

MEETING MINUTES

PEQUANNOCK RIVER BASIN REGIONAL SEWERAGE AUTHORITY (ORGANIZATION MEETING)

February 19, 2009
(RESCHEDULED FROM FEBRUARY 18, 2009)

Minutes of the organization meeting of the **Pequannock River Basin Regional Sewerage Authority** held on February 19, 2009 in the Conference Room at the Butler Municipal Building, One Ace Road, Butler, New Jersey. The meeting was called to order at approximately 7:45 p.m.

ROLL CALL

On roll call:

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

ABSENT : None

ALSO PRESENT : Christopher H. Falcon, Esq., Maraziti, Falcon & Healey; Daniel D. Kelly, P.E., Kelly Engineering; William Ryden, P.E., Riverdale Borough Engineering and Brian Cheripka, Trammel Crow Residential

Note: Vice Chairman Verdonik joined the meeting in progress at approximately 7:55 pm. Chairman Voorman joined the meeting in progress at approximately 8:40 pm; Mr. Ryden and Mr. Cheripka joined the meeting in progress at approximately 7:45 pm and left at approximately 8:30 pm.

OPEN PUBLIC MEETING STATEMENT

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

RESCHEDULED MEETING DATE

For the record, Acting Chairman Gall noted that the Authority rescheduled this meeting to February 19th to accommodate Mr. Ryden's availability to make his presentation on Riverdale's I/I program.

ORGANIZATION MEETING

1. ELECTION OF OFFICERS

Committee Chairman Gall, on behalf of the other Committee Members, Commissioners Howard and Verdonik, presented the following slate of officers for consideration:

Chairman:	Robert Voorman
Vice Chairman:	Raymond Verdonik
Secretary:	Edwin Howard
Treasurer:	E. J. Gall
Assistant Secretary:	E. J. Gall

Commissioner Metcalfe moved to approve the slate of officers as presented. That motion was seconded by Commissioner Howard and passed upon the following roll call vote:

AYES	:	Acting Chairman Gall, Commissioners Howard, Lampmann, and Metcalfe.
NAYS	:	None
ABSENT	:	Chairman Voorman and Vice Chairman Verdonik

2. CONSENT AGENDA

Acting Chairman Gall recommended that the Authority consider approving the organization meeting resolutions by consent agenda, specifically, Resolutions No. R-09-2-1 through Resolution No. R-09-2-10 as follows:

1.	Resolution No. R-08-2-1	Open Public Meeting Act
2.	Resolution No. R-08-2-2	Official Depository
3.	Resolution No. R-08-2-3	Appointment of Auditor
4.	Resolution No. R-08-2-4	Appointment of General Counsel

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| 5. | Resolution No. R-08-2-5 | Appointment of Bond Counsel |
| 6. | Resolution No. R-08-2-6 | Appointment of Consulting Engineer |
| 7. | Resolution No. R-08-2-7 | Appointment of Financial Advisor |
| 8. | Resolution No. R-08-2-8 | Appointment of Investment Banker |
| 9. | Resolution No. R-08-2-9 | Trustee Incumbency Certificate |
| 10. | Resolution No. R-08-2-10 | Designate Affirmative Action (PACO) |

Resolution No. R-09-2-1

WHEREAS, The Open Public Meetings Act, Chapter 231 of the Laws of 1975, and more specifically, N.J.S.A. 10:4-8, requires all public bodies at least once a year and within seven (7) days of the Annual Organization Meeting of such body to arrange for the posting of a schedule of the regular meetings of the public body to be held during the succeeding year;

NOW, THEREFORE, BE IT RESOLVED by the Pequannock River Basin Regional Sewerage Authority as follows:

1. The schedule of regular meetings of the Authority hereinafter set forth is hereby adopted:

SCHEDULE

Regular Meetings of the Pequannock River Basin Regional Sewerage Authority are held at the Borough of Butler Municipal Building, One Ace Road, Butler, New Jersey, commencing at 7:30 p.m.:

2009

March 18
 April 15
 May 20
 June 17
 July 15
 August 19
 September 16
 October 21
 December 9

2010

January 20
 February 17

2. The official newspapers of the Authority are:
 - A. Suburban Trends
 - B. North Jersey Herald and News
3. The Secretary is authorized to:
 - A. Post a copy of this Resolution on the bulletin board at the Authority's Office in the Butler Municipal Building.

- B. Forward a copy of this Resolution to the Municipal Clerks of Butler, Bloomingdale and Kinnelon for posting in the public place in each community reserved for such notices.
 - C. Forward a copy of this Resolution to two newspapers, one of which shall be the official newspaper of the Authority.
4. This Resolution shall take effect as provided by law.

Resolution No. R-09-2-2

WHEREAS, the Pequannock River Basin Regional Sewerage Authority (hereinafter "Authority") proposes to designate official depositories for the funds of the Authority.

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 19th day of February, 2009, as follows:

1. The following are designated as the official depositories of the Authority and are directed to honor all withdrawals made by check or withdrawal document signed by the Chairman or Vice Chairman and Treasurer or Secretary/Assistant Secretary of the Authority:

NEW JERSEY CASH MANAGEMENT FUND
WACHOVIA BANK, N.A.
US BANK, N.A.

2. The Authority hereby authorizes the execution and delivery of such authorization and forms as may be required by Wachovia Bank, N.A. and US Bank, N.A., providing for deposits and payments as well as the filing of authenticated signatures of Authority officers and Consulting Engineer as official signatures.
3. This Resolution shall take effect as provided by law.

Resolution No. R-09-2-3

WHEREAS, the Pequannock River Basin Regional Sewerage Authority ("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 year 2009 and until the next reorganization meeting of the Authority; and

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 19th day of February, 2009, as follows:

The Authority does hereby name and designate Ferraioli, Wielkottz, Cerullo & Cuva, P.A. of Pompton Lakes, New Jersey as Auditor to provide auditing services as required, 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.

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 auditor 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. An Agreement for services shall be on file and available for inspection by members of the public in accordance with law.

This Resolution shall take effect as provided by law.

Resolution No. R-09-2-4

WHEREAS, the Pequannock River Basin Regional Sewerage Authority ("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 year 2009 and until the next reorganization meeting of the Authority; and

WHEREAS, funds are available for these services;

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, a C.271 Political Contribution Disclosure Form, 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 19th day of February, 2009, as follows:

The Authority does hereby name and designate Maraziti, Falcon & Healey, L.L.P., Short Hills, New Jersey as General Counsel to provide legal services as required in accordance with their proposal for these services 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.

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 General Counsel 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.

This Resolution shall take effect as provided by law.

Resolution No. R-09-2-5

WHEREAS, the Pequannock River Basin Regional Sewerage Authority ("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 year 2009 and until the next reorganization meeting of the Authority; and

WHEREAS, funds are available for these services;

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, a C.271 Political Contribution Disclosure Form, 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 19th day of February, 2009, as follows:

The Authority does hereby name and designate Hawkins, Delafield and Wood, Esq., Newark, New Jersey as Bond Counsel to provide legal services as required, 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.

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 counsel 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.

This Resolution shall take effect as provided by law.

Resolution No. R-09-2-6

WHEREAS, the Pequannock River Basin Regional Sewerage Authority ("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 year 2009 and until the next reorganization meeting of the Authority; and

WHEREAS, funds are available for these services;

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, a C.271 Political Contribution Disclosure Form, 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 19th day of February, 2009, as follows:

The Authority does hereby name and designate Kelly Engineering, New Vernon, New Jersey as Consulting Engineer to provide engineering services as required in accordance with its proposal to the Authority for these services, 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.

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.

This Resolution shall take effect as provided by law.

Resolution No. R-09-2-7

WHEREAS, the Pequannock River Basin Regional Sewerage Authority ("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 year 2009 and until the next reorganization meeting of the Authority; and

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 19th day of February, 2009, as follows:

The Authority does hereby name and designate Stephanie Lewis of Municipal Capital Management, Princeton, New Jersey as Financial Advisor to provide financial advisor services as required 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 extraordinary, unspecifiable services pursuant to N.J.S.A. 40A:11-5(1)(a)(ii).

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.

This Resolution shall take effect as provided by law.

Resolution No. 09-2-8

WHEREAS, the Sewerage Authorities Law provides at N.J.S.A. 40:14A-5(e) that every Sewerage Authority may appoint and employ such professional and technical advisors and experts as it may require; and

WHEREAS, the Pequannock River Basin Regional Sewerage Authority has engaged in various bond financings and related transactions since the date of its formation; and

WHEREAS, the Authority wishes to continue to have the benefit of the services of Mr. Brian Burke in connection with the administration of its ongoing financial obligations as well as any new financings which may occur in 2009; and

NOW, THEREFORE, BE IT RESOLVED by the Pequannock River Basin Regional Sewerage Authority in the Counties of Morris and Passaic on this 19th day of February 2009 as follows:

1. The Authority hereby engages in the services of Mr. Brian Burke of RBC Dain Rauscher as Investment Banker and Financial Consultant to the Authority for the balance of 2009 and until the reorganization meeting of February 2010 pursuant to N.J.S.A. 40A:11-5(1)(a)(ii) as an extraordinary unspecifiable service.
2. Compensation for the aforesaid services shall be determined if and when the Authority engages in a financing transaction on a future date and in accordance with law.
3. This Resolution shall take effect as provided by law.

Resolution No. R-09-2-9

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 19th day of February, 2009, as follows:

1. This Resolution is enacted to authorize the Authority's Officers to sign the Incumbency Certificate requested by US Bank, N.A. or its successor bank as

- Trustee under the General Bond Resolution of July 15, 1986, and Resolutions supplemental thereto.
2. The Authority's Officers and Consulting Engineer are authorized to sign the Incumbency Certificate.
 3. The Secretary shall deliver an Incumbency Certificate if required and a certified copy of this Resolution to the Trustee.
 4. This Resolution shall take effect immediately.

Resolution No. R-09-2-10

WHEREAS, there exists a need for the designation of an official or employee to serve as a Public Agency Compliance Officer (P.A.C.O.) pursuant to N.J.A.C. 17:27 for Pequannock River Basin Regional Sewerage Authority; and

WHEREAS, the P.A.C.O. is the liaison official for matters concerning Affirmative Action as set forth in P.L. 1975, c.127 (N.J.A.C. 17:27); and

WHEREAS, the Authority desires to comply with the Affirmative Action requirements and wishes to maintain appropriate contracting procedures for the Pequannock River Basin Regional Sewerage Authority;

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 19th day of February, 2009, as follows:

1. The Authority does hereby appoint the Consulting Engineer as the Public Agency Compliance Officer for the Pequannock River Basin Regional Sewerage Authority.
2. The P.A.C.O. shall act as the liaison between the Authority and the New Jersey Department of the Treasury, Affirmative Action Office and shall take appropriate actions to maintain compliance with the Agency's contracting procedures to comply with the Affirmative Action regulations cited at N.J.A.C. 17:27.
3. The Consulting Engineer is authorized and directed to complete the appropriate notification form designating the P.A.C.O. and to forward the same to the Department of the Treasury.
4. This Resolution shall take effect as provided by law.

Following discussion, Commissioner Lampmann moved approval of the above resolutions. That motion was seconded by Commissioner Howard and passed unanimously on the following roll call vote:

AYES : Acting Chairman Gall, Commissioners Howard, Lampmann, and Metcalfe.

NAYS : None

ABSENT : Chairman Voorman and Vice Chairman Verdonik

APPOINTMENTS

1. Reappointments to PRBRSA

For the record Mr. Kelly noted that the Authority received notification from the Borough of Bloomingdale that Chairman Voorman was reappointed for a five (5) year term through January 31, 2014 and received similar confirmation from the Borough of Kinnelon that Commissioner Gall was also reappointed by the Kinnelon Mayor and Council through January 31, 2014.

MEETING MINUTES

1. Regular Meeting Minutes – January 21, 2008

Acting Chairman Gall advised that the January 21, 2009 meeting minutes will be considered for approval at next month's meeting.

OPERATIONAL REPORT

1. System Operations

1.1 Flow Report

Referring to the Flow Report dated February 17, 2009 for the period ending January 31, Mr. Kelly reported that the system flows were substantially lower in January (1.848 mgd) as compared to December (2.259 mgd).

Referring to the Daily Flow Summary he also noted that the TBSA Meter M-15 readings are now somewhat higher than the corresponding PRBRSA Meter P-4 readings (1.902 mgd vs. 1.848 mgd, respectively).

(Note: At approximately 7:45 pm, William Ryden and Brian Cheripka joined the meeting in progress)

1.2 TWA Application and Connection Permits

1.2.1 TWA Application Trammel Crow Residential – Alexan (South) Borough of Riverdale

Mr. Kelly advised that Trammel Crow Residential is proceeding with the Alexan South project.

(Note: At approximately 7:55 pm, Vice Chairman Verdonik joined the meeting in progress and assumed the Chair)

1.2.2 **Report on Riverdale I/I Investigations and Remediation Work**

At approximately 7:55 pm, William Ryden, Riverdale's engineer, and Brian Cheripka of Trammel Crow Residential joined the meeting in progress. Acting Chairman Verdonik recognized them and asked Mr. Ryden to make his presentation on Riverdale's I/I program.

Mr. Ryden acknowledged the Authority's efforts to reschedule the meeting to accommodate his availability. He indicated that rather than make a presentation on his report he would prefer to have the Board members ask questions. However, Acting Chairman Verdonik and Commissioner Lampmann suggested that it would be more appropriate that Mr. Ryden at least highlight the important aspects of his report.

With that began an extended discussion on the report and the work conducted by Riverdale. Mr. Ryden's generally described the process as an evolving one that began with physical inspections of various subsystems within Riverdale, flow monitoring, installation of infiltration/inflow lids and remediation efforts, most notably on manholes within the Riverdale Quarry property. Out of those efforts and the subsequent work performed by Trammel Crow's engineer, Dewberry, he said that he concluded that the flows entering Riverdale are not of the magnitude being measured by the PRBRSA meters yet noted that the Borough's remediation work did apparently produce some degree of I/I reduction as indicated within his report. He also stated that Riverdale's flow is not that different from the other municipalities which also routinely experience significant I/I flows during wet weather periods yet maintained that Riverdale's I/I is not excessive. On that point, he said that it is his opinion that the issue is not with excessive I/I but rather with the difficulty of the metering measurements. He went on to describe for example a real time flow monitoring system that is being utilized in Montville Township suggesting that perhaps a similar monitoring system would be helpful for PRBRSA's system. Mr. Kelly advised that the Authority is actively considering that type of system.

Acting Chairman Verdonik commented that one of the difficulties with the Authority's investigations has been the lack of cooperation by Riverdale, for example, on the Borough's reluctance to provide the water meter consumption data which was

readily made available to Dewberry for their analysis. On that point, Commissioner Lampmann noted that the Riverdale water meter data is suspect and may be of little value. He explained some of the issues with Riverdale's water metering program with which he is relatively familiar. Mr. Ryden noted that Dewberry did analyze the Borough's water consumption data and essentially concluded that it is consistent with the measurements of the sewage flows metered at various connection points to the Authority's system. Commissioner Lampmann continued to question the Borough's water meter data. Mr. Cheripka said that he was actually involved in assisting obtaining that data which Dewberry then assembled for their analysis yet acknowledged, replying to Commissioner Lampmann's comment, that he was not familiar with the specifics or with Riverdale's third party billing vendor procedures.

Mr. Ryden emphasized that in his opinion the limited accuracy of the meters in combination with the differential flow metering methodology used to determine Riverdale's flows do not provide accurate results and restated his opinion that the problem is not with excess of I/I but with inaccurate metering. On that point, Mr. Kelly commented that there are a number of factors indicating that the metering is detecting actual excessive I/I quantities. For example, he advised that at times the flows within Riverdale have been recorded at over 1.0 mgd with clear indications of increases in the base flow quantity during peak wet weather conditions between the upstream and downstream monitors. He also recalled that the Authority's downstream meter, Meter P-4, has a cross-check through the immediately adjacent meter of Two Bridges (Meter M-15) and that at times there were other temporary monitors at that location including the one installed by Dewberry which verified the Meter P-4 results. He added that at the same time the upstream meter, Meter P-2A, was verified by temporary flow monitoring conducted by ADS over a 1 ½ - 2 year period and has been tracked continuously over the last several years by the metering performed by Riverdale, specifically two meters, one within the PRBRSA Interceptor below the Matthews Avenue connection as well as another meter within the Matthews Avenue line itself. He commented and Mr. Ryden agreed that Riverdale's meters and Dewberry's metering as well have confirmed the accuracy of Meter P-2A.

In response to Mr. Kelly's question as to the flow monitoring that Trammel Crow proposed to conduct within the Matthews Avenue line, Mr. Cheripka advised that an "action plan" has been prepared and submitted to Riverdale for approval. He said that he was unaware of the status of that plan. Mr. Ryden commented that he

had not seen any such plan. On further discussion on the action plan, Mr. Cheripka said that he was not sure as to the specific form and thought perhaps it was a part of the recommendations of the Dewberry Report which Mr. Ryden acknowledged was not the case. In any event, Mr. Cheripka suggested that it may be best that Riverdale and the Authority work together to continue the monitoring program.

Commissioner Howard made the observation that the nature of the metering is such that it is clearly evident that the excessive flows are occurring between the upstream and the downstream meters. He explained his reasoning yet Mr. Ryden maintained that the issue is in the accuracy of the meters and the method of metering. Commissioner Howard continued to press asking Mr. Ryden what solution he would suggest. Mr. Ryden acknowledged he did not have a clear answer to that question yet thought that the real time flow monitoring may help pinpoint the I/I. Somewhat facetiously Mr. Kelly noted that there appears to be no reason, based on Mr. Ryden's position, to do that type of monitoring inasmuch that he maintains that there is no excessive I/I. Commissioner Gall and the other Commissioners all commented on the extensive efforts that the Authority has expended in doing whatever is necessary to pinpoint the source of the problem be it the metering condition or extraneous flows or a combination of both. Commissioner Howard added that the Authority is simply looking for a solution and would welcome any assistance from the Borough to achieve that end.

At approximately 8:30 pm, Mr. Ryden and Mr. Cheripka left the meeting in progress.

1.3 **Lincoln Park/Riverdale Capacity Transfer**

For the record Mr. Kelly noted that Lincoln Park Mayor Rumfeldt forwarded a letter thanking the Authority for its efforts in facilitating the capacity transfer.

1.4 **Wastewater Management Plan Update**

Referring to a January 28, 2009 letter from Camp, Dresser & McKee, Consultants for Morris County, Mr. Kelly said that the County is reviewing the projected flows for each of the towns and has requested certain information from both Two Bridges and PRBRSA in that regard.

Commissioner Lampmann mentioned that Butler continues to work with Morris County on the mapping updates. He also noted that Riverdale has recently signed on to the Highlands comprehensive master plan which may have the effect of limiting future development, notably, at the Riverdale quarry site.

1.5 **Infiltration/Inflow Investigation Program**

Referring to a series of documents within the Authority's packet, Mr. Kelly reviewed a four-prong program that he recommended to develop a comprehensive I/I investigation program. He explained that that would consist of installing the ADS *IntelliServe* system to provide real time data; install four temporary flow monitors to isolate the system for a total of five segments (with the two downstream permanent monitors plus the four temporary monitors); conduct engineering investigations on an on-call basis for physical inspection of manholes and suspected areas of I/I based on the isolation program; and, finally, CCTV inspection and videotaping. He noted that the last piece of the work would be subject to the Authority's authorization at the March 18th meeting based on specifications to be prepared by Hatch Mott MacDonald who will solicit quotations for that type of work.

(Note: At approximately 8:40 pm, Chairman Voorman joined the meeting in progress and assumed the Chair)

There ensued considerable discussion on the proposed program. Commissioner Lampmann raised the question on Task 3, most notably, whether or not the *IntelliServe* system will provide meaningful data on a real time basis or only following the data analysis which is the nature of Task 3. Mr. Kelly explained that the entire purpose of the program is to provide real time data and that ADS' *IntelliServe* system converts the raw data into depth of flow, velocity and rate of flow (mgd).

Commissioner Howard agreed noting that the raw data, without translation into those components, would be meaningless. In any event, Mr. Kelly said that he would clarify with ADS that Task 3 is an after the fact analytical confirmation of the accuracy of the raw data accuracy as opposed to conversion of raw data into the velocity, depth of flow and rate of flow components.

Mr. Lampmann also questioned the pricing of Item No. 3 in excess of \$17,000. He noted, for example, that right now the Authority pays approximately \$14,000 for four meters over a 6-month period yet ADS is proposing to charge \$17,000 for just the quality control/analytical services over the same period of time. Mr. Kelly said that he would check with ADS on that point although noted that the total temporary metering costs, that is \$180 plus \$185 per meter per week, translates to less than \$1500 per meter month. He noted that typical pricing for temporary flow monitoring of this nature is \$1500 to \$1800 per meter month and, therefore, the overall pricing structure is in line. Nonetheless he said that he would return to ADS on that point as well.

There was considerable discussion on the overall program and the need to coordinate the efforts of ADS, Hatch Mott MacDonald and the contractor. Mr. Kelly said he would take the lead in that regard to coordinate those efforts and

focus them on the objective of locating any excessive I/I within the system. Commissioner Lampmann indicated that he was disappointed that there was not an overall plan to integrate and coordinate the various components of this work. On that point, Mr. Gall asked Mr. Kelly if he would also be accessing the data on a real time basis to coordinate the efforts of Hatch Mott MacDonald and the contractor. Mr. Kelly assured the Board that he would perform that monitoring in concert with HMM. Commissioner Gall also commented on potential downtime of the meters and associated response time by ADS. Mr. Kelly said that the ability to monitor the meters on a real-time basis will allow immediate notification to ADS if the meter is out of service so that it can be repaired promptly. In response to Commissioner Howard's question on the overall timing, Mr. Kelly said that ADS has committed to having the equipment in the ground by early March and operational by the second week of March assuming prompt authorization of the work.

In response to Commissioner Lampmann's question on the meter locations and ADS' efforts to coordinate that, Mr. Kelly said that the first order of business will be to have a meeting with ADS and Hatch Mott MacDonald to establish the monitoring locations. He explained that the monitoring points will be based upon the most suitable locations for isolation, essentially to segment the entire length of the PRBRSA Interceptor into five sections for analysis purposes and, secondly, to locate the meters where the hydraulics are most suitable to assure maximum monitoring accuracy.

In order to authorize a contract with ADS Environmental Services, Commissioner Howard moved approval of the following Resolution (**Resolution No. 09-2-11**):

RESOLUTION TO AUTHORIZE EXECUTION OF CONTRACT BY AND BETWEEN PEQUANNOCK RIVER BASIN REGIONAL SEWERAGE AUTHORITY AND ADS ENVIRONMENTAL SERVICES FOR THE SCOPE OF WORK SET FORTH IN THE PROPOSAL OF ADS ENVIRONMENTAL SERVICES, DATED FEBRUARY 19, 2009

WHEREAS, the Pequannock River Basin Regional Sewerage Authority (the "Authority") presently has a contract with ADS Environmental Services for the operation and maintenance of its flow monitoring system ("Contract OM-2"); and

WHEREAS, ADS Environmental Services has provided a proposal, dated February 19, 2009, to provide access to the ADS Environmental Services web-based IntelliServe system to provide the Authority with automatic data acquisition for ADS flow monitors and ADS rain gauges that are currently installed in the Authority's collection system as well as temporary flow monitoring services and for such other work as set forth in the proposal; and

WHEREAS, the work to be provided by ADS Environmental Services is for the provision or performance of proprietary goods or services in accordance with N.J.S.A. 40A:11-5(1)(dd); and

WHEREAS, the goods or services to be provided are specialized in nature because they are patented by the ADS Corporation and are necessary for the conduct of the affairs of the Authority because the Authority has a substantial capital investment in the existing ADS flow metering equipment which utilizes ADS' proprietary analytical software and the for the reasons set forth in the Certification of Daniel D. Kelly, P.E., dated February 19, 2009, on file at the offices of the Authority, which is incorporated by reference as if fully set forth herein; and

WHEREAS, the Local Public Contracts Law, N.J.S.A. 40A:11-1 et seq., permits negotiation and award of contracts without public advertising for bids and bidding for goods or services for the support or maintenance of proprietary computer hardware and software in accordance with N.J.S.A. 40A:11-5(1)(dd).

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 19th day of February, 2009, as follows:

1. The Chairman is authorized and directed to execute a contract with ADS Environmental Services that shall be entitled "OM-3" in an amount not to exceed \$42,960 for the six month monitoring period set forth in the proposal of ADS Environmental Services, dated February 19, 2009, on file at the offices of the Authority, in a form approved by the Authority Attorney, without further authorization by the Authority.
2. A copy of this Resolution shall be published in accordance with law.
3. This Resolution shall take effect immediately.

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

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

NAYS : Commissioner Lampmann

ABSENT : None

In order to approve the agreement with Hatch Mott MacDonald for engineering services related to the I/I Investigation Program Vice Chairman Verdonik moved the following resolution (**Resolution No. R-09-2-12**):

RESOLUTION TO AUTHORIZE EXECUTION OF CONTRACT BY AND BETWEEN PEQUANNOCK RIVER BASIN REGIONAL SEWERAGE

AUTHORITY AND HATCH MOTT MACDONALD FOR ON-CALL SERVICES AND PREPARATION OF TECHNICAL SPECIFICATIONS FOR ON-CALL VIDEO INSPECTION AS SET FORTH IN THE PROPOSALS OF HATCH MOTT MACDONALD, DATED FEBRUARY 13, 2009

WHEREAS, the Pequannock River Basin Regional Sewerage Authority (the "Authority") needs and desires professional services of a consulting engineer to provide on-call services for conducting physical inspection of selected Authority manholes and to prepare technical specifications for on-call video inspection of the Authority sanitary interceptor sewers; and

WHEREAS, Hatch Mott MacDonald has submitted proposals for the aforementioned work, dated February 17, 2009, which remain on file at the offices of the Authority.

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 19th day of February, 2009, as follows:

1. The Authority recognizes that Hatch Mott MacDonald has an established reputation in the field on engineering matters related to the work set forth in their proposals, dated February 17, 2009 and that they possess the specialized abilities and resources to provide the expert engineering services necessary to meet the Authority's needs in providing engineering services for conducting physical inspection of selected Authority manholes and to prepare technical specifications for on-call video inspection of the Authority sanitary interceptor sewers.
2. The Chairman is authorized and directed to execute a contract with Hatch Mott MacDonald in an amount not to exceed \$34,500 for the scope of work outlined in their proposals, dated February 17, 2009, on file at the offices of the Authority, for the physical inspection of selected Authority interceptor manholes and for the preparation of technical specifications for on-call video inspection of the Authority's sanitary interceptor sewers, for a term not to exceed one year, in a form approved by the Authority Attorney, without further authorization by the Authority.
3. A notice of contract award shall be published in the official newspaper, a brief notice stating the nature, duration, service and amount of the contract, and that the Resolution and contract are on file and available for public inspection at the Authority and the clerk's office of the municipalities creating the Authority.
4. This Resolution shall take effect immediately.

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

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

FINANCIAL REPORT

1. Treasurer's Report

1.1 Treasurer's Report for the period ending January 31, 2009

Treasurer Gall presented the Treasurer's Report for the period ending January 31, 2009. Vice Chairman Verdonik moved acceptance of that report. That motion was seconded by Commissioner Metcalfe and approved unanimously as follows:

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

2. Audit: FY 2009

Mr. Kelly reviewed some of the issues that have been discussed with the Authority's auditors in connection with finalization of the audit. In particular he explained several questions raised by Chairman Voorman as to the language of the audit notes on the security of investments.

As a by-product of the audit process, Mr. Kelly further explained, that the Authority now has a sweep account essentially for any uninvested funds that are automatically swept into a money market. Currently the money market is the US Bank First American Prime Obligation Fund which invests in such securities as Fannie Mae and Freddie Mac mortgage bank securities. Given the current turmoil in the financial marketplace and based on discussions with Chairman Voorman and the Authority's auditor, Mr. Cuva, Mr. Kelly said that it would be advisable to transfer these funds into the corresponding US Treasury Money Market.

Following discussion Commissioner Lampmann moved adoption of the following resolution (**Resolution No. R-09-2-14**):

WHEREAS, the Pequannock River Basin Regional Sewerage Authority desires to transfer investments currently held by a U.S. Bank, as Trustee for the Authority, from the fund in which they are currently held into a U.S. Treasury Fund; and

WHEREAS, the Authority finds it to be in the public interest to minimize any risk of loss by investing in a U.S. Treasury Fund; and

WHEREAS, the First American U.S. Treasury Fund is a Permitted Investment under the July 15, 1986 General Bond Resolution; and

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 19th day of February, 2009, as follows:

1. The Treasurer is authorized and directed to implement a program to transfer Authority funds currently held for investment by U.S. Bank in the First American Prime Obligation Fund Class A to the First American U.S. Treasury Money Market Fund as and when access to the said fund becomes available, and if necessary, in periodic increments until all such funds have been transferred.
2. The Treasurer is authorized and directed to continue to invest such funds as may otherwise be available within the First American U.S. Treasury Money Market Fund.
3. The Chairman and the Treasurer are authorized to execute such documents as are reasonably required by U.S. Bank to effectuate the transfer(s) and the Consulting Engineer is authorized to administer the implementation of the transfer(s) on behalf of the Authority.
4. U.S. Bank shall be provided with a certified true copy of this Resolution within thirty days of the date hereof.
5. This Resolution shall take effect immediately.

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

For the record, Mr. Kelly noted that the final audit report has been issued and will be distributed to the Board for review.

3. **Arbitrage Reserve Fund**

In order to increase the Arbitrage Reserve Fund, Mr. Kelly recommended an annual contribution of \$4,000 as compared to last year's \$5,000 contribution. He explained that the Arbitrage Reserve Fund is intended to set aside monies that may need to be refunded to the IRS excess positive arbitrage earnings for the investment income earned on the 2002 Series M Forward Delivery Guaranteed Investment Contract.

Following discussion, Vice Chairman Verdonik moved approval of the following resolution **(Resolution No. R-09-2-13):**

WHEREAS, On December 21, 2002 the Pequannock River Basin Regional Sewerage Authority (the "Authority") issued the 2002 Series M Sewer Revenue Refunding Bonds (the "2002 Series M Bonds") in the principal amount of \$10,400,000; and

WHEREAS, the 2002 Series M Bonds are subject to arbitrage rebate limitations in accordance with the rules and regulations of the Internal Revenue Service; and

WHEREAS, the Authority in 2002 entered into a Forward Delivery from of Guaranteed Investment Contract with Wachovia Securities for investment of the proceeds of the 2002 Series M Bonds and the proceeds of "Prior Bonds" refunded by the 2002 Series M Bonds; and

WHEREAS, the permitted yield on the 2002 Series M Bonds is 4.822%; and

WHEREAS, the Guaranteed Investment Contract yields on the Bond Reserve Fund and the Bond Service Fund are 5.86% (net) and 6.54%, respectively; and

WHEREAS, the report of Bond Counsel dated January 16, 2008 has determined that the 2002 Series M Bonds earned positive arbitrage profits in the amount of \$21,476.83 as accrued from December 2, 2002 through December 1, 2007; and

WHEREAS, IRS regulations require periodic rebate of said arbitrage profits; and

WHEREAS, the 2002 Series M Bonds generate future accrued liabilities from positive arbitrage is estimated annually through the next 5 year period of calculation ending December 1, 2012; and

WHEREAS, the Authority has created an "Arbitrage Reserve Fund (2002 Series M Bonds)" as a sub-account of the Revenue Fund to fund the annual accrued liability on the 2002 Series M Bonds.

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 19th day of January 2009 as follows:

1. The Treasurer and Consulting Engineer are hereby authorized and directed to transfer \$4000.00 (or such amount as may be periodically calculated) from the Revenue Fund into the Arbitrage Reserve Fund (2002 Series M Bonds) for Fiscal Year 2009 and for each year thereafter through the period of calculation ending as of December 1, 2012 which funds are to be used and applied to the accrued arbitrage rebate liability obligation due to the Internal Revenue Service, if any, as calculated for said five year period.
2. This Resolution shall take effect immediately.

Treasurer 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

UNFINISHED BUSINESS

1. Electronic Communication System

Returning to the recommendation of Commissioner Howard at the January 21st meeting to establish an electronic communications system for the Board members, possibly by distribution of Authority-owned mini laptop computers to each of the Commissioners, Mr. Kelly reviewed the results of his research into that type of system. He explained that the system has a number of advantages noting that at some point electronic communications will be the norm. In the interim, however, he said there are some logistical and administrative issues that would have to be evaluated along with legal issues that Mr. Falcon had raised. He also mentioned the research done by Jamie Avagnano of his office into such systems as well as services that offer pre-packaged programs that are commonly used by school boards for distribution of a variety of documents electronically. He said the services that are available are very often considerably more complex than that which would be needed by the Authority yet may also offer advantages depending upon the specifics of the selected service.

Commissioner Howard commented that his primary purpose in raising this approach would be to simplify matters and in that process to hopefully save costs, notably on reproduction expense and related mailings.

Before proceeding Mr. Kelly said it would be advisable to determine if the Board as a whole would be interested in moving in this direction. To do that he distributed a survey prepared by Mrs. Avagnano of his office soliciting each

Commissioner's position on certain elements of such a program. Commissioner Metcalfe said that he would not mind receiving communications via email while the other Commissioners who may not want electronic communications would continue to receive hard copies. On review of the survey, the vote was 4 to 2 against proceeding with the electronic communication system so that it will not be pursued at this time.

NEW BUSINESS

1. AEA Spring Conference

Mr. Kelly again advised that the AEA Spring Conference, focusing on management this year, will be held in Atlantic City on March 10th and 11th. He invited any Commissioners who are interested in attending to notify his office to make the arrangements.

PAYMENT OF BILLS

1. OPERATING ACCOUNT

1.1 Operating Request for Payment No. 263

Treasurer Gall presented the bills as listed on Operating Request for Payment No. 263 as follows:

The following bills have been reviewed and are recommended for approval for payment at the

February 19, 2009 meeting of the Authority from the Operating Account (Wachovia 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-09-2-1	11/28/08	\$ 2,180.00	Borough of Butler
2)	24.05	OP-09-2-2	3/14/08	\$ 250.00*	Borough of Butler*
3)	33.03	OP-09-2-3	1/28/09	\$ 27.82	Verizon
4)	33.03	OP-09-2-4	1/23/09	\$ 25.65	Verizon
5)	33.03	OP-09-2-5	12/28/08	\$ 28.20	Verizon
6)	22.01	OP-09-2-6	2/10/2009	\$ 2,671.41	Maraziti, Falcon & Healey (legal per contract)
7)	33.06	OP-09-2-7	2/6/2006	\$125.22	Hatch Mott MacDonald (PRBRSA Interceptor Ins.)
8)	33.06	OP-09-2-8	1/30/2009	\$ 301.20	Hatch Mott MacDonald (WMP)
9)	33.06	OP-09-2-9	2/6/2009	\$175.85	Hatch Mott MacDonald (Flow Metering Evaluations)
10)	22.01	OP-09-2-10	2/10/2009	\$ 15,060.36	Hawkins Delafield & Wood (Bond Counsel)
11)	22.03	OP-09-2-11	2/12/2009	\$ 10,400.00	Kelly Engineering (gen. per contract)
12)	32.02	OP-09-2-12	2/12/2009	\$ 5,856.25	Kelly Engineering (Eng. per contract)
13)	33.06	OP-09-2-13	12/9/2008	\$ 1,500.00	Stanford Risk Management (Insurance)

14)	33.03	OP-09-2-14	1/20/2009	\$	3.25	JCP&L
15)	33.03	OP-09-2-15	2/3/2009	\$	6.36	Borough of Butler-Electric
16)	26.04	OP-09-2-16	1/21/2009	\$	2,317.50	US Bank (Admin Fee-Series F Bonds)
17)	24.04	OP-09-2-17	2/12/2009	\$	184.35	Chatham Print & Design (PRBRSA Letterhead)

TOTAL: **\$ 41,113.42***

*Corrected amount and total (\$205.00 & \$41,068.42) shown on Operating Request For Payment No. 263 (Voucher No. OP-09-2-2) and check correct at \$250.00).

Vice Chairman Verdonik moved approval of the bills as presented. Commissioner Gall seconded the motion which passed on the following roll call vote:

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

OPEN MEETING FOR PUBLIC COMMENTS

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

ADJOURNMENT

Their being no further business, Commissioner Howard moved adjournment at approximately 9:45 p.m. That motion was seconded by Commissioner Lampmann which passed unanimously on voice vote.

At approximately 9:45 p.m., the meeting was adjourned.

Respectfully submitted,

Daniel D. Kelly, P.E.
Recording Secretary

Enclosures: Treasurer's Report for the period ending January 31, 2009

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