'Connor asked if the increase was necessary because of all of the capital improvements made at the Plant recently and Plant expenses that have gone up over the years and Mr. Holt responded affirmatively.

Mr. Smith asked if there were any other questions from the Board and hearing none, asked for questions from the public. Hearing no questions from the public, Mr. Smith recommended that the Board consider Resolution 2018/2019-38.

**Mr. Strobel:** We have in front of us the resolution that would adopt the rates as recommended and justified by the testimony and documentary evidence in front of us. I think the best sort of summary is what is contained in the legal notice. There was a short explanation and this is what was provided to the public for what we are doing: (Reading from the public notice) "New Jersey law requires that connection fees be recomputed at the end of each fiscal year according to a statutorily prescribed formula. After public hearing and adoption, the new connection fee is a one-time charge which may be imposed upon those who subsequently connect to the sewer system. The purpose of the connection fees is for the new user, who is benefiting from capital costs of the sewer system, to contribute to the local sewer authority's already incurred debt service, and thereby to relieve prior users of a portion of that burden, in order that all users share the debt service equally." This is what we are doing this evening in faithful compliance. Does anyone have any questions on anything at this stage?

**Mr. O'Connor:** I just want to make it clear for the record that this new proposed increase will not take effect until our next fiscal year starts on February 1, 2019 and it does say that in the resolution.

**Mr. Strobel:** That is correct and that is good to point out for the record; it is effective at the beginning of our fiscal year. So folks who want to connect to the system, there is a good window of time to do it now before the rates are adjusted to reflect the new statutory formula, assuming this resolution is adopted. Any other comments or questions? (Hearing none) If not, what is the pleasure of the Board regarding Resolution 2018/2019-38?

**Motion: Made by Mr. O'Connor and seconded by Mr. Galosi to adopt Resolution 2018/2019-38. Vote: All ayes**

**Chairman Richard Strobel:** The resolution is adopted unanimously and the rates go into effect according to the Resolution on February 1, 2019. I thank our Solicitor, our Engineer and our Auditor for helping to provide the testimony tonight and to explain everything in such a way that the Board feels comfortable taking the action that it just took. We appreciate that. The rate hearing portion of the meeting was concluded and Mr. Strobel moved to Public Comment.

#### **PUBLIC COMMENT**

Mr. Strobel opened the meeting to the public for comment. Mr. James Fisher from Pechter's of Southern NJ at 2 Surrey Lane was present and said he had some questions regarding connections. He said he is being forced to connect as Surrey Lane is an offshoot of Taylors Lane where a sewer main was just installed. He said he wanted to know how the Board can help an existing business which has septic that is fine and just received notice that it must connect to the sewer system.

Mr. Strobel confirmed that Mr. Fisher's business is just off the route of the recently finished Taylors Lane Project. Mr. Strobel said that any time there is a sewer main within a certain distance of a property the law requires connection. He confirmed that the Authority did send notice out to affected property owners which is the notice to which Mr. Fisher had referred. Mr. Strobel said the Board has discussed the matter and understands that there are many property owners who are very interested in getting the enhanced service that comes with being connected to the sewerage system, but he said the Board understands there are others who were not planning for it. He noted that the Authority has agreed to delay the effective date of the rate increase that was just approved to give property owners a window of time to connect under the lower rate. He stated that the second thing the Authority has agreed to do, is to offer an installment payment system which not every Authority will do. He said there is no interest charge and noted that the Authority does not make any money on it. He said the property owner benefits by being able to stretch those payments out over five years. Mr. Strobel confirmed that the Board does not have the authority to waive compliance; he stated that it is uniform and everyone in town has to comply. He stated that approximately 99% of the properties in Cinnaminson Township are sewerer properties and the owners have had to comply over the years.

Mr. Fisher asked if the five-year, no interest payment plan was only on the connection fee, and asked who makes the connection and if he needs to contract someone. Mr. Strobel stated that he would need to have a plumber make the connection. Mr. Fisher asked if there was any grant money from the Taylors Lane Project to help him. Mr. Strobel confirmed that the Authority did not have a grant for the project. Mr. Fisher asked about a state-aided loan or financing and Mr. Brad Smith confirmed that there had been financing for the Authority. Mr. Fisher asked if there was anything that could be offered to the commercial customers. He stated that it was unexpected and unnecessary on his end, as his septic system works and is maintained. He said he was not in need of the connection to the system. Mr. Strobel stated that there is no money set aside and what was financed was the actual costs for the installation of the main.

Mr. Strobel confirmed that the Authority has the ability to charge rates and offer the installment payment process but it does not have

the ability to just waive the connection fee. He stated that the Authority has to be uniform in how it treats people.

Mr. Simpson added that there are environmental benefits to the sewer system. He stated that if everyone was on septic systems there would be great environmental harm around town and said the whole purpose of the loan that the State gave the Authority was to eliminate potential environmental impacts.

Mr. Fisher noted that in his case, his septic has been fine for twenty-eight years. He then asked if the Authority had the equipment to perform the work he needs and if the Authority can assist him with any of it. He also asked if the connection fee was the only thing that the Authority would extend for five years with no interest.

Mr. Strobel confirmed that the connection fee was the only charge from the Authority.

Mr. Fisher asked if the Authority could do the physical work that he would need, at a discount using Authority equipment. Mr. Smith stated that there is a problem with competing with private enterprise. Mr. Fisher stated that he was not holding an offer from anyone else and is asking if the Authority can get the connection physically done. He said he has no problem paying the connection fee but he does not want to pay to rehook up to a system when he has a perfectly good system which passes Township requirements. He said he is now being forced, for no reason of failure, to convert over to the sewer. He said he does not have a problem with it but he has a problem paying for it.

Mr. Simpson asked if Mr. Fisher had anyone out to look at his property. Mr. Simpson stated that when the properties were developed on Surrey Lane, there was a dry sewer line put into Surrey Lane. He said it has been dry for almost thirty years and now it is connected to a live sewer.

Mr. Simpson: I thought there were sewer laterals run to the curb from your building.

Mr. Fisher said he thought there were for his storm drains and Mr. Simpson stated that his storm drains should not be going into the sanitary sewer system. Mr. Simpson explained that Mr. Fisher should have his sanitary sewer line brought from the building to the line on Surrey Lane. Mr. Simpson stated that at the time, he believed there were sewer laterals run from the Surrey Lane line which might go to Mr. Fisher's building. Mr. Simpson confirmed that Mr. Fisher would require a licensed plumber, which the Authority does not have, to make the connection. Mr. Fisher said he wasn't sure what the connection would entail and the letter mentioned that he would need to hire an engineer. Mr. Simpson said that Mr. Fisher will likely not require an

engineer, and recommended that he hire a plumber first because he believes the laterals were laid when the buildings were built. Mr. Fisher said that according to the letter he received, he needs engineering plans. Mr. Simpson suggested again that he hire a plumber first and Mr. Smith asked to see Mr. Fisher's letter. Mr. Fisher said he would retrieve it from his vehicle. Mr. Simpson suggested that Mr. Fisher call him for further assistance.

Cindy Doerr confirmed that Mr. Fisher's business is a commercial bakery. Mr. Simpson stated that commercial properties typically have to submit an engineering plan but when there is an existing facility in town, he can take a look at each one separately and determine exactly what he needs to know, and if a full engineering plan is necessary.

Mr. Smith confirmed with Cindy Doerr that Mr. Fisher would need to ask for an installment payment plan and Cindy said that the Authority typically grants installment payment plans to residents and not commercial properties. Mr. Kollar stated that the Authority allowed it for the new gas station and Cindy responded that the station was connected before approved by the Authority and then the owner asked for help with the connection fee. Mr. Smith confirmed that payments made under the five year installment payment plan are paid quarterly.

Mr. Fisher returned to the meeting and provided Mr. Smith a copy of the letter he had received. He thanked the Board and exited the meeting. Hearing no further matters for discussion from the public, Mr. Strobel moved to Old Business.

#### OLD BUSINESS

Mr. Strobel asked the Board to address the regular session minutes of October 11, 2018.

**Motion: Made by Mr. O'Connor and seconded by Mr. Galosi to adopt the regular session minutes of October 11, 2018 as submitted.**

**Discussion: Mr. Smith said he had some recommended corrections. On page 77 in the fourth paragraph, second sentence, the words "there way" should be replaced with "they". On the same page in the fifth paragraph, fifth sentence, the word "included" should be replaced with "include". On page 80 in the fifth paragraph, last sentence, the words "Board of Health regulation" should be replaced with "Township Ordinance."**

**Amended Motion: Made by Mr. O'Connor and seconded by Mr. Galosi to adopt the regular session minutes of October 11, 2018 with the recommended corrections of Authority Solicitor. Vote: All ayes**

**NEW BUSINESS**

Mr. Strobel presented Resolution 2018/2019-40, Authorizing Amendment to Rules and Regulations and Mr. Smith explained that the resolution had to do with the provision in a statute, 8.3, that says that affordable housing developers are to be charged 50% of the connection fee. Mr. Smith explained that it would go into the connection fee section. He said it has been in effect since 2005 but there have been recent changes in January to that statute which brought it to his attention. He said the reduced fee needs to be referenced and it is being done by citing the statute. Mr. Strobel confirmed that the statute was N.J.S.A. 40:14A-8.3 and the resolution would put the Authority in compliance with the statute.

**Motion: Made by Mr. O'Connor and seconded by Mr. Galosi to adopt Resolution 2018/2019-40. Vote: All ayes**

**DIRECTOR OF CONSTRUCTION - FRANK SZYMKOWSKI**

Mr. Szymkowski was absent. Mr. Strobel asked Mr. Simpson to review his report dated November 13, 2018.

**Engineer's Status Report - Wayne D. Simpson****Mr. Simpson:**

Most of the projects at the top of the report have been completed.

**M-080-141 Taylors Lane Sewer Extension**

There was one punch list item to be corrected and I believe that since I wrote this report, it was corrected so the project is now finished.

**M-080-144 Central Pump Station Generator Replacement**

We are preparing plans and specifications for this project and they are almost complete. Part of the construction will require taking out an exhaust that currently goes through the roof on one side of the building. In looking at that roof, we recommend that the entire roof on that side be replaced as we repair that opening. So, that is going to be an add on to the project but we are relocating where we thought we were going to put the generator outdoors; it's not going to be in an area where there is a suspected underground storage tank. We don't think it was ever built but we haven't done any investigations there. Irregardless, we had money in there for removal of that storage tank if necessary and we won't have to since we are going further away from the building and won't disturb that area. Therefore, it is just a change and the Authority shouldn't see anything extra in the budget for the project.

**Mr. Simpson continued (on developments):**

There hasn't been any real movement on new developments.

Mr. Strobel asked about the roof replacement and Mr. Kramer stated that the replaced area is good. He said the whole roof wasn't replaced and there are some spots where there is minor leaking going on but not in key areas.

**DIRECTOR OF ADMINISTRATION - PETER GALOSI**

Mr. Galosi said he believed Cindy Doerr had an item for Administration. Cindy said she wanted to discuss a Roadway Maintenance Repair Contract from the State. She said it was posted to the document site last month but was not discussed at the meeting. Mr. Strobel confirmed that it was a letter dated September 25, 2018. Cindy said she is unable to reach anyone at the State via phone to discuss it and wanted direction from the Board about how to address it. Mr. Strobel stated that the letter asks that the Authority respond as the owner of existing manholes and he read from page two of the letter. Mr. Simpson stated he didn't believe there were any sewer manholes in Route 130 and there was a brief discussion. He said if there were any, having the castings replaced while they do the work would be a good idea. Mr. Naisby commented that there are storm sewer manholes on Route 130. Mr. Strobel asked if anyone was pressuring for a response and Cindy confirmed that someone came to the office to follow up but she missed him and has not been able to reach him via phone. There was some further discussion.

**Motion: Made by Mr. O'Connor and seconded by Mr. Galosi to authorize the Chairman to sign the page 2 acceptance by the Authority for the proposed work on Route 130 by the State.**

**Discussion: Mr. Smith suggested that perhaps the employees should do some further investigation to see if there are actually any sewer manholes within the project area. Mr. Strobel said he thinks the State sent the letters out to cover all their bases and is just following up.**

**Vote: All ayes**

Cindy Doerr also mentioned that she and Amy Williams have been training for the past couple of weeks with the new Edmunds program and reported there will be more training in December. She also reported that Mr. Holt has been at the training and has been very helpful. She said he has been asking questions and following through with the trainers. Mr. Holt stated that November 29 is the last date that information will be posted into the old system and the new system will go live on December 3. Mr. Holt reported there is training on December 3, 4 and 5. There was some further discussion and Mr. Kollar asked when online credit card payment would be available. Cindy said she believed it would be available in December. Mr. Kollar discussed having a link on the website to the online payment option. Mr. Kollar

asked about remote access for Cindy since it is cloud-based and Mr. Holt said he would follow up on it.

**DIRECTOR OF OPERATIONS - ROBERT O'CONNOR**

Mr. O'Connor asked Mr. Kramer to discuss his report.

**Superintendent of Operations Report - Kevin Kramer**

Mr. Kramer reported that Plant operations are running well. Mr. Kramer stated that there were no permit violations during the last month. He said that routine maintenance had been performed on the chlorine contact tank which is the last tank before discharge to the Delaware River. He said solids tend to settle there so the tank is taken offline and bypassed. He stated that two tankers are used to haul the sludge and he noted that DEP had been notified. He said it is done in about 5-6 hours and the tank is put back online.

Mr. Kramer reported that he, Charles Staub and Matthew Naisby took State licensing tests in October and the test results should be available in early December.

Mr. Kramer reported that the last safety course for the year was held on October 24, 2018 on Electrical Safety and Control of Hazardous Energy/Lockout-Tagout.

On projects, Mr. Kramer stated that he was directed to obtain three quotes for the relocation of the laterals tied into the manhole on Riverton Road near the MEND Project. He noted the pricing of the quotes as listed on his report from Macrose Construction, Tom's Backhoe and Excavation Services and Booth Mechanical, and stated that Booth Mechanical came in with the lowest price. Mr. Strobel said the matter was discussed last month and Mr. Simpson said the work was necessary to allow the connection of the MEND Project into that sewer line and recommended the work be done.

**Motion: Made by Mr. O'Connor and seconded by Mr. Galosi to award the job to relocate the laterals tied into the manhole on Riverton Road in relation to the MEND Project to Booth Mechanical, price not to exceed \$16,900.00. Vote: All ayes**

Mr. Kramer said that the upgrade of Manor Pump Station had also been discussed at the last meeting. He said in speaking with Authority Engineer, he was told to budget \$200,000.00 for the project. He briefly reviewed safety issues with the electrical panel and problems with pumps there and Mr. Simpson stated that he has been there, as well as his electrical engineer, to look at it and he recommends the upgrades for safety purposes alone. Mr. Strobel stated that safety is a high priority of the Board and mentioned that the budget was

currently being dealt with. Cindy Doerr confirmed that recent receipt of connection fees helped balance out the expenditures for the budget. She noted page 6 of the preliminary budget and said that for the capital, \$200,000.00 had been added for the Manor Pump Station and \$300,000.00 has been added for the Central Pump Station Generator, as well as \$23,000.00 for Keystone Engineering, a proprietary service company that services the SCADA system at the Plant. She also noted that on page 7 of the preliminary budget is the Debt Service which has increased substantially for the new loans. Mr. Strobel said that the purpose of mentioning the budget is that it relates to the issue of the Manor Pump Station and it seems it has been considered within the budget.

**Motion: Made by Mr. O'Connor and seconded by Mr. Galosi to authorize Alaimo Associates to submit a formal proposal for the Manor Pump Station Upgrade. Vote: All ayes**

Mr. Kramer said that they are continuing to test the generator at Central Pump Station weekly, as back in October there was an issue and a back up generator was hooked up to be on standby until the new generator is in place. He noted that it is a \$2,000.00 charge per month but said it is necessary. Mr. Kollar asked how long it would be before the new generator is online and Mr. Simpson confirmed likely six months or longer because of lead time. Mr. Smith asked if quotes were obtained for the cost of the rental and Mr. Kramer responded that a back up generator could be provided if needed as part of Atlantic Switch and Generator's contract. Mr. Simpson stated that he would review the contract with Atlantic Switch and Generator as that service may have been bid under the contract.

Mr. Kollar asked if Mr. Kramer has seen an improvement with less inflow with all the rain due to the replacement of the Pompess manhole last month. Mr. Kramer said on the Randolph side, they have noticed an improvement and decrease of flow.

#### **DIRECTOR OF PERSONNEL - RICHARD STROBEL**

Under Personnel, Mr. Strobel relayed a message to Cindy Doerr from Karen from the AEA Annual Meeting.

#### **DIRECTOR OF BUDGET AND FINANCE - THOMAS KOLLAR**

Mr. Kollar indicated the Treasurer's Report and Trial Balance and stated that at 75% through the fiscal year, total revenues are at 73% of budget versus 70% last year. He noted that Connection Fees are at 95% and said that \$804,549.00 was received from Siena and the MEND project.

Mr. Strobel asked about connections at Taylors Lane and Cindy reported she is getting some responses. Mr. Strobel suggested that Cindy report back in January or February regarding Taylors Lane connections. Mr. Simpson briefly discussed one resident's concerns and some issues with gravity lines and the conduit on the north side of Taylors Lane.

Mr. Kollar continued, reporting on the expense side that Capital Appropriations are at 36%. Mr. Strobel noted that Chemicals costs are up and Mr. Simpson said he believes that was due to polymer use in the first part of the year. Mr. Kollar said that Chemicals are at 172% of budget. He reported that total expenses are at 81.49% which is running high versus 69% last year.

**Motion: Made by Mr. Kollar and seconded by Mr. O'Connor to adopt the Treasurer's Report and Trial Balance as submitted. Vote: All ayes**

Mr. Kollar submitted a list of Operating Invoices & Payroll Expenses totaling \$249,309.30 and certified that funds are available.

**Motion: Made by Mr. Kollar and seconded by Mr. O'Connor to approve payment of Operating Invoices and Payroll Expenses as submitted. Vote: All ayes**

Mr. Kollar submitted four requisitions for Renewal & Replacement totaling \$114,951.10 and certified that funds are available.

#18-739 Booth Mechanical, Inc.	\$ 76,917.00
#18-740 Alaimo Assoc.	\$ 21,613.90
#18-742 Alaimo Assoc.	\$ 7,870.20
#18-743 Zack's Painting	\$ 8,550.00

**Motion: Made by Mr. Kollar and seconded by Mr. Galosi to approve payment of the Renewal & Replacement requisitions as submitted. Vote: All ayes**

Mr. Kollar submitted two requisitions for the NJ Environmental Infrastructure Trust Fund totaling \$161,797.74. He confirmed with Cindy Doerr that funds have not yet been received for the paving invoice.

#18-741 Alaimo Associates	\$ 17,814.18
#18-744 Barrett Paving	\$ 143,983.56

**Motion: Made by Mr. Kollar and seconded by Mr. O'Connor to approve payment of the NJEIT Fund requisitions as submitted when funds are available Vote: All ayes**

Mr. Kollar submitted two invoices for Builder's Escrow totaling \$1,817.73 and certified that funds are available.

#106509 MEND Project	\$	574.75
#106508 Wawa at Taylors Lane	\$	90.00

**Motion: Made by Mr. Kollar and seconded by Mr. O'Connor to approve payment of the Builder's Escrow invoices to Alaimo Associates as submitted. Vote: All ayes**

Mr. Kollar submitted one deletion totaling \$825.00 and certified that funds are available.

**Motion: Made by Mr. Kollar and seconded by Mr. Galosi to approve the deletion as submitted and to credit the customer's account accordingly. Vote: All ayes**

Mr. Kollar presented Resolution 2018/2019-39, Approval of Preliminary Budget for Fiscal Year February 1, 2019 - January 31, 2020. He stated that the budget is up from the current budget by about \$600,000.00 but said that due to additional revenue from connection fees, he believes that the additional costs will be covered and no rate increase is necessary at this time. Mr. Strobel thanked Cindy for preparation of the budget and for reviewing some key items earlier in the meeting.

**Motion: Made by Mr. Kollar and seconded by Mr. Galosi to adopt Resolution 2018/2019-39. Vote: All ayes**

Mr. Kollar presented Resolution 2018/2019-41, Quarterly Withdrawal, in the amount of \$540,404.00.

**Motion: Made by Mr. Kollar and seconded by Mr. Galosi to adopt Resolution 2018/2019-41, Quarterly Withdrawal. Vote: All ayes**

Mr. Kollar had nothing further for Budget and Finance. Mr. Strobel asked if there were any further matters for discussion. Mr. Simpson said he had an item. He mentioned that approximately five years ago, the Authority investigated the possibility of shared services with Riverton and having them send their sewage to the Authority. He reported that he heard that Riverton is losing their long term operator and said that the Plant is running very efficiently now and can handle another 200,000 gallons per day fairly easily if there is any thought of sharing that service. A brief discussion ensued.

Mr. Smith reminded Secretary Judy Devone that a separate transcript of the rate hearing is required and the exhibits should be attached to the transcript.

The meeting was adjourned at 8:13 PM.

**Next scheduled meeting - Monday, December 10, 2018 at 6:30 PM**