
WASHINGTON TOWNSHIP MUA
MEETING MINUTES
May 6, 2009

The Regular Meeting of the W.T.M.U.A. was called to order at 7:32 p.m. on May 6, 2009.

Adequate notice of this meeting of the W.T.M.U.A. was given to the Observer Tribune and the Daily Record on February 8, 2009. Notice was also posted on the Municipal Building Bulletin Board.

Members Present: Messrs. Akin, Strawn, Cullen*, LaVista
Alt. Members Present: Messrs. Popper**
Members Absent: Messrs. Napolitano
Alt. Members Absent: Messrs. Kramer

Staff Members Present: Executive Director (E.D.) Costic, Secretary Waller, Water Operator David Carswell***, Attorney Gregory

DEP Members Present: Enforcement Isabel Boho***, Safe Drinking Water Alan Dillon***

Media Members Present: Observer-Tribune Bob Thomas**

* Left at 11:55 pm

**Left at 10:45 pm

***Left at completion of Cliffside discussion

Approval of Meeting Minutes

Motion was made by Mr. Strawn and seconded by Mr. Cullen that the April 1, 2009 Meeting minutes be approved as presented. Motion was carried by the following vote:

AYES Messrs.: Akin, Strawn, Cullen
NAYS: None
ABSTAIN: None LaVista, Popper

Payment of Bills - 4/1/09-4/30/09 - Check Register

Motion was made by Mr. Strawn and seconded by Mr. Cullen that the payments of bills are approved on the signature of the proper official. Motion was carried by the following vote:

AYES Messrs.: Akin, Strawn, Cullen, LaVista, Popper
NAYS: None
ABSTAIN: None

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Washington Township MUA

04/28/2009 4:45 PM

Register: 1156 · Operating Checking

From 04/01/2009 through 04/30/2009

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
04/02/2009	19783	Post Office	Accounts Payable:2119...	April mailing ...	367.37			99,113.59
04/02/2009	eft09222...	PERS Div of Pens & ...	Accounts Payable:2119...	32560	3,525.10			95,588.49
04/02/2009	eft09228...	PERS Div of Pens & ...	Accounts Payable:2119...	32560	38,137.00			57,451.49
04/02/2009	eft 773868		1121 · Payroll Checkin...	4/3/09 payroll t...	25,843.40			31,608.09
04/07/2009			BOND 1995 Bond Issu...	monthly transfe...			147,219.75	178,827.84
04/08/2009	19784	Accurate Pest Contro...	Accounts Payable:2119...	acc #4567 Feb ...	62.00			178,765.84
04/08/2009	19785	Accurate Waste Rem...	Accounts Payable:2119...	March 2009 slu...	438.40			178,327.44
04/08/2009	19786	Amerigas - Chester 7...	Accounts Payable:2119...	acc #75000286...	89.00			178,238.44
04/08/2009	19787	B & R Uniforms	Accounts Payable:2119...	clothing allowa...	998.70			177,239.74
04/08/2009	19788	Brown & Brown of ...	Accounts Payable:2119...	POL #B66334	95.00			177,144.74
04/08/2009	19789	Buckman's Inc.	Accounts Payable:2119...	or #287679 W...	2,483.78			174,660.96
04/08/2009	19790	Budd 2331283	Accounts Payable:2119...	2331283	645.64			174,015.32
04/08/2009	19791	Budd 2331316	Accounts Payable:2119...	2331316	1,679.75			172,335.57
04/08/2009	19792	Budget Sewer & Dra...	Accounts Payable:2119...	LVSTP main w...	275.00			172,060.57
04/08/2009	19793	Clinton Business Pro...	Accounts Payable:2119...	899	232.42			171,828.15
04/08/2009	19794	Columbia Gas Trans...	Accounts Payable:2119...	MS902 5548	120.00			171,708.15
04/08/2009	19795	D.J. Egarian & Asso...	Accounts Payable:2119...	Feb 2009 Engi...	11,838.25			159,869.90
04/08/2009	19796	Embarq / Sprint	Accounts Payable:2119...	VOID:		X		159,869.90
04/08/2009	19797	Freshwater Well & P...	Accounts Payable:2119...	SM03 6 hr flo...	875.00			158,994.90
04/08/2009	19798	Greenway Flowers	Accounts Payable:2119...	006775	57.99			158,936.91
04/08/2009	19799	Gregory and Reed, P...	Accounts Payable:2119...	Legal Srvc	4,853.31			154,083.60
04/08/2009	19800	Hackettstown Supply...	Accounts Payable:2119...	1196	141.83			153,941.77
04/08/2009	19801	Home Depot	Accounts Payable:2119...	603532250043...	777.82			153,163.95
04/08/2009	19802	JCP&L	Accounts Payable:2119...		56,338.50			96,825.45
04/08/2009	19803	JLM Computers	Accounts Payable:2119...	Jan 2009 servic...	47.50			96,777.95
04/08/2009	19804	Lube It All	Accounts Payable:2119...	veh 93	41.14			96,736.81
04/08/2009	19805	Morris County Statio...	Accounts Payable:2119...	023015	649.17			96,087.64
04/08/2009	19806	Nick Stamatos	Accounts Payable:2119...	repair overhead...	220.00			95,867.64
04/08/2009	19807	North East Scientific	Accounts Payable:2119...	acc #125796	133.59			95,734.05
04/08/2009	19808	Office Direct Inc.	Accounts Payable:2119...	pay online sign	60.00			95,674.05
04/08/2009	19809	One Call Systems, Inc.	Accounts Payable:2119...	75503	34.70			95,639.35
04/08/2009	19810	Parkhurst Distributin...	Accounts Payable:2119...		1,331.22			94,308.13
04/08/2009	19811	Passaic Valley Sewer...	Accounts Payable:2119...		8,960.00			85,348.13
04/08/2009	19812	Pete Kaltsas	Accounts Payable:2119...	boots	54.96			85,293.17
04/08/2009	19813	Pumping Services, Inc.	Accounts Payable:2119...	ord #S21143 re...	304.20			84,988.97
04/08/2009	19814	QC Inc.	Accounts Payable:2119...	C00154	1,649.00			83,339.97
04/08/2009	19815	R & D Trucking, Inc.	Accounts Payable:2119...	Sldg Rmvl	2,860.00			80,479.97
04/08/2009	19816	Recorder Publishing ...	Accounts Payable:2119...	ovserver tribune	293.49			80,186.48
04/08/2009	19817	Seidler Chemical Co...	Accounts Payable:2119...	cust #WAS-02	2,225.89			77,960.59
04/08/2009	19818	Sprint Long Distance	Accounts Payable:2119...	acc #461416236	46.39			77,914.20

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<u>Date</u>	<u>Number</u>	<u>Payee</u>	<u>Account</u>	<u>Memo</u>	<u>Payment</u>	<u>C</u>	<u>Deposit</u>	<u>Balance</u>
04/08/2009	19819	State of NJ - PWT	Accounts Payable:2119...	EIN #22-22161...	572.04			77,342.16
04/08/2009	19820	Stephan Farm Supply	Accounts Payable:2119...	Pete 5 jeans/5 s...	199.90			77,142.26
04/08/2009	19821	Straco III Auto Parts	Accounts Payable:2119...	VOID: W300		X		77,142.26
04/08/2009	19822	Toby Barkman	Accounts Payable:2119...	asphalt patch re...	5,575.52			71,566.74
04/08/2009	19823	Treasurer, State of N...	Accounts Payable:2119...		108.00			71,458.74
04/08/2009	19824	Trukmann's Reprogr...	Accounts Payable:2119...	11918	876.08			70,582.66
04/08/2009	19825	United States Plastics...	Accounts Payable:2119...	100771	253.79			70,328.87
04/08/2009	19826	USA Bluebook	Accounts Payable:2119...	91874	4,654.00			65,674.87
04/08/2009	19827	Valley Cleaners	Accounts Payable:2119...	acc #9088763145	338.20			65,336.67
04/08/2009	19828	Verizon/Bell	Accounts Payable:2119...		200.53			65,136.14
04/08/2009	19829	VS Land Data LLC	Accounts Payable:2119...	vs project #081...	240.00			64,896.14
04/08/2009	19830	Waste Management ...	Accounts Payable:2119...	100-0059416-0...	565.62			64,330.52
04/08/2009	19831	Embarq / Sprint	Accounts Payable:2119...		420.40			63,910.12
04/08/2009	19832	Straco III Auto Parts	Accounts Payable:2119...	VOID: W300		X		63,910.12
04/08/2009	19833	Straco III Auto Parts	Accounts Payable:2119...	VOID: W300		X		63,910.12
04/08/2009	19834	Straco III Auto Parts	Accounts Payable:2119...	W300	52.71			63,857.41
04/08/2009	19835	USA Bluebook	Accounts Payable:2119...	91874	299.68			63,557.73
04/09/2009	efi09881...	PERS Health Div of ...	Accounts Payable:2119...	92-1683-0 Hea...	6,282.15			57,275.58
04/15/2009	19836	Long Valley Pub & ...	Accounts Payable:2119...		536.70			56,738.88
04/15/2009	19837	Treasurer, State of N...	Accounts Payable:2119...	Program Intere...	413.00			56,325.88
04/15/2009	19838	Treasurer, State of N...	Accounts Payable:2119...	Program Intere...	413.00			55,912.88
04/16/2009	1	*Capital Funds Trans...	6183 · Con Fee / Mortg...	fund capital ex...			5,358.32	61,271.20
04/16/2009	1	*Capital Funds Trans...	6183 · Con Fee / Mortg...	fund capital ex...			5,358.32	66,629.52
04/16/2009	1	*Capital Funds Trans...	6183 · Con Fee / Mortg...	fund capital ex...			585.00	67,214.52
04/16/2009	1	*Capital Funds Trans...	6183 · Con Fee / Mortg...	fund capital ex...			90.00	67,304.52
04/16/2009	1	*Capital Funds Trans...	6183 · Con Fee / Mortg...	fund capital ex...			875.00	68,179.52
04/16/2009	1	*Capital Funds Trans...	6183 · Con Fee / Mortg...	fund capital ex...			9,562.50	77,742.02
04/16/2009	1	*Capital Funds Trans...	6183 · Con Fee / Mortg...	fund capital ex...			12,675.00	90,417.02
04/16/2009	1	*Capital Funds Trans...	6183 · Con Fee / Mortg...	fund capital ex...			9,515.41	99,932.43
04/16/2009	1	*Capital Funds Trans...	6183 · Con Fee / Mortg...	fund capital ex...			2,423.50	102,355.93
04/16/2009	1	*Capital Funds Trans...	6183 · Con Fee / Mortg...	fund capital ex...			3,370.00	105,725.93
04/16/2009	1	*Capital Funds Trans...	6183 · Con Fee / Mortg...	fund capital ex...			2,761.99	108,487.92
04/16/2009	1	*Capital Funds Trans...	6183 · Con Fee / Mortg...	fund capital ex...			465.00	108,952.92
04/16/2009	1	*Capital Funds Trans...	6183 · Con Fee / Mortg...	fund capital ex...			21,031.62	129,984.54
04/16/2009	1	*Capital Funds Trans...	6183 · Con Fee / Mortg...	fund capital ex...			5,472.00	135,456.54
04/16/2009	1	*Capital Funds Trans...	6183 · Con Fee / Mortg...	fund capital ex...			4,950.00	140,406.54
04/16/2009	1	*Capital Funds Trans...	6183 · Con Fee / Mortg...	fund capital ex...			3,905.00	144,311.54
04/16/2009	1	*Capital Funds Trans...	6183 · Con Fee / Mortg...	fund capital ex...			10,881.46	155,193.00
04/16/2009	JE 09_10		Accounts Payable:2119...	reverse correcti...			7,327.50	162,520.50
04/16/2009	dfi603889		1121 · Payroll Checkin...	4/17/09 payroll...	21,555.74			140,964.76

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04/20/2009	19839	AT&T Mobility	Accounts Payable:2119...	05369412-001-...	194.14			140,770.62
04/20/2009	19840	Clarks Cleaning	Accounts Payable:2119...	Cleaning Service	965.50			139,805.12
04/20/2009	19841	Elizabethtown Gas 0...	Accounts Payable:2119...	6839340711	97.47			139,707.65
04/20/2009	19842	Elizabethtown Gas 2...	Accounts Payable:2119...	4292272661	16.15			139,691.50
04/20/2009	19843	Elizabethtown Gas 3...	Accounts Payable:2119...	3023945621	1,430.82			138,260.68
04/20/2009	19844	Elizabethtown Gas 5...	Accounts Payable:2119...	5305345621	158.31			138,102.37
04/20/2009	19845	Elizabethtown Gas 6...	Accounts Payable:2119...	4540016291	21.22			138,081.15
04/20/2009	19846	Elizabethtown Gas 6...	Accounts Payable:2119...	0371846641	205.68			137,875.47
04/20/2009	19847	Elizabethtown Gas 9...	Accounts Payable:2119...	0150129641	122.86			137,752.61
04/20/2009	19848	Elizabethtown Gas 9...	Accounts Payable:2119...	9715445621	199.00			137,553.61
04/20/2009	19849	Home Depot	Accounts Payable:2119...	603532250043...	486.64			137,066.97
04/20/2009	19850	Staples	Accounts Payable:2119...	VOID:		X		137,066.97
04/20/2009	19851	Verizon/Bell	Accounts Payable:2119...		53.14			137,013.83
04/20/2009	19852	Staples	Accounts Payable:2119...		619.38			136,394.45
04/21/2009	19853	Petty Cash	Accounts Payable:2119...	Reimburst Pett...	389.33			136,005.12

Billing Adjustments - March2009

Motion was made by Mr. Strawn and seconded by Mr. Cullen that the billing adjustments for March 2009 be approved as presented. Motion was carried by the following vote:

AYES Messrs.: Akin, Strawn, Cullen, LaVista, Popper
 NAYS: None
 ABSTAIN: None

2:02 PM
 04/14/09
 Accrual Basis

Washington Township MUA
Monthly Billing Adjustments
 March 2009

Start Batch: 003810 Washington Township Municipal Utilities Auth. Printed: 04/14/09 2:05 PM
 End Batch: 003884 Trial Balance for the Period - 03/01/09 - 03/31/09 Page 1 of 1

Total Outstanding Balance - Start of Business on 03/01/09 :	252,911.85
Total Amount Billed :	527,965.82
Total Payments Received :	-286,319.86
Payments-Principal :	-285,127.30
Payments-Interest :	-1,192.56
Total Adjustments :	-9,506.14
RETURNED PAYMENTS ONLY (Bad Checks, etc.)	
Principal:	.00
Miscellaneous:	.00
Interest:	.00
Total:	0.00
Total Outstanding Balance - Close of Business on 03/31/09 :	485,051.67

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Closed to the Public

Historical Society

Although the resolution for the rate adjustment for the Historical category had not been brought to the meeting, the Committee agreed to have a resolution for the next meeting and to make the rates retroactive to April 1, 2009.

Cliffside Park Association (CPA)

Alan Dillon explained his ideal outcome to the Cliffside Park water system issues would be a larger water company taking over the system. The concern is that the CPA does not have the knowledge base to sustain a successful water system. Mr. Dillon has contacted four larger water companies and two of them have been in contact with the VP of the CPA. The VP of the CPA deterred the companies' interest by advising that the cost would be approximately \$490,000 to resolve the debts. Mr. Dillon suggests that the VP rescind the "cost" estimate and openly discuss, with potential water companies, a take over prior to the discussion of costs. A potential take-over water company may be concerned with "stepping on the WTMUA's toes" since the CPA is within the WTMUA's service area. Mr. Dillon advised that the take-over water company should know that there is no indication of any primary health issues, but there are plenty of secondary issues as well as a concern regarding the best avenue for a repair/improvement plan. The original plan needs to be re-examined in light of the fact that one of the wells has failed. The water company, that ultimately operates the system, should be involved in the repair/improvement plan. Additionally, the opinion is that the take-over company will have a full time job getting the system into compliance.

Mr. Dillon can legally force a take over, but it is a long process. The CPA could lose their USDA funding with the take over by a private water company. Additionally the USDA funds is contingent on the WTMUA operating the system. The Operator Agreement between the WTMUA and CPA has never been finalized. The WTMUA's concerns regarding taking over the CPA system would be the burden of the cost of repairs which would have to be shared over all the WTMUA customers. Additionally, the question of liability regarding the difference between owning the system versus managing the system needs to be answered inclusive of an individual operator's liability.

It was agreed that Mr. Costic will guide CPA informally by hosting additional meetings for all those concerned, meeting with a geologist that Mr. Dillon recommends as well as acting as a resource for any potential take-over water companies.

2008 Audit

The Audit was reviewed and discussed. The state requirements for purchasing bids versus quotes were reviewed as well as the potential requirement for a certified purchasing agent. The recommendation to reconcile the billings to the general ledger has been implemented. As part of that, the committee is now signing off on the new Exceptions Report. The escrow deposits recommendation has to be reviewed and a resolution implemented. PNC Bank provides an specific escrow account that will help track the ownership of the money. The only item that has not be implemented is the segregation of duties and should be addressed in 2009.

RESOLUTION

Certification of FY 2008 Audit Review
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No. 09-05-B

WHEREAS, Nisivoccia & Company, the Auditor for the Washington Township Municipal Utilities Authority (Authority) has prepared an Audit of the Authority's financial position for Fiscal Year 2008; and,

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WHEREAS, the **New Jersey Department of Community Affairs (NJCA)** requires that each of the **Authority's Commissioners** certify that they have reviewed said FY 2008 Audit; and,

WHEREAS, the five (5) below signed are of full age and duly appointed **Commissioners (Members)** of the **Authority**; and,

WHEREAS, by signing this instrument, each of the five (5) below signed certifies that they have personally reviewed the recommendation and comment section of the FY 2008 Audit as prepared by **Nisivoccia & Company**.

NOW, THEREFORE, BE IT RESOLVED by the **Washington Township Municipal Utilities Authority**, that:

- (1) Upon adoption of this resolution, it shall be signed by each of the **Authority's five Commissioners**; and,
- (2) Upon signature, this resolution shall be attested by the **Authority's** Secretary who shall forward it to the **NJCA** in compliance with its request.

INTRODUCED AND PASSED: May 6, 2009

Motion was made by Mr. Strawn, seconded by Mr. Cullen that the foregoing Resolution to approve the 2008 Audit with the language "certification" to be revised by the attorney. Motion was carried by the following Roll Call Vote:

AYES: Messrs: Akin, Strawn, Cullen, LaVista, Popper
NAYS: None
ABSTAIN: None

Water Leaks Adjustments

A policy was presented to the committee for Excessive Unaccounted for Water Use/Bill. It was recommended by one member that the only exception that the MUA should provide for large invoices is due to a water leak and only if the leak was an unforeseeable act, i.e. a pipe breaks in the ground. Another recommendation in granting relief only on a one-time billing adjustment basis. All board members will email their recommendations to Mr. Costic. Mr. Costic will then review the recommendations with the current policy and advise if the new policy should be detailed or general.

Director's Report

- Billing System: The MUA has changed the collections process. Additional notices will be generated at 60, 90, 120 and 180 days.
- Legislative: the MUA may need to qualify a purchasing agent which would require getting an existing employee qualified or contracting with a qualified purchasing contractor.
- Web Site: The water restrictions will be posted.
- Mountain View Bar & Grill: The DEP issued an ACO forcing the Mountain View Bar to tie in with the sewer system due to a failing septic system even though they are outside our service area.
- Wastewater Management Plan: Due to the DEP's inactivity on approving the pending WMP, the MUA is acting on the decision of the DEP in the Mountain View Bar case and pushing to connect any septic systems that can be proven to be a health and safety hazard. A meeting with the township Health Department is pending to help implement this. The risk is having to disconnect the homes if the homes are not included in the pending WMP. The attorney will draft a letter to the DEP advising that the MUA's understanding of the decision on Mountain View Bar will give us the authority to connect any homes outside the current WMP in the case of a health and safety problem. The MUA will also draft letters to add political pressure.
- Leak Study: The MUA is in the process of cleaning valves to allow the contractor to begin testing. The

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valves are half done and the possibility of hiring extra help to facilitate this was agreed to.

- Camp Washington Spring: The MUA is examining the best location for a new Booster Station. The MUA sent the DEP plan for decommissioning the spring and is waiting for the response.
- Naughtright Standpipe: A plan for the Cathodic Protection system should be available by next month.
- Well Exploration/Devel: Access to the Searles property to drill Well 22 has been filed under eminent domain. The MUA expects that the response should be provided by May 27th. Drilling should begin on the remaining two wells this week. The system model is up and running the MUA has provided parameters for input into the model to the contractor. Standpipe needs is one of the first items to be addressed.
- Water Restrictions have been posted on the website, signs, and postcards to customers. Requested inclusion in the newspaper.

Lawn Care

Beaumont was the lowest quote and provided the lawn care service last year.

Motion was made by Mr. Strawn, and seconded by Mr. Cullen to approve the lowest bidder, Beaumont, to provide lawn care service in 2009. Motion was carried by the following Roll Call Vote:

AYES	Messrs.:	Akin, Strawn, Cullen, LaVista, Popper
NAYS:	None	
ABSTAIN:	None	

Facilities Tour

Mr. Costic will send out an email to all members to determine interest in setting up another tour of the MUA facilities.

Closed Session

RESOLUTION CLOSED SESSION
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No. 09 - 05 - A

WHEREAS, it is necessary for the Washington Township Municipal Utilities Authority to discuss a matter relating to contract issues and potential litigation which matter is permitted by Section 7.6 of the Open Public Meetings Act (Chapter 231 of the Public Laws of the State of New Jersey for 1975) to be discussed in closed session in the absence of the Public; and

WHEREAS, the Washington Township Municipal Utilities Authority has determined that it is necessary in the public interest that the matter in fact be discussed in closed session, and has estimated that, as nearly as can be ascertained, the results of the discussion can be disclosed to the public when formally acted upon.

NOW, THEREFORE, BE IT RESOLVED by the Washington Township Municipal Utilities Authority, in the County of Morris and State of New Jersey, that the public be excluded from the closed portion of this meeting, during which only the aforesated matter will be discussed.

INTRODUCED AND PASSED: May 6, 2009

Motion was made by Mr. Strawn, and seconded by Mr. Cullen to go to closed session to discuss contract issues and potential litigation. Motion was carried by the following Roll Call Vote:

AYES	Messrs.:	Akin, Strawn, Cullen, LaVista
NAYS:	None	
ABSTAIN:	None	

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Motion was made by Mr. Strawn, seconded by Mr. LaVista move out of Closed Session. Motion was carried by the following Roll Call Vote:

AYES:	Messrs:	Akin, Strawn, LaVista
NAYS:	None	
ABSTAIN:	None	

OPEN SESSION

There being no further business to be discussed at this meeting the following action was taken.

Motion was made by Mr. Strawn, and seconded by Mr. LaVista that this meeting be adjourned. Motion was carried by the following vote:

AYES	Messrs.:	Akin, Strawn, Cullen, LaVista, Popper
NAYS:	None	
ABSTAIN:	None	

Meeting adjourned: 12:00 am

Respectfully submitted,

E. Jill Waller
Secretary