

MEETING MINUTES

PEQUANNOCK RIVER BASIN REGIONAL SEWERAGE AUTHORITY

September 16, 2015

Minutes of the regular meeting of the **Pequannock River Basin Regional Sewerage Authority** held on September 16, 2015 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, Lampmann, Metcalfe and Verdonik
(Commissioner Metcalfe joined the meeting in progress at approximately 7:40 pm)

ABSENT : Commissioner Howard

ALSO PRESENT : Andrew Brewer, Esq., Maraziti, Falcon LLP; 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 by 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 – August 19, 2015**

Vice Chairman Verdonik moved acceptance of the minutes of the Authority's August 19, 2015 regular meeting. That motion was seconded by Commissioner Lampmann and passed upon the following roll call vote:

AYES : Chairman Voorman, Commissioners Gall, Lampmann and Verdonik

NAYS : None

ABSENT : Commissioners Howard & Metcalfe
ABSTAIN : None

OPERATIONAL REPORT

1. System Operations

1.1 Flow Report

Mr. Kelly presented the Flow Report dated September 14, 2015 for the period ending August 31, 2015. He observed that the total system flows continue to fall and are near the lowest ever recorded at 1.321 mgd. He also commented that Riverdale's flows have dropped below the Borough's 0.409 mgd allocation to 0.402 mgd for the month yet remain on a year-to-date basis at 0.490 mgd.

The following supplemental reports were distributed for the August 2015 period for the Board's information and review:

- Daily Flow Summary for August 2015
- Daily Flow Hydrograph for August 2015
- Daily Flow Hydrograph Comparing Meters P-4 and TBSA Meter M-15 for August 2015
- TBSA Budgeted vs. Actual Flow for August 2015

1.2 TBSA Actual vs. Budgeted Flow Analysis

Mr. Kelly also presented his September 16, 2015 memorandum summarizing the flows budgeted by TBSA going into FY 2015 versus actual flows on a year-to-date basis. He explained, since PRBRSA's year-to-date flows have been running extremely low, that the contractual minimum flow of 1.85 mgd was utilized for the calculation which produced a net 2.35% increase in the actual flow versus that budgeted by Two Bridges going into the fiscal year.

2. TBSA Activities

2.1 Status Update

No chain in status on these matters.

3. TWA Applications and Connection Permits

**3.1 Non-Residential Connection
Quick Chek (Route 23)
Borough of Butler**

Noting that the applicant's engineer has submitted information responsive to the Authority's request on the sizing of the grease interceptor, Mr. Kelly said that the application is presently under technical review.

**3.2 Residential Connections
Mathews Avenue
Borough of Riverdale**

Referring to his September 16, 2015 memorandum Mr. Kelly distributed photographs of two new homes nearing completion on Mathews Avenue that may have been connected to the existing sanitary sewer. He explained that there is no public sewer within Mathews Avenue itself yet the properties do not appear to have on-site septic systems. Therefore he inspected the area to determine how the properties would receive sanitary service.

Within Stone House Road, the northernmost entrance to the Timber Ridge project, Mr. Kelly said that it appears that the existing sewer has been extended uphill to near the Mathews Avenue right-of-way. At that point he said there is also clear indications of new pavement cuts from that manhole along Mathews Avenue with additional cuts within the driveways of existing homes up to the two new homes that are under construction, No. 84 & No. 88 Mathews Avenue. Mr. Kelly reported that the data sheets from local realtors indicate that both properties are being sold as being connected to public or municipal sewers. Therefore, indications are that the properties may have been connected via most likely a force main connection to the new sewer extension within Stone House Road.

Commissioner Gall asked Mr. Brewer of the potential consequences under such circumstances. Mr. Brewer said that that would need to be reviewed in terms of compliance with NJDEP regulations which typically mandate fines and penalties if violations have occurred.

(Note: Commissioner Metcalfe joined the meeting in progress at approximately 7:40 pm)

4. Boonton Avenue Interceptor Project

4.1 Status Report

Based on information from Suburban Consulting Engineers, Mr. Kelly advised of the following:

4.1.1 Contract No. I-4A: Hutton Construction

Referring to his two letters, each dated September 16, 2015, the first on Contract Modification no. A-1 and the second on Contract Modification No. A-2 to Contract No. I-4A, Mr. Kelly reviewed the contractor's proposals and Suburban's recommendation to approve the additional costs and time extensions for the work at Brook Street and at High Street.

Mr. Kelly reviewed the nature of the additional work involved and noted that the second contract modification, A-2, for the work at High Street involves more than \$25,000 for utility crossings there. He said the combination of both contract modifications increases the value of Contract No. I-4A by 21.5% and therefore will request counsel review of the 20% limitation cited in the regulations to determine if that would be an issue prior to authorization of the work.

Following discussion, Commissioner Lampmann moved approval of the following resolution (**Resolution No. R-15-9-1**):

**RESOLUTION TO AUTHORIZE CONTRACT MODIFICATION NO. A-1
TO CONTRACT NO. I-4A WITH HUTTON CONSTRUCTION, LLC**

WHEREAS, the Authority is in receipt of a September 16, 2015 Request for a Contract Modification to Contract No. I-4A filed by Daniel D. Kelly, P.E., the Authority Consulting Engineer, recommending approval of Contract Modification No. A-1 for the following:

Contract Modification No. A-1 in the amount of \$42,693.02 for the projected cost of soil disposal and related work due to contamination detected at Brook Street in Butler, New Jersey; and

NOW, THEREFORE, BE IT RESOLVED, by the Pequannock River Basin Regional Sewerage Authority in the Counties of Morris and Passaic and the State of New Jersey on this 16th day of September, 2015 as follows:

1. The Authority hereby approves Contract Modification No. A-1 to Contract No. I-4A as described in the Request for Contract Modification filed by Daniel D. Kelly, P.E., in an amount not to exceed \$42,693.02 including a 95 day extension of the contract time.
2. The Chairman is authorized and directed to sign Contract Modification No. A-1 to Contract I-4A in the foregoing amount in the form recommended by Suburban Consulting Engineers and approved by the Consulting Engineer and the Authority Attorney.
3. This Resolution shall take effect as provided by law.

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

AYES : Chairman Voorman, Commissioners Gall,
Lampmann, Metcalfé and Verdonik

NAYS : None

ABSENT : Commissioner Howard

ABSTAIN : None

In order to authorize Contract Modification No. A-2, Commissioner Gall moved approval of the following resolution (**Resolution No. R-15-9-2**):

**RESOLUTION TO AUTHORIZE CONTRACT MODIFICATION NO. A-2
TO CONTRACT NO. I-4A WITH HUTTON CONSTRUCTION, LLC**

WHEREAS, the Authority is in receipt of a September 16, 2015 Request for a Contract modification to Contract No. I-4A filed by Daniel D. Kelly, P.E., the Authority Consulting Engineer, recommending approval of Contract Modification No. A-2 for the following:

Contract Modification No. A-2 in the amount of \$40,577.05 for the projected cost of soil disposal and related work due to contamination and uncharted utilities detected at High Street in Butler, New Jersey; and

NOW, THEREFORE, BE IT RESOLVED, by the Pequannock River Basin Regional Sewerage Authority in the Counties of Morris and Passaic and the State of New Jersey on this 16th day of September, 2015 as follows:

1. The Authority hereby approves Contract Modification No. A-2 to Contract No. I-4A as described in the Request for Contract Modification filed by Daniel D. Kelly, P.E., in an amount not to exceed \$40,577.05 including a 5 day extension of contract time.
2. The Chairman is authorized and directed to sign Contract Modification No. A-2 to the Contract in the foregoing amount in the form recommended by Suburban Consulting Engineers and approved by the Consulting Engineer and the Authority Attorney.
3. This Resolution shall take effect as provided by law.

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

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

NAYS : None

ABSENT : Commissioner Howard

ABSTAIN : None

4.1.2 Contract No. I-4B: Arold Construction

Mr. Kelly advised that Arold Construction has installed 22 of the 28 manhole frames and covers and is scheduled to begin the manhole lining and remaining pipe lining work on Monday, September 21st.

4.2 SCE Personnel Change

For the record Mr. Kelly distributed a letter from Suburban Consulting Engineers advising of a recent personnel change on the project.

4.3 NYS&W Railroad Crossing

Mr. Kelly advised that the Request for Proposal to Jenny Engineering for the tunneling work required to cross the railroad at Park Place is under review. Mr. Brewer indicated that Mr. Falcon will complete his review of the RFP next week.

5. ADS Contract No. OM-5

Inasmuch as the ADS contract for flow monitoring services expires on November 30th this year, Mr. Kelly indicated that he has been in discussions and negotiations with Mike Armes of ADS on the terms of the contract renewal.

Referring to his September 10th letter submitting a proposal for a 3 year contract renewal, Mr. Kelly explained that ADS has proposed to either lease the equipment to the Authority over the 3 year period or to allow the Authority to purchase it outright. He explained that the cost of purchasing the equipment as well as installation are built into ADS' pricing for Year 1 since there can be no assurance that the subsequent years will be authorized.

Commenting on Mr. Kelly's comment in his September 10th letter to the Board on the accuracy of the new Trintron+ flow monitors, Commissioner Lampmann said that the objective should not be to secure new meters to mimic the results of the existing monitoring system but rather to obtain the most accurate metering system available without any presumption that the current monitoring system is totally precise, noting that can not be true for any metering system. Mr. Kelly agreed that the fundamental objective is to obtain the most accurate data possible and therefore there will be no charge to ADS to have the new system replicate the old.

On completion of final negotiations on the contract Mr. Kelly said he would make a recommendation on award. He noted that the average price increase that ADS has proposed is 6.5%¹ over the 3 year term which will have to be reviewed and justified if not reduced if at all possible.

FINANCIAL REPORT

1. Treasurer's Report

1.1 Acceptance of August 31, 2015 Treasurer's Report

Treasurer Lampmann presented the Treasurer's Report for the period ending August 31, 2015. Commissioner Gall moved its acceptance. Treasurer Lampmann seconded the motion which passed unanimously upon the following roll call vote:

¹Following further review, the overall 3 year increase proposed by ADS is 1.5%

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

2. Annual Budget: FY 2016

For the record Mr. Kelly indicated that his office filed the Authority's Fiscal Year 2016 Budget with the Department of Community Affairs, Division of Local Government Services on August 26th.

3. Rate Stabilization Analysis

Chairman Voorman recommended and the Board agreed to defer discussion on the rate stabilization analysis until the October 21st meeting.

4. Capital Reserve Fund Transfer

In order to transfer the \$500,000 Capital Reserve contribution in the Authority's current year budget to the General Fund from the Revenue Fund, Treasurer Lampmann moved approval of the following resolution (**Resolution No. R-15-9-3**):

RESOLUTION AUTHORIZING A TRANSFER FROM THE REVENUE FUND TO THE GENERAL FUND

WHEREAS, the Pequannock River Basin Regional Sewerage Authority (hereinafter the "Authority") maintains certain funds in reserve in accordance with the General Bond Resolution of July 15, 1986; and

WHEREAS, the Authority previously established a Capital Reserve Fund to minimize future rate impacts anticipated on implementation of the Two Bridges Sewerage Authority capital improvement program, pumping station upgrades as well as Authority-sponsored capital projects; and

WHEREAS, the Authority's FY 2015 operating budget increased the reserve amount within the Capital Reserve Fund a contribution to that account to \$500,000.00.

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 16th day of September, 2015 as follows:

1. An amount of \$500,000.00 of unrestricted/undesignated net assets currently within the Revenue Fund (Account No. 2576006500) shall be designated as a reserve within the Capital Reserve Fund.
2. Said designation shall increase the unrestricted/designated net assets within the Capital Reserve Fund from \$3,250,000.00 to \$3,750,000.00
3. The funds so designated shall be transferred to and retained in a subaccount within the General Fund (Account No. 2576006485).
4. The Consulting Engineer is directed to forward a copy of this resolution to the Authority's Trustee and auditor.
5. This Resolution shall take effect immediately.

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

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

UNFINISHED BUSINESS

1. Riverdale Capacity Transfer

On advice of counsel contract negotiations on the Riverdale capacity transfer were considered in Closed Executive Session.

To enter closed session Vice Chairman Verdonik moved approval of the following resolution (**Resolution No. R-15-9-4**):

Resolution No. R-15-9-4

RESOLUTION AUTHORIZING CLOSED SESSION
PURSUANT TO THE OPEN PUBLIC MEETINGS LAW

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 16th day of September, 2015 as follows:

1. The Authority shall adjourn to executive session in accordance with N.J.S.A. 10:4-12(b)(7), being the Open Public Meetings Law, in order to discuss contract negotiations.
2. It is not known at the present time when the matter under discussion will be disclosed.
3. The Authority shall convene following the executive session to consider other matters on its regular meeting agenda.
4. This Resolution shall take effect as provided by law.

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

NAYS : None

ABSENT : Commissioner Howard

ABSTAIN : None

At approximately 8:10 pm the Authority entered Closed Executive Session to discuss contract matters.

CLOSED EXECUTIVE SESSION

At approximately 9:10 pm the meeting was reopened to the public and discussion continued on the regular meeting agenda.

2. Capacity Assurance Policy

Mr. Kelly indicated that he revised and distributed to the Board prior to the meeting the Capacity Assurance Policy in final draft form. He explained the nature of the changes, notably in the method of calculation, indicating that he and Mr. Falcon would prepare an amendment to the Authority's present Rules and Regulations to incorporate the Capacity Assurance Policy into the Service Rules.

3. Riverdale I/I Program

Mr. Kelly advised that his office compiled a series of documents in response to the request of Riverdale's consultant, Matrix New World. He indicated that those documents were forwarded to Matrix on September 9th.

In response to Commissioner Gall's question Mr. Kelly advised that the Authority is not aware of the nature of the work conducted by Riverdale's consultants, Matrix New World and Boswell Engineering. On that point Commissioner Gall

noted that the consultant's letter indicated that most of the field work has been completed.

4. Contingency Operating Plan

No change in status on this matter.

NEW BUSINESS

1. AEA Conference

Mr. Kelly again asked if any of Members planned to attend the AEA conference in Atlantic City on November 17th and 18th that they advise his office in order to make the necessary arrangements.

PAYMENT OF BILLS

1. Operating Budget

1.1 Operating Request for Payment No. 343

Treasurer Lampmann presented and moved approval of Operating Request for Payment No. 343 as follows:

PEQUANNOCK RIVER BASIN REGIONAL SEWERAGE AUTHORITY
SUMMARY OF VOUCHERS FOR
OPERATING EXPENSES

Operating Request for Payment No. 343

The following bills have been reviewed and are recommended for approval for payment at the **September 16, 2015** 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-15-9-1	10/2/2014	\$ 2,535.00	Borough of Butler
2	24.05	OP-15-9-2	3/31/2014	\$ 250.00	Borough of Butler
3	24.07	OP-15-9-3	9/8/2015	\$ 131.89	Kelly Engineering
4	22.03	OP-15-9-4	9/8/2015	\$ 10,400.00	Kelly Engineering
5	32.02	OP-15-9-5	9/8/2015	\$ 7,900.37	Kelly Engineering
6	22.01	OP-15-9-6	9/10/2015	\$ 6,567.03	Maraziti Faleon LLP
7	33.03	OP-15-9-7	9/2/2015	\$ 17.96	Borough of Butler -Electric
8	33.03	OP-15-9-8	8/28/2015	\$ 34.50	Verizon
9	33.03	OP-15-9-9	8/23/15	\$ 30.79	Verizon
10	33.03	OP-15-9-10	8/4/2015	\$ 34.47	Verizon
11	33.03	OP-15-9-11	9/8/2015	\$2.81	JCP&I
TOTAL:				\$ <u>27,904.82</u>	

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

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

NAYS : None

ABSENT : Commissioner Howard

ABSTAIN :

2. Construction Fund Disbursements

2.1 Construction Disbursement Requisition No. C-13-27

Treasurer Lampmann presented and moved approval of the bills as listed on Construction Fund Disbursement Requisition No. C-13-27 as follows:

CONSTRUCTION DISBURSEMENT REQUISITION No. C-13-27

In accordance with Section 513(B) of the Resolution adopted by the Authority on July 15, 1986, as amended and supplemented, and entitled "Resolution Providing for the Issuance of Bonds of the Pequannock River Basin Regional Sewerage Authority and for the Rights of the Holders Thereof, and Authorizing \$20,000,000 Principal Amount Thereof" (the "Resolution"), you are hereby instructed to make the following disbursements from the Construction Fund (Account #2576006501) as authorized by the Authority at a meeting on **September 16, 2015:**

	<u>AUTHORITY ACCOUNT #</u>	<u>VOUCHER NUMBER</u>	<u>VOUCHER DATE</u>	<u>PAYMENT AMOUNT</u>	<u>PAYEE</u>
1)	120322C6.1	C-13-27-9-1	9/8/15	\$ 8,410.00	Campbell Foundry
2)	120322C2	C-13-27-9-2	9/10/15	\$ 6,579.85	Kelly Engineering
3)	120322C1	C-13-27-9-3	9/10/15	\$ 666.00	Maraziti Falcon LLP

TOTAL DISBURSEMENTS \$15,655.85

UNLESS OTHERWISE DIRECTED, ALL CHECKS SHALL BE MAILED DIRECTLY TO THE CLAIMANT AT THE ADDRESS INDICATED ON THE VOUCHER FORM.

In compliance with Section 513, Subsection (B) of the Resolution, all disbursement requests listed above are supported by copies of the enclosed voucher forms, each of which has been signed by two Authority Officers and me certifying that such disbursement is necessary to pay part of such cost of the Project.

As required by Section 513(B) of the Resolution, any disbursements for "... the purpose of paying the purchase price or cost of any lands, easements, rights or interest in or relating to lands or paying the cost or expense of work, materials, supplies or equipment" will be accompanied by a Consulting Engineer's Certificate as required by Section 513(B) of the Resolution. The supporting Consulting Engineer's Certificate is attached.

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

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

2.1 Construction Disbursement Requisition No. C-13-28

Treasurer Lampmann presented and moved approval of the bills as listed on Construction Fund Disbursement Requisition No. C-13-28 as follows:

CONSTRUCTION DISBURSEMENT REQUISITION No. C-13-28

In accordance with Section 513(B) of the Resolution adopted by the Authority on July 15, 1986, as amended and supplemented, and entitled "Resolution Providing for the Issuance of Bonds of the Pequannock River Basin Regional Sewerage Authority and for the Rights of the Holders Thereof, and Authorizing \$20,000,000 Principal Amount Thereof" (the "Resolution"), you are hereby instructed to make the following disbursements from the Construction Fund (Account #2576006501) as authorized by the Authority at a meeting on **September 16, 2015:**

	<u>AUTHORITY ACCOUNT #</u>	<u>VOUCHER NUMBER</u>	<u>VOUCHER DATE</u>	<u>PAYMENT AMOUNT</u>	<u>PAYEE</u>
1)	120322C6.1	C-13-28-9-1	9/8/15	\$385,544.74	Arold Construction Co., Inc.
TOTAL DISBURSEMENTS				<u>\$385,544.74</u>	

UNLESS OTHERWISE DIRECTED, ALL CHECKS SHALL BE MAILED DIRECTLY TO THE CLAIMANT AT THE ADDRESS INDICATED ON THE VOUCHER FORM.

In compliance with Section 513, Subsection (B) of the Resolution, all disbursement requests listed above are supported by copies of the enclosed voucher forms, each of which has been signed by two Authority Officers and me certifying that such disbursement is necessary to pay part of such cost of the Project.

As required by Section 513(B) of the Resolution, any disbursements for "... the purpose of paying the purchase price or cost of any lands, easements, rights or interest in or relating to lands or paying the cost or expense of work, materials, supplies or equipment . . .", will be accompanied by a Consulting Engineer's Certificate as required by Section 513(B) of the Resolution. The supporting Consulting Engineer's Certificate is attached.

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

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

OPEN MEETING FOR PUBLIC COMMENT

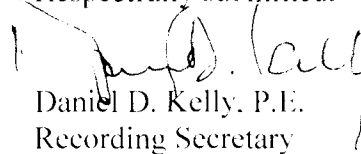
There being no members of the public present, Chairman Voorman dispensed with the public participation portion of the meeting.

ADJOURNMENT

At approximately 9:15pm, Commissioner Lampmann moved for adjournment. That motion was seconded by Vice Chairman Verdonik and was approved unanimously on voice vote.

At approximately 9:15 pm, the meeting was adjourned.

Respectfully submitted,



Daniel D. Kelly, P.E.
Recording Secretary

Enclosures: Treasurer's Report for the period ending August 31, 2015