

MEETING MINUTES

PEQUANNOCK RIVER BASIN REGIONAL SEWERAGE AUTHORITY

April 17, 2013

Minutes of the regular meeting of the **Pequannock River Basin Regional Sewerage Authority** held on April 17, 2013 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 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 – March 20, 2013**

Commissioner Metcalfe moved acceptance of the minutes of the March 20, 2013 regular meeting. That motion was seconded by Commissioner Gall and approved upon 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 dated April 15, 2013 for the period ending March 31, 2013, Mr. Kelly noted that the system flows continue to increase, from 1.516 mgd in November to the current March flow of 2.129 mgd with a year-to-date average of 1.842 mgd. He commented on the Riverdale flow now exceeds 500,000 gpd at 0.517 mgd, a year-to-date average of 0.463 mgd. Inasmuch as Riverdale's flow now exceeds 25% of the total system flow and more importantly exceeds the Borough's 0.409 reserve capacity in the system, as previously reported, he advised that he has issued a letter to the Borough of Riverdale suggesting that Riverdale investigate and remediate extraneous flow infiltration/inflow sources.

Mr. Kelly distributed the following reports to the Board for review:

March 2013

- Flow Report dated April 15, 2013 for the period ending March 31, 2013
- Daily Flow Summary for March 2013
- Daily Flow Hydrograph for March 2013
- Daily Flow Hydrograph Comparing Meters P-4 and TBSA Meter M-15 for March 2013
- TBSA Budgeted vs. Actual Flow for February

Mr. Kelly also commented on the Daily Flow Summary for March noting that the monthly flows for the ADS Meter P-4 exactly matched those of TBSA's Meter M-15 at 2.129 mgd.

1.2 Monthly Flow Variations

Referring to a report dated April 16, 2013 "Monthly Flow Variations (November 2012-March 2013)", Mr. Kelly explained that the relationships between and among the meters has changed to some degree, returning to percentages more in line with historical data. He noted that even Riverdale's flow, while high as indicated above, on a percentage basis, is lower than it had been in the beginning of the year, currently at 24.28% for March whereas in November the percentage share of Riverdale's flow was 26.39%.

Commenting further on the flow balances, Mr. Kelly advised that ADS Environmental Services has reviewed the metering data extensively and has not recommended any adjustments, essentially confirming that the meters are reading as accurately as possible. Meter P-3, which experiences low velocities during the early morning low diurnal flow, and with that solids deposition may affect the low flow readings yet should not have a significant impact on the overall meter accuracy.

1.3 TBSA Flow Report

As indicated by his April 11, 2013 memorandum, actual flows through March 2013 have averaged 1.93 mgd (Note: TBSA's year-to-date average begins December 1st whereas that for PRBRSA begins on November 1st) was 33.80% or 0.90% higher than that budgeted going into the year. Mr. Kelly explained that if this trend were to continue the Authority would owe additional User Charges to TBSA based on the actual flow proportions.

2. TBSA Activities

No change in status.

3. TWA Application and Connection Permits

3.1 Kosco Non-Residential Connection Borough of Kinnelon

Commissioner Lampmann and Vice Chairman Verdonik reported that the Borough of Butler has determined that the Kosco building has been connected to the Butler system, apparently tied into an existing line connected to the Kinnelon Auto Mall pumping station which discharges across Route 23 into a Butler-owned sewer at the upper end of Morse Avenue. They explained that the owner has been notified of the illegal connection and that the Borough estimates the charges for the flows connected to the system over the years approximate \$16,000.00.

4. Boonton Avenue Interceptor Project

4.1 Status Report

Mr. Kelly advised that Alaimo is currently on track to complete its report by the targeted date of July 11th and reviewed some of the activities currently in progress.

4.2 Valley Road Alternative

Commissioner Lampmann advised that the Borough of Butler Mayor and Council have informally consented to the possibility that the Authority would accept conveyance of a portion of the Borough's existing lines within Boonton Avenue to be incorporated into the PRBRSA regional system.

On discussing that alternative, namely, to abandon the line within Valley Road particularly the segment now supported under what Mr. Lampmann advised is a Morris County bridge structure, Mr. Kelly indicated that apparently the existing Butler line is considerably farther downstream (north) of the Valley Road intersection where the Authority's line exits Boonton Avenue into Valley Road than is shown on the system mapping. Consequently, the first order of business, he noted, would be to have the Alaimo Group review the conceptual feasibility to essentially determine if construction of approximately 600 feet of new line within Boonton Avenue would save sufficient costs by avoiding reconstructing the line within Valley Road, specifically, the pipe segment now hung beneath the bridge structure, to warrant the change.

Commissioner Lampmann reported that Morris County may not consent to hanging the new sewer main under the bridge structure. He advised that under similar circumstances Morris County required that Butler relocate its water main, which was also previously hung from the bridge structure, to cross outside the bridge. In response to Mr. Kelly's question, he said the County is concerned with the structural integrity of the bridge abutments which are supported by old stone rubble foundations.

Discussion also centered on the fact that the lines will need to be conveyed to the Authority. Commissioner Lampmann suggested that it may be possible to modify the 1985 Service Contract by which Riverdale and Butler originally conveyed portions of their respective collection systems to PRBRSA. Mr. Falcon indicated, while doing so may be possible, that there may be other less cumbersome means of affecting the conveyance.

Mr. Kelly noted that he will request a proposal for this work from the Alaimo Group if it appears the alternative route is worth considering further.

4.3 Kiel Avenue Interceptor Lining

Regarding the accuracy of Meter P-3, Mr. Kelly advised that Peter Keefe of ADS suggested that lining the existing 12-inch diameter segment of the Kiel Avenue Interceptor line crossing Route 23 may improve the accuracy of the existing flow monitor. He said the problem, which may now be affecting the meter's accuracy, is the periodic deposition of solids due to the diurnal low flow conditions and associated velocities within that 12-inch line. Commenting on that Commissioner Metcalfe noted that the larger diameter line coupled with the very low flows from Kinnelon, flows which are now restricted by virtue of the Highlands Act, would produce a very low level within the pipe which in turn would cause the type of problem reported by ADS. Mr. Kelly agreed.

Following discussion Mr. Kelly said that he would request that the Alaimo Group review the cost of lining the pipe or perhaps lining a portion of the line crossing the highway. He said that at approximately \$100/ft. the project would cost \$40,000 if the line is installed from manhole to manhole. At that price he noted that it may not be worth the expense inasmuch as there can be no assurance that the new lining with a lower friction factor would produce the desired result, that is, decreased deposition of solids immediately upstream of the meter and thereby improve the flow monitoring accuracy. For that reason he said it would be difficult to determine a reasonable breakpoint on the cost yet suggested that \$10,000 to \$20,000 may be a reasonable maximum investment under these circumstances.

4.4 2013 Construction Fund

Mr. Kelly reviewed some of the recent communications with bond counsel on the procedures necessary to draw upon available monies within four old Construction Fund accounts under the Trustees control. He explained that the procedure that he had outlined, bond counsel advised would not be in full compliance with the 1986 General Bond Resolution. Accordingly, Mr. Beinfield recommended that the best procedure would be to certify the old projects as complete and direct the Trustee to open a new account for the Boonton Avenue Interceptor and then transfer all construction funds into the new account. He said the exact procedure is something that counsel and bond counsel will consider further. Mr. Falcon advised that he will discuss the matter with Mr. Beinfield to determine which office should complete the certifications and possibly a resolution for the creation of the new Construction Fund account.

FINANCIAL REPORT

1. Treasurer's Report

1.1 Treasurer's Report for Period Ending March 31, 2013

Treasurer Lampmann moved acceptance of the Treasurer's Report for the period ending March 31, 2013. Vice Chairman Verdonik seconded that motion which passed unanimously upon the following roll call vote:

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

2. Annual Budget: FY 2013

2.1 DLGS FY 2013 Budget Amendment

On advice of the Authority's auditor, Mr. Kelly said it will be necessary to file a budget amendment with the State's Division of Local Government Services to essentially modify the amount of unrestricted net assets following the Authority's refund of \$200,000 to the municipalities. He explained that the refund, which was accomplished by means of direct cash disbursements, does not affect the operating budget itself yet does reduce the surplus available at year-end by the amount of the surplus refund. Consequently he reviewed the proposed budget amendment that would be filed with the DLGS.

Following further discussion Vice Chairman Verdonik moved approval of the following resolutions (Resolution No. R-13-4-1):

**BUDGET AMENDMENT RESOLUTION (FY 2012)
(PRBRSA FY 2013)**

WHEREAS, the **Pequannock River Basin Regional Sewerage Authority** approved the 2012 (PRBRSA FY 2013) Authority Budget on October 17, 2012 by Resolution Nos. R-12-10-1A and R-12-10-1B; and

WHEREAS, the **Pequannock River Basin Regional Sewerage Authority** finds it necessary to amend the 2012 (PRBRSA FY 2013) Authority Budget as follows:

	<u>From</u>	<u>To</u>	<u>Reference</u>
SUPPLEMENTAL SCHEDULES			
<u>PAGE SS-9 (Attached)</u>			
(1a) Est. Net Income or (Loss) on current year's Results of Operations	\$240,000	\$240,000	No change
(1b) Adjustments: Other: Refund of Surplus to Towns	\$0	(\$200,000)	Resolution No. R-13-3-2 (Attached)
(2) Subtotal – Adjustments	\$240,000	\$40,000	
(3) Add Lines 1 and 2	\$1,238,474	\$1,038,474	
(13) Total Unrestricted/Undesignated Net Assets	\$913,474	\$713,474	

NOW, THEREFORE BE IT RESOLVED, by the Commissioners of the **Pequannock River Basin Regional Sewerage Authority** that the 2012 (PRBRSA FY 2013) Budget is hereby amended as detailed above, and

BE IT FURTHER RESOLVED, that the Board's secretary is hereby directed to submit a copy of this resolution to the Director of Local Government Services for approval as part of the Authority's 2012 (PRBRSA FY 2013) budget.

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

UNFINISHED BUSINESS

1. Baymen's Protective Association: Notice of Tort Claim

Reporting on the Notice of Tort Claim from two groups of claimants including the Baymen's Protective Association, Mr. Falcon advised that Joe Maraziti of his office participated in a conference call initiated by the Association of Environmental Authorities on Monday, April 15th. He said the attorney for the Middlesex County Utilities Authority reported on a comparable claim filed against the MCUA several years ago when that Authority's force main pipeline burst within Raritan Bay causing direct and immediate closure of the bay to clamming. Here, however, the claim evidently relates to the aftermath of hurricane Sandy asserting that discharges from a number of authorities, approximately 15 across the state, caused damages ranging in the millions of dollars. He noted that the MCUA's claims were resolved by the MCMUA's payment of \$5000 to \$6000 to each clammer, clearly a much lesser aggregate damage amount than currently claimed.

Mr. Falcon further reported that there are essentially two groups, Authorities that do have direct discharge into the areas claimed to be affected and others like PRBRSA that do not. He explained that the Authority's situation is probably unique in that PRBRSA does not discharge to surface waters at all and therefore should not have been named in this Tort Claim Notice nor should it be included in the subsequent litigation. He said he will be in contact with both law firms representing the various clammer organizations to advise them of just that and to further advise, as his prior letters had put them on notice, that if the Authority is not dismissed from the case it will pursue damages under the frivolous lawsuit statutes.

In response to Vice Chairman Verdonik's question on whether or not the Two Bridges Sewerage Authority was named, Mr. Falcon noted that TBSA was not named even though TBSA does discharge into surface waters, albeit without any conceivable detriment to clamming operations.

NEW BUSINESS

1. **Worker's Compensation Insurance**

On discussion of the proposed contract with Marsh McLennan for renewal of the worker's compensation policy, Commissioner Howard questioned why the Authority would spend \$957.00 to secure a worker's compensation insurance policy when the Authority has no employees. Commissioner Metcalfe noted the mandatory nature of the workers compensation coverage along with the minimum or base premium required for such coverage. Commissioner Metcalfe also commented on the fee of Stanford Risk Management for review of insurance coverage and the associated premium given that there is no other option available.

Following further discussion Treasurer Lampmann moved approval of the following resolution (**Resolution No. R-13-4-2**):

WHEREAS, the Pequannock River Basin Regional Sewerage Authority (hereinafter "the Authority") maintains policies of insurance in accordance with Section 611 of the Bond Resolution of July 15, 1986; and

WHEREAS, the Authority desires to maintain appropriate coverage and has received a quotation for Worker's Compensation Insurance from Liberty Mutual Insurance Group for \$957.00;

WHEREAS, N.J.S.A. 40:11-5(1)(m) authorizes the Authority to award contracts for insurance without public advertising for bids and bidding thereof; and

WHEREAS, the Authority has reviewed the Certification of the Consulting Engineer of even date herewith:

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 17th day of April, 2013, as follows:

1. The Authority hereby approves and authorizes the Consulting Engineer to acquire the aforesaid insurance policy.
2. The Authority hereby authorizes payment to the above company of the premium due in the amount of \$957.00.
3. The Consulting Engineer shall cause a copy of the within Resolution to be published once in an official newspaper of the Authority.
4. This Resolution shall take effect immediately.

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

4. LFB Financial Disclosure Forms [Due May 31, 2013]

On discussion the new DLGS requirements for individual filing of the Financial Disclosure Forms, Mr. Kelly noted that the Division has extended the deadline to May 31st. He explained it is most important that each Commissioner submit to his office a receipt following filing of the form, noting that a stamped self-addressed envelope was provided for that purpose inasmuch as the Authority is responsible to record each Commissioner's compliance with the law.

Chairman Voorman noted the difficulties that he experienced in completing the form, primarily with securing a dated receipt. He also mentioned that the receipt must be signed before it is returned to Mr. Kelly's office which may be the reason that it cannot be filed directly from the Division website electronically.

Chairman Voorman and Commissioner Metcalfe both indicated they have forwarded a copy of their respective receipts to Mr. Kelly via email to Authority@prbrsa.org. Commissioner Howard reported difficulties with his filing using an Apple computer. He said the form cannot be filled out online since it is in pdf format and therefore has to be converted for electronic filing. In general he said he objects to the state requirement that local officials generally and Commissioners specifically must either spend money to obtain the conversion software or go to a public library to complete the form using a PC computer.

In any event Mr. Kelly suggested that the other Commissioners may wish to wait before attempting to complete the filing allowing his office time to test the State's system since by then the State may have corrected some of the issues with the present system.

5. WEFTEC Conference

Mr. Kelly distributed information on the upcoming WEFTEC Conference to be convened by the Water Environment Federation from October 5th through October 9th. He asked that if any of the Commissioners are interested in attending the conference that they contact his office as soon as possible to make those arrangements.

PAYMENT OF BILLS

1. Operating Budget

1.1 Operating Request for Payment No. 312 (March 2013)

Treasurer Lampmann presented the bills as listed on Operating Request for Payment No. 312 as follows:

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

Operating Request for Payment No. 312

The following bills have been reviewed and are recommended for approval for payment at the **April 17, 2013** 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>CHECK PAYABLE TO</u>
	<u>ACCT. NO.</u>	<u>NO.</u>	<u>DATE</u>	<u>AMOUNT</u>	
1)	33.01	OP-13-4-1	9/12/2012	\$ 2,425.00	Borough of Butler
2)	24.05	OP-13-4-2	3/17/2012	\$ 250.00	Borough of Butler
3)	22.04	OP-13-4-3	4/1/13	\$ 1,500.00	Ferraioli Wielkotz Cerullo & Cuva
4)	23.03	OP-13-4-4	4/10/2013	\$ 957.00	Liberty Mutual Insurance
5)	22.01	OP-13-4-5	4/12/2013	\$ 3,312.00	Maraziti, Falcon & Healey
6)	22.03	OP-13-4-6	4/2/2013	\$ 10,400.00	Kelly Engineering
7)	32.02	OP-13-4-7	4/8/2012	\$ 4,593.86	Kelly Engineering
8)	24.07	OP-13-4-8	4/1/2013	\$ 204.80	Kelly Engineering
9)	*	OP-13-4-9	4/15/13	\$ 691,895.00	Pequannock, Lincoln Park & Fairfield Sew. Authority
10)	24.07	OP-13-4-10	4/3/13	\$ 302.62	North Jersey Media
11)	22.05	OP-13-4-11	2/17/2012	\$ 150.00	Up & Running
12)	33.03	OP-13-4-12	04/04/13	\$ 33.20	Verizon
13)	33.03	OP-13-4-13	03/28/13	\$ 33.23	Verizon
14)	33.03	OP-13-4-14	03/28/13	\$ 33.23	Verizon
15)	33.03	OP-13-4-15	03/23/13	\$ 29.53	Verizon
16)	33.03	OP-13-4-16	4/2/2013	\$ 17.96	Borough of Butler -Electric
17)	33.03	OP-13-4-17	4/5/2013	\$ 3.25	JCP&L

SUBTOTAL: \$ 716,140.68

18) 24.04 OP-13-4-18 04/01/13 \$ 188.30 * Intuit - PAID (DIRECT DEBIT)

TOTAL: \$ 716,328.98 *

*Corrected Amount

Vice Chairman Verdonik moved approval of the bills as presented.

On discussion, Treasurer Lampmann noted a discrepancy in the amount paid through direct debit for the Operating Fund checking account payable to Intuit shown as \$108.05. He noted that that conflicts with the amount shown on the invoice itself at \$188.30. With that change Treasurer Lampmann moved approval of the bills as presented. 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

OPEN MEETING FOR PUBLIC COMMENT

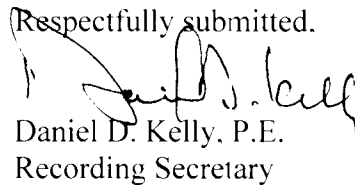
There being no members of the public present, Chairman Voorman dispensed with the public participation portion of the meeting.

ADJOURNMENT

Commissioner Gall moved for adjournment at approximately 8:35 pm. That motion was seconded by Vice Chairman Verdonik and was approved unanimously on voice vote.

At approximately 8:35 pm, the meeting was adjourned.

Respectfully submitted,



Daniel D. Kelly, P.E.
Recording Secretary

Enclosure: Treasurer's Report for the period ending March 31, 2013