

MEETING MINUTES

PEQUANNOCK RIVER BASIN REGIONAL SEWERAGE AUTHORITY

January 19, 2011

Minutes of the regular meeting of the **Pequannock River Basin Regional Sewerage Authority** held on January 19, 2011 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 Lampmann, Metcalfe and Verdonik

ABSENT : Commissioners Gall and Howard

ALSO PRESENT : Councilwoman Linda Shortman, Borough of Bloomingdale; 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 – December 8, 2010**

Commissioner Lampmann moved approval of the minutes of the Authority's December 8, 2010 regular meeting. That motion was seconded by Commissioner Metcalfe and approved unanimously on the following roll call vote:

AYES : Chairman Voorman, Commissioners Lampmann, Metcalfe and Verdonik

NAYS : None
ABSENT : Commissioners Gall and Howard
ABSTAIN : None

OPERATIONAL REPORT

1. System Operations

1.1 Flow Report

Referring to the Flow Report dated December 14, 2010 for the period ending November 30, 2010, Mr. Kelly noted that the system flow remain at very low levels, specifically, 1.434 mgd for the month.

Commenting on the corresponding flow at the TBSA treatment plant, Vice Chairman Verdonik noted that the flows there are similarly low for this time of year.

The following flow reports were distributed to the Board for review:

- Flow Report dated December 14, 2010 for the period ending November 30, 2010
- Daily Flow Summary for November 2010
- Daily flow hydrograph for November 2010
- TBSA "Yearly Plant Operations Report" Table 4 for December 2010 (w/ 1/12/11 calculations)

1.2 I/I Monitoring Program

Referring to the temporary flow monitoring program conducted by ADS over approximately 6 months, Mr. Kelly indicated that the flow monitoring data evaluations are currently underway and, from that, a report will be prepared summarizing the results of the I/I program.

1.3 Wireless Flow Metering Evaluation

Mr. Kelly advised that, on review of the cost versus benefit of replacing the current ADS flow monitoring system analog output through the Verizon telecommunication system to an all wireless system, he concluded that the present system is cost effective. Consequently, he recommended continuing with the present analog data output.

2. TBSA Activities

2.1 Status Update

Chairman Voorman and Vice Chairman Verdonik reported on a number of matters at the Two Bridges Sewerage Authority as they affect Pequannock River Basin.

Regarding the ultraviolet disinfection project, they indicated again that it is moving forward and is now scheduled for completion in either February or March. On the incinerator project, they advised that there will be several months delay due to a problem with completion of the incinerator control system, noting further that the present contractor has been terminated and a new contractor bought on board to complete the work.

2.2 Capital Improvement Program

Chairman Voorman and Vice Chairman Verdonik reported that Lincoln Park, consistent with its prior position, has confirmed that it does not need additional reserve capacity as a part of the TBSA capital improvement program. They added that Fairfield has indicated that it also does not need additional reserve capacity and has requested that TBSA move forward with the lowest cost process option. To date, Pequannock Township has not indicated its future capacity needs.

3. TWA Application and Connection Permits

**3.1 Residential Connection
96 Newark Pompton Turnpike
Borough of Riverdale**

Following the local Health Officer's notification of a malfunctioning septic system serving a residential property at 96 Newark Pompton Turnpike in Riverdale, Mr. Kelly reported that it has been determined by both the Borough and the Authority that it is not feasible to make connection to the existing PRBRSA Interceptor line fronting the property. Accordingly, he said that the property owner will likely need to upgrade the existing septic.

4. Camp Vacamas/Macopin Road Flows (Bloomingdale)

Mr. Kelly briefed the Board on the May 1991 Sewer Agreement between the Boroughs of Bloomingdale and Butler by which Butler permitted connection of additional flows from Camp Vacamas in West Milford along with new residential connections along Macopin Road in Bloomingdale to tie-in to an existing sewer servicing Treetop Apartments and Waterfall Village also located in Bloomingdale. He explained that the Camp Vacamas flows as well as the new residential connections approximating 17 homes were served by Camp Vacamas' construction of a new 12-inch diameter sewer line from the Camp

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Vacamas site extending along Macopin Road in Bloomingdale connecting to the existing sewer in the Treetop Apartment complex. From there, flows are conveyed to the existing Butler trunk sewers along the Pequannock River and finally to the PRBRSA Main Street Interceptor.

Without attempting to explain all of the nuances of the agreement between both towns, Mr. Kelly said that it provides for billing procedures for the flows connected to Butler's system within Bloomingdale and West Milford.

Referring to an analysis that he prepared of the water meter records for Camp Vacamas as well as the sewered properties in Bloomingdale based on water meter records from 2003 and current records provided by Butler for 2010, Mr. Kelly noted that the annual flows are reasonably consistent approximating 50,000 gallons for all of the properties served including both apartment complexes. He also referred to the temporary sewage flow monitoring conducted last year and noted that there is a significant difference between the metered flow and that calculated using the water meter records.

Since the agreement between both towns provides that the sewer flows would be billed primarily on water consumption based on water meter records, Mr. Kelly said that the Authority originally did that based on information provided by the Borough of Bloomingdale. However, since Bloomingdale has not provided similar information for a number of years, Mr. Kelly said that estimates of the subflow have been used for approximately 5 or 6 years, possibly more, at 60,000 gallons per day. Based on his research of billing and other records, Mr. Kelly advised that Bloomingdale did include the flows for both Treetop Apartments and Waterfall Village which flows were included in the total amounts billed to Bloomingdale and therefore effectively deducted from the corresponding billings for Butler. Commenting further on that point, Mr. Kelly said that Mr. Lampmann commented, correctly so, that the Authority's billings to Bloomingdale do not account for the debt service component of the Authority's Annual Charges, only the operation, maintenance and administrative expenses which are billed on a flow proportioned basis.

Following further discussion, Mr. Kelly said that he would review this matter in greater detail to prepare a full report to the Board recommending changes as may be appropriate to the Authority's current billing practices.

FINANCIAL REPORT

1. Treasurer's Report

1.1. November 30, 2010 Treasurer's Report

Vice Chairman Verdonik moved acceptance of the Treasurer's Report for the period ending November 30, 2010. Commissioner Lampmann seconded the motion which passed unanimously on the following roll call vote:

AYES : Chairman Voorman, Commissioners
Lampmann, Metcalfe and Verdonik

NAYS : None

ABSENT : Commissioners Gall and Howard

ABSTAIN : None

1.2 FY 2011 Budget Amendment

Referring to a series of communications on the need for a budget amendment including his December 20, 2010 letter to Treasurer Gall along with subsequent communications to the Board as well as auditors, Mr. Kelly explained that the proposed amendment reallocates \$250,000 by reduction of the Debt Service Charge with a corresponding increase to the Operation and Maintenance Charge. He explained that the change was recommended by the Authority's auditors in connection with their preparation of the Report on Compliance for FY 2011. On review, Mr. Kelly said that he agreed with the auditor's findings such that the budget amendment is necessary in order to maintain compliance with the service contract provisions.

Following further discussion, Commissioner Lampmann moved approval of the following resolution (**Resolution No. R-11-1-1**):

2010 ADOPTED BUDGET RESOLUTION (PRBRSA FY 2011)

Pequannock River Basin Regional Sewerage Authority (Name)

FISCAL YEAR: FROM November 1, 2010 TO October 31, 2011

WHEREAS, the Annual for the Pequannock River Basin Regional Sewerage Authority for the fiscal year beginning November 1, 2010, and ending, October 31, 2011 was presented and adopted by the governing body of the Pequannock River Basin Regional Sewerage Authority at its open public meeting of October 20, 2010 by Resolution No. R-10-10-1; and

WHEREAS, the Director of the Division of Local Government Services certified the adopted budget on November 15, 2010; and

WHEREAS, the Pequannock River Basin Regional Sewerage Authority wishes to amend the Annual Budget.

NOW, THEREFORE BE IT RESOLVED, by the governing body of Pequannock River Basin Regional Sewerage Authority, at an open public meeting held on January 19, 2011, that the Annual Budget of the Pequannock River Basin Regional Sewerage Authority for the fiscal year beginning November 1, 2010 and ending October 31, 2011 shall be redistributed as follows:

	From	To
Dev: Service Charge	\$2,650,000	\$2,400,000
Operation & Maintenance Charge	\$1,665,000	\$1,915,000
Total	<u>\$4,315,000¹</u>	<u>\$4,315,000¹</u>

The above change results in a redistribution of the Annual Charges to the Boroughs of Bloomingdale, Butler, Kinnelon and Riverdale as follows:

<u>Participant/Customer</u>	<u>Annual Charges</u>		
	<u>As Adopted</u>	<u>As Amended</u>	<u>Change</u>
Bloomingdale	\$1,754,800	\$1,753,900	(\$ 900)
Butler	\$2,010,700	\$2,030,400	\$19,700
Kinnelon	\$ 387,600	\$ 378,800	(\$ 8,800)
Riverdale	\$ 671,900	\$ 661,900	(\$10,000)
Total	<u>\$4,825,000</u>	<u>\$4,825,000</u>	<u>\$ 0</u>

¹ Excluding \$510,000 Administrative Charge

BE IT FURTHER RESOLVED, that the Budget Message (p. 3) is hereby amended to read as follows:

As indicated in (1) above, the budget reflects a 1.6% increase in Annual charges over the prior year. Although the rate increase is uniform for the four towns served by PRBRSA, due to differences in the service contract cost allocations and in the consumptive use of each municipality (i.e., projected sewage flows), the budget reflects the following changes from the prior year: Bloomingdale: 1.5%, Butler: 2.9%, Kinnelon: -1.6%, and Riverdale: -0.5%.

BE IT FURTHER RESOLVED, that the Annual Budget as adopted reflects each item of revenue and appropriation in the same amount and title as set forth in the introduced, approved and adopted budget as adopted by Resolution No. R-10-10-1 by the Pequannock River Basin Regional Sewerage Authority at its open public meeting on October 20, 2010, as certified by the Director of the Division of Local Government Services on November 15, 2010.

On discussion, Chairman Voorman noted that the resolution as presented has a transposition of the Debt Service Charge and the Operation & Maintenance Charge figures on the first page.

Commissioner Lampmann amended his motion to move approval of the resolution as corrected. That motion was seconded by Commissioner Metcalfe and approved unanimously on the following roll call vote:

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

1.3 Annual Budget: FY 2011

For the record Mr. Kelly advised that the Division of Local Government Services certified and approved by the Authority's FY 2011 Annual Budget on November 15, 2010.

1.4 TBSA Annual Charge Credits

Again, for the record, Mr. Kelly reported that the Revised Annual Charge Certifications as issued on December 20, 2010 refunded the \$205,203 TBSA credit to the municipalities in its entirety.

1.5 Revised Annual Charge Certifications

As indicated above, the revised Annual Charge Certifications were issued to the municipalities with the prior year flow adjustment and the TBSA credit refund on December 20, 2010.

1.6 Audit: FY 2010

Mr. Kelly reported that the draft FY 2010 audit report was issued by Mr. Cuva's office on December 20, 2010 and was distributed to the Board for review.

1.7 Financial Plan

No change in status on this matter.

UNFINISHED BUSINESS

1. PRBRSA Website

Mr. Kelly updated the Board on the ongoing website design activities.

NEW BUSINESS

1. AEA Utility Management Conference

Mr. Kelly advised that the Utility Management Conference of the Association of Environmental Authorities will be convened on March 8 & 9 in Atlantic City and suggested that if any of the Board Members would like to attend that they contact his office to make the necessary arrangements.

PAYMENT OF BILLS

1. Operating Budget

1.1 Operating Request for Payment No. 286 (January 2011)

Vice Chairman Verdonik moved approval of the bills as listed on Operating Request for Payment No. 286 as follows:

Operating Request for Payment No. 286

The following bills have been reviewed and are recommended for approval for payment at the **January 19, 2011** meeting of the Authority from the Operating Account (Wachovia Bank Account 1425985):

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	<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-11-1-1	09/10/10	\$ 2,307.00	Borough of Butler
2)	24.05	OP-11-1-2	03/17/10	\$ 250.00	Borough of Butler
3)	33.03	OP-11-1-3	11/23/10	\$ 27.06	Verizon
4)	33.03	OP-11-1-4	12/23/10	\$ 28.81	Verizon
5)	33.03	OP-11-1-5	12/4/10	\$ 30.76	Verizon
6)	33.03	OP-11-1-6	11/28/10	\$ 30.76	Verizon
7)	33.03	OP-11-1-7	12/28/10	\$ 32.76	Verizon
8)	33.03	OP-11-1-8	11/28/10	\$ 30.76	Verizon
9)	33.03	OP-11-1-9	12/28/10	\$ 32.76	Verizon
10)	33.03	OP-11-1-10	12/17/10	\$ 3.25	JCP&L
11)	24.07	OP-11-1-11	12/1/10	\$ 62.23	North Jersey Media
12)	24.07	OP-11-1-12	1/3/11	\$ 74.54	North Jersey Media
13)	33.03	OP-11-1-13	1/13/11	\$ 17.96	Borough of Butler-Electric Dep.
14)	22.01	OP-11-1-14	1/10/11	\$ 2,193.00	Maraziti, Falcon & Healey
15)	22.03	OP-11-1-15	1/3/11	\$ 10,400.00	Kelly Engineering
16)	32.02	OP-11-1-16	12/30/10	\$ 4,972.75	Kelly Engineering
17)	32.02	OP-11-1-17	1/11/11	\$ 3,328.75	Kelly Engineering
18)	24.07	OP-11-1-18	1/3/11	\$ 174.95	Kelly Engineering
19)	26.01	OP-11-1-19	12/16/10	\$ 2,500.00	US Bank
20)	26.01	OP-11-1-20	12/16/10	\$ 2,500.00	US Bank
21)	26.04	OP-11-1-21	12/15/10	\$ 945.00	US Bank
22)	24.04	OP-11-1-22	12/13/10	\$ 42.50	The Tab Group
23)	33.16	OP-11-1-23	12/10/10	\$ 5,455.60	ADS, LLC
24)	33.17	OP-11-1-24	12/10/10	\$ 620.96	ADS, LLC
25)	22.05	OP-11-1-25	12/16/10	\$ 550.00	UP&Running
26)	25.03	OP-11-1-26	12/13/10	\$ 4,000.00	Association of Environmental Auth.
27)	*	OP-11-1-27	1/15/11	\$ <u>461,940.00</u>	Pequannock Lincoln Park & Fairfield Sewerage Authorities
TOTAL:				\$ <u>502,552.16</u>	

* 27.00 \$52,907.00
 13.00 \$237,646.00
 35.00 \$ 530,071.00
 35.00 \$ (205,203.00)
 18.00 \$ (153,481.00)
\$461,940.00

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

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

OPEN MEETING FOR PUBLIC COMMENT

Chairman Voorman acknowledged Bloomingdale Councilwoman Linda Shortman and invited her to offer comments.

Councilwoman Shortman explained that while she is a new member of Bloomingdale's current council that she had served on council in the early 1990s.

In response to Councilwoman Shortman's question, Chairman Voorman advised that the Authority routinely sends the meeting minutes, annual budgets, annual charge quarterly billings, flow data and other information directly to the borough clerk's office.

Councilwoman Shortman also inquired as to the Authority's total debt service which Mr. Kelly provided, noting that the total amount also includes debt service payments to the Two Bridges Sewerage Authority under its service contract with TBSA. The Councilwoman explained that she is aware of the fact that the Authority contracts with the Two Bridges Sewerage Authority for treatment services. Also in response to the Councilwoman's inquiries, Chairman Voorman explained that the Authority has no employees and therefore contracts with others for operation, maintenance and related services. In response to her question on the Authority's salaries and benefits, Chairman Voorman explained that the Authority's Commissioners are not compensated and receive no pension or benefits of any kind.

The Councilwoman mentioned that she has visited the Authority's website several times and, on listening to the discussion, was interested to know that PRBRSA is in the process of creating a new website. She inquired if that website would include the Authority's meeting minutes, agendas and other information of that type. Responding, Mr. Kelly and Chairman Voorman advised that the Authority's website is a work in progress so the first order of business will be to complete the design and launch the website at which point the Board would decide if it would like to include additional information such as that suggested by the Councilwoman.

Councilwoman Shortman thanked the Board for responding to her inquiries.

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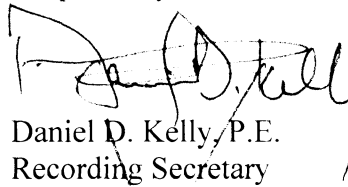
At approximately 8:20 pm, Commissioner Metcalfe moved to close the public meeting. Commissioner Lampmann seconded the motion which passed unanimously on voice vote.

ADJOURNMENT

At approximately 8:20 pm, Vice Chairman Verdonik moved for adjournment. That motion was seconded by Commissioner Lampmann and was approved unanimously on voice vote.

At approximately 8:20 pm, the meeting was adjourned.

Respectfully submitted,



Daniel D. Kelly, P.E.
Recording Secretary

Enclosures: Treasurer's Report for the period ending ~~November 30~~ ^{December 31,} 2010

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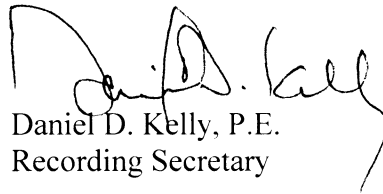
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