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**WASHINGTON TOWNSHIP MUA**  
**Regular Meeting**  
**December 4, 2019**

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The Regular Meeting of the W.T.M.U.A. was called to order at 7:38 PM on December 4, 2019. Adequate notice of this meeting of the W.T.M.U.A. was given to the Daily Record and the Courier News on February 8, 2019. Notice was also posted on the Municipal Building Bulletin Board.

Members Present: Messrs. Cullen, Babb\*, Drake, Sparone  
Alt. Members Present: Messrs.  
Members Absent: Messrs. Napolitano  
Alt. Members Absent: Messrs. Lamenta  
Liaison Absent: Messrs. Forsbry  
Staff Members Present: Executive Director (ED) Spencer, Executive Secretary Waller, Attorney Gregory

\*arrived at 8:21 pm

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**SALUTE THE FLAG**

**2020 RATE HEARING**

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**PUBLIC RATE HEARING - 2020 SEWER AND WATER RATES**

Executive Director Spencer was sworn in by Attorney Gregory. Mr. Spencer attested that notices of the Rate Hearing were sent to at least two newspapers of local distribution, mailed to the Municipal offices and posted on the WTMUA bulletin board as required. The proof from the newspapers were marked Exhibit A for the record.

The proposed rate schedule, which was confirmed as being essentially what was advertised for the Rate Hearing, was marked Exhibit B.

The procedures to prepare the budget and rates were described by Mr. Spencer. The budget was marked Exhibit C.

The Executive Director recommended an increase in both water rates and sewer rates in order to cover the 2020 expenses including debt service, reserves, maintenance and other charges to maintain the Authority.

Additionally, changes to the Rules & Regulations are recommended by Mr. Spencer to protect the integrity of the Authority's system.

The hearing was opened to the Public. The form of transcript for this hearing will be in the form of a recording and protected in the event that a transcript will be required.

With no Public being present, the Hearing was closed to the public and concluded.

**REGULAR MEETING**

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**2020 RATE INCREASE AND CHANGES TO RULES AND REGULATIONS**

<p>RESOLUTION ADOPTING 2020 RATE SCHEDULE AND AMENDING WTMUA RULES AND REGULATIONS</p>
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*No. 19-12-A*

WHEREAS, upon proper notice having been made and a public hearing having been held pursuant to the Municipal and County Utilities Authorities Law to amend the Washington Township Municipal Utilities Authority (the "Authority") service charges for 2020 as set forth in Rate Schedule of the Rules and Regulations, Appendix A attached hereto; and

WHEREAS, for the reasons set forth in said public hearing and to ensure adequate revenues will be available to pay the expenses of operation and maintenance of the utility system, including reserves, insurance, extensions, and replacements, and to pay the principal of and interest on any bonds and to maintain such reserves or sinking funds therefor as may be required by the terms of any contract of the municipal authority or as may be deemed necessary or desirable by the Authority for the year 2020, it is the desire of the Authority to amend its Rules and Regulations to replace the 2019 rate schedule with the 2020 rate schedule, Appendix A attached hereto; and

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WHEREAS, all other sections of the WTMUA's Rules and Regulations inconsistent with the new rate schedule set forth in Appendix A, are hereby amended to be consistent with the 2020 Rate Schedule; and

WHEREAS, the Authority has found it necessary to amend Section 5 (General Requirements), Subsection E of its Rules and Regulations to provide increased fines and penalties for the unauthorized use of water and sewer service. NOW, THEREFORE, BE IT RESOLVED by the Washington Township Municipal Utilities Authority as follows:

1. The Rules and Regulations of the Washington Township Municipal Utilities Authority are hereby amended by the adoption of the 2020 rate schedule as set forth on Appendix A attached hereto and to be attached to the Rules and Regulations as referenced under Section 5, Part B, 1.
2. All other sections of the WTMUA's Rules and Regulations inconsistent with the new rate schedule set forth in Appendix A, are hereby amended to be consistent with the 2019 Rate Schedule.
3. Section 5 (General Requirements), Subsection E of its Rules and Regulations are hereby amended as set forth the new Section 5 (General Requirements), Subsection E attached hereto.
4. This resolution shall take effect immediately.

INTRODUCED AND PASSED: December 4, 2019

Motion was made by Mr. Drake, and seconded by Mr. Sparone, to approve Resolution 19-12-A. Motion was carried by the following vote:

AYES: Messrs.: Cullen, Drake, Sparone  
NAYS: Messrs.: None  
ABSTAIN: Messrs.: None

**APPROVAL OF 9/04/19, 10/02/19 & 11/06/19 MINUTES**

Nothing at this time.

**NOVEMBER CHECKBOOK REGISTER**

Motion was made by Mr. Sparone, and seconded by Mr. Drake, to approve the presented checkbook registers. Motion was carried by the following vote:

AYES: Messrs.: Cullen, Drake, Sparone  
NAYS: Messrs.: None  
ABSTAIN: Messrs.: None

**BILLING ADJUSTMENTS – SEPTEMBER, OCTOBER & NOVEMBER**

Nothing at this time.

**VOUCHERS OVER \$6,000**

Discussed incorporating "warranty" period on all excavation "repairs" in the next contract.

Motion was made by Mr. Sparone, and seconded by Mr. Drake, to approve the presented vouchers that are over \$6,000. Motion was carried by the following vote:

AYES: Messrs.: Cullen, Drake, Sparone  
NAYS: Messrs.: None  
ABSTAIN: Messrs.: None

**AUTHORIZATION TO EXPEND OVER \$6,000**

Motion was made by Mr. Sparone, and second by Mr. Drake, to authorize the Executive Director to expend up to \$13,000 for the Windows 7 migration . Motion was carried by the following vote:

AYES: Messrs.: Cullen, Drake, Sparone  
NAYS: Messrs.: None

**NON-FAIR AND OPEN CONTRACT OLD FARMERS ROAD PUMP STATION RAW SEWAGE PUMP INSTALL**

RESOLUTION AUTHORIZING THE AWARD OF A NON-FAIR AND OPEN CONTRACT OLD FARMERS ROAD PUMP STATION RAW SEWAGE PUMP INSTALL
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No. 19-12-E

WHEREAS, the Washington Township Municipal Utilities Authority ("Authority") has the need for installation of Raw Sewage Pump at the Old Farmers Road Pump Station ("OFR PS") to ensure proper function; and

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**WASHINGTON TOWNSHIP MUA**  
**Regular Meeting**  
**December 4, 2019**

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WHEREAS, proposals were solicited and price quotes were provided by four vendors; and

WHEREAS, Pumping Services, Inc. ("Pumping Services") submitted the most advantageous proposal dated October 25, 2019 indicating they shall install the raw sewage pump; and,

WHEREAS, the proposal is estimated to be over \$17,500, but under the bid threshold of \$40,000; and

WHEREAS, the "Pay-to-Play" Law (N.J.S.A. 19:44A-20.4 et seq) requires that the resolution authorizing the award of a contract over \$17,500 without competitive bids and the contract for said services must be made available for public inspection; and,

WHEREAS, this is an award of a non-fair and open contract in accordance with N.J.S.A. 19:44A-20.5 and as required thereby: (1) the Qualified Purchasing Agent has determined and hereby certifies in writing that the value of the replacement of the OFR raw sewage pump is anticipated to exceed \$17,500, (2) Pumping Services will submit a Business Entity Disclosure Certification, (3) Municipal Maintenance will submit a certification that Municipal Maintenance has not made any reportable contributions to a political or candidate committee in the Township of Washington in the previous year, and (4) the Contract will prohibit Pumping Services from making any reportable contributions through the term of the contract; and

WHEREAS, the Executive Director hereby certifies that adequate funds are available for these purposes; and,

WHEREAS, the anticipated term of this contract will expire December 31, 2021; and

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

1. Subject to attorney review, the Executive Director is hereby authorized and directed to execute the attached Proposal Agreement with Pumping Services, Inc. to install the raw sewage pump.
2. A copy of this Resolution and the Agreement engaging Pumping Services shall be kept on file and available for public inspection at the office of the WTMUA, 46 East Mill Road, Long Valley, New Jersey.
3. This contract is made without competitive bidding as the value is under the bid threshold in accordance with N.J.S.A. 40:11-3(a) and (c) of the Local Public Contracts Law.
4. A notice of this action shall be printed in the Authority's Official Newspaper within ten (10) days of the passage of this resolution.
5. This Resolution will take effect immediately pursuant to law.

CERTIFIED AS TO CONTRACT VALUE AND FUNDS AVAILABILITY

Craig Spencer, Executive Director

INTRODUCED AND PASSED: December 4, 2019

Motion was made by Mr. Sparone, and second by Mr. Drake, to approve Resolution 19-12-E. Motion was carried by the following vote:

AYES: Messrs.: Cullen, Drake, Sparone

NAYS: Messrs.: None

ABSTAIN: Messrs.: None

**DIRECTOR'S REPORT**

The Executive Director's report was reviewed. Other items discussed:

- Ways to encourage the customer to replace the entire service line rather than patch a service line break were reviewed.

**2020 WATER AND SEWER BUDGETS**

RESOLUTION

2020 Authority Water and Sewer Utility Budget

WASHINGTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

for the FISCAL YEAR: from January 1, 2020 to December 31, 2020

*No. 19-12-B*

WHEREAS, the Annual Budget and Capital Budget for the Washington Township Municipal Utilities Authority for the fiscal year period beginning January 1, 2020 and ending December 31, 2020, has been presented before the governing body of the Washington Township Municipal Utilities Authority at its open public meeting of December 4, 2019; and,

WHEREAS, the Annual Budget as introduced reflects Total Revenues of \$4,659,545, Total Appropriations, including Accumulated Deficit if any, of \$4,659,545 and Total Unrestricted Net Position utilized of \$0; and,

WHEREAS, the Capital Budget as introduced reflects Total Capital Appropriations of \$2,054,000 and Total Unrestricted Net Assets planned to be utilized as funding thereof, of \$2,054,000; and,

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**WASHINGTON TOWNSHIP MUA**  
**Regular Meeting**  
**December 4, 2019**

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WHEREAS, the schedule of rates, fees and other charges in effect will produce sufficient revenues, together with all other anticipated revenues to satisfy all obligations to the holders of bonds of the Authority, to meet operating expenses, capital outlays, debt service requirements, and to provide for such reserves, all as may be required by law, regulation or terms of contracts and agreements; and,

WHEREAS, the Capital Budget/Program, pursuant to N.J.A.C. 5:31-2, does not confer any authorization to raise or expend funds; rather it is a document to be used as part of the said Authority's planning and management objectives. Specific authorization to expend funds for the purposes described in this section of the budget, must be granted elsewhere; by bond resolution, by a project financing agreement, by resolution appropriating funds from the Renewal and Replacement Reserve or other means provided by law.

NOW, THEREFORE BE IT RESOLVED, by the governing body of the Washington Township Municipal Utilities Authority, at an open public meeting held on December 4, 2019 that the Annual Budget, including all related schedules, and the Capital Budget/Program of the Washington Township Municipal Utilities Authority for the fiscal year beginning January 1, 2020 and ending December 31, 2020, is hereby approved; and,

BE IT FURTHER RESOLVED, that the anticipated revenues as reflected in the Annual Budget are of sufficient amount to meet all proposed expenditures/expenses and all covenants, terms and provisions as stipulated in the said Authority's outstanding debt obligations, capital lease arrangements, service contracts, and other pledged agreements; and,

BE IT FURTHER RESOLVED, that the governing body of the Washington Township Municipal Utilities Authority will consider the Annual Budget and Capital Budget/Program for adoption on February 5, 2020.

INTRODUCED AND PASSED: December 4, 2019

Motion was made by Mr. Babb, and second by Mr. Sparone, to approve Resolution 19-12-B. Motion was carried by the following vote:

AYES: Messrs.: Cullen, Babb, Drake, Sparone

NAYS: Messrs.: None

ABSTAIN: Messrs.: None

**2020 LATE BUDGET SUBMISSION**

<b>RESOLUTION</b> <b>LATE SUBMISSION OF 2020 BUDGETS</b>
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*No. 19-12-C*

WHEREAS, the Washington Township Municipal Utilities Authority (Authority) held Meetings on, October 2<sup>nd</sup>, and November 6<sup>th</sup>, 2019 where the operating and capital budgets for FY 2020 were discussed, and;

WHEREAS, there were a variety of issue related to increases in the operating budget as well as a need to determine the priority of capital work required in the Sewer and Water Utilities, and;

WHEREAS, the appropriations in the Sewer and Water Utilities required a review of revenue, in particular the user fee structure, and;

WHEREAS, review of these matters took more time than was anticipated, and;

WHEREAS, the additional time was considered necessary given the problems of balancing the revenue needs with the appropriations required in FY 2020, and;

WHEREAS, additional time will be needed to convert budget information into the new budget format as required by the NJ Division of Local Government Services.

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

(1) The additional time taken to develop the FY 2020 Authority Budgets was prudent given the magnitude of needs in the Sewer and Water Utilities.

(2) The late submission of the FY 2020 Authority Budgets warranted.

INTRODUCED AND PASSED: December 4, 2019

Motion was made by Mr. Sparone, and second by Mr. Babb, to approve Resolution 19-12-C. Motion was carried by the following vote:

AYES: Messrs.: Cullen, Babb, Drake, Sparone

NAYS: Messrs.: None

ABSTAIN: Messrs.: None

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**WASHINGTON TOWNSHIP MUA**  
**Regular Meeting**  
December 4, 2019

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**2020 TEMPORARY BUDGET**

RESOLUTION APPROVING TEMPORARY SEWER AND WATER UTILITY OPERATING AND CAPITAL BUDGETS FOR THE FISCAL YEAR: FROM JANUARY 1, 2020 TO DECEMBER 31, 2020
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*No. 19-12-D*

WHEREAS, at its open public meeting of December 4, 2019, as Resolution 19-12-B, the Washington Township Municipal Utilities Authority approved the Annual Budgets and Capital Budgets for the fiscal year beginning January 1, 2020 and ending December 31, 2020; and,

WHEREAS, said Budgets will be submitted to the New Jersey Department of Community Affairs, Division of Local Government Services, Authority Budgets and Finances (hereinafter referred to as NJDCA) by the end of December 2019; and,

WHEREAS, the NJDCA has not issued an approval of the budgets as submitted; and,

WHEREAS, the Authority cannot adopt its Annual Budgets and Capital Budgets without NJDCA approval; and,

WHEREAS, the Authority must have budgets to pay for ongoing operations.

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

1. The Annual Budgets and Capital Budgets for the fiscal year beginning January 1, 2020 and ending December 31, 2020 approved at its open public meeting of December 4, 2019 is hereby adopted as a temporary budget until such time the NJDCA approves the budget submissions made, or that may be required.

2. This resolution shall take effect immediately upon signing by the WTMUA Chairman.

INTRODUCED AND PASSED: December 4, 2019

Motion was made by Mr. Babb, and second by Mr. Sparone, to approve Resolution 19-12-D. Motion was carried by the following vote:

AYES: Messrs.: Cullen, Babb, Drake, Sparone

NAYS: Messrs.: None

ABSTAIN: Messrs.: None

**OPEN BOARD POSITIONS**

The Township advised that a candidate, for the open Board position, is being interviewed and could be appointed on December 16, 2019.

**AUTHORITY ATTORNEY RETIRING**

Mr. Gregory announced his retirement in 2020. A new attorney will be appointed in February 2020.

**ADJOURNMENT**

Motion was made by Mr. Babb, and seconded by Mr. Drake, to adjourn the meeting. Motion was carried by the following vote:

AYES: Messrs.: Cullen, Babb, Drake, Sparone

NAYS: Messrs.: None

ABSTAIN: Messrs.: None

Meeting Adjourned: 8:46 PM

Respectfully Submitted, E. Jill Waller, Secretary