

## MEETING MINUTES

### PEQUANNOCK RIVER BASIN REGIONAL SEWERAGE AUTHORITY

September 15, 2010

Minutes of the regular meeting of the **Pequannock River Basin Regional Sewerage Authority** held on September 15, 2010 in the Conference Room at the Butler Municipal Building, One Ace Road, Butler, New Jersey. Chairman Voorman called the meeting to order at approximately 7:30 p.m.

#### ROLL CALL

On roll call:

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

**ABSENT** : None

**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: Regular Meeting – July 21, 2010 (Revised)**

Commissioner Lampmann moved approval of the July 21, 2010 regular meeting minutes as revised. Vice Chairman Verdonik seconded the motion which passed upon the following roll call vote:

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

**NAYS** : None

**ABSENT** : None

**ABSTAIN** : Commissioner Howard

**2. Meeting Minutes: Regular Meeting – August 18, 2010**

Commissioner Lampmann moved approval of the minutes of the Authority's regular meeting convened on August 18, 2010. That motion was seconded by Commissioner Metcalfe and was approved unanimously on the following roll call vote:

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

**NAYS** : None

**ABSENT** : None

**ABSTAIN** : None

**OPERATIONAL REPORT**

**1. System Operations**

**1.1 Flow Report**

Referring to the Flow Report for the period ending August 31, 2010 dated September 14, 2010, Mr. Kelly observed that the July flows remain at extraordinarily low levels, specifically, 1.455 mgd. The year-to-date average is 1.949 mgd.

He noted as well that there were two significant rainfall events, most notably the one on Sunday and Monday, August 22<sup>nd</sup> and 23<sup>rd</sup> with a recorded rainfall of 2.85 inches. He observed that that increased the flow from a system average approximating 1.34 mgd to approximately 1.98 mgd on the 23<sup>rd</sup> of the month.

Commenting further on the report of the Two Bridges Sewerage Authority titled "Yearly Plant Operations Report", Mr. Kelly noted that his calculations indicate that the actual PRBRSA flow contribution to the TBSA system is, on a percentage basis, substantially less than that projected for the year, specifically, 1.71% less than the original

The following reports were distributed to the Board for review:

- Flow Report for the period ending August 31, 2010
- Daily Flow Summary for August 2010
- Daily flow hydrograph for August 2010
- TBSA “Yearly Plant Operations Report” Table 4 for August 2010

## **1.2 I/I Monitoring Program**

Mr. Kelly advised that the temporary flow monitoring period ends as of the third week of September. That being the case he said that the final data for the six month monitoring period should be available by mid-October. With that information, an engineering report will be prepared summarizing and analyzing the results of the monitoring work that began in March.

## **2. TBSA Activities**

### **2.1 TBSA FY 2011 Annual Budget**

Chairman Voorman and Vice Chairman Verdonik reported that TBSA amended its budget to apply an additional \$100,000 of net unrestricted assets (i.e., surplus) to offset the Annual Charges due from the Participants. They advised that will amount to an approximately \$34,000 annual charge reduction to PRBRSA. Mr. Kelly noted that he just received TBSA’s September 14<sup>th</sup> letter on that and related matters which is included in the meeting package.

### **2.2 Ultraviolet Disinfection Project**

Chairman Voorman advised that the ultraviolet disinfection project construction is currently reported to be some 6 months ahead of schedule.

### **2.3 Incinerator Project**

Vice Chairman Verdonik reported that the incinerator project is well underway and is expected to be completed this November.

### **2.4 TBSA Capital Improvement Program**

Referring to his September 3, 2010 letter, for the record, Mr. Kelly advised that three of the four towns replied to Chairman Voorman’s June 29, 2010 letter on their future capacity – Butler and Riverdale have requested an additional 100,000 gallon per day reserve capacity allocation while Kinnelon advised that it will not need any

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additional capacity. Further, he noted that while Bloomingdale has not directly responded to date, indications thus far are that the town will not need additional capacity.

Then referring to his September 8, 2010 memorandum, Mr. Kelly reviewed his analysis of the cost implications per equivalent dwelling unit (EDU) of both the proposed plant upgrade and expansion based on TBSA's projections for expansion of the plant from 7.5 mgd to 8.5 mgd using the membrane bioreactor technology (MBR). On that point, Commissioner Lampmann correctly recalled that the A20 process is significantly less expensive than the membrane bioreactor. While that is true, Mr. Kelly mentioned that at the June 16<sup>th</sup> meeting Two Bridges advised to the effect that, if the plant is expanded, it would most likely be with the membrane bioreactor treatment process. He said that TBSA's consultant advised as well that the A20 process did not have the removal capabilities of the MBR process and in fact may not prove practical due to the existing tight site constraints. In any event he confirmed that the cost estimates in his September 8<sup>th</sup> memorandum are based on the MBR basis, not the A20 process.

Vice Chairman Verdonik explained that TBSA's process selection may be more driven by the NJPDES permit limitations than the plant capacity requirements. He said, while the phosphorus levels have been resolved, the ammonia/nitrogen levels have not and ultimately may force the issue on selection of the more expensive MBR process technology.

Returning to the cost estimates, Commissioner Lampmann also noted that a significant component of the cost per EDU relates to the upgrade which would be shared by all of the Participants whereas the expansion costs would be borne by the Participant or Participants requesting additional allocation.

Commissioner Metcalfe observed that Kinnelon has informally advised that it may have 100,000 gallons per day or more of capacity that it would be willing to sell to other towns and inquired if that would affect the position of Butler or even Riverdale as to their petition for additional capacity in the TBSA project. Commissioner Lampmann and Vice Chairman Verdonik indicated that it would have no effect at all inasmuch as neither the cost per gallon for the TBSA plant expansion nor the price that Kinnelon would charge on any transfer of its presently available capacity are known at this point.

The discussion then centered on the 9/15/10 draft letter that Mr. Kelly prepared to petition TBSA for an additional 200,000 gallons per day of reserve capacity for Butler and Riverdale. Commissioner Lampmann suggested that it may not be the appropriate time to formally request capacity yet Vice Chairman Verdonik and Chairman Voorman emphasized the importance of providing feedback to Two Bridges on the essential question of how much capacity PRBRSA may need going forward. They indicated that this would allow Two Bridges to move ahead with comparable information to be provided by Lincoln Park, Fairfield and Pequannock Township. From

that, they explained that Two Bridges would then be able to decide how to best proceed with the next steps in the process. That process, Mr. Kelly suggested, may evolve over the next two years or more inasmuch as further engineering studies, cost estimates and ultimately service contract negotiations will be needed in order to firmly establish the capacity to be included in the plant improvement project. Mr. Falcon noted that those caveats are spelled out in Mr. Kelly's draft letter to Two Bridges. Commissioner Lampmann stressed also that this will be the last opportunity to secure additional capacity, beyond the present 7.5 mgd plant capacity, effectively highlighting the significance of the issue at hand.

Following further discussion, Chairman Voorman called for a vote on a motion to authorize Mr. Kelly to submit a letter in substantially the same form of that presented to the Board (draft dated 9/15/10). Commissioner Lampmann moved approval of the motion as presented. Vice Chairman Verdonik seconded the motion which passed unanimously on the following roll call vote:

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

**3. TWA Applications and Connection Permits**

**3.1 TWA Application  
William Street Sewer Extension  
Borough of Riverdale**

For the record, Mr. Kelly advised that Two Bridges has approved the William Street sewer extension TWA application which has now been filed with NJDEP for approval.

**FINANCIAL REPORT**

**1. Treasurer's Report**

**1.1. August 31, 2010 Treasurer's Report**

Vice Chairman Verdonik moved acceptance of the Treasurer's Report for the period ending August 31, 2010. That motion was seconded by

Commissioner Lampmann and approved unanimously on the following roll call vote:

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

## **1.2 Annual Budget: FY 2011**

For the record, Mr. Kelly advised that the Authority's FY 2011 Annual Budget has been filed with the State Division of Local Government Services for approval and noted that he has received several questions from DLGS staff on the budget submittal.

## **1.3 Financial Plan**

Following discussions at the August 18<sup>th</sup> meeting, Mr. Kelly advised that the analysis of the Authority's long-term financial condition with emphasis on the stabilization of rates and the necessity for maintaining various reserve levels, particularly in view of the upcoming loss of the \$613,923 TBSA debt service credit in FY 2015 and FY 2016 and in view of the TBSA capital improvement costs, is currently in progress. He said he plans to have that document available in draft form for the Authority's consideration at the October meeting.

## **1.4 Compliance Matters (Section 506)**

Mr. Kelly advised that the Trustee, US Bank, has requested a change in the current procedure for transfer of monies from the Trustee controlled Revenue Fund to the non-Trustee controlled Operating Account currently held at Wachovia Bank. He explained that this is in the nature of compliance with the General Bond Resolution provisions and outlined the primary changes required pursuant to Section 506 which will now include a separate certification that the monies to be transferred relate to Operating Expenses and, secondly, that the requisition for the transfer will not be submitted to the Trustee until the Operating Expenses are approved by the Authority. He noted that in the past the transfer was actually requested prior to the Board's action to approve the bills for payment. Since that may be technically in violation of the Resolution, he said that his office has modified the procedure such that the Transfer Requisition will be submitted immediately following Board approval.

The new Certification form and other documents for the Revenue Fund Transfers were distributed to the Board for information.

## **UNFINISHED BUSINESS**

### **1. PRBRSA Website**

Referring to a status report dated September 14, 2010 prepared by Sharon Meade of Up & Running ("PRBRSA Website Project Update"), Mr. Kelly reviewed the status of that project. He advised that a mock-up of the new website is scheduled to be available by the end of the month. Overall he said that he expects to have the new website launched in November.

## **NEW BUSINESS**

### **1. AEA Fall Conference**

Mr. Kelly advised that the Fall Conference of the Association of Environmental Authorities will be held in Atlantic City on the November 16<sup>th</sup> and 17<sup>th</sup> and asked if any of the Commissioners are interested in attending that they notify his office to make arrangements.

## **PAYMENT OF BILLS**

### **1. Operating Budget**

#### **1.1 Operating Request for Payment No. 282 (August)**

Treasurer Gall presented the following bills as listed on Operating Request for Payment No. 282 for approval:

#### **Operating Request for Payment No. 282**

The following bills have been reviewed and are recommended for approval for payment at the **September 15, 2010** meeting of the Authority from the Operating Account held within Wachovia Bank (Account 1425985):

	<b><u>PRBRSA</u></b>	<b><u>VOUCHER</u></b>	<b><u>VOUCHER</u></b>	<b><u>PAYMENT</u></b>	
	<b><u>ACCT. NO.</u></b>	<b><u>NO.</u></b>	<b><u>DATE</u></b>	<b><u>AMOUNT</u></b>	<b><u>CHECK PAYABLE TO</u></b>
1)	33.01	OP-10-9-1	11/28/08	\$ 2,240.00	Borough of Butler

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2)	24.05	OP-10-9-2	3/17/10	\$ 250.00	Borough of Butler
3)	33.03	OP-10-9-3	8/19/10	\$ 3.25	JCP&L
4)	22.01	OP-10-9-4	9/10/10	\$ 2,381.50	Maraziti, Falcon & Healey
5)	22.03	OP-10-9-5	9/8/10	\$ 10,400.00	Kelly Engineering
6)	32.02	OP-10-9-6	9/9/10	\$ 3,321.50	Kelly Engineering
7)	32.02	OP-10-9-7	9/9/2010	\$ 3,298.90	Kelly Engineering
8)	24.07	OP-10-9-8	9/3/10	\$ 174.95	Kelly Engineering
9)	33.03	OP-10-9-9	8/19/10	\$ 30.75	Verizon
10)	33.03	OP-10-9-10	8/19/10	\$ 27.08	Verizon
11)	33.03	OP-10-9-11	9/7/10	\$ 27.20	Verizon
12)	33.03	OP-10-9-12	9/7/10	\$ 30.90	Verizon
13)	33.03	OP-10-9-13	8/19/10	\$ 17.96	Borough of Butler-Electric
14)	33.03	OP-10-9-14	9/1/10	\$ 17.96	Borough of Butler-Electric
15)	25.03	OP-10-9-15	8/11/10	\$ 200.00	AEA
16)	23.01	OP-10-9-16	9/7/10	\$ 40.00	The NIA Group
17)	33.17	OP-10-9-17	9/10/10	\$ 7,264.80	ADS LLC
18)	33.16	OP-10-9-18	9/10/10	\$ 2,599.60	ADS LLC
19)	33.03	OP-10-9-19	9/13/10	\$ 30.90	Verizon

**TOTAL:                   \$ 32,357.25**

Vice Chairman Verdonik moved approval of the bills as presented. 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

**ABSTAIN** : None

**OPEN MEETING FOR PUBLIC COMMENT**

Their 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 8:40 pm, Commissioner Lampmann moved for adjournment. That motion was seconded by Commissioner Metcalfe and was approved unanimously on voice vote.

At approximately 8:40 pm, the meeting was adjourned.

Respectfully submitted,

Daniel D. Kelly, P.E.  
Recording Secretary

Enclosure: Treasurer's Report for the period ending August 31, 2010

DDK/ja (001)

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