

MEETING MINUTES

PEQUANNOCK RIVER BASIN REGIONAL SEWERAGE AUTHORITY

January 20, 2021

Minutes of the regular meeting of the **Pequannock River Basin Regional Sewerage Authority** held on January 20, 2021 via Teleconference, Chairman Verdonik called the meeting to order at approximately 5:00 p.m.

ROLL CALL

On roll call:

PRESENT : Chairman Verdonik, Commissioners Desai, Gall, Howard, Lampmann, Metcalfe, Pellegrini and Voorman

ABSENT : None

ALSO PRESENT : Jamie Avagnano, Authority Administrator; Christopher H. Falcon, Esq., Maraziti Falcon; Daniel D. Kelly, P.E., Kelly Engineering; John D'Amato, Acting Mayor, Borough of Bloomingdale, Mike Sondermeyer, Borough Administrator, Borough of Bloomingdale

OPEN PUBLIC MEETING STATEMENT

Chairman Verdonik 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. The statement also noted that the time change and remote meeting information was available on the PRBRSA webpage for public access, provided to the municipal clerks and noticed in the Authority's official newspapers.

ADOPTION OF MINUTES

1. Meeting Minutes: Regular Meeting – December 2, 2020

Vice Chairman Voorman moved acceptance of the minutes of the December 2, 2020 regular meeting. That motion was seconded by Commissioner Lampmann and approved on the following roll call vote:

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

NAYS : None

ABSENT : None

ABSTAIN : None

OPERATIONAL REPORT

1. SYSTEM OPERATIONS

1.1 Flow Report

Ms. Avagnano noted that the Flow Report for the periods ending November 2020 and December 2020 were included in the meeting materials along with the following items:

- Daily Flow Summary for November & December 2020
- Daily Flow Hydrograph for November & December 2020
- Hydrograph: Comparison P-4 vs. M-15 November & December 2020

Commissioner Lampmann commented on the December flows noting that the flows recorded for the Borough of Riverdale were extremely low while Bloomingdale's flows were higher than average.

Ms. Avagnano reported that Meter P-4 was not active during November or December due to the rehabilitation work in Riverdale. She also noted she would review the draft December Flow Report per Commissioner Lampmann's observation.

1.2 TBSA Flow Report (Budget vs. Actual)

Ms. Avagnano stated that Mr. Kelly's memorandums on the TBSA flows for November and December were in the file folders for the Board's information.

2. TBSA ACTIVITIES

2.1 Status Update

Vice Chairman Voorman reported on the activities Two Bridges advising that all TBSA projects currently underway are proceeding as scheduled.

2.2 TBSA User Charge Adjustment

Ms. Avagnano advised the Board that as a result of TBSA applying surplus to offset the FY 2019 Annual Charge adjustments, instead of owing TBSA \$122,996, PRBRSA has received a credit refund in the amount of \$53,531.

Chairman Verdonik informed the Commissioners that if the Board elects to pass the credit along to the municipalities, as has been common practice, this year the refund would be distributed based on EDUs. He explained that although the TBSA credit was applied based on PRBRSA's flows in the system, since PRBRSA has adopted the EDU-based percentages at year-end, the credit must be distributed on EDUs as outlined in the 2020 Amended and Restated Service Contract.

Chairman Verdonik recommended refunding the TBSA credit directly to the municipalities. The Board agreed.

Ms. Avagnano said she would present the budget amendment and resolution at the February 17th meeting. Commissioner Lampmann clarified that the refund would be applied as a credit to the Annual Charges payable in the next quarter billing by issuance of revised Certifications.

3. TWA APPLICATIONS AND CONNECTION PERMITS

3.1 Residential Connection 225 Boonton Avenue Borough of Butler

Ms. Avagnano informed the Board that the residential connection application for a private residence in Butler to connect to the Authority's manhole was reviewed and recommended for approval by Mr. Kelly.

She advised that the property owner and engineer were notified of PRBRSA's approval. However, the applicant's contractor contacted the Authority regarding a proposed revision to allow a direct connection to the PRBRSA sewer line. Mr. Kelly advised the contractor that a revised submittal with engineering plans would be required for review and approval of a direct connection.

4. CONSTRUCTION CONTRACTS

4.1 Contract PRB 20-1: Unauthorized Connection, Riverdale

Ms. Avagnano informed the Board that Contract PRB 20-1 has been completed at a cost of \$108,510 and that counsel has advised that all contract close-out documents are in order. She recommended that additional CCTV-inspection of the lines be performed prior to the expiration of the Maintenance Bond in 2022.

Commissioner Desai questioned if that was the final cost of the contract recognizing that the amount stated was under the \$127,500 amount bid.

Mr. Kelly, noting that Arold Construction did an exceptional job on completing the lining rehabilitation, explained that the contract was under budget as a result of not utilizing a \$25,000 traffic control allowance. Instead, additional CCTV-inspections

not included in the contract scope were authorized resulting in a net reduction of approximately \$19,000.

In order to close-out Contract PRB 20-1 accepting the final payment application and Change Order 2 for a completion date extension through December 18, 2020, Treasurer Lampmann moved approval of **Resolution R-21-1-1** as follows:

Resolution No. R-21-1-1

RESOLUTION ACCEPTING THE WORK PERFORMED FOR UNAUTHORIZED CONNECTION REHABILITATION CONTRACT NO. PRB-20-1; AUTHORIZING FINAL PAYMENT; AND ACCEPTING THE TWO-YEAR MAINTENANCE BOND

WHEREAS, pursuant to Resolution No. R-20-8-3, the Pequannock River Basin Regional Sewerage Authority (hereinafter the "Authority") authorized the award of the Authority's "Unauthorized Connection Rehabilitation Contract No. PRB-20-1" (the "Contract") to Arold Construction Co., Inc., having a business address of 51 Powder Mill Bridge Road, Kingston, New York 12401 (hereinafter "Arold Construction") in the bid amount of \$127,500.00; and

WHEREAS, after the full execution of the Contract and the issuance of the Performance Bond and certificates of insurance, the Notice to Proceed was issued to Arold Construction on September 28, 2020; and

WHEREAS, by letter dated January 19, 2021 to the Authority Administrator, the Authority's Project Engineer, Remington & Vernick Engineers "recommends that a final payment be made to Arold Construction, Inc. in the amount of \$108,510.00"; and

WHEREAS, on October 21, 2020, the Authority authorized Change Order No.1 which provided a non-compensable thirty-day time extension for the completion of the Contract, thereby requiring final completion by November 27, 2020; and

WHEREAS, due to weather delays, Change Order No. 2 includes a twenty-one day time extension for the completion of the Contract by December 18, 2020; and

WHEREAS, all lining work was completed by December 7, 2020 (the commencement of the Maintenance Bond period) and demobilization occurred by December 18, 2020; and

WHEREAS, the final contract value is \$108,510.00 based on an original contract value of \$127,500.00 less as-built quantity deletions in the amount of \$18,990.00 as set forth in Change Order No. 2 Final; and

WHEREAS, Arold Construction has provided the Authority with a Contractor's Affidavit and Final Release of Liens, dated January 20, 2021; and

WHEREAS, the Authority is in receipt of Maintenance Bond No. 30105006M executed on January 5, 2021 by Western Surety Company in the amount of \$108,510.00, having a commencement date of December 7, 2020 and a termination date of December 7, 2022 against any defective workmanship or defective materials (the "Maintenance Bond"); and

WHEREAS, the aforementioned Maintenance Bond was reviewed by Remington & Vernick and by letter dated January 19, 2021 finds that the two-year Maintenance bond “satisfies all warranty requirements outlined in the contract documents” and the Maintenance Bond and Contractor’s Affidavit and Final Release of Liens have been reviewed by the Authority’s counsel to ensure compliance with the Contract.

NOW, THEREFORE, BE IT RESOLVED by the Pequannock River Basin Regional Sewerage Authority in the Counties of Morris and Passaic and the State of New Jersey on the 20th day of January, 2021 as follows:

1. The Authority hereby determines that the work performed by Arold Construction pursuant to Contract No. PRB-20-1 has reached final completion and is accepted. This Resolution shall be deemed the Notice of Completion required by Contract No. PRB-20-1 and shall remain on file at the offices of the Authority.
2. The Authority hereby accepts Maintenance Bond No. 30105006M executed on January 5, 2021 by Western Surety Company in the amount of \$108,510.00 for the two-year maintenance period commencing on December 7, 2020 and terminating on December 7, 2022.
3. The Authority approves and authorizes execution of Change Order No. 2 Final which provides a time extension in the amount of 21-days, extending the final completion date to December 18, 2020 and authorizes payment in the amount of \$108,510.00 to Arold Construction for the completion of Contract No. PRB-20-1.
4. Funds are certified to be available from Budget Line Item 33.06 System Improvements/Operation & Maintenance in the amount of \$108,510.00 as final payment to Arold Construction for Contract No. PRB-20-1.
5. The Authority’s staff and consultants are authorized to take all actions necessary to effectuate this Resolution.
6. This Resolution shall take effect as provided by law.

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

AYES	:	Chairman Verdonik, Commissioners Desai, Gall, Howard, Lampmann, Metcalfe, Pellegrini and Voorman
NAYS	:	None

ABSENT : None

ABSTAIN : None

4.2 Contract PRB 19-1: NYS&W Railroad, Borough of Butler

Mr. Kelly reported on the status of the NYS&W Railroad project. He advised the Board that the construction phase of the project was complete noting Mott MacDonald's punch list of items to be completed in the Spring consisting of paving, park restoration, plantings and clean-up prior to contract close-out.

Vice Chairman Voorman inquired as to when the 2 year Maintenance Bond would go into effect. Mr. Kelly responded that, to his knowledge, the Maintenance Bond was effective on completion of the construction which would be as of December 24, 2020.

5. FINANCIAL MATTERS

5.1 Treasurer's Report: November 30, 2020

Treasurer Lampmann presented the Treasurer's Report for the period ending November 30, 2020 and moved its approval as presented.

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

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

NAYS : None

ABSENT : None

ABSTAIN : Commissioners Desai and Pellegrini

5.2 Treasurer's Report: December 31, 2020

Treasurer Lampmann presented the Treasurer's Report for the period ending December 31, 2020 and moved its approval as presented.

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

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

NAYS : None

ABSENT : None

ABSTAIN : None

5.3 Annual Budget: FY 2021

Ms. Avagnano advised the Board that the FY 2021 Annual Charge Certifications were issued on December 15th under the 2020 Amended and Restated Service Contract. She mentioned that as a result of the EDU-based billing that the Borough of Bloomingdale incurred an increase approximating \$190,000 over the prior year billing. Chairman Verdonik acknowledged the presence of Bloomingdale Acting Mayor John D'Amato and Bloomingdale Borough Administrator, Mike Sondermeyer.

For the benefit of the Bloomingdale Officials, Vice Chairman Voorman explained that the EDU-based billing was a result of PRBRSA's intent to provide a fair and equitable method of billing for the four municipalities adding that the Borough was presented with the procedure acknowledging that Bloomingdale would see an increase in their Annual Charges on implementation. He emphasized a major benefit of the new contract is the ability to accurately budget future expenses since, under the EDU system, the risk of incurring significant increases based on unpredictable flows is eliminated.

Since Bloomingdale is the only Participant negatively affected by the transition from flow-based to EDU-based billing in effect for FY 2020 as well as FY 2021, Commissioners Voorman and Howard requested application of surplus of \$250,000 to offset costs.

Chairman Verdonik agreed that applying \$250,000 surplus to offset the increase in the Annual Charges to Bloomingdale on implementation of the EDU-based billing was reasonable. He explained that this is a one-time surplus application to address the billing conversion from flow to EDUs under the 2020 Amended and Restated Agreement and would not be common practice going forward. Commissioner Howard stated that the added benefit of the EDU-based contract will be in the predictability of budgeting for PRBRSA charges.

The Board agreed to apply \$250,000 of surplus as a refund credit to the municipalities to be distributed based on the EDU percentages under the 2020 service contract.

Ms. Avagnano advised that she would include the \$250,000 application of surplus in a budget amendment and resolution along with the TBSA credit refund for adoption at the February 17th meeting.

Acting Mayor D'Amato and Administrator Sondermeyer requested a meeting with Commissioners Voorman and Howard prior to the Authority February 17th meeting to review the 2020 Amended and Restated Service Contract.

5.4 Audit: FY 2020

Ms. Avagnano advised the Board that the FY 2020 Audit is currently under final review by Wielkocz & Co.

6. UNFINISHED BUSINESS

6.1 Unauthorized Connection – Riverdale Claim

On having no comments from the Board, counsel recommended that this matter be discussed in closed session after adjournment of the regular meeting for potential litigation.

6.2 RFP for Consulting Engineer

Ms. Avagnano referenced a list of firms that were in receipt of the RFP for Authority Consulting Engineer noting that the deadline for submission is January 28, 2021.

6.3 2021 Schedule of Rates and Charges

Referring to his January 13, 2021 memorandum, Mr. Kelly said that connection fees were apparently not considered when the Authority adopted its current Rate Schedule in 1987. Therefore, the Board may want to consider incorporating a connection fee at this time and explained the advantages of adding an additional revenue source paid by new connectors to the system, typically for new developments.

The Board discussed the advisability of adopting a regional connection fee. Commissioner Lampmann indicated that Butler is not in favor of imposing a significantly larger connection fee for new connectors to the Borough's system.

For Riverdale, Member Desai indicated that the Borough has already paid for the gallonage necessary to connect additional homes. He said it would be unreasonable for the Authority to assess another fee on top of what Riverdale already paid. Mr. Kelly agreed with that logic at least as related to the recent capacity acquisition.

Commenting on Bloomingdale's situation, Commissioner Howard indicated that the Borough recently completed a local sewer extension project which included a \$15,000 assessment to recover construction costs for the new lines. He said he believes that an additional connection fee would have made the project infeasible.

On further discussion the Board determined to move forward with the 2021 Schedule of Fees and Charges without inclusion of a connection fee.

Ms. Avagnano confirmed that the 2021 Schedule of Rates and Charges accepted at the December 2, 2020 regular meeting would be presented at a Rate Hearing in March or April for final adoption.

6.4 Personnel Committee

The Personnel Committee reported on personnel matters under closed session after the regular meeting was adjourned.

7. NEW BUSINESS

7.1 Nominating Committee Appointments

Chairman Verdonik asked Commissioner Metcalfe if he would, again this year, assume the position of Nominating Committee Chair. Commissioner Metcalfe agreed.

Chairman Verdonik requested that Commissioner Lampmann assume his position on the committee and reconfirmed Commissioner Howard as a Committee Member. Both Commissioner Howard and Commissioner Lampmann accepted their appointment to the Nominating Committee.

7.2 Preliminary Meeting Schedule 2021/2022

Ms. Avagnano presented the preliminary meeting schedule for 2021/2022. The Board agreed to the preliminary meeting dates which would be formally introduced at the February 17th reorganization meeting.

8. CONSENT AGENDA

None

9. PAYMENT OF BILLS

Operating Budget

9.1 Operating Request for Payment No. 403

Treasurer Lampmann presented Operating Request for Payment No. 403 as presented. Commissioner Gall moved approval as follows:

PEQUANNOCK RIVER BASIN REGIONAL SEWERAGE AUTHORITY

SUMMARY OF VOUCHERS FOR
 OPERATING EXPENSES

Operating Request for Payment No. 403

The following bills have been reviewed and are recommended for approval for payment at the
January 20, 2021 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-21-1-1	3/1/2020	\$ 250.00	Borough of Butler
2)	33.01	OP-21-1-2	10/1/2020	\$ 2,705.00	Borough of Butler
3)	24.07	OP-21-1-3	1/8/2021	\$ 170.52	J. Avagnano
4)	22.03	OP-21-1-4	12/9/2020	\$ 12,500.00	Kelly Engineering
5)	22.02	OP-21-1-5	1/11/2021	\$ 3,874.94	Kelly Engineering
6)	22.01	OP-21-1-6	12/8/2021	\$ 2,566.50	Maraziti Falcon LLP
7)	22.02	OP-21-1-7	12/8/2021	\$ 175.50	Maraziti Falcon LLP
8)	22.02	OP-21-1-8	12/4/2020	\$ 11,970.50	Remington & Vernick Engineers
9)	*	OP-21-1-9	12/21/2020	\$ 909,356.00	Pequannock Lincoln Fairfield Sewerage Auth.
10)	33.01	OP-21-1-10	12/9/2020	\$ 3,357.40	ADS LLC
11)	24.07	OP-21-1-11	1/11/2021	\$ 189.33	J. Avagnano
12)	24.07	OP-21-1-12	11/25/2020	\$ 57.80	North Jersey Media Group
13)	33.03	OP-21-1-13	12/23/2020	\$ 600.00	Navitend
14)	24.04	OP-21-1-14	1/11/2021	\$ 30.75	Jamie Avagnano
15)	24.07	OP-21-1-15	1/4/2021	\$ 585.00	US Bank
16)	33.03	OP-21-1-16	10/26/2020	\$ 18.23	Borough of Butler Electric
17)	24.07	OP-21-1-17	12/15/2021	\$ 287.90	Chatham Print
18)	33.01	OP-21-1-18	1/11/2021	\$ 3,426.00	ADS LLC
19)	33.01	OP-21-1-19	1/11/2021	\$ 108,510.00	Arold Construction
20)	22.01	OP-21-1-20	1/11/2021	\$ 2,593.50	Maraziti Falcon LLP
21)	22.02	OP-21-1-21	1/11/2021	\$ 565.50	Maraziti Falcon LLP
22)	22.03	OP-21-1-22	1/9/2021	\$ -	Kelly Engineering
23)	22.02	OP-21-1-23	1/12/2021	\$ 3,244.25	Remington & Vernick Engineers
24)	24.07	OP-21-1-24	1/6/2021	\$ 1,431.54	Tab Group
25)	24.07	OP-21-1-25	1/2/2021	\$ 84.34	North Jersey Media Group
26)	25.07	OP-21-1-26	1/6/2021	\$ 78.82	North Jersey Media Group
27)	33.03	OP-21-1-27	12/8/2021	\$ 6.20	JCP&L
			TOTAL:	<u>\$ 1,068,635.52</u>	

Treasurer Lampmann seconded the motion which passed on the following roll call vote:

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

NAYS : None

ABSENT : None

ABSTAIN : None

Construction Fund Disbursements

9.2 Construction Disbursement Requisition No. C-17-40

Treasurer Lampmann presented the bills as listed on Construction Fund Disbursement Requisition No. C-17-40. Vice Chairman Voorman moved approval as follows:

	<u>AUTHORITY ACCOUNT #</u>	<u>VOUCHER NUMBER</u>	<u>VOUCHER DATE</u>	<u>PAYMENT AMOUNT</u>	<u>PAYEE</u>
1)	120328C2	C-17-40-1-1	1/11/2021	\$ 3,965.04	Kelly Engineering
2)	120328C2	C-17-40-1-2	12/8/2020	\$ 682.50	Maraziti Falcon LLP
3)	120328C3	C-17-40-1-3	12/28/2020	\$ 8,460.75	Mott MacDonald
4)	120328C2	C-17-40-1-4	1/11/2021	\$ 877.50	Maraziti Falcon LLP
5)	120328C1	C-17-40-1-5	1/5/2021	\$500,615.86	Montana Construction
TOTAL DISBURSEMENTS				<u>\$514,601.65</u>	

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

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

NAYS : None

ABSENT : None

ABSTAIN : None

OPEN MEETING FOR PUBLIC COMMENT

Chairman Verdonik opened the meeting to the public. Mr. D'Amato and Mr. Sondermeyer commented that they had no further questions pending a meeting with the Bloomingdale representatives prior to the PRBRSA February meeting.

Chairman Verdonik recommended that the February 17th meeting be held remotely at 5:00 pm given the Governor's extension of the Health Emergency. The Board agreed.

Commissioner Metcalfe moved approval of **Resolution No. R-21-2-2** to enter Closed Session after adjournment to discuss personnel matters and potential litigation as follows:

Resolution No. 21-1-2

RESOLUTION AUTHORIZING CLOSED SESSION PURSUANT TO THE OPEN PUBLIC MEETINGS ACT

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 20th day of May, 2020 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 Act, in order to engage in attorney client privileged discussion: Riverdale Borough - unauthorized connection to the Authority System.
2. The minutes of the executive session relating to Riverdale Borough attorney client privileged discussion will be released to the public in the event of successful negotiations or, in the event of litigation, the minutes shall be available to the public upon: the issuance of an unappealable Order of a Court of competent jurisdiction; upon settlement of all issues in the matter; or the failure to institute litigation after the passage of reasonable time.
3. The Authority shall also adjourn to executive session in accordance with N.J.S.A. 10:4-12(b)(7), being the Open Public Meetings Act, in order to discuss contract negotiations/personnel relevant to the Executive Director Contract.
4. The Minutes of the Closed Session relating to contract negotiations/personnel shall be available to the public as required by law and as soon as the matters under discussion are fully resolved as between the parties and are no longer of a confidential or sensitive nature.
5. This Resolution shall take effect as provided by law.

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

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

NAYS : None

ABSENT : None

ABSTAIN : None

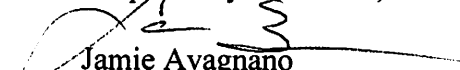
Counsel advised that Riverdale representatives were excused from the second closed session item due to a conflict of interest.

ADJOURNMENT

At approximately 5:52 pm, Commissioner Metcalfe moved to adjourn the regular meeting. That motion was seconded by Commissioner Howard and approved unanimously on voice vote.

At approximately 5:52 pm, the meeting was adjourned and Closed Session Opened.

Respectfully submitted,


Jamie Avagnano
Recording Secretary

Enclosures: Treasurer's Report for the period ending November 30, 2020
Treasurer's Report for the period ending December 31, 2020