

MEETING MINUTES

PEQUANNOCK RIVER BASIN REGIONAL SEWERAGE AUTHORITY

April 18, 2018

Minutes of the regular meeting of the **Pequannock River Basin Regional Sewerage Authority** held on April 18, 2018 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, Gall, Lampmann, Howard, Metcalfe and Verdonik

ABSENT : None

ALSO PRESENT : Jamie Avagnano, Authority Administrator; Christopher H. Falcon, Esq., Maraziti, Falcon LLP; 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 – February 21, 2018**

Vice Chairman Verdonik moved acceptance of the minutes of the February 21, 2018 regular meeting. That motion was seconded by Commissioner Lampmann and approved on the following roll call vote:

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

NAYS : None

ABSENT : None

ABSTAIN : Commissioner Gall

OPERATIONAL REPORT

1. System Operations

1.1 Flow Report

Flow Reports for February 2018 and March 2018 were presented. Mr. Kelly commented that the flows have increased substantially from 1.67 mgd in January to 2.06 mgd in February to 2.43 mgd in March. He noted that the recent storm increased the peak flows from an average approximating 2.4 mgd to almost 6 mgd following a 3.3 inch rainfall recorded by the Authority's rain gage for April 8th into the 9th.

The following reports were made available to the Board in their file folders:

March 2018

- Flow Report ending March 31, 2018
- Daily Flow Summary for March 2018
- Daily Flow Hydrograph for March 2018
- M-15 vs. P-4 Hydrograph

February 2018

- Daily Flow Summary for February 2018
- Daily Flow Hydrograph for February 2018
- M-15 vs. P-4 Hydrograph

1.2 TBSA Actual vs. Budgeted Flow Analysis

Referring to the two reports analyzing the actual flows versus those estimated by Two Bridges going into the fiscal year, Mr. Kelly said that, as of the end of February, TBSA's User Charge assessment would have increased by an estimated 2.28%. However, with the increased flows in March, he said that increase has been reduced to 0.03% inasmuch as the actual flow exceeds the contractual 1.85 gpd minimum.

1.3 PRBRSA Interceptor Inspection

On Contract No. PRB-17-1, Mr. Kelly advised that National Water Main completed the manhole inspections in March. Further, he advised that Mott MacDonald's draft report finds that the pipeline and manholes are in good to excellent condition. He noted several comments that have now

been incorporated into a revised version of the report which is presently under review. The final report will be issued next month.

Responding to Chairman Voorman, Mr. Kelly advised that there may be a second unauthorized connection within Riverdale. He explained that MM's draft report on the PRBRSA Interceptor inspection cites forty-five connections made integral to the pipe, meaning that the connections were built directly into the pipeline at the time of construction. It further notes six connections which were authorized to manholes. Lastly, it notes two additional connections that were apparently made subsequent to construction, connections directly to the pipe itself. Therefore, he will check with Mott MacDonald on what appears to be a second unauthorized connection.

2. **TBSA Activities**

2.1 **Status Update**

Vice Chairman Verdonik reported on matters under consideration by the Two Bridges Sewerage Authority as they affect Pequannock River Basin.

Vice Chairman Verdonik reported that construction on the wastewater treatment plant improvements is finally proceeding on current schedule. He also reported that Two Bridges expects to receive a report from its engineer, Black and Veach, on improvements necessary in order to achieve increased capacity at the plant, capacity at 9.57 mgd.

3. **TWA Applications and Connection Permits**

3.1 **TWA Application**
Linden Street
Borough of Riverdale

Mr. Kelly, referring to his April 5th letter to the Board, recommended approval of the TWA application for Linden Street on the condition that the industrial building will require approval of a Non-Residential Connection Application as well.

Following discussion, Vice Chairman Verdonik moved approval of the following resolution (**Resolution No. R-18-4-1**):

WHEREAS, an application has been submitted by the Borough of Riverdale for review by the Pequannock River Basin Regional Sewerage Authority (hereinafter the "Authority") of a Treatment Works Approval in connection with construction of a sewer extension in the Borough of

Riverdale, as more particularly described in the TWA application heretofore filed with the Authority and made a part hereof; and

WHEREAS, the Project consists of a 260 foot, 8 inch diameter PVC gravity sewer extension along Linden Street to serve two residential properties (Lots 9 and 10, Block 12) and a commercial/industrial property (Lot 7.03, Block 12). The projected total flow is 1,475 gallons per day; and

WHEREAS, the Consulting Engineer of the Authority has reviewed the application and has determined said application to be in order; and

WHEREAS, the New Jersey Department of Environmental Protection (hereinafter the "NJDEP") presently requires the endorsement of the applicable Sewerage Agency pursuant to N.J.A.C. 7:14A-21 as to the proposed local sewer system extensions and its conformance with the Authority's Wastewater Management Plan, the Northeast Water Quality Management Plan and the Rules and Regulations of the Authority; and

WHEREAS, the Authority concurs in the findings set forth in the April 5, 2018 report of the Consulting Engineer on the application;

NOW, THEREFORE, BE IT RESOLVED by the Pequannock River Basin Regional Sewerage Authority in the Counties of Morris and Passaic and State of New Jersey, on this 18th day of April, 2018, as follows:

1. The Chairman is authorized and directed to execute Form WQM-003 entitled "Statements of Consent" thereby signifying the approval of the Authority.
2. This approval is subject to the condition that no connection for the commercial/industrial property at 11 Linden Street (Lot 7.03, Block 12) may be made without PRBRSA review and approval of a Non-Residential Connection application in accordance with the PRBRSA Rules and Regulations.
3. This Resolution shall take effect as provided by law.

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

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

NAYS : None

ABSENT : None

ABSTAIN : None

**3.2 TWA Application
BYO Laundry
Borough of Butler**

Mr. Kelly referred to his April 13th letter to the Board recommending conditional approval of the TWA for BYO Laundry. The conditions include submittal of a Capacity Assurance Calculation, receipt of the application fee and confirmation that the lint filter location shown on the initial submittals will be installed. Commissioner Lampmann advised that he believed the application fee was in the PRBRSA mailbox at Butler.

Following discussion on the application, Commissioner Lampmann moved approval of the following resolution (**Resolution No. R-18-4-2**):

WHEREAS, an application has been submitted by the Borough of Butler for review by the Pequannock River Basin Regional Sewerage Authority (hereinafter the "Authority") of a Treatment Works Approval for premises in the Borough of Butler, as more particularly described in the TWA application heretofore filed with the Authority and made a part hereof; and

WHEREAS, the property in question is the BYO Laundry, LLC ("Applicant") at 1426 Route 23, Butler, New Jersey 07405 (Lots 2.05 and 3, Block 42). The projected total flow is 23,780 gallons per day; and

WHEREAS, the Consulting Engineer of the Authority has reviewed the application and has determined said application to be in order; and

WHEREAS, the New Jersey Department of Environmental Protection (hereinafter the "NJDEP") presently requires the endorsement of the applicable Sewerage Agency pursuant to N.J.A.C. 7:14A-21 as to the proposed local sewer system extensions and its conformance with the Authority's Wastewater Management Plan, the Northeast Water Quality Management Plan and the Rules and Regulations of the Authority; and

WHEREAS, the Authority concurs in the findings set forth in the April 13, 2018 report of the Consulting Engineer on the application;

NOW, THEREFORE, BE IT RESOLVED by the Pequannock River Basin Regional Sewerage Authority in the Counties of Morris and Passaic and State of New Jersey, on this 18th day of April, 2018 as follows:

1. The Chairman is authorized and directed to execute Form WQM-003 entitled "Statements of Consent" thereby signifying the approval of the Authority.
2. This approval is subject to the following conditions: a) Applicant shall pay the application fee set forth in the Authority's Schedule of Rates and Charges, b) Applicant shall submit a Capacity Assurance Calculation in accordance with the Authority's Rules and Regulations pursuant to Resolution No. R-15-10-2, and c) Applicant will confirm that the lint filter will be installed as proposed and as required.
3. This Resolution shall take effect as provided by law.

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

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

NAYS : None

ABSENT : None

ABSTAIN : None

**3.3 Unauthorized Connection
BP Property (Lot 5.04, Block 32)
Borough of Riverdale**

In order to discuss this matter, counsel recommended that the Authority enter Closed Executive Session. On discussion the Board agreed to also consider during the same closed session the Consulting Engineer contract matter.

Vice Chairman Verdonik moved to approve the following resolution (**Resolution No. R-18-4-3**).

**RESOLUTION AUTHORIZING CLOSED SESSION
PURSUANT TO THE OPEN PUBLIC MEETINGS LAW**

BE IT RESOLVED by the Pequannock River Basin Regional Sewerage Authority in the Counties of Morris and Passaic and State of New Jersey on this 18th day of April, 2018 as follows:

1. The Authority shall adjourn to executive session in accordance with N.J.S.A. 10:4-12(b)(7), being the Open Public Meetings Law, in order to discuss: a) contract negotiations for administration and engineering consultant services, and b) consultation with the Authority Attorney pursuant to the Attorney Client Privilege in connection with the anticipated litigation.
2. It is not known at the present time when the matter under discussion will be disclosed.
3. The Authority shall convene following the executive session to consider other matters on its regular meeting agenda.
4. This Resolution shall take effect as provided by law.

Commissioner Lampmann seconded the motion which passed unanimously on the following roll call vote.

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

NAYS : None

ABSENT : None

ABSTAIN : None

At approximately 8:07 pm, the Authority entered closed session to address the following matters:

1. Potential litigation involving the unauthorized connection in Riverdale
2. Negotiations on the consulting engineer's contract

C L O S E D S E S S I O N

At approximately 8:38 pm, Vice Chairman Verdonik moved to reopen the public meeting. That motion was seconded by Commissioner Lampmann and approved unanimously on the following roll call vote:

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

NAYS : None

ABSENT : None

ABSTAIN : None

At approximately 8:38 pm, the meeting was reopened to the public and a regular business agenda pursued.

Concerning the unauthorized connection within Riverdale, the Board directed the consulting engineer to issue a letter notifying the Borough of Riverdale copying the property owner as well. Mr. Kelly advised that he would contact the Mayor prior to issuing the unauthorized connection notification.

Note: See discussion below under Kelly Engineering Contract

(Mr. Kelly and Ms. Avagnano were excused from this portion of the closed session)

4. **Boonton Avenue Interceptor**

4.1 **Park Place/NYS&W Railroad Crossing (2017 Project)**

Referring to his March 14th letter to Butler Borough Clerk O'Keefe, Mr. Kelly advised, on submittal the final survey metes and bounds and other documentation including a sketch of the proposed Butler water main installation, that the Borough of Butler approved by resolution the agreement for the temporary easement. He noted that that is a specific requirement for the Green Acres Application and ultimate approval.

4.2 **Green Acres Application**

Mr. Kelly advised that the Green Acres Application including the environmental assessment is currently being prepared and will be issued in May.

4.3 **Butler Water Main**

As indicated by his March 15th letter to the Board, Mr. Kelly requested the Board's consent to the inclusion of the Butler water main work within the PRBRSA sewer construction contract for the Railroad crossing.

On the Butler water main, Vice Chairman Verdonik and Commissioner Lampmann inquired of counsel if they would be able to vote on the matter given their respective positions within the Borough of Butler. Mr. Falcon advised that they are able to vote on the matter.

Commissioner Metcalfe moved to authorize the inclusion of the proposed water main improvements as described by the consulting engineer's letter to the Board of March 15, 2018. That motion was seconded by Commissioner Gall and approved unanimously on the following roll call vote:

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

FINANCIAL REPORT

1. Treasurer's Report

1.1 February 28, 2018 & March 31, 2018 Treasurer's Reports

Treasurer Lampmann presented and moved approval of the Treasurer's Reports for the periods ending February 28, 2018 and March 31, 2018. That motion was seconded by Commissioner Gall and approved unanimously on the following roll call vote:

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

2. Annual Budget: FY 2018 (Bloomingdale Subflow) Revised Billings

For the record Mr. Kelly advised that the billings were revised based upon the Bloomingdale Subflow for the unmetered flow contribution from Bloomingdale into Butler's system. He noted that the calculation is performed for the benefit of the towns yet is technically not performed under terms of the service contract

inasmuch as the agreement between Bloomingdale and Butler is strictly between the towns, the Authority is not a party.

Based upon the final billings as issued to the towns on March 15th with certifications on the Net/Net Annual Charges, the billing summary calculating the differences between the billings at each stage from the prior year was updated as set forth by the report dated March 28th.

3. Compliance Report

Again, for the record, Mr. Kelly advised that the auditor issued the “Report on Compliance” affirming that the Authority’s FY 2018 billings are mathematically correct and performed in accordance with the provisions of the service contracts with the towns. Additionally, the auditor confirmed that the amounts billed for FY 2017 have been paid in full.

4. General Fund Replenishment

Referring to bond counsel’s recommendation to maintain reserves (i.e., unrestricted/designated net assets) within the General Fund rather than the Revenue Fund, Mr. Kelly recommended approval of a resolution replenishing the General Fund for various transfers out of that account over past months.

Following discussion Vice Chairman Verdonik moved approval of the following resolution (**Resolution No. R-18-4-4**):

RESOLUTION TO REPLENISH GENERAL FUND ACCOUNT

WHEREAS, the Pequannock River Basin Regional Sewerage Authority (the “Authority”) retains funds in various Trustee-controlled accounts in accordance with the 1986 General Bond Resolution; and

WHEREAS, the Authority has made certain transfers out of the General Fund (Account No. 2576006485) and desires to maintain unrestricted/undesignated funds currently held within the Revenue Fund (Account No. 2576006500) within the General Fund to be held as unrestricted/designated funds as recommended by bond counsel to the extent practicable; and

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Consulting Engineer is authorized and directed to transfer the sum of \$1,054,871.64 from the Revenue Fund into the General Fund.
2. Said transfer shall be reimbursement for prior transfers as follows:
 - a. Replenishment of \$30,000.00 contribution to the “2002 Series N Arbitrage Rebate Reserve Fund” for FY 2017

- b. Reimbursement of \$56,216.33 for arbitrage rebate payment to IRS
 - c. Reimbursement of \$318,655.31 transferred under Resolution No. R-17-12-5
 - d. Reimbursement of \$650,000.00 for the FY 2017 budgeted contribution to the Capital Reserve Fund
3. The Consulting Engineer is authorized and directed to provide notice to the Trustee and the auditor by copy of this resolution.
4. This resolution shall take effect as provided by law.

Commissioner Gall second the motion which passed unanimously on the following roll call vote:

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

NAYS : None

ABSENT : None

ABSTAIN : None

5. **Transfer to Construction Fund**

Mr. Kelly requested the Authority's authorization to transfer funds into the 2017 Project Construction Fund. He said the amount of the transfer at \$250,000 is calculated to be able to pay for work currently under contract and that estimated through the end of 2018 prior to initiation of construction.

Following discussion, Commissioner Lampmann moved approval of the following resolution (**Resolution No. R-18-4-5**):

**RESOLUTION TO AUTHORIZE REVENUE FUND TRANSFER TO
CONSTRUCTION FUND**

WHEREAS, the Pequannock River Basin Regional Sewerage Authority (the "Authority") created the 2017 Project Construction Fund (Account No. 2576006501) to fund the costs of the NYS&W railroad project; and

WHEREAS, the Authority is proceeding with the construction of the NYS&W Railroad design engineering phase of the project to be funded from said 2017 Construction Fund; and

WHEREAS, the Authority desires to fund the 2017 Project from the Capital Reserve Fund, a subaccount of the General Fund (Account No.

2576006485); and

WHEREAS, the FY 2018 Capital Budget includes capital expenditure not-to-exceed \$700,000; and

WHEREAS, the Authority's Consulting Engineer has projected the funding requirement for work in progress on the 2017 Project through 2018 at \$250,000 over the period; and

NOW, THEREFORE BE IT RESOLVED by the Pequannock River Basin Regional Sewerage Authority in the Counties of Morris and Passaic, New Jersey as follows:

1. The Treasurer is authorized and directed to transfer \$250,000 from the Revenue Fund (Account 2576006500) to the 2017 Construction Fund (Account 2576006501).
2. The Treasurer's Report shall reflect a reduction of \$250,000 from the Capital Reserve Fund subaccount of the General Fund for said transfer.
3. Funds to be transferred from the Revenue Fund shall be unrestricted/undesignated net assets.
4. The Consulting Engineer is authorized and directed to provide notice to the Trustee and the auditor by copy of this resolution.
5. This resolution shall take effect as provided by law.

Commissioner Lampmann second the motion which passed unanimously on the following roll call vote:

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

UNFINISHED BUSINESS

1. Kelly Engineering Contract

For the record following discussions on ongoing negotiations concerning the Kelly Engineering contract, Chairman Voorman advised that the Board agreed, following discussion in Closed Executive Session (see above), to approve the contract in accordance with the consulting engineer's March 16, 2018 letter and March 20, 2018 proposal. Commissioner Lampmann advised that the engineer's hourly engineering invoice should be submitted to the Board prior to the Board meeting each month. Mr.

Kelly thanked the Board indicating that the bills would be submitted as requested. In order to approve the consulting engineer's contract, Vice Chairman Verdonik moved approval of the following resolution (**Resolution No. R-18-4-6**):

**RESOLUTION APPROVING
CONSULTING ENGINEER CONTRACT**

WHEREAS, on February 21, 2018, the Pequannock River Basin Regional Sewerage Authority ("the Authority") authorized the execution of a professional services agreement with Kelly Engineering in accordance with N.J.S.A. 40A:11-5 for the provision of professional engineering and Authority administrative services (the "Contract") for a period of two months; and

WHEREAS, the Authority is authorized by N.J.S.A. 40:14A-1 *et seq.* to retain such professional and technical advisors and experts as it may require; and

WHEREAS, there is a need to appoint professional consultants and advisors to provide services to the Authority during the duration of the year 2018 and until the next reorganization meeting of the Authority; and

WHEREAS, funds are available for these services; and

WHEREAS, the foregoing services are "professional" services as in N.J.S.A. 40A:11-2(6) which are permitted to be contracted without public bidding as set forth in N.J.S.A. 40A:11-5(1) (a) and as a "non-fair and open" contract pursuant to the provisions of N.J.S.A. 19:44A-20.5; and

WHEREAS, the Authority has determined that the value of the professional services will exceed \$17,500; and

WHEREAS, the professional consultant named below has completed and submitted a Business Entity Disclosure Certification, which certifies that the firm has not made any reportable contributions to a political or candidate committee represented by an Authority member in the previous one year, and that the contract will prohibit the firm from making any reportable contribution through the term of the contract and a C.271 Political Contribution Disclosure Form; and

WHEREAS, the Business Disclosure Entity Certification, the C.271 Political Contribution Disclosure Form, and the Determination of Value has been placed on file with this resolution.

NOW, THEREFORE, BE IT RESOLVED by the Pequannock River Basin Regional Sewerage Authority in the State of New Jersey on this 18th day of April, 2018, as follows:

1. The Authority does hereby name and designate Kelly Engineering, New Vernon, New Jersey as Consulting Engineer to provide engineering services as required and calculated in accordance with the March 20, 2018 proposal of Kelly Engineering, with fees

retroactive to March 1, 2018, and subject to the requirements of the Local Public Contracts Law. The Chairman is authorized to execute an agreement therewith for the provision of such service. This contract is awarded for the provision of professional services pursuant to N.J.S.A. 40A:11-5.

2. The Secretary is authorized and directed to cause a copy of this Resolution to be published in the official newspaper of the Authority concerning the appointment of the aforesaid consultant within ten (10) days of the date hereof. The aforesaid firm shall be paid from funds appropriated for these purposes in accordance with the duly adopted budget of the Authority, the General Bond Resolution of July 15, 1986 and all supplements thereto, and other implementing resolutions of the Authority. The agreement for services shall be on file and available for inspection by members of the public in accordance with law.
3. 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 Gall, Howard, Lampmann, Metcalfe and Verdonik
NAYS	:	None
ABSENT	:	None
ABSTAIN	:	None

2. Annual Charge Challenge: 2017

Mr. Falcon reported that he has not received anything further on this matter.

3. Butler Office

Authority Administrator Avagnano reported that the Borough of Butler has consented to purchase the equipment outlined by her March 19th memorandum. The Administrator also noted that the amount of the equipment purchase is less than that budgeted for office supplies.

NEW BUSINESS

1. Office Lease Renewal

In order to renew the office lease with the Borough of Butler, Commissioner Metcalfe moved approval of the following resolution (**Resolution No. R-18-4-7**):

**RESOLUTION TO AUTHORIZE LEASE AGREEMENT WITH
THE BOROUGH OF BUTLER**

WHEREAS, the Pequannock River Basin Regional Sewerage Authority (hereinafter "the Authority") previously negotiated an agreement with the Borough of Butler to lease 150 square feet for office space; and

WHEREAS, pursuant to N.J.S.A. 40:14A-7 the Authority is authorized to acquire interests in real property necessary for the purposes of the Authority; and

WHEREAS, pursuant to N.J.S.A. 40:A12-14 a lease between an Authority and a municipality is exempt from the requirements of public advertisement and bidding; and

WHEREAS, the Authority finds that it is in the interest of the Authority to extend its present lease and to enter into a new lease which includes the following terms:

Rental Property: 150 sq. ft. at 1 Ace Road, Butler, New Jersey
Rent and Term: April 1, 2018 to March 31, 2020 (two years)
\$250.00 per month = \$6,000.00 for the full term; and

WHEREAS, the Mayor and Council of the Borough of Butler have approved a new lease on the above terms by Resolution dated February 20, 2018.

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 18th day of April, 2018, as follows:

1. The Chairman of the Authority is authorized to execute a lease on behalf of the Authority with the Borough of Butler in a form reviewed by the Authority Attorney and upon the above terms.
2. 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 Gall,
Howard, Lampmann, Metcalfe and Verdonik

NAYS : None

ABSENT : None

ABSTAIN : None

2. Insurance/Risk Consultant Contract Renewal

As indicated by letter to the Board of March 9th, Mr. Kelly recommended renewal of the annual contract with Stanford Risk Management for the upcoming year for the insurance renewal process and related review activity. He noted that the pricing remains the same as the prior year, a fee not-to-exceed \$1400 at an hourly rate of \$175/hour.

Following discussion, Vice Chairman Verdonik moved approval of the following resolution (**Resolution No. R-18-4-8**):

**RESOLUTION TO AWARD CONTRACT TO STANFORD RISK
MANAGEMENT SERVICES, INC. FOR INSURANCE CONSULTATION
SERVICES AS EXTRAORDINARY UNSPECIFIABLE SERVICES**

WHEREAS, the Pequannock River Basin Regional Sewerage Authority (“Authority”) desires to retain the services of an insurance and risk management consultant to provide services associated with its annual insurance coverages; and

WHEREAS, the Authority is authorized by N.J.S.A. 40A:11-5(1)(m) to award a contract for the provision of annual insurance and related risk management consultant services as extraordinary unspecifiable services; and

WHEREAS, the Authority has reviewed the Certification of the Consulting Engineer of even date delivered in accordance with the regulations of the Division of Local Government Services;

WHEREAS, funds are available for these services.

NOW, THEREFORE, BE IT RESOLVED, by the Pequannock River Basin Regional Sewerage Authority, in the State of New Jersey on this 18th day of April, 2018 as follows:

1. The Authority does hereby name and designate John Campanile of Stanford Risk Management Services, Inc. to provide insurance and related risk management consultant services as required and subject to the requirements of the Local Public Contracts Law.
2. The Chairman is authorized to execute an agreement therewith for the provision of such services in accordance with the proposal of March 2, 2018, which agreement shall provide for compensation at the rate of

\$175.00 an hour, not to exceed \$1,400.00 without further approval, including out of pocket expenses.

3. This contract shall be awarded for the provision of extraordinary unspecifiable services pursuant to N.J.S.A. 40A:11-5(1)(a)(ii) and pursuant to N.J.S.A. 40A:11-5(1)(m). The contract is awarded subject to the requirements that evidence of Professional Liability Insurance be provided prior to the expiration date of the current policy on April 1, 2018, that coverage be maintained at the level of \$1,000,000 each claim/\$2,000,000 aggregate and that the agreement with Stanford Risk Management Services, Inc. provides that notice shall be sent to the Authority 90 days prior to any cancellation of coverage.
4. The Secretary is authorized and directed to cause a copy of this Resolution to be published in the official newspaper of the Authority concerning the appointments of the aforesaid consultant within ten (10) days of the date hereof. The aforesaid firm shall be paid from funds appropriated for these purposes in accordance with the duly adopted budget of the Authority, and other implementing actions of the Authority. The agreements for services shall be on file and available for inspection by members of the public in accordance with law.
5. This Resolution shall take effect as provided by law.

Commissioner Lampmann seconded the motion which passed upon the following roll call vote:

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

5. Insurance/Risk Consultant Contract: 2017 Project

As indicated by his letter of March 12th, Mr. Kelly recommended award of a contract to Stanford Risk Management for advice and consultation on the upcoming construction contract insurance provisions for the NYS&W railroad project.

Following discussion, Commissioner Lampmann moved approval of the following resolution (**Resolution No. R-18-4-9**):

**RESOLUTION TO AWARD CONTRACT TO STANFORD RISK
MANAGEMENT SERVICES, INC. FOR INSURANCE CONSULTATION
SERVICES FOR UPCOMING CONSTRUCTION PROJECT AS
EXTRAORDINARY UNSPECIFIABLE SERVICES**

WHEREAS, the Pequannock River Basin Regional Sewerage Authority (“Authority”) engaged the services of Stanford Risk Management Services, Inc. (“Stanford Risk Management”) to perform insurance consultant services pursuant to Resolution 18-3-4 of March 21, 2018; and

WHEREAS, in the event the Authority engages in a construction project(s) which will require consultation services to review and analyze risks under the construction contract and recommendations on appropriate types of coverages to mitigate those risks, and verification that the contractor and any subcontractors are in compliance with contract specifications; and

WHEREAS, the Authority has determined the consultation services required for the upcoming construction project are more expansive than those covered within the annual insurance consultation services renewal with Stanford Risk; and

WHEREAS, the Authority is authorized by N.J.S.A. 40A:11-5(1)(m) to award a contract for the provision of annual insurance and related risk management consultant services as extraordinary unspecifiable services; and

WHEREAS, the Authority has reviewed the Certification of the Consulting Engineer of even date delivered in accordance with the regulations of the Division of Local Government Services;

WHEREAS, funds are available for these services.

NOW, THEREFORE, BE IT RESOLVED, by the Pequannock River Basin Regional Sewerage Authority, in the State of New Jersey on this 18th day of April, 2018 as follows:

1. The Authority does hereby name and designate John Campanile of Stanford Risk Management Services, Inc. to provide additional insurance and related risk management consultant services as required and subject to the requirements of the Local Public Contracts Law, for construction projects.
2. The Chairman is authorized to execute an agreement therewith for the provision of such services in accordance with the proposal of March 3, 2018, which agreement shall provide for compensation at the rate of \$175.00 an hour, not to exceed \$3,500.00 without further approval, including out of pocket expenses.

3. This contract shall be awarded for the provision of extraordinary unspecifiable services pursuant to N.J.S.A. 40A:11-5(1)(a)(ii) and pursuant to N.J.S.A. 40A:11-5(1)(m). The contract is awarded subject to the requirement that the agreement with Stanford Risk Management Services, Inc. provides that notice shall be sent to the Authority 90 days prior to any cancellation of coverage.
4. This Resolution shall take effect as provided by law.

Commissioner Gall seconded the motion which passed upon the following roll call vote:

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

6. Computer Consultant Contract

As indicated by letter of March 13th, Mr. Kelly recommended award of a 2-year contract to Up & Running for computer consultation services. He indicated that the terms of the contract remain unchanged.

Following discussion, Commissioner Lampmann moved approval of the following resolution (**Resolution No. R-18-4-10**):

RESOLUTION AWARDING CONTRACT FOR PROVISION OF COMPUTER CONSULTATION SERVICES

WHEREAS, the Pequannock River Basin Regional Sewerage Authority (“the Authority”) requires computer consultation services to support its previously established electronic communications system (email) and website; and

WHEREAS, the computer consultant Up & Running (“the Consultant”), of Randolph, New Jersey, has agreed to provide such general computer consultation services on an as needed basis; and

WHEREAS, by proposal dated March 21, 2018 the Consultant proposes to provide services at a not-to-exceed fee of \$1,350.00 per two-year term; and

WHEREAS, the Consultant will submit periodic invoices not more frequently than monthly for work completed; and

WHEREAS, the Local Public Contracts Law, N.J.S.A. 40A:11-1 et seq. does not require public bidding in this situation because the contract is for the provision of extraordinary unspecifiable services; and

WHEREAS, the Local Public Contracts Law, N.J.S.A. 40A:11-1 et seq. does not require that the Authority solicit at least two competitive quotations, as the agreed-on amount does not exceed 15% of the bid threshold, or \$2,625.00.

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 18th day of April, 2018 as follows:

1. The Chairman is authorized and directed to sign an agreement in a form approved by the Authority Attorney providing for general computer consultation services on an as needed basis to support the previously established electronic communications system (email) and website in accordance with the March 21, 2018 proposal of Up & Running at a not-to-exceed fee of \$1,350.00.
2. The Secretary is authorized and directed to cause a copy of this Resolution to be published in the official newspaper of the Authority concerning the appointments of the aforesaid consultant within ten (10) days of the date hereof. The aforesaid firm shall be paid from funds appropriated for these purposes in accordance with the duly adopted budget of the Authority, and other implementing actions of the Authority. The agreements for services shall be on file and available for inspection by members of the public in accordance with law.
3. This Resolution shall take effect as provided by law.

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

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

NAYS : None

ABSENT : None

ABSTAIN : None

7. Financial Disclosure Filing

Authority Administrator Avagnano advised that the Financial Disclosure statements must be filed no later than April 30th. A Roster of the Authority Members was distributed for information. The Administrator emphasized the importance of completing that filing by the deadline. Commissioner Lampmann added that the DLGS is issuing fines for non-filing.

8. 2% Cap Legislation

Concerning the recently adopted 2% Cap legislation, as indicated by his April 5th letter, Mr. Kelly reported on his assessment of the implications to PRBRSA and the towns served by the Authority. He said, subject interpretation of the law, that the Authority's method to "true-up" the billings at year-end could prove problematic. He explained that adjustments have routinely been significantly greater than 2% with larger exceedances over the past several years. He added that even the TBSA User Charge adjustment last year resulted in an overall 3.5% increase. While that increase was not passed along to the towns, had it been, one or more towns would have been assessed increases exceeding 3.5% due to the differing allocation formulas in the service contracts.

Continuing, Mr. Kelly said that bond counsel noted the likelihood that the legislation can not trump the terms of the Authority's long-standing service contracts with the towns. That issue must be addressed first inasmuch it is the most pressing aspect of the cap as related to PRBRSA.

In response Commissioner Metcalf's question, Mr. Kelly explained that the cap is on the total amount billed to each town, not on a cost per gallon billed. If it were on a cost per gallon, there would not be an issue inasmuch as each town pays precisely the same amount on a per gallon basis following the "true-up" process at year end. Since debt service is fixed by allocation, there are no year-end adjustments for debt service other than the Bloomingdale Subflow adjustments which are performed outside the service contract provisions.

Mr. Kelly said that he will continue to monitor the cap legislation and related regulations as they are drafted and will work with AEA and others to minimize the impacts to the fullest extent possible.

PAYMENT OF BILLS

1. Operating Budget

1.1 Operating Request for Payment No. 372

Treasurer Lampmann presented Operating Request for Payment No. 372 and moved approval of Operating Request for Payment No. 372 as follows:

Operating Request for Payment No. 372

The following bills have been reviewed and are recommended for approval for payment at the April 18, 2018 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-18-3-1	10/1/2016	\$ 2,605.00	Borough of Butler
2)	22.04	OP-18-3-2	2/6/2018	\$ 8,950.96	Hawkins Delafield & Wood
3) ✓	33.01	OP-18-3-3	3/6/2018	\$ 131.89	Kelly Engineering
4)	24.07	OP-18-3-4	3/8/2018	\$ 10,400.00	Kelly Engineering
5) ✓	32.02	OP-18-3-5	3/8/2018	\$ 5,986.29	Kelly Engineering
6) ✓	22.01	OP-18-3-6	3/6/2018	\$ 4,018.50	Maraziti Falcon LLP
7) ✓	33.06	OP-18-3-7	2/22/2018	\$ 9,960.29	Mott MacDonald
8)	33.01	OP-18-3-8	3/6/2018	\$ 3,398.00	ADS LLC
9)	22.03	OP-18-3-9	2/14/2018	\$ 14,500.00	Ferraioli, Wilkotsz, Cerullo, Cuva
10)	24.07	OP-18-3-10	2/9/2018	\$ 49.95	Tab Group
11)	33.03	OP-18-3-11	3/1/2018	\$ 25.00	Navitend
12)	33.03	OP-18-3-12	12/21/2017	\$ 250.00	Navitend
13)	33.03	OP-18-3-13	3/1/2018	\$ 17.92	Borough of Butler Electric
14)	33.03	OP-18-3-14	3/12/2018	\$ 3.32	JCP&L - No Voucher Needed per Legislation
15)	24.07	OP-18-3-15	3/1/2018	\$ 56.03	North Jersey Media Group
16)	24.07	OP-18-3-16	2/28/2018	\$ 125.30	North Jersey Media Group
17)	24.07	OP-18-3-17	3/4/2018	\$ 66.65	North Jersey Media Group
18)	24.07	OP-18-3-18	3/1/2018	\$ 56.03	North Jersey Media Group
19)	24.07	OP-18-3-19	3/4/2018	\$ 64.53	North Jersey Media Group
20)	24.07	OP-18-3-20	3/4/2018	\$ 65.80	North Jersey Media Group
21)	24.07	OP-18-3-21	3/4/2018	\$ 64.95	North Jersey Media Group

TOTAL: \$ 60,796.41

Vice Chairman Verdonik seconded the motion which passed unanimously on the following roll call vote:

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

NAYS : None
ABSENT : None
ABSTAIN : None

1.2 Operating Request for Payment No. 373

Treasurer Lampmann presented Operating Request for Payment No. 373 and moved approval of Operating Request for Payment No. 373 as follows:

**SUMMARY OF VOUCHERS FOR
 OPERATING EXPENSES**

Operating Request for Payment No. 373

The following bills have been reviewed and are recommended for approval for payment at the April 18, 2018 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) ✓ 24.05	OP-18-4-1	3/31/2018	\$ 250.00	Borough of Butler	
2) ✓ 33.01	OP-18-4-2	10/1/2016	\$ 2,605.00	Borough of Butler	
3) ✓ 33.01	OP-18-4-3	4/3/2018	\$ 131.89	Kelly Engineering	
4) ✓ 24.07	OP-18-4-4	4/4/2018	\$ 10,400.00	Kelly Engineering	
5) ✓ 32.02	OP-18-4-5	4/6/2018	\$ 3,933.97	Kelly Engineering	
6) ✓ 22.01	OP-18-4-6	4/12/2018	\$ 5,216.94	Maraziti Falcon LLP	
7) ✓ 33.06	OP-18-4-7	4/4/2018	\$ 3,646.40	Mott MacDonald	
8) ✓ 24.05	OP-18-4-8	3/31/2018	\$ 250.00	Borough of Butler	
9) 22.03	OP-18-4-9	3/19/2018	\$ 750.00	Ferraioli, Wilkots, Cerullo, Cuva	
10) 24.07	OP-18-4-10	4/6/2018	\$ 600.00	Up & Running	
11) *	OP-18-4-11	12/27/2017	\$ 889,349.00	Pequannock, Lincoln Park & Fairfield Sew. Authority	
12) 33.03	OP-18-4-12	3/29/2018	\$ 17.94	Borough of Butler Electric	
13) 33.03	OP-18-4-13	4/10/2018	\$ 3.28	JCP&L - No Voucher Needed per Legislation	
14) 24.07	OP-18-4-14	4/9/2018	\$ 88.60	Tab Group	
15) 33.01	OP-18-4-15	4/12/2018	\$ 3,398.00	ADS LLC	
TOTAL:			\$ 920,641.02		

* Breakdown

27.00	\$56,022.00
13.00	\$265,674.00
35.00	\$567,653.00
Total	889,349.00

Vice Chairman Verdonik seconded the motion which passed unanimously on the following roll call vote:

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

NAYS : None

ABSENT : None

ABSTAIN : None

2. Construction Fund Disbursements

2.1 Construction Disbursement Requisition No. C-17-10

Treasurer Lampmann presented the bills as listed on Construction Fund Disbursement Requisition No. C-17-10. Vice Chairman Verdonik moved approval of the bills as follows:

CONSTRUCTION DISBURSEMENT REQUISITION No. C-17-10

Gentlemen:

In accordance with Section 513(B) of the Resolution adopted by the Authority on July 15, 1986, as amended and supplemented, and entitled “Resolution Providing for the Issuance of Bonds of the Pequannock River Basin Regional Sewerage Authority and for the Rights of the Holders Thereof, and Authorizing \$20,000,000 Principal Amount Thereof” (the “Resolution”), you are hereby instructed to make the following disbursements from the Construction Fund (Account #2576006501) as authorized by the Authority at a meeting on **April 18, 2018**.

	<u>AUTHORITY ACCOUNT #</u>	<u>VOUCHER NUMBER</u>	<u>VOUCHER DATE</u>	<u>PAYMENT AMOUNT</u>	<u>PAYEE</u>
1)	120327C2	C-17-10-4-1	3/8/18	\$ 6,008.18	Kelly Engineering
2)	120327C1	C-17-10-4-2	3/6/18	\$ 2,989.00	Maraziti Falcon
3)	120327C3	C-17-10-4-3	2/28/18	\$ 1,950.00	Borough of Butler
4)	120327C3	C-17-10-4-4	3/13/18	\$ 1,150.00	DMC Survey
5)	120327C5	C-17-10-4-5	3/6/18	\$ 6,747.50	Mott MacDonald
6)	120327C2	C-17-10-4-6	4/6/18	\$ 5,899.90	Kelly Engineering
7)	120327C5	C-17-10-4-7	4/9/18	\$ 3,680.00	Oweis Engineering
8)	120327C1	C-17-10-4-8	4/12/18	\$ 1,174.95	Maraziti Falcon
TOTAL DISBURSEMENTS				<u>\$ 29,599.53</u>	

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

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

NAYS : None

ABSENT : None

ABSTAIN : None

OPEN MEETING FOR PUBLIC COMMENT

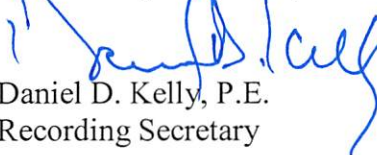
There being no members of the public present, Chairman Voorman dispensed with the public participation portion of the meeting.

ADJOURNMENT

At approximately 9:30 pm, Commissioner Metcalfe moved adjournment. Vice Chairman Verdonik seconded the motion which was approved unanimously on voice vote.

At approximately 9:30 pm, the meeting was adjourned.

Respectfully submitted,



Daniel D. Kelly, P.E.
Recording Secretary

Enclosures: Treasurer's Reports for the period ending March 31, 2018 and February 28, 2018