

MEETING MINUTES

PEQUANNOCK RIVER BASIN REGIONAL SEWERAGE AUTHORITY

July 27, 2011
(Rescheduled from July 20, 2011)

Minutes of the regular meeting of the **Pequannock River Basin Regional Sewerage Authority** held on July 27, 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 Gall, Howard, Lampmann, Metcalfe and Verdonik

ABSENT : None

ALSO PRESENT : Christopher H. Falcon, Esq., Maraziti, Falcor & 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 – June 15, 2011**

Commissioner Metcalfe moved approval of the June 15, 2011 regular meeting minutes. 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

ABSTAIN : None

OPERATIONAL REPORT

1. System Operations

1.1 Flow Report

Referring to the draft Flow Report dated July 22, 2011 for the period ending June 30, 2011, Mr. Kelly noted that the system flows have reduced considerably since the prior month, specifically, by 465,000 gpd from 2,440 mgd in May to 1,965 mgd in June. The total system flow reduction notwithstanding, he pointed to the relative relationships of the two flow monitors measuring essentially Butler's flows and Bloomingdale's flows, Meter P-1A and Meter P-2A, showing almost identical reduction in the flows on the order of 0.2 mgd for each municipality. While the Meter P-2A reduction is approximately 400,000 gpd is evenly split between Bloomingdale and Butler, given that Butler's flows are twice those of Bloomingdale, the expectation, all other things being equal, would be that the Meter P-2A flows would reduce by two-thirds and Meter P-1A by the remainder. Mr. Kelly also noted that the Borough of Riverdale flows have not dropped significantly from the prior month. The year-to-date cumulative average is 0.428 mgd which is in excess of the Borough's 0.409 capacity allocation and considerably higher than the corresponding flow at June 2010.

Commenting generally on the flows, Mr. Kelly said that normally the system flows are relatively high entering the summer period, declining significantly through July, August and September. Consequently, assuming the summer months remain dry, he said the flows will likely return to near normal levels by year-end.

On comparison to the prior year flow, Mr. Kelly noted as well that by June, the total system flow was 1,457 mgd as opposed to the current year flow in June of 1,965 mgd, more than 500,000 gpd higher.

The following reports were distributed to the Board for review:

- Flow Report dated July 20, 2011 for the period ending June 30, 2011
- Daily Flow Summary for June 2011
- Daily Flow Hydrograph for June 2011
- Daily Flow Hydrograph Comparing Meters P-4 and TBSA Meter M-15 for June 2011

Commenting on the TBSA "Yearly Plant Operations Report," as indicated by his July 15th calculations, the Authority's actual flows continued to be approximately 1.38% less than those budgeted by TBSA for the year.

1.2 I/I Monitoring Program

No change in status on this matter.

2. TBSA Activities

2.1 Status Update

Chairman Voorman and Vice Chairman Verdonik reviewed several matters currently active at the Two Bridges Sewerage Authority as they affect Pequannock River Basin. They noted that the TBSA preliminary annual budget includes approximately a 4.6% rate increase yet anticipated that Two Bridges will lower the percentage increase as it finalizes the FY 2012 budget. They further advised that the incinerator project has been started up and that the ultraviolet disinfection project still has some technical issues that must be resolved before final payment is released.

3. TWA Application and Connection Permits

3.1 TWA Application Bloomingtondale Knolls Project (BLC One) Borough of Bloomingtondale

As indicated by his review letter dated July 15, 2011, Mr. Kelly recommended approval of the Bloomingtondale Knolls TWA Permit modification. He explained that modifications include the same number of units as the original application but with a slightly different bedroom mix which results in a 397 gpd increase in the capacity required for the project. In addition he noted that the onsite pumping station was relocated which lengthened the force main within Union Avenue by approximately 150 feet. Upon review of the application, Mr. Kelly noted that there were several technical issues that he called to the attention of the applicant's engineer for revision, which revisions were made and accepted.

Following discussion, Commissioner Lampmann moved approval of the following resolution:

Resolution No. R-11-7-1

WHEREAS, an application has been submitted by BLC One, LLC ("Applicant") for review by the Pequannock River Basin Regional Sewerage Authority ("Authority") of a modified Treatment Works Approval for construction of a sewer extension and facilities in the Borough of Bloomingdale as more particularly described in the 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 43.01) and was the subject of Resolution No. R-09-10-1 adopted October 21, 2009 for increased flow to the Authority System of 35,855 g.p.d.; and

WHEREAS, the revised projected flows to the Authority System pursuant to the modified submittal is 36,251.7 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, revised to July 15, 2011, 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 27th day of July, 2011, 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. Applicant shall submit a revised Engineer's Report for the pumping station/force main system to address the comments of the Consulting Engineer in the revised Report of July 15, 2011.
- B. The Authority ratifies and confirms the conditions set forth in its Resolution of October 21, 2009 (attached).

3. This Resolution shall take effect as provided by law.

Vice Chairman Verdonik 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

4. Bloomington Subflow Matter

Commissioner Lampmann indicated that the Borough of Bloomington is apparently considering adoption of a resolution that would resolve the outstanding payment issue raised by the Borough of Butler on a portion of Bloomington's flows tributary to the Butler system. He noted as well that, if approved, the approach would modify the Authority's present method of calculating charges for the Bloomington subflow.

FINANCIAL REPORT

1. Treasurer's Report

1.1. Treasurer's Report for the Period Ending June 30, 2011

Treasurer Gall presented the Treasurer's Report for the period ending June 30, 2011. Commissioner Metcalfe moved acceptance of the Treasurer's Report as presented. Commissioner Howard 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

1.2 Preliminary Annual Budget: FY 2012

As described in detail by his July 27, 2011 letter, Mr. Kelly reviewed the level of Appropriations and Revenues projected for FY 2012, noting that the budget would increase by a total of 2.3% with a projected rate increase, that is, an increase in the Annual Charges, of 2.6%.

On discussing the rates in the context of the current state 2% property tax cap, Commissioner Howard said the Board may want to consider reducing the rates below the 2% level that is now generally accepted as a maximum barring unusual circumstances. On further discussion, Commissioner Lampmann said that the problem with a rate increase less than 2% is the fact that, in the succeeding year or years, if appropriations increase substantially, the rates would need to be raised not only to meet the new level of appropriations but to also make up the shortfall below 2% from the prior year. The consensus was that Commissioner Lampmann's logic accurately states the practical implications of the state cap that, as a practical matter, budgets statewide will be set at not less than 2% for that reason.

Following further discussion, Mr. Kelly indicated that he would prepare a budget revision with a 2% rate increase to the four municipalities.

1.3 Budgeted Flows for FY 2012

Mr. Kelly explained that annually, as a part of the budget process, the Authority projects the flow distribution between and among the four towns with adjustments occurring at the end of the year in accordance with the service contract provisions. Explaining further he said that the problem has been with the magnitude of the year-end adjustments required, primarily those for Bloomingdale, Kinnelon and Riverdale, adjustments that typically result in reduced Annual Charges for Bloomingdale and Kinnelon with significant increases for Riverdale.

Referring to the attached "Summary of FY 2012 Annual Charges with Redistribution of Operating Charges (O&M and Adm.) with Revised Flow Projects for Bloomingdale, Kinnelon and Riverdale" dated July 27, 2011, Mr. Kelly reviewed a possible redistribution of budgeted flows for FY 2012 that he asked the Authority to consider. As shown on the tabulat on, he said that flows for Bloomingdale, Kinnelon and Riverdale would be modified to more closely reflect historical trends. At the same time, however, he cautioned that even with the changes there could be significant departures at year-end since the flows used for final billing are those as recorded by the flow monitors with year-end Annual Charge billing, adjusted to reflect actual conditions then.

As to the implications of the change, Mr. Kelly acknowledged that they are relatively significant with increases to Riverdale of \$63,200 or approximately 9.4% higher than the Annual Charges presently projected (the budgeted flows in the Preliminary Annual Budget dated July 27, 2011 have not been modified from prior years) along with a \$26,200 Annual Charge increase to Butler, or approximately 1.4%. At the same time, Bloomingdale would see a \$59,000 Annual Charge reduction with Kinnelon's Annual Charge decreasing by \$30,400. Given the magnitude of the increases, particularly in the face of the 2% property tax cap, Mr. Kelly said that it prove more practical to continue with the present flow projections for this year's budget such that any adjustments would occur at year-end as has been the case in the past.

Following discussion, no consensus was reached on the need for nor the appropriateness of the proposed change.

1.4 Arbitrage Rebate Calculations (1996 Series L Bonds)

Explaining the need for a five year update on the arbitrage rebate and permitted yield calculations on the Authority's outstanding 1996 Series L Bonds issued in the principal amount of \$835,000, Mr. Kelly reviewed his several attempts to avoid the cost of preparing these calculations. He explained that on review of the prior calculations preformed by Hawkins, Delafield and Wood in 2006, he found that the total arbitrage profit earned in the prior five year period amounted to only \$199.20. At the same time he said the credits earned against any such profits were in excess of \$20,000, an amount that is carried forward. That being the case, he raised a number of issues with Bond Counsel essentially going to the question of the necessity to perform such calculations under the IRS Code and was advised by Takashi Iwata that the calculations are necessary although filing of the IRS form is not. Therefore, on advice of Bond Counsel, Mr. Kelly recommended that the Authority approve an authorization to

perform this calculation (and to prepare and file the IRS form) at a professional service fee of \$3,250 as quoted.

Commenting on the fee, Chairman Voorman inquired if there would be any reduction inasmuch as apparently there are no transferred proceeds currently in the Construction Fund (Note: following the meeting, Mr. Kelly confirmed, based on Mr. Iwata's emails, that some Construction Fund proceeds will be included in the calculations). Responding, Mr. Kelly advised that he discussed the fee rather extensively with Mr. Iwata who noted that the fee is the same as it was five years ago with no escalation. Given the nature and extent of the report, Mr. Kelly said that he believes the fee requested is reasonable.

Following further discussion, Commissioner Metcalfe moved approval of the following resolution:

Resolution No. R-11-7-2

RESOLUTION TO AWARD A CONTRACT TO HAWKINS,
DELAFIELD, AND WOOD, LLP AS BOND COUNSEL TO PRODUCE
AN ARBITRAGE REBATE AND YIELD RESTRICTION
COMPLIANCE REPORT

WHEREAS, the Pequannock River Basin Regional Sewerage Authority (the "Authority") has issued bonds in accordance with New Jersey and Federal law; and

WHEREAS, pursuant to the Bond obligations, the Authority is required comply with requirements set forth in the Internal Revenue Service Code; and

WHEREAS, in accordance with the Internal Revenue Service Code, Section 148(f), an Arbitrage Rebate and Yield Restriction Compliance Report is required to be calculated and produced every five years.

WHEREAS, the Sewerage Authorities Law (N.J.S.A. 40:14A-1 et seq) authorizes every authority to appoint and employ such professional consultants, technical advisors and experts as it may require; and

WHEREAS, the Authority has received the proposal of Hawkins, Delafield and Wood, LLP to provide legal services as Bond Counsel and produce the required Arbitrage Rebate and Yield Restriction compliance Report to the Authority for a lump sum amount of \$3,250.00; and

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WHEREAS, the Authority desires to retain Hawkins, Delafield, and Wood, LLP as Bond Counsel to produce the required Arbitrage Rebate and Yield Restriction Compliance Report; and

WHEREAS, the Authority is authorized to enter into contracts for professional services without public advertising for bids pursuant to both N.J.S.A. 40A:11-3 and N.J.S.A. 40A:11-5; and

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 27th day of July, 2011, as follows:

1. The Chairman is authorized and directed to execute an agreement for Professional Services with Hawkins, Delafield and Wood, LLP as Bond Counsel for a period of one year from the date hereof for a lump sum amount of \$3,250,000.
2. The Authority shall publish a copy of this Resolution in an official newspaper of the Authority.
3. This Resolution shall take effect as provided by law.

Commissioner Lampmann seconded the notion 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

1.5 Class Action Litigation (Morgan Stanley)

Referring to his July 15th letter to Mr. Falcon, Mr. Kelly advised that the Authority is included in a class action suit brought against Morgan Stanley and other investment firms apparently related to trading irregularities. He said that the suit has been partially settled with Morgan Stanley agreeing to pay \$6,500,000 yet commented that it is unlikely that the Authority

would receive any significant reimbursement once the distributions are made.

Commenting further, Mr. Falcon added that the class action notification has been disseminated widely. He also agreed with Mr. Kelly's recommendation that the Authority not opt out or exclude itself from the class action at this time inasmuch as there are no costs to PRBRSA involved and that the Authority is being represented by counsel as part of the class action suit.

1.6 Financial Plan

Mr. Kelly advised that the Financial Plan will be available to the Board for review at the August 17th meeting.

UNFINISHED BUSINESS

1. PRBRSA Website

Mr. Kelly indicated that he attended the June 28th conference hosted by the Association of Environmental Authorities related to proposed legislation on mandatory requirements for public agency websites. Based on the information provided at the AEA conference, Mr. Kelly said that the Authority's website design appears to be fully compliant with the regulations although noted that the legislation itself remains in a state of flux. The specific primary goal of the proposed law is transparency with the requirements to include certain documents on authority and other public agency websites, for example, financial statements, budgets, meeting minutes, agendas and other documents.

Following discussion on the website, Mr. Kelly said that Up&Running will finalize its work in order that the website can be completed in August or early September.

PAYMENT OF BILLS

1. Operating Budget

1.1 Operating Request for Payment No. 292 (July 2011)

Treasurer Gall presented the bills as listed on Operating Request for Payment No. 291. Commissioner Lampmann moved approval of the bills as presented on Operating Request for Payment No. 291 as follows:

Operating Request for Payment No. 291

The following bills have been reviewed and are recommended for approval for payment at the **July 27, 2011** meeting of the Authority from the Operating Account (Wells Fargo Bank Account 1425985):

	<u>PRBRSA</u>	<u>VOUCHER</u>	<u>VOUCHER</u>		<u>PAYMENT</u>	
	<u>ACCT. NO.</u>	<u>NO.</u>	<u>DATE</u>		<u>AMOUNT</u>	<u>CHECK PAYABLE TO</u>
1)	33.01	OP-11-7-1	9/10/10	\$	2,307.00	Borough of Butle
2)	24.05	OP-11-7-2	3/17/10	\$	250.00	Borough of Butle
3)	33.03	OP-11-7-3	6/28/11	\$	32.48	Verizon
4)	33.03	OP-11-7-4	6/16/11	\$	3.25	JCP&L
5)	22.03	OP-11-7-5	7/6/11	\$	10,400.00	Kelly Engineering
6)	32.02	OP-11-7-6	7/11/11	\$	3,231.46	Kelly Engineering
7)	22.01	OP-11-7-7	7/8/11	\$	4,747.75	Maraziti, Falcon & Healey
8)	33.16	OP-11-7-8	7/6/11	\$	2,703.54	ADS LLC
9)	24.07	OP-11-7-9	7/6/11	\$	174.95	Kelly Engineering reimburse
10)	*	OP-11-7-10	7/15/11	\$	667,143.00	Pequannock, Lincoln Park & Fairfield Sewerage Authority
11)	26.04	OP-11-7-11	6/9/11	\$	945.00	US Bank
12)	26.01	OP-11-7-12	7/11/11	\$	2,550.00	US Bank
13)	33.03	OP-11-7-13	6/7/11	\$	17.96	Borough of Butler-Electric Dept.
14)	33.03	OP-11-7-14	7/4/11	\$	32.49	Verizon
TOTAL:					<u>\$ 694,538.88</u>	

* 27.00 \$ 52,907.00 Admin
 13.00 \$ 237,646.00 D/S
 35.00 \$ 530,071.00 User Charges
 Less: \$(153,481.00) Debt Service Credit
\$ 667,143.00

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
ABSTAIN	:	None

OPEN MEETING FOR PUBLIC COMMENT

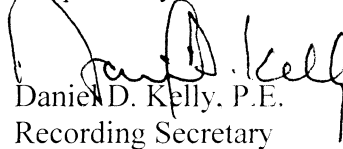
There being no members of the public present, Chairman Voorman dispensed with the public participation portion of the meeting.

ADJOURNMENT

At approximately 8:00 pm, Commissioner Lampmann moved for adjournment. That motion was seconded by Commissioner Metcalfe and was approved unanimously on voice vote.

At approximately 8:00 pm, the meeting was adjourned.

Respectfully submitted,


Daniel D. Kelly, P.E.
Recording Secretary

Enclosure: Treasurer's Report for the period ending June 30, 2011
Summary of FY 2012 Annual Charges with Redistribution of Operating Charges (O&M and Adm.) with Revised Flow Projects for Bloomingdale, Kinnelon and Riverdale

PEQUANNOCK RIVER BASIN REGIONAL SEWERAGE AUTHORITY

TREASURER'S REPORT

Report Date: July 15, 2011

Fiscal Year 2011 - 11/1/10 - 10/31/11		ACCOUNT BALANCES (1)		
PERIOD ENDING: June 30, 2011		PREVIOUS MONTH		
Account No.	June	May	Change	
I. SEWER REVENUE BONDS				
I.1 Bond Service Fund (1)	2576006458	\$ 207.79	\$ 207.78	\$ 0.01
I.1.2 Bond Service Fund - FPA 2002 Series M (Interest) (1)	2576010997	\$ 33,058.40	\$ 149,465.86	\$ (116,407.46)
I.1.2 Bond Service Fund - FPA 2002 Series M (Principal) (1)	2576011013	\$ 521,583.50	\$ 455,333.50	\$ 66,250.00
I.2 Bond Reserve Fund (1)(2)	2576006467	\$ 581.44	\$ 581.38	\$ 0.06
I.2.1 Bond Reserve Fund - D/S Res. Forward Delivery Agree.	2576011095	\$ 990,155.40	\$ 977,210.00	\$ 12,945.40
I.3 Renewal & Replacement Fund (1)	2576006476	\$ 50,158.08	\$ 50,152.62	\$ 5.46
I.4 General Fund (1)	2576006485	\$ 56,241.01	\$ 56,234.39	\$ 6.62
I.5 Revenue Fund (1)	2576006500	\$ 172,031.48	\$ 312,435.19	\$ (140,403.71)
I.5.1 Operating Requirement (Section 507) (7)(9)	2576006500	\$ 735,647.00	\$ 735,647.00	\$ -
I.5.2 Operating Reserve (3)(7)	2576006500	\$ 550,245.00	\$ 550,245.00	\$ -
I.5.3 Debt Service Reserve (4)(7)	2576006500	\$ 211,000.00	\$ 211,000.00	\$ -
I.5.4 Insurance Reserve (6)(7)	2576006500	\$ 20,000.00	\$ 20,000.00	\$ -
I.5.5 Bond Service Requirement (1996 Series L) (7)(8)	2576006500	\$ 30,000.00	\$ 30,000.00	\$ -
I.5.6 2002 Series M Arbitrage Rebate Reserve Fund (10)	2576006500	\$ 15,000.00	\$ 15,000.00	\$ -
I.5.7 Capital Reserve Fund (11)	2576006500	\$ 1,425,000.00	\$ 1,425,000.00	\$ -
Revenue Fund Subtotal:		\$ 3,158,923.48	\$ 3,299,327.19	\$ (140,403.71)
II. SEWER REVENUE BONDS (CONSTRUCTION ACCOUNTS)				
II.1 Construct on Fund: PRBRSA Interceptor (1)	2576006494	\$ 90,061.78	\$ 90,051.97	\$ 9.81
II.2 Construct on Fund: Regional Interceptor Project (1)	2576018098	\$ 15,955.83	\$ 15,954.09	\$ 1.74
II.3 Construct on Fund: Stage 3 (Series A)(1)	2576022332	\$ 41,913.24	\$ 41,908.68	\$ 4.56
II.4 Construct on Fund: Stage 3(B) (Series C)(1)	2576032394	\$ 28,743.38	\$ 28,740.25	\$ 3.13
SUBTOTAL (I & II):		\$ 8,146,506.81	\$ 8,464,495.40	\$ (317,988.59)
III. OPERATING ACCOUNT (5)	2040001425985	\$ 20,000.00 *	\$ 24,788.05	\$ (4,788.05)
TOTAL (I-III):		\$ 8,166,506.81	\$ 8,489,283.45	\$ (322,776.64)

(1) Account balance per statements prepared by Trustee or Escrow Agent, U.S. Bank.

Due to receipt of New Jersey Cash Management Fund statements after issuance of U.S. statements, most recent month's NJCMF investment income not included in Wachovia balance until subsequent month.

*Estimate

(2) Bond Reserve Requirement after issuance of 1992 Series E Bonds is \$1,142,408.30 and after issuance of 1992 Series F Bonds is \$1,116,375; as of 3/31/94, following issuance of Series G Sewer Revenue Refunding Bonds, revised to \$1,088,615, following November 10, 1994 issuance of Trust Loan Bonds (1994 Series H and 1994 Series I Sewer Revenue Bonds) is \$1,082,460 and, following November 9, 1995 issuance of Trust Loan Bonds (i.e., 1995 Series J and 1995 Series K State Loan Bonds) is \$1,079,882.16 and, following the 1996 issuance of the Series L Bonds, is \$1,133,746.25 for FY 1998, \$1,131,652.50 for FY 1999, \$1,120,405 for FY 2000, \$1,106,472 for FY 2001, \$1,106,472 for FY 2002, \$1,060,170 for FY 2003 - issue of Series M Bonds and \$1,045,272 for FY 2004, \$1,036,271 for FY 2005, \$1,025,982 for FY 2006, \$1,013,501 for FY 2007, \$987,570 for FY 2008 and \$958,108 for FY 2009, \$923,812 for FY 2010, \$883,645 for FY 2011.

(3) Operating Reserve (PRBRSA Discretionary) for FY 2011: \$550,245.00

(4) Reserve for compliance with Section 609(B)(2) of the July 15, 1986 "General Bond Resolution."

(Increased on 11/28/95 from \$180,000 to \$210,000 and on 11/23/99 from \$210,000 to \$211,000)

(5) Held in Wells Fargo Bank (Bloomingdale Branch)

(6) "Insurance Reserve" funded at \$20,000 - FY 1995 (\$10,000) and FY 1996 (\$10,000) Annual Budgets.

(7) For cash flow purposes, the Operating Reserve, Debt Service Reserve, Insurance Reserve & Operating Requirement Reserve and the Bond Service Requirement Reserve may be periodically reduced and replenished.

(8) Reserve for December 1, 2010 payment of the 1996 Series L Bonds (Increased from \$25,000 in FY 2007 to \$30,000).

(9) Reserve equal to three consecutive months of operating expenses per the Annual Budget as required by Section 507 of the 1986 General Bond Resolution (\$735,647) which funds are available for cash flow purposes throughout the fiscal year.

(10) Reserve for accrued arbitrage rebate obligation on investment income due on 2002 Series M Bond proceeds (per Resolution Nos. R-08-1-1, R-10-2-12 & R-11-2-10).

(11) Reserve for future TBSA treatment plant capital improvement program (FY 2008: 250,000, FY 2009: \$150,000, FY 2010 Annual Budgets: \$150,000, \$750,000 transfer per Resolution R-10-10-1; FY 2011 Budget: \$125,000).

Fiscal Year to date revenues from application fees:	
Total:	\$300.00

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PEQUANNOCK RIVER BASIN REGIONAL SEWERAGE AUTHORITY

SUMMARY OF FY 2012 ANNUAL CHARGES WITH REDISTRIBUTION OF OPERATING CHARGES (O&M and ADM) WITH REVISED FLOW PROJECTIONS FOR BLOOMINGDALE, KINNELON & RIVERDALE

July 27, 2011

<u>FY 2012 ANNUAL CHARGES</u>	<u>REVENUES FROM ANNUAL CHARGES</u>				<u>TOTAL</u>
	<u>BLOOMINGDALE</u>	<u>BUTLER</u>	<u>KINNELON</u>	<u>RIVERDALE</u>	
Current Flow Projections	(0.77 mgd) 36.15%	(0.98 mgd) 46.01%	(0.13 mgd) 6.10%	(0.25 mgd) 11.74%	(2.13 mgd) 100.00%
Administrative	\$189,800.00	\$241,500.00	\$32,100.00	\$61,600.00	\$525,000.00
Operation and Maintenance	\$660,000.00	\$839,600.00	\$111,300.00	\$214,100.00	\$1,825,000.00
TOTAL	\$849,800.00	\$1,081,100.00	\$143,400.00	\$275,700.00	\$2,350,000.00
Proposed Flow Projections	(0.70 mgd) 33.65%	(0.98 mgd) 47.12%	(0.10 mgd) 4.81%	(0.30 mgd) 14.42%	(2.08 mgd) 100.00%
Administrative	\$176,700.00	\$247,400.00	\$25,200.00	\$75,700.00	\$525,000.00
Operation and Maintenance	\$614,100.00	\$859,900.00	\$87,800.00	\$263,200.00	\$1,825,000.00
TOTAL	\$790,800.00	\$1,107,300.00	\$113,000.00	\$338,900.00	\$2,350,000.00
INCREASE/(DECREASE)	(\$59,000)	\$26,200	(\$30,400)	\$63,200	\$0

PEQUANNOCK RIVER BASIN REGIONAL SEWERAGE AUTHORITY

FISCAL YEAR 2010

FLOW REPORT

FLOW REPORT DATE: December 8, 2010

FINAL

MONTH	Meter P-1A	FLOWS BY MUNICIPALITY (MGD)					Meter P-2A	Riverdale (6)	Total PRBRSA (7)
		Butler (1)	Kinnelon (2)	Bloomingdale					
				(3)	(4)	(5)			
Nov. 09	0.881 (e)	0.751	0.070	0.060 (c)	0.493	0.553	1.374	0.062 (e)	1.436 (f)
Dec. 09	1.193	1.034	0.099	0.060 (c)	0.748	0.808	1.941	0.234 (e)	2.175
Jan. 10	1.044	0.905	0.079	0.060 (c)	0.645	0.705	1.689	0.264 (e)	1.953 (f)
Feb. 10	0.972	0.845	0.067	0.060 (c)	0.592	0.652	1.564	0.274 (e)	1.838
March 10	1.704	1.511	0.133	0.060 (c)	1.238	1.298	2.942	0.607 (e)	3.550
April 10	1.340	1.195	0.085	0.060 (c)	0.840	0.900	2.180	0.239 (e)	2.419
May 10	0.991 (e)	0.860	0.071	0.060 (c)	0.565	0.625	1.556	0.220 (e)	1.776
June 10	0.910 (e)	0.787	0.063	0.060 (c)	0.332	0.392	1.242	0.215 (e)	1.457
July 10	0.798 (e)	0.677	0.061	0.060 (c)	0.408	0.468	1.206	0.221 (e)	1.427
Aug. 10	0.795 (e)	0.672	0.063	0.060 (c)	0.402	0.462	1.197	0.258 (e)	1.455
Sept. 10	0.751 (e)	0.626	0.065	0.060 (c)	0.359	0.419	1.110	0.274 (e)	1.384
Oct. 10	0.838 (e)	0.706	0.072	0.060 (c)	0.461	0.521	1.299	0.268 (e)	1.567
Cumulative Average	1.018	0.881	0.077	0.060	0.590	0.650	1.608	0.262	1.870
Cumulative Percent	----	47.11%	4.12%	3.21%	31.57%	34.76%	86.02%	14.01%	100.00%
Capacity Allocation		0.991	0.250			0.950		0.409	2.600
Budgeted Flow (FY2010)		0.980	0.130			0.770		0.250	2.130
Budgeted % Flow (FY2010)		46.01%	6.10%			36.15%		11.74%	100.00%

- . BUTLER FLOW (1) = (P-1A) minus [Kinnelon flow (2) and Bloomingdale subflow (3)]
- . KINNELON (2) = Meter P-3
- . BLOOMINGDALE SUBFLOW (3) TIED INTO BUTLER SYSTEM
- . BLOOMINGDALE SUBFLOW (4) = (P-2A) - (P-1A)
- . BLOOMINGDALE FLOW (5) = (3) + (4)
- . METER P-2(A) = KINNELON + BUTLER + BLOOMINGDALE FLOW
- . RIVERDALE FLOWS (6): Meter (P-4) - Meter (P-2A) - See "Note" below
- . TOTAL PRBRSA FLOWS (7) = Meter P-4 (see footnotes)

- [a] Based on difference between PRBRSA Meter P-4 and Meter P-2(A)
- [b] Based on difference between TBSA Meter M-15 and Meter P-2(A)
- [c] Estimated Flow
- [d] Temporary Metering Data
- [e] See Meter P-1A Flow Analysis
- [f] See Meter P-4 Flow Analysis

Year-end Flow Report 6/1/11

PEQUANNOCK RIVER BASIN REGIONAL SEWERAGE AUTHORITY

FISCAL YEAR 2011

FLOW REPORT

FLOW REPORT DATE: July 20, 2011

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MONTH	Meter P-1A	FLOWS BY MUNICIPALITY (MGD)					Meter P-2A	Riverdale (6)	Total PRBRSA (7)
		Butler (1)	Kinnelon (2)	Bloomingtondale					
				(3)	(4)	(5)			
Nov. 10	0.822	0.696	0.066	0.060 (c)	0.358	0.418	1.180	0.254 (a)	1.434
Dec. 10	0.945	0.805	0.080	0.060 (c)	0.520	0.580	1.465	0.293 (a)	1.758
Jan. 11	0.839	0.714	0.065	0.060 (c)	0.438	0.498	1.277	0.274 (a)	1.551
Feb. 11	0.958	0.816	0.082	0.060 (c)	0.605	0.665	1.563	0.357 (a)	1.920
March 11	1.650	1.468	0.122	0.060 (c)	0.994	1.054	2.644	0.819 (a)	3.463
April 11	1.442	1.278	0.104	0.060 (c)	0.725	0.785	2.167	0.597 (a)	2.764
May 11	1.366	1.211	0.095	0.060 (c)	0.623	0.683	1.989	0.451 (a)	2.440
June 11	1.166	1.031	0.075	0.060 (c)	0.420	0.480	1.586	0.379 (a)	1.965
July 11									
Aug. 11									
Sept. 11									
Oct. 11									
Cumulative Average	1.149	1.002	0.086	0.060	0.585	0.645	1.734	0.428	2.162
Cumulative Percent	----	46.36%	3.98%	2.78%	27.08%	29.85%	80.20%	19.80%	100.00%
Capacity Allocation		0.991	0.250			0.950		0.409	2.600
Budgeted Flow (FY2011)		0.980	0.130			0.770		0.250	2.130
Budgeted % Flow (2011)		46.01%	6.10%			36.15%		11.74%	100.00%

- . BUTLER FLOW (1) = (P-1A) minus [Kinnelon flow (2) and Bloomingtondale subflow (3)]
- . KINNELON (2) = Meter P-3
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- . TOTAL PRBRSA FLOWS (7) = Meter P-4 (see footnotes)

[a] Based on difference between PRBRSA Meter P-4 and Meter P-2(A)

[b] Based on difference between TBSA Meter M-15 and Meter P-2(A)

[c] Estimated Flow

[d] Temporary Metering Data