

MEETING MINUTES

PEQUANNOCK RIVER BASIN REGIONAL SEWERAGE AUTHORITY

October 21, 2009

Minutes of the regular meeting of the **Pequannock River Basin Regional Sewerage Authority** held on October 21, 2009 in the Conference Room at the Butler Municipal Building, One Ace Road, Butler, New Jersey. Chairman Voorman called the meeting to order at approximately 7:30 p.m.

ROLL CALL

On roll call:

PRESENT	:	Chairman Voorman, Commissioners Howard, Lampmann, Metcalfe and Verdonik
ABSENT	:	Commissioner Gall
ALSO PRESENT	:	Christopher H. Falcon, Esq., Maraziti, Falcon & Healey; and Daniel D. Kelly, P.E., Kelly Engineering

OPEN PUBLIC MEETING STATEMENT

Chairman Voorman introduced the "Open Public Meeting Statement" indicating that adequate notice of the Authority's regular meeting had been publicized in accordance with law by posting notice on the bulletin board at the Butler Municipal Building, 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: August 19, 2009 Regular Meeting

Commissioner Lampmann moved approval of the minutes of the Authority's August 19, 2009 regular meeting.

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

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

NAYS : None

ABSENT : Commissioner Gall

ABSTAIN : None

2. Meeting Minutes: September 16, 2009 Regular Meeting

Chairman Voorman noted that the minutes for the September 16, 2009 meeting had been distributed via email to each of the Commissioners and were available in the file folders as well. Commissioner Lampmann moved approval of the minutes as submitted.

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

AYES : Chairman Voorman, Commissioners Lampmann, Metcalfe and Verdonik

NAYS : None

ABSENT : Commissioner Gall

ABSTAIN : Commissioner Howard

OPERATIONAL REPORT

1. System Operations

1.1 Flow Report

Commenting on the September Flow Report dated October 19, 2009 covering the period through September 30th, Mr. Kelly noted that the total system flow for September at 1.331 mgd is extraordinarily low as is the year-to-date flow of 1.741 mgd.

The following reports were distributed to the Board for review:

- Flow Report for the period ending September 30, 2009

- Daily Flow Summary for September 2009
- TBSA "Yearly Plant Operations Report" through September 30, 2009
- Daily flow hydrograph for September 2009

Mr. Kelly also advised that ADS has scheduled replacement of the depth sensor on Meter P-2A which has been spiking regularly. He reported that that spiking condition has resulted in numerous false alarms which ADS has checked and confirmed were caused by a faulty depth sensor at this location.

He further noted that his analysis of the TBSA flow data shows that the Authority's actual flow on a year-to-date basis through September 30th is running approximately 1.22% less than that budgeted for TBSA's current fiscal year.

1.2 ADS Presentation

Mr. Kelly advised that ADS had planned to make a presentation on the flow monitoring system but asked that that be rescheduled for an upcoming meeting.

2. I/I Investigation Program

2.1 Status Report

Mr. Kelly advised that Hatch Mott MacDonald finalized their engineering report on the infiltration and inflow conditions and briefly summarized the engineer's findings. In particular he noted that the report confirmed the integrity of the Authority's PRBRSA Interceptor concluding that the three flow sources emanating from Riverdale's collection system were responsible for an estimated 150,000 gpd to 250,000 gpd of rainfall induced infiltration and inflow. He said the report further concluded that the three I/I sources identified during the May and June inspections are responsible for the majority of the extraneous flow contributions to the PRBRSA system between Meters P-2A and P-4.

Lastly, he noted that HMM will provide additional copies of the report for circulation to the Board itself.

2.2 Notification to Riverdale

For the record, Mr. Kelly reported that the Hatch Mott MacDonald report on the I/I investigation program was forwarded to the Borough of Riverdale on September 30th along with a copy of the resolution adopted at the September 16th meeting.

3. TBSA Activities

3.1. TBSA Capital Improvement Program

Vice Chairman Verdonik reported on several matters currently active at the Two Bridges Sewerage Authority as they affect Pequannock River Basin. First he advised that the final report of Black & Veatch on the treatment plant improvement project, both the upgrade and the expansion aspects, is expected to be issued shortly. On issuance, he said that the report will be distributed to each of the municipalities for their review as well.

He also advised that TBSA will shortly receive bids on the ultraviolet disinfection project but noted that only three contractors have taken out plans and specifications for the project, apparently due to extensive construction activity currently underway with Stimulus funding.

Lastly, he reviewed some of the information that he and Commissioner Lampmann learned at the WEFTEC Conference notably on the “head works” for the TBSA treatment plant including grit removal and on the biological treatment process using membrane technology. He said they also reviewed rather extensively a pipe liner technology that uses ultraviolet curing to fix the liner product as opposed to the inversion steam process. He and Commissioner Lampmann said that the UV curing process results in a far better product, one that minimizes the loss of diameter typically associated with the felt-type liners.

3.2 Engineer’s Report

As a result of his review of the TBSA Engineer’s Report, Mr. Kelly said that he examined the Authority’s 1986 General Bond Resolution. He advised that Section 607 similarly requires that PRBRSA’s prepare an annual report.

4. TWA Application and Connection Permits

4.1 TWA Application **Union Avenue Project (BLC One, LLC)** **Borough of Bloomingdale**

Referring to his October 19, 2009 report on the BLC One, LLC project on Union Avenue, Mr. Kelly recommended approval subject to two conditions. He explained that the application, following the Borough’s review and approval in August, was substantively modified, in response to his review, to include engineering plans and specifications along with a revised Engineer’s Report for a proposed onsite pumping station and an off-site 4-inch diameter

force main. To assure that the Borough's approval is consistent with that of the Authority, he recommended conditioning PRBRSA's approval pending receipt of Bloomingdale's approval and/or acceptance of the application and substantively modified.

The second condition, he explained, relates to the Highlands Act and potential restrictions imposed there. He said that the subject site appears to be within the Highlands Planning Area but is reasonably close to the breakpoint with the Highlands Preservation Area. The significance of that, he said, is the fact that the Highlands Act revoked previously approved sewer service areas for any properties within the Preservation Areas not sewered as of August 10, 2004. The subject site was not sewered as of that date and therefore would be affected if in fact it is within the Highlands Preservation Area. Again, as detailed by his October 21st memorandum and accompanying maps, indications are that the subject site is within the Planning Area, not the Preservation Area. Since the applicant has provided no information on that account, he recommended that the Authority further condition its approval on the applicant's filing with the Highlands Council for review and approval if necessary.

On discussion Mr. Kelly also advised that the project has been the subject of litigation as a Mt. Laurel II site and that the Borough has been operating under a Scarce Resource Order for sewer capacity and, as of July 2009, under a Court Order to take necessary actions to meet the Borough's COAH compliance obligations.

Following discussion, Commissioner Lampmann moved approval of the following resolution (**Resolution No. R-09-10-1**):

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

WHEREAS, the project is for the construction of 174 residential units, a clubhouse and an on-site office to be constructed on Union Avenue in the Borough of Bloomingdale (Block 57, Lot 43) and would result in an increase of flow to the Authority System of 35,855 g.p.d.; 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 sewer extension 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 October 19, 2009 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 21st day of October, 2009, 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. GENERAL CONDITIONS:
 - 1) Confirmation by the Borough of Bloomingdale that the application as substantively modified has been reviewed and approved and/or accepted by the Borough.
 - 2) Applicant's application to and approval by the Highlands Council if required.
 - B. CONDITIONS PRECEDENT TO CONSTRUCTION:
 - 1) Applicant must file with the Authority one copy of NJDEP Construction and Operating Permit (for TWA projects).
 - 2) Applicant must provide 72 hours prior notice before beginning work.
 - C. CONDITIONS PRECEDENT TO OPERATION:
 - 1) Applicant must file NJDEP WQM-005 form "Certification for Approval by Local Agency," with PRBRSA which form must be executed (signed and sealed) by New Jersey licensed professional engineer and must be executed by the municipality which "will own and operate the sewer system."
 - 2) Applicant must provide 72-hours prior notice prior to initiation of operations.

- 3) Applicant must file two sets of record drawings signed and sealed by a New Jersey licensed professional engineer with PRBRSA.
- 4) Applicant must file two sets of certified testing results with PRBRSA.
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 Howard, Lampmann, Metcalfe and Verdonik
NAYS	:	None
ABSENT	:	Commissioner Gall
ABSTAIN	:	None

FINANCIAL REPORT

1. Treasurer's Report

1.1. September 30, 2009 Treasurer's Report

Mr. Kelly presented the Treasurer's Report for the period ending September 30, 2009. Commissioner Lampmann moved acceptance of the Treasurer's Report as presented. Vice Chairman Verdonik seconded which passed unanimously on the following roll call vote:

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

ABSENT : Commissioner Gall

ABSTAIN : None

2. Annual Budget: FY 2010

Referring to the “Annual Budget: Fiscal Year 2010” (PRBRSA format) dated October 21, 2009, Mr. Kelly explained that there have been no suggested revisions to the budget following its adoption at the August 19, 2009 meeting. He further explained that the Annual Charges payable to the Two Bridges Sewerage Authority have been increased by almost 4% yet the PRBRSA rate increase to the four municipalities is 1.9%.

Reporting on the status of the Annual Budget as filed with the Division of Local Government Services (DLGS), Mr. Kelly advised that his office has been in contact with the DLGS on their review and approval of the budget as approved by the Authority on August 19, 2009.

In response to Chairman Voorman’s question, Mr. Kelly advised that the Authority has yet to receive formal approval of the Division of Local Government Services. He explained that Sh-Keer Evans of the DLGS had a question on the principal schedules contained in the budget versus those in the audit. Following his reply to DLGS, he said that he and Becky Hosinger of his office contacted Ms. Evans yet have not received a response. Notwithstanding that he said the issue raised by the DLGS was not substantive and that the budget as presented is correct.

In order to present the rates for the upcoming year, Chairman Voorman indicated that a public meeting would be convened on the budget.

Observing that no members of the public were present, Chairman Voorman closed the public hearing portion of the meeting.

Following discussion, Vice Chairman Verdonik moved approval of the following resolution (**Resolution No. R-09-10-2**):

**2009 Authority Budget Resolution
(PRBRSA FY 2010)**

Pequannock River Basin Regional Sewerage Authority
(Name)

FISCAL YEAR: FROM November 1, 2009 TO October 31, 2010

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WHEREAS, the Annual Budget and Capital Budget for the Pequannock River Basin Regional Sewerage Authority for the fiscal year beginning, November 1, 2009 and ending, October 31, 2010 has been presented before the governing body of the Pequannock River Basin Regional Sewerage Authority at its open public meeting of August 19, 2009; and

WHEREAS, the Annual Budget as introduced reflects Total Revenues of \$5,425,000 , Total Appropriations, including any Accumulated Deficit if any, of \$5,475,000 and Total Unreserved Retained Earnings utilized of \$50,000; and

WHEREAS, the Capital Budget as introduced reflects Total Capital Appropriations of \$125,000 and Total Unreserved Retained Earnings planned to be utilized as funding thereof, of \$0; and

WHEREAS, the schedule of rates, fees and other charges in effect will produce sufficient revenues, together with all other anticipated revenues to satisfy all obligations to the holders of bonds of the Authority, to meet operating expenses, capital outlays, debt service requirements, and to provide for such reserves, all as may be required by law, regulation or terms of contracts and agreements; and

WHEREAS, the Capital Budget/Program, pursuant to N.J.A.C. 5:31-2, does not confer any authorization to raise or expend funds; rather it is a document to be used as part of the said Authority's planning and management objectives. Specific authorization to expend funds for the purposes described in this section of the budget, must be granted elsewhere; by bond resolution, by a project financing agreement, by resolution appropriating funds from the Renewal and Replacement Reserve or other means provided by law.

NOW, THEREFORE BE IT RESOLVED, by the governing body of the Pequannock River Basin Regional Sewerage Authority, at an open public meeting held on August 19, 2009 that the Annual Budget, including appended Supplemental Schedules, and the Capital Budget/Program of the Pequannock River Basin Regional Sewerage Authority for the fiscal year beginning, November 1, 2009 and ending, October 31, 2010 is hereby approved; and

BE IT FURTHER RESOLVED, that the anticipated revenues as reflected in the Annual Budget are of sufficient amount to meet all proposed expenditures/expenses and all covenants, terms and provisions as stipulated in the said Authority's outstanding debt obligations, capital lease arrangements, service contracts, and other pledged agreements; and

BE IT FURTHER RESOLVED, that the governing body of the Pequannock River Basin Regional Sewerage Authority will consider the Annual Budget and Capital Budget/Program for adoption on October 21, 2009.

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

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

UNFINISHED BUSINESS

1. Electronic Communications

As an update on the status of the electronic communication efforts, Mr. Kelly advised that his office is in the process of transitioning from the current email system to the PRBRSA email through InterMedia. He noted again that the system is now fully available for use by the Commissioners.

He further advised that the Message Mirror capability is also now in place which provides the permanent storage and retrieval capabilities necessary to comply with the Open Public Records Act along with other laws and regulations that mandate public agencies retain electronic communications on file for public access as appropriate.

2. Riverdale Membership

Mr. Falcon reviewed the substance of his October 13th memorandum on Riverdale's recent request to join the Authority as a Member town. He reviewed the case of the Musconetcong Sewerage Authority versus the Township of Mount Olive where the court set out the criteria for an Authority's consideration of a membership request. He explained that while some of the circumstances in that case are not dissimilar from the Authority's relationship with the Borough of Riverdale, that one important factor distinguishes the two – the fact that Riverdale's service contract specifically provides the conditions under which the Borough will be permitted to join PRBRSA as a Member municipality. He said that provision was not contained within the Township of Mount Olive's service contract with the MSA. He went on to explain that the Authority, while under no obligation, would be able to modify the service contract terms to effectively waive the present requirements as to allow Riverdale to join before it attains the required 500,000 gallon per day usage level cited by the 1987 Riverdale Service Contract.

On discussion, Vice Chairman Verdonik again raised issues with allowing Riverdale to make its case before the Board. Mr. Falcon had advised that the Authority should respond to Mr. Clemack's letter indicating that the matter had been discussed and, if the Board so elects, inviting Riverdale to attend an upcoming PRBRSA meeting. In considering that, Commissioner Lampmann raised the concern that such a letter may well mislead Riverdale officials to believe that the Authority will approve membership notwithstanding the service contract provisions. On that point Commissioner Metcalfe agreed suggesting that Mr. Falcon's letter to Riverdale's special counsel should note the conditions precedent to Riverdale's membership under the service contract advising that if the Borough has anything new to bring to the Board's attention that it would be given the opportunity to do so at an upcoming PRBRSA meeting.

Before leaving the topic Commissioner Metcalfe also raised a concern on the cost that the Authority itself would occur on modifying the service contract in response to Riverdale's request. Vice Chairman Verdonik noted that may be a moot point if the Authority elects

not to waive the present contractual terms and therefore suggested that that discussion can be held to a latter date.

At the Board's consensus, Chairman Voorman asked Mr. Falcon to prepare a letter to Riverdale's special counsel along the lines discussed.

3. PRBRSA Dinner

Chairman Voorman raised the topic of a recent article forwarded by the Association of Environmental Authorities concerning a newspaper report on Assemblyman Alex DeCroke's expose on what the Assemblyman characterized as lavish expenditures by the Rahway Valley Sewerage Authority. The Chairman asked Mr. Falcon to review the matter from a legal perspective.

Mr. Falcon said he views the situation as a two-pronged issue, a legal one as well as a public relations one. Legally he said that Chris Miller of his office reviewed the controlling ethics legislation and confirmed, since the Authority would not expend public monies on an annual dinner which has been and will be financed by his law firm and by Kelly Engineering, that there is no issue legally. He went on to explain that even the reporting requirements are not triggered by the expense of the dinner which he calculated last year was approximately \$100 per person or \$200 per couple as compared to the \$400 limit that, if exceeded, under the Local Government Ethics Law would preclude consultants from working for the public agency for the next year.

As to the public relations side, he said that is a difficult call noting that the recent attention drawn to the RVSA could bring heightened attention to public agencies such as the Authority. Again, cited the difference between the two situations in that the RVSA did expend public monies to fund the events reported by Mr. DeCroke. That is not the case for PRBRSA. He also explained that Chris Miller of his office discussed the matter with a representative of the Local Finance Board who confirmed that there would be no ethics violation to have the consultants pay for the Authority's dinner under such circumstances. He added that it so happened that his partner attended a seminar some weeks ago with the Director of the Local Finance Board who made the offhand remark that public officials should not accept anything of value from consultants or contractors. He noted, however, that the Director's comment made no reference to any law or regulation yet did raise a note of caution on a conservative position that the state itself may take under such circumstances.

In discussing the matter further, the Board Members considered in depth the public relations aspect. Commissioner Metcalfe noted as did other Members that such holiday occasions are extremely common in his experience and cited several examples of holiday parties in that regard that have been held and funded by public agencies. Vice Chairman Verdonik observed that as Members of a volunteer board the Commissioners receive no salary for their efforts through the course of the year. Commissioner Lampmann agreed

also citing examples of various volunteer groups that routinely have similar dinners paid for at the public's expense.

Following further discussion Chairman Voorman agreed with the consensus of the Board that the Members are at liberty to make their own decision on an invitation by the Authority's law firm and consulting engineer to attend a holiday party.

NEW BUSINESS

1. AEA Fall Conference

Mr. Kelly asked if any of the Board Members plan to attend the Fall Conference of the Association of Environmental Authorities that they advise his office to make the necessary arrangements.

PAYMENT OF BILLS

1. Operating Request for Payment No. 271

The following bills as listed on Operating Request for Payment No. 271 were presented for approval:

Operating Request for Payment No. 271

The following bills have been reviewed and are recommended for approval for payment at the **October 21, 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-09-10-1	11/28/08	\$ 2,240.00	Borough of Butler
2)	33.01	OP-09-10-2	11/28/08	\$ 2,240.00	Borough of Butler
3)	24.05	OP-09-10-3	3/14/08	\$ 250.00	Borough of Butler
4)	33.03	OP-09-10-4	09/28/09	\$ 29.59	Verizon
5)	33.03	OP-09-10-5	09/23/09	\$ 27.09	Verizon
6)	33.03	OP-09-10-6	09/28/09	\$ 29.59	Verizon
7)	33.03	OP-09-10-7	09/04/09	\$ 30.19	Verizon
8)	22.01	OP-09-10-8	10/07/09	\$ 3,171.00	Maraziti, Falcon & Healey
9)	33.10	OP-09-10-9	09/29/09	\$ 211.20	Hatch Mott MacDonald
10)	22.03	OP-09-10-10	10/07/09	\$ 10,400.00	Kelly Engineering
11)	32.02	OP-09-10-11	10/15/09	\$ 2,773.19	Kelly Engineering

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12)	33.03	OP-09-10-12	09/28/09	\$ 3.25	JCP&L
13)	33.03	OP-09-10-13	10/1/09	\$ 17.96	Borough of Butler
14)	22.05	OP-09-10-14	09/29/09	\$ 94.96	Up & Running
15)	22.05	OP-09-10-15	09/29/09	\$ 125.00	Up & Running
16)	24.07	OP-09-10-16	09/02/09	\$ 56.69	North Jersey Media Group
17)	24.04	OP-09-10-17	09/25/09	\$ 31.13	The Tab Group
18)	See below	OP-09-10-18	4/13/09	\$ 633,278.00	* Pequannock, Lincoln Park & Fairfield Sewerage Authority
19)	33.14	OP-09-10-19	10/8/09	\$ 3,632.00	ADS, LLC
20)	33.01	OP-09-10-20	10/8/09	\$ 2,320.00	ADS, LLC
21)	33.03	OP-09-10-21	10/04/09	\$ 29.51	Verizon
22)	24.04	OP-09-10-22	10/05/09	\$ 43.80	The Tab Group
23)	22.05	OP-09-10-23	10/01/09	\$ 174.95	Up & Running
24)	22.05	OP-09-10-24	09/30/09	\$ 750.00	Up & Running
25)	22.05	OP-09-10-25	09/29/09	\$ 525.00	Up & Running

TOTAL: \$ 662,484.10

* Breakdown

27.00 \$ 48,669.00
13.00 \$ 210,655.00
35.00 \$ 527,434.00
18.00 \$ (153,480.00)
\$ 633,278.00

Commissioner Metcalfe moved approval of the bills as presented. Commissioner Howard seconded the motion which passed unanimously on the following roll call vote:

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

NAYS : None

ABSENT : Commissioner Gall

ABSTAIN : None

OPEN MEETING FOR PUBLIC COMMENT

There being no members of the public present, Chairman Voorman indicated that there would be no need to open the meeting for public comment.

ADJOURNMENT

At approximately 8:55 pm, Commissioner Lampmann moved for adjournment. Commissioner Metcalfe seconded the motion which passed unanimously on voice vote.

At approximately 8:55 pm, the meeting was adjourned.

Respectfully submitted,

Daniel D. Kelly, P.E.
Recording Secretary

Enclosure: Treasurer's Report for the period ending September 30, 2009

DDK/ja (001)

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