

MEETING MINUTES

PEQUANNOCK RIVER BASIN REGIONAL SEWERAGE AUTHORITY

June 20, 2012

Minutes of the regular meeting of the **Pequannock River Basin Regional Sewerage Authority** held on June 20, 2012 in the Conference Room at the Butler Municipal Building, One Ace Road, Butler, New Jersey. Chairman Voorman called the meeting to order at approximately 7:30 p.m.

ROLL CALL

On roll call:

PRESENT : Chairman Voorman, Commissioners Howard Lampmann, Metcalfe and Verdonik

ABSENT : Commissioner Gall

ALSO PRESENT : Christopher H. Falcon, Esq., Maraziti, Falcon & Healey; and Daniel D. Kelly, P.E., Kelly Engineering

OPEN PUBLIC MEETING STATEMENT

Chairman Voorman introduced the "Open Public Meeting Statement" indicating that adequate notice of the Authority's regular meeting had been publicized in accordance with law by posting notice on the bulletin board at the Butler Municipal Building by providing notice to the municipal clerks of Bloomingdale, Butler, Kinnelon, and Riverdale, and by providing notice to the official newspapers of the Authority.

ADOPTION OF MINUTES

1. Meeting Minutes: Regular Meeting – May 16, 2012

Commissioner Lampmann moved acceptance of the minutes of the May 16, 2012 regular meeting. Vice Chairman Verdonik seconded that motion which passed unanimously on the following roll call vote:

AYES : Chairman Voorman, Commissioners Howard, Lampmann, and Verdonik

NAYS : None
ABSENT : Commissioner Gall
ABSTAIN : Commissioner Metcalfe

OPERATIONAL REPORT

1. System Operations

1.1 Flow Report

Referring to the Flow Report dated June 19, 2012, Mr. Kelly advised that the total system flows remain extremely low at 1.544 mgd for the month of May. On a year to day basis he said that the cumulative average flow has dropped from 1.816 mgd through April to 1.777 mgd through May.

The following reports were distributed to the Board for review:

May 2012

- Flow Report dated June 19, 2012 for the period ending May 31, 2012
- Daily Flow Summary for May 2012
- Daily Flow Hydrograph for May 2012
- Daily Flow Hydrograph Comparing Meters P-4 and TBSA Meter M-15 for May 2012
- TBSA Yearly Plant Operations Report (w/DDK Calculations)

Commenting on TBSA's Yearly Plant Operations report, Mr. Kelly said that his calculations show that the Authority's actual flows are currently averaging 1.61% less than those budgeted by Two Bridges for the year.

1.2 PRBRSA Interceptor – Manhole Frame and Cover Replacement

Referring to a series of communications, Mr. Kelly explained that Morris County notified his office of an ongoing construction project within the Paterson-Hamburg Turnpike in Riverdale. He said that the County's contractor, Tilcon Construction, was preparing to immediately mill and final pave the westerly portion of the Paterson-Hamburg Turnpike up through approximately the Route 287 interchange. In connection with the project, he advised that the County indicated that approximately 5 to as many as 8 PRBRSA frames and covers in that area are damaged, and need

to be replaced. Since the contractor was ready to start working in a matter of days, Mr. Kelly said that he worked with Borough of Butler's Administrator, and the Authority's operator, Ed Becker, to purchase the necessary equipment from Campbell Foundry, the original supplier of the frames and covers. In response to Chairman Voorman's question as to why the Authority was not notified in advance and given the opportunity to attend the preconstruction meeting, Mr. Kelly noted that Cliff Wolfe of the County's Engineering Department apologized for that oversight and indicated that the Authority should have been invited and certainly will be invited to any preconstruction meetings in the future.

Mr. Kelly further explained that Morris County will bill the Authority for Tilcon's work to remove and replace the manhole frames and covers at the bid price of \$400 per unit.

Following further discussion, Vice Chairman Verdonik moved approval of the following resolution (**Resolution No. R-12-6-1**) :

Resolution No. R-12-6-1

RESOLUTION TO AUTHORIZE PAYMENT FOR PURCHASE OF MANHOLE FRAMES AND COVERS PURSUANT TO LOCAL PUBLIC CONTRACTS LAW AND FOR THE INSTALLATION OF THE SAME IN THE PAVED ROADWAY OF THE PATERSON HAMBURG TURNPIKE BY THE COUNTY OF MORRIS

WHEREAS, the Pequannock River Basin Regional Sewerage Authority (hereinafter "the Authority") was obliged to acquire certain manhole frames and covers on short notice in connection with the paving of the Paterson Hamburg Turnpike in Riverdale, New Jersey by Morris County; and

WHEREAS, the Authority ordered eight manhole frames and covers from Campbell Foundry Company @ \$460.00 each at a cost of \$3,680.00 on an expedited basis due to the paving schedule of Morris County; and

WHEREAS, the Authority also ordered eight manhole covers from Campbell Foundry Company with PRBRSA identification thereon @ \$216.00 at a cost of \$1,728.00; and

WHEREAS, the foregoing purchases total \$5,408.00 and are below the bid threshold; and

WHEREAS, it was not practicable, under the circumstances, for the Authority to solicit competitive quotations in accordance with N.J.S.A. 40A:11-6.1; and

WHEREAS, the Authority has agreed to reimburse Morris County for the expense incurred by the County for installation of eight manhole frames and covers in the amount of \$3,200.00.

WHEREAS, the Authority has further authorized the Borough of Butler to deliver said manhole frames and covers to the County's contractor and to generally provide assistance on these matters under Contract No. OM-1 at prices yet to be determined; and

WHEREAS, it was substantially less expensive for the Authority to have the installation work completed as part of the Morris County project, than it would have been had the Authority undertaken the project separately.

NOW, THEREFORE, BE IT RESOLVED by the Pequannock River Basin Regional Sewerage Authority in the Counties of Morris and Passaic in the State of New Jersey on this 20th day of June, 2012, as follows:

- 1) The Consulting Engineer is authorized to pay the vouchers of Campbell Foundry Company, as and when approved by the Authority.
- 2) The Consulting Engineer is authorized to pay the sums due to the County of Morris, as aforesaid, as and when approved by the Authority.
- 3) The Consulting Engineer is authorized to pay the sums reasonably due the Borough of Butler, as and when approved by the Authority.
- 4) This Resolution shall take effect as provided by law.

Commissioner Howard seconded the motion which passed unanimously on the following roll call vote:

| | | |
|----------------|---|---|
| AYES | : | Chairman Voorman, Commissioners Howard, Lampmann, Metcalfe and Verdonik |
| NAYS | : | None |
| ABSENT | : | Commissioner Gall |
| ABSTAIN | : | None |

1.3 ADS Metering Analysis

Mr. Kelly advised that Mike Armes reported that ADS is conducting an in depth analysis of the Authority's flow monitoring system and would forward that analysis upon its completion. Noting that ADS is evidently conducting these evaluations on its own, Mr. Kelly said that, in the interim, he has researched the availability of a metering expert to develop

an independent review of the flow monitoring data as well as the ADS metering system itself. He explained, despite numerous contacts and related research on such an individual, that this type of specialized expertise seems to be primarily embedded within the metering industry, as opposed to independent consultants, including the manufacturers and various vendors that supply and maintain these systems. He explained that ADS, having a proprietary system, is perhaps one of the most difficult to evaluate since it does require direct knowledge of their specific unique hardware, and more particularly, the software and monitoring calculation algorithms used to derive the final flow figures.

2. TBSA Activities

2.1 Status Update

Chairman Voorman and Vice Chairman Verdonik updated the Board on various matters at Two Bridges as they affect Pequannock River Basin. They advised that the primary incinerator (Incinerator No.1) had been shut down for testing of the SCADA systems. They also advised that TBSA continues to evaluate various options for sludge disposal.

3. TWA Application and Connection Permits

**3.1. Wastewater Management Plan
Plan Revision
Borough of Kinnelon**

For the record, Mr. Kelly advised that the Borough of Kinnelon has requested and received from NJDEP a revision of the Wastewater Management Plan as to allow connection of a proposed public works garage to the public sewer system. Mr. Kelly said that he forwarded a letter to Two Bridges to that effect since TBSA was not copied on the notification from NJDEP and also to Kinnelon requesting information on the project. He also noted that this WMP Plan Revision he said that, while extremely minor at an additional 100 gallons per day flow contribution, was accomplished without any prior notice to the Authority.

**3.2. Wastewater Management Plan – Salvation Army
Plan Revision
Borough of Riverdale**

Also for the record. Mr. Kelly advised that NJDEP has modified the Wastewater Management Plan as to allow construction and connection of five cabins within the Star Lake Camp property at an estimated increase flow of 800 gallons per day

3.3. Wastewater Management Plan
Request for Resolution of Consent Morris County/NJDEP

Referring to a June 12th letter from Christine Marion, Director of Morris County's Planning Department. Mr. Kelly advised that the County in conjunction with NJDEP are requesting the Authority's sign off, by means of a consent resolution, on the final future sewer service area mapping for Butler and Riverdale. He advised that he will authorize Hatch Mott MacDonald to prepare overlay mapping comparing the currently approved future sewer service area limits as amended over the years with the currently proposed sewer service areas. He explained that the process is intended to highlight the differences so that attention can be focused on areas that the County and the Department have proposed be excluded from future sewer service.

Mr. Kelly also noted that the mapping process has been ongoing between Morris County's Planning Department and the local towns for more than five years now yet the Authority has been requested to review the final product and consent to its inclusion in the Water Quality Management Plan within 60 days.

3.4. TWA Application
Grande at Bloomingdale
Borough of Bloomingdale

Also for the record. Mr. Kelly advised that the Grande at Bloomingdale project requested and NJDEP has granted a one year extension on its current sewer extension permit.

4. Boonton Avenue Interceptor

4.1. Engineering Procurement RFP

Mr. Kelly reported that there has been no change in status on this matter yet indicated that he would update and revise the draft RFP for review and comment by Mr. Falcon prior to its issuance to the four engineering firms.

FINANCIAL REPORT

1. Treasurer's Report

1.1. Treasurer's Report (Period Ending May 31, 2012)

Treasurer Lampmann presented the Treasurer's Report for the period ending May 31, 2012 and moved its acceptance.

Before voting on the matter Chairman Voorman questioned the subtotal shown for the current month for the General Fund. Mr. Kelly said he would review that and revise it if necessary.

With that, Treasurer Lampmann again moved approval of the Treasurer's Report as revised. Commissioner Howard seconded the motion which passed unanimously upon the following roll call vote:

AYES : Chairman Voorman, Commissioners Howard, Lampmann, Metcalfe and Verdonik

NAYS : None

ABSENT : Commissioners Gall

ABSTAIN : None

2. 2002 Series M Bond and 1996 Series L Bond Refunding

Mr. Kelly briefed the Board on the status of the proposed refunding and the associated implications of the Guaranteed Investment Contracts with Wells Fargo. He explained that the net present value savings had been again calculated with and without the anticipated investment income loss on the GICs essentially confirming the total savings on a net present value basis approximating at \$260,000 and, net of the projected losses on the Guaranteed Investment Contracts, approximately \$164,000 on a net basis.

Referring to his June 19th letter to Treasurer Lampmann, Mr. Kelly also reported on results of the evaluations that the Authority requested on the possibility of an earlier redemption on the current bonds that is the 1996 Series L and the 2002 Series M Bonds, or alternatively, including a call feature within the 2012 Series N Bonds. He advised that after considering those options, it was determined that the

only practical means of reducing future interest expense, given the complications associated with tax issues and the Guaranteed Investment Contracts, is to include a 5 year call feature within the 2012 Series N Bonds. By so doing, he said that RBC Capital Markets estimates that the Authority could save as much as \$71,000 if the Bonds are called in 2018.

3. Forward Delivery Agreement/Guaranteed Investment Contract

Mr. Kelly advised that U.S. Bank is still reviewing the question that his office raised on investment income earnings on the Guaranteed Investment Contracts from 2005 through 2011. He noted that he expects a report on that matter shortly.

4. Preliminary Annual Budget: FY 2013

Referring to his June 5th letter to Treasurer Lampmann, Mr. Kelly outlined the schedule for introduction and adoption of the Preliminary Annual Budget for the upcoming year. On discussion, the Board suggested that the Authority's bottom line rate or Annual Charge increase should not exceed the 2% state cap applicable to the municipalities. Mr. Kelly agreed and indicated that he would try to work within that framework for the Preliminary Annual Budget which will be presented but not acted upon at the July 18th meeting.

5. UNFINISHED BUSINESS

1. PRBRSA Website

Mr. Kelly advised that the Authority's new website was launched on June 12th. Several of the Commissioners commented that they have had a chance to review it. Commissioner Lampmann mentioned that he noticed one slight issue with the meeting date shown in the upper hand corner and asked that that be checked as to why it appears to be cutoff.

Mr. Kelly expressed his appreciation for the creative design work performed by the Authority's website consultant, Navitend, and also for the assistance of Jamie Avagnano of his office in the website design and finalization.

On a monthly basis, Mr. Kelly explained that the website will now need to be updated to show on the homepage the upcoming meeting date and to include approved minutes and other associated changes as may be appropriate. He said that most of the changes to the website would occur annually following the reorganization meeting.

2. Shared Services Agreement

Commissioner Lampmann provided to Mr. Falcon a fully executed copy of the Shared Services Agreement between the Borough of Butler and the Authority for the Qualified Purchasing Agent services.

3. NYC Treatment Plant Tour

Commissioner Lampmann mentioned that there is an open invitation for the Authority to take advantage of a tour of a 120 million gallon per day treatment plant within New York City noting, if anyone is interested, that the tour is available over the weekends through the summer.

NEW BUSINESS

PAYMENT OF BILLS

1. Operating Budget

1.1 Operating Request for Payment No. 303

Treasurer Lampmann presented the bills as listed on Operating Request for Payment No. 303. Vice Chairman Verdonik moved approval of the bills as presented.

Meeting Minutes
June 20, 2012 Regular Meeting

PEQUANNOCK RIVER BASIN REGIONAL SEWERAGE AUTHORITY
SUMMARY OF VOUCHERS FOR
OPERATING EXPENSES

Operating Request for Payment No. 303

The following bills have been reviewed and are recommended for approval for payment at the June 20, 2012 meeting of the Authority from the Operating Account (Wells Fargo Bank Account 1425985):

| | <u>PRBRSA</u> | <u>VOUCHER</u> | <u>VOUCHER</u> | <u>PAYMENT</u> | |
|-----|------------------|----------------|----------------|----------------|---------------------------|
| | <u>ACCT. NO.</u> | <u>NO.</u> | <u>DATE</u> | <u>AMOUNT</u> | <u>CHECK PAYABLE TO</u> |
| 1) | 33.01 | OP-12-6-1 | 09 10 10 | \$ 2,376.00 | Borough of Butler |
| 2) | 24.05 | OP-12-6-2 | 03 17 12 | \$ 250.00 | Borough of Butler |
| 3) | 33.01 | OP-12-6-3 | 05 25 12 | \$ 3,680.00 | Campbell Foundry Co. |
| 4) | 24.07 | OP-12-6-4 | 6 4 2012 | \$ 174.95 | Kelly Engineering |
| 5) | 22.03 | OP-12-6-5 | 6 4 2012 | \$ 0.400.00 | Kelly Engineering |
| 6) | 22.05 | OP-12-6-6 | 6 8 2012 | \$ 4,929.55 | Kelly Engineering |
| 7) | 32.02 | OP-12-6-7 | 6 6 2012 | \$ 1,677.41 | Kelly Engineering |
| 8) | 22.05 | OP-12-6-8 | 06 07 12 | \$ 2,565.35 | Maraziti, Falcon & Healey |
| 9) | 22.01 | OP-12-6-9 | 06 07 12 | \$ 1,091.50 | Maraziti, Falcon & Healey |
| 10) | 33.03 | OP-12-6-10 | 06 12 12 | \$ 500.00 | Navitend |
| 11) | 33.03 | OP-12-6-11 | 06 04 12 | \$ 32.83 | Verizon |
| 12) | 33.03 | OP-12-6-12 | 05 28 12 | \$ 32.83 | Verizon |
| 13) | 33.03 | OP-12-6-13 | 5 28 2012 | \$ 32.83 | Verizon |
| 14) | 33.03 | OP-12-6-14 | 05 23 12 | \$ 29.13 | Verizon |
| 15) | 33.03 | OP-12-6-15 | 06 07 12 | \$ 3.25 | JCP&L |

TOTAL: \$ 27,775.63

That motion was seconded by Commissioner Lampmann and approved unanimously on the following roll call vote:

AYES : Chairman Voorman, Commissioners Howard, Lampmann, Metcalfe and Verdonik

NAYS : None

ABSENT : Commissioner Gall

ABSTAIN : None

OPEN MEETING FOR PUBLIC COMMENT

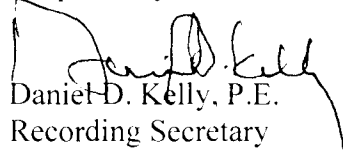
There being no members of the public present, Chairman Voorman dispensed with the public participation portion of the meeting.

ADJOURNMENT

Commissioner Howard moved for adjournment at approximately 8:15 pm. That motion was seconded by Commissioner Metcalfe and was approved unanimously on voice vote.

At approximately 8:15 pm, the meeting was adjourned.

Respectfully submitted,



Daniel D. Kelly, P.E.
Recording Secretary

Enclosure: Treasurer's Report for the period ending May 31, 2012