

EVESHAM MUNICIPAL UTILITIES AUTHORITY

Meeting Minutes from September 2, 2020

Authority Board, Professionals and Staff in Attendance via Video Teleconferencing:

Present: Chairman Waters, Vice-Chairman Tencza, Secretary Lutner, Commissioners Jamanow, Schmidt, Druss and Kipness

Also Present: Executive Director Rollins, Deputy Executive Director Puszcz, Operations Manager Booth, Asset Management Supervisor Vandenberg, Engineer Simpson, General Counsel Gillespie and Board Secretary Krimmel

Members of the Public:

None

Chairman Waters called the meeting to order at 7:32 P.M.

Opening Statement:

Executive Director Rollins read the opening statement as follows:

Adequate public notice of this meeting, pursuant to the Open Public Meetings Act, has been given by the Director of Finance, Deputy Executive Director of the Evesham Municipal Utilities Authority on February 7, 2020 in the following manner:

1. E-mailing written notice to the Burlington County Times, Courier Post, and Central Record
2. Posting written notice on the official Evesham MUA website
3. Filing written notice with the Clerks of Evesham and Medford

This statement shall be entered into the minutes of this meeting

PLEDGE OF ALLEGIANCE

APPROVAL OF MINUTES

August 5, 2020 – On motion by Lutner, seconded by Jamanow, it was moved to approve the minutes of August 5, 2020.

RECORDED VOTE: AYE: Schmidt, Jamanow, Lutner, Tencza, Waters

NAY: None
ABSTAIN: None

MOTION CARRIED: 5-0-0

PUBLIC COMMENT (Agenda Items only)

None

FINANCIAL

Resolution 2020-109: Payment of Bills – On motion by Tencza, seconded by Lutner, it was moved to adopt **Resolution #2020-109** approving the payment of the August 2020 bills.

RECORDED VOTE: AYE: Schmidt, Jamanow, Lutner, Tencza, Waters
 NAY: None
 ABSTAIN: None

MOTION CARRIED: 5-0-0

Resolution 2020-110: Authorizing the renewal of membership in the New Jersey Authorities Joint Insurance Fund – On motion by Lutner, seconded by Jamanow, it was moved to adopt **Resolution #2020-110** authorizing the renewal of membership in the New Jersey Authorities Joint Insurance Fund (JIF) for a three (3) year period, beginning January 1, 2021 and ending January 1, 2024. Executive Director Rollins explained this membership provides workers compensation, liability, property, public official employment practices and environmental liability coverage. The New Jersey Authorities Joint Insurance Fund was established in 1991 and the Authority is a charter member. Membership has proven to be very beneficial to the Authority. We save money in premiums and receive additional risk management and safety training in addition to the coverage.

RECORDED VOTE: AYE: Schmidt, Jamanow, Lutner, Tencza, Waters
 NAY: None
 ABSTAIN: None

MOTION CARRIED: 5-0-0

Resolution 2020-111: Award of Contract through ESCNJ Cooperative Pricing System – On motion by Tencza, seconded by Jamanow, it was moved to adopt **Resolution #2020-111** awarding a contract through ESCNJ Cooperative Pricing System to Cherry Valley Tractor Sales in the amount of \$31,589.30 for a 2020 Eager Beaver Trailer. Operations Manager Booth explained this trailer will transport our backhoes and other large pieces of equipment. This will be replacing an older model that will be placed on Gov Deals auction.

RECORDED VOTE: AYE: Schmidt, Jamanow, Lutner, Tencza, Waters
 NAY: None
 ABSTAIN: None

MOTION CARRIED: 5-0-0

Resolution 2020-112: Authorizing Award of Contract through OMNIA Partners National Cooperative Purchasing Program

– On motion by Lutner, seconded by Tencza, it was moved to adopt **Resolution #2020-112** authorizing award of contract through OMNIA Partners National Cooperative Purchasing Program to Kronos SaaS, Inc. in the amount of \$20,247.00 to purchase payroll, human resources and scheduling services. Deputy Executive Director Puszcz explained that we have been investigating various platforms to automate our payroll processing under one system, eliminating manual timecard calculations and input and to process paperless payroll statements.

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hindrance in the past has been the prohibitive costs associated with the implementation of software and time clocks. This system will work well with the way that we calculate payroll and also integrate well with our Great Plains accounting system. Deputy Executive Director Puszcz became aware of Kronos SaaS through our membership with one of our national cooperative pricing programs, OMNIA. Deputy Executive Director Puszcz informed the Board that this program will provide the most up to date software capability in a cloud environment with government level data security. This system will pay for itself within the first year in the savings of manpower costs associated with calculations, delivery of payroll and printing. It will greatly increase efficiencies in all facets of payroll and human resources.

RECORDED VOTE: AYE: Schmidt, Jamanow, Lutner, Tencza, Waters
 NAY: None
 ABSTAIN: None

MOTION CARRIED: 5-0-0

Resolution 2020-114: Award of Contract in excess of \$6,600

– On motion by Schmidt, seconded by Lutner, it was moved to adopt **Resolution #2020-114** awarding a contract to Airgas USA, LLC in the amount of \$11,079.08 for confined space entry equipment. Operations Manager Booth explained that this equipment will allow employees to enter confined spaces safely and allow two people to enter at the same time.

RECORDED VOTE: AYE: Schmidt, Jamanow, Lutner, Tencza, Waters
 NAY: None
 ABSTAIN: None

MOTION CARRIED: 5-0-0

Rate Structure Analysis & Discussion

Deputy Executive Director Puszcz advised the Board that Executive Director Rollins and herself have conducted several meetings with the Finance Committee (Commissioners Lutner & Schmidt) and Auditor Applegate to review the different scenarios of the rate restructuring. It became clear that our current rate structure for both water and sewer more than adequately support the Authority's operations. Our current sewer rates easily support our sewer Capital Improvement Plan and in the past year, due to a significant reduction in debt service payments from one of our debt issues maturing, it has been generating a very large net operating income. Our current water rates do not support our water Capital Improvement Plan or our new debt service for the 2019 Revenue Bonds. While it is a good thing that both operations are fully supported by our current rate structure, we do have an obligation for repayment of the 2019 Bonds and for our water infrastructure needs. After the review of several different rate adjustment scenarios, they came to the consensus that the best proposed rate realignment should be to increase the water base rate by \$20.00 per quarter, while reducing the sewer base rate by the same amount. This results in an overall \$0 net change for approximately 98% of our customers.

Deputy Executive Director Puszcz turned the meeting over to Executive Director Rollins to review the affordability and fairness calculations for the average water/sewer bill. Executive Director Rollins reviewed the two perspectives of Affordability. First, the system level financial capability which the EPA defines as not more than 2% of median household income (MHI) for drinking water and not more than 2.5% for wastewater for a combined level of not more than 4.5% of MHI. And, the second perspective is household level of affordability which is configured on an affordability ratio at 20th percentile income and hours of minimum wage labor. Under both perspectives, the Authority is well below the benchmarks for Affordability. Executive Director Rollins then reviewed our rate structure from the perspective of Fairness. To determine fairness, we compared the Authority's rates to other local water/sewer utilities. Out of 27 Utilities, the Authority ranks #22. This means our rates are less than 21 other Utilities. To recap, the proposed rate adjustment will result in a \$0 change for 98% of our customers. There is a small portion of water only customers, primarily in the southern part of the water system. To provide the southern part of the water system, which is at a higher elevation, with adequate volume and pressure, pumping is required to push the water from the northern part of the system. The Authority incurs additional electric costs of approximately \$1,200.00 per month to pump the water from north to south. In addition, the NJDEP requires a water tower to be constructed in this southern end of the system at an estimated cost of \$3,000,000.00. It is projected that the breakdown for the electric costs and the cost of the tower is about \$161.00 per household per year, all of which is paid by the Authority. In comparison, the total increase the water only customers will experience is \$80.00 per year or less than half of the cost to supply water to this area.

EXECUTIVE DIRECTOR'S REPORT

Executive Director Rollins informed the Board that there was one water main break since our last meeting. The water main break occurred on Chadwick Avenue in the Cambridge section of town. We had six discolored water reports and six water odor reports. Executive Director Rollins reported that both Kings Grant and Woodstream Plants had e-coli violations. This is the bacteria that we use as an indicator of disinfection performance. The Kings Grant Plant issue has been resolved but they continue to trouble shoot the Woodstream Plant. Both cases have been reported to the DEP.

Executive Director Rollins asked the Board to recall Resolution 2020-110 this evening authorizing the renewal of membership in the New Jersey Authorities Joint Insurance Fund (JIF). He wanted to share some insight on how JIF provides the insurance coverage for liability, property and workman's compensation. Executive Director Rollins reviewed the loss control reports for the past several years, whereas; the Authority was commended on our safety practices and no environmental concerns. They also provide any suggestions that they have for improvement. Executive Director Rollins also reviewed the loss time accident frequency reports which showed no loss time accidents for 2020 and minimal loss time accidents (1 claim) in the past three years. He believes it is very beneficial for the Authority to be a member of JIF.

Executive Director Rollins reviewed the results of the "three men in a truck" allegation. He informed the Board that Assistant Executive Director Locantore performed a complete investigation including use of our GPS tracker system. There was only one vehicle that was in the reported vicinity on that reported day and that vehicle does not fit the reported description of the vehicle. Furthermore, it would be extremely difficult for three grown men to all be seated in the actual vehicle as alleged due to significant lack of interior space. The conclusion of the investigation determined that it is unlikely that it was an Authority vehicle that was involved.

Executive Director Rollins advised the Board that he is currently working with Chairman Waters and General Counsel Gillespie to update the Authority's By-laws. They are mapping out the frame work for the by-laws and researching examples of by-laws to begin the process.

Executive Director Rollins informed the Board that the October 7th meeting will be held in the Township Court room barring any new restrictions from the State. We will provide any accommodations that will be needed for the commissioners' attendance. Any commissioner that does not feel comfortable attending in-person can be set up remotely. Please inform Executive Director Rollins by September 30, 2020 if accommodations are needed.

ENGINEER'S REPORT

Review of Engineer's Status Report

Update: South Side Water Storage Tank – Nothing new to report.

Update: ASR Well 13 Treatment Program – Nothing new to report.

Update: ASR Well 14 Screen Replacement –

Resolution 2020-113: Approval of Change Order #1 – On motion by Jamanow, seconded by Tencza, it was moved to approve **Resolution 2020-113** approving Change Order #1 in the credit amount of \$5,870.00 to A.C. Schultes, Inc. for ASR Well No. 14 Screen Replacement.

RECORDED VOTE: AYE: Schmidt, Jamanow, Lutner, Tencza, Waters
 NAY: None
 ABSTAIN: None

MOTION CARRIED: 5-0-0

Update: Locust Avenue Pumping Station Upgrade – The contractor continues construction of the pumping station. The contractor has approximately three weeks remaining to completion.

Update: Route 70 Water Main – This will be discussed during Executive session.

Update: Route 70 Sewer Main – This will be discussed during Executive session.

Update: Elmwood WWTP Resiliency Improvements – Nothing new to report. This is being held up by the NJDEP.

Update: Knox Boulevard Water Main Replacement –RTW Construction continues the connection of the water service into the new water main. They are also working on the paving improvements.

Update: Heritage Village (Phase 1) Water Main Replacement – The contractor is working on Main Street installing the new water main service connection and linking a fire hydrant to a larger water main. After that is complete the contractor will start the paving.

Update: Elmwood Storage Building – This project has been placed on hold due to availability of funds.

Update: Elmwood Tertiary Filter Rehabilitation – The bid opening occurred on August 20, 2020.

Resolution 2020-115: Award of Contract in excess of \$40,000 – On motion by Lutner, seconded by Schmidt, it was moved to adopt **Resolution #2020-115** awarding a contract to MBE Mark III in the amount of \$1,658,487.00 for Elmwood WWTP Tertiary Filter Rehabilitation.

RECORDED VOTE: AYE: Schmidt, Jamanow, Lutner, Tencza, Waters
 NAY: None
 ABSTAIN: None

MOTION CARRIED: 5-0-0

Update: Woodlake Drive Water Main – The contractor is starting next week. They are meeting with the residents this Friday, September 4, 2020 to answer any questions that they may have.

Update: Well No. 7 Building – The design is ongoing and should be complete by the end of October.

Update: Greenbrook Drive Water Main Replacement – A preconstruction meeting will be held sometime in September.

Update: Elmwood WWTP Control Building – The design is near completion.

Update: East Main Street Sewer Main Replacement – The design is near completion. This should go out next month for bids.

PUBLIC COMMENT

None

GENERAL COUNSEL'S REPORT

General Counsel Gillespie had nothing to report in public session. The live stream remained open while executive session occurred in closed session. The Board entered into executive session at 9:00 p.m. The Board came out of session at 9:19 p.m. to make a motion to go into executive session. General Counsel Gillespie explained that the Board inadvertently went into executive session without a motion, no formal action was taken.

Resolution 2020-116: Executive Session – On motion by Schmidt, seconded by Lutner, it was moved to enter into Executive Session at 9:19 p.m. for the purpose of potential acquisitions of property (Route 70 Easements); Personnel discussion; Matters falling within Attorney/Client Privilege.

On motion by Tencza, seconded by Jamanow, it was moved to come out of Executive session at 11:32 p.m.

RECORDED VOTE: AYE: Schmidt, Jamanow, Lutner, Tencza, Waters
 NAY: None
 ABSTAIN: None

MOTION CARRIED: 5-0-0

BOARD COMMENTS

Commissioner Kipness has some financial questions to ask Deputy Executive Director Puszcz but will call her in the morning to discuss.

Commissioner Druss looks forward to having Township events again. He wished everyone a nice Labor Day weekend.

Commissioner Lutner showed appreciation to Executive Director Rollins ,Deputy Executive Director Puszcz and Commissioner Schmidt for all their hard work on the Finance Committee. He believes they will come up with a good solution moving forward. He wished everyone a great week-end and to stay safe.

Commissioner Schmidt showed appreciation to Commissioner Lutner for his work on the Finance Committee also. He wished everyone a great holiday week-end.

Commissioner Jamanow showed appreciation to Executive Director Rollins ,Deputy Executive Puszcz and Operations Manager Booth for all their hard work on the safety harnesses, cleaning the air filters at all Plants for the employees during Covid-19 and the rate restructure plans. She wished everyone a great week-end.

Commissioner Tencza showed appreciation to the Finance Committee which includes Executive Director Rollins, Deputy Executive Director Puszcz, Commissioners Lutner and Schmidt. He gave a special shout out to Auditor Applegate for all his hard work. He believes they did a nice job. He thanked Executive Director Rollins for all his hard work the past few months during Covid-19 and keeping the Authority running. He wished everyone a safe holiday week-end.

Chairman Waters thanked everyone for attending tonight's meeting. He thanked the staff for all their help and hard work in preparation to this meeting. He also informed the Board that he had the pleasure to participate in a forum with Mayor Veasy, Deputy Mayor Cooper and other Township entities to foster some conversation about shared services and how to work better together. He hopes that good things come out of it. He appreciates the invitation from Mayor Veasy.

There was a motion to adjourn by Tencza, seconded by Jamanow. The meeting was adjourned at 11:40 P.M.

RECORDED VOTE: AYE: Schmidt, Jamanow, Lutner, Tencza, Waters
 NAY: None

ABSTAIN: None

MOTION CARRIED: 5-0-0

The next meeting of the Evesham Municipal Utilities Authority is scheduled for October 7, 2020 at 7:30pm.

Christine Krimmel
Executive Administrative Assistant

APPROVED BY THE BOARD: _____