

MEETING MINUTES

PEQUANNOCK RIVER BASIN REGIONAL SEWERAGE AUTHORITY

August 19, 2015

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

ABSENT : None

ALSO PRESENT : Christopher H. Falcon, 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 – July 15, 2015**

Commissioner Metcalfe moved acceptance of the minutes of the Authority's July 15, 2015 regular meeting. That motion was seconded by Commissioner Lampmann and passed upon the following roll call vote:

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

NAYS : None

ABSENT : None

ABSTAIN : None

OPERATIONAL REPORT

1. System Operations

1.1 Flow Report

Mr. Kelly presented the Flow Report dated August 11, 2015 for the period ending July 31, 2015. He commented that the system flows remain at low levels, specifically, 1,471 mgd total flow for July with a year-to-date average flow of 1.704 mgd. He observed as well that Riverdale's flows remain above its 0.409 mgd allocation at 0.476 mgd for July and 0.500 mgd on a year-to-date basis.

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

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

1.2 TBSA Actual vs. Budgeted Flow Analysis

Mr. Kelly also presented his August 11, 2015 memorandum summarizing the flows budgeted by TBSA going into FY 2015 versus actual flows on a year-to-date basis. He noted, since PRBRSA's year-to-date flows were 1.704 mgd, the contractual minimum flow of 1.85 mgd was utilized for the calculation resulting in net 1.89% increase in the actual flow versus budgeted flow to date.

1.3 Fichter Street Sewer Construction – Bloomingdale

No discussion on this matter.

2. TBSA Activities

2.1 Status Update

Chairman Voorman and Vice Chairman Verdonik reported on several matters at the Two Bridges Sewerage Authority as they affect Pequannock River Basin. They advised that TBSA adopted its budget for FY 2016 which includes a \$650,000 contribution to a Capital Reserve Fund with a projected increase to PRBRSA approximating 1.5% or \$71,000. Vice Chairman Verdonik, reporting on construction status, indicated that the pumping station construction work is moving ahead on schedule whereas the treatment plant headworks construction is behind schedule yet the contractor has committed to re-deployment on the project to return to the contractual schedule.

3. TWA Applications and Connection Permits

**3.1 Non-Residential Connection
Meadtown Shopping Center
Borough of Kinnelon**

For the record Mr. Kelly advised that he issued a letter as requested by the applicant in connection with the proposed Marshall's store at the Meadtown Shopping Center, specifically, for the applicant's Highland Applicability Determination filing.

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

Mr. Kelly indicated that an application has been filed by the applicant for a proposed Quick Chek store at the intersection of Boonton Avenue and Route 23 in Butler. He indicated that TBSA requires a non-residential connection application filing primarily due to the grease trap to be installed for the new facility.

4. Boonton Avenue Interceptor Project

4.1 Status Report

The following summarizes overall construction status on the Boonton Avenue Interceptor project as generally provided by Suburban Consulting Engineers:

4.1.1 Contract No. I-4A: Hutton Construction

Based on reports from Jon Tardiff of Suburban Consulting Engineers Mr. Kelly advised that no work has progressed on Brook Street or High Street due to the soils contamination and related issues. As previously reported he indicated that Hutton has completed the work on Valley Road (the Morris County Bridge crossing) as well as Boonton Avenue at West Belleview Avenue. He noted the contractor has completed the restoration work along Boonton Avenue as well including curbs and sidewalks in that area.

Mr. Kelly said that Hutton has taken the position that the pricing previously provided for this work (as approved by the Board at the July 15th meeting as Change Order No. 1) is not final. The contractor requested additional information before commenting on the draft Health & Safety Plan and Materials Handling Plan as prepared by Suburban and its LSRP, Practical Solutions. On providing that information Mr. Kelly said the contractor then requested additional groundwater sampling and testing which has been conducted at High Street (based on test pits at Brook Street, no groundwater pumping is anticipated there). Continuing, Mr. Kelly said the groundwater laboratory test results evidence a number of contaminants, however, at low levels yet exceeding NJDEP's standards for impact to groundwater.

Related to the work at High Street and the groundwater quality testing results, Mr. Kelly said that the Two Bridges Sewerage Authority has authorized discharge of the dewatering volumes from the High Street excavation directly into the sanitary sewer. He explained that the volumes should be extremely low due to the fact that only minor seepage was observed in the deepest portions of the test pits conducted by Hutton at High Street.

Mr. Kelly further explained that the contractor is currently well behind schedule - the contract completion date was August 3rd. Therefore Suburban has been pressing Hutton to provide updated pricing information, sign off on the Health & Safety Plan and Materials Handling Plan and to also provide a response on its refusal to accept the release language for the change order so as to conclude on a revised change order before proceeding.

4.1.2 Contract No. I-4B: Arold Construction

Arold Construction, Mr. Kelly said, has installed all of the pipe lining work with the exception of Brook Street pending completion of the pipe replacement work by Hutton Construction there. Arold has also completed approximately 60% of the service lateral connection lining work.

Regarding replacement of 28 manhole frames and covers along Boonton Avenue, Mr. Kelly said that the contractor has agreed to the Authority's proposal – that PRBRSA will purchase the manhole castings directly from Campbell Foundry and provide a dollar-for-dollar deduct via change order on the contract. For that purpose Mr. Kelly said the Board will be asked to authorize the Campbell Foundry purchase for those castings at a total cost of \$8,410.00.

In order to directly purchase 28 manhole frames and covers for Contract No. I-4B as explained above, Commissioner Howard moved approval of the following resolution (**Resolution No. R-15-8-2**):

RESOLUTION TO AUTHORIZE PAYMENT FOR PURCHASE OF MANHOLE FRAMES AND COVERS PURSUANT TO LOCAL PUBLIC CONTRACTS LAW FROM THE CAMPBELL FOUNDRY COMPANY

WHEREAS, the Pequannock River Basin Regional Sewerage Authority (hereinafter "the Authority") desires to acquire certain manhole frames and covers in connection with Contract No. I-4B for the Boonton Avenue Interceptor Project located in the Borough of Butler, Morris County, New Jersey; and

WHEREAS, the Authority received a proposal from Campbell Foundry Company for 6 manhole frames and covers @ \$375.00 each at a cost of \$2,250.00; and 22 manhole covers @ \$280.00 at a cost of \$6,160.00; and

WHEREAS, the foregoing purchases total \$8,410.00 and are cumulatively below the bid threshold; and

WHEREAS, the Authority solicited competitive quotations in accordance with N.J.S.A. 40A:11-6.1 and has determined that Campbell Foundry Company provided the lowest price for facilities meeting the Authority's requirements; 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 19th day of August, 2015, as follows:

- 1) The Consulting Engineer is authorized to purchase from Campbell Foundry Company the foregoing manhole frames and covers.
- 2) 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

In response to Chairman Voorman's question on potential delays, Mr. Kelly said completion of Brook Street by Hutton could impact Arold's completion schedule as well. Discussion ensued on whether the contractor would be entitled to a time extension under those circumstances.

4.2 NYS & W Railroad Crossing

Mr. Kelly advised that he has prepared a draft Request for Proposal which will be issued to a specialized tunneling engineering firm.

FINANCIAL REPORT

1. Treasurer's Report

1.1 Acceptance of July 31, 2015 Treasurer's Report

Treasurer Lampmann presented the Treasurer's Report for the period ending July 31, 2015 and moved its acceptance. Commissioner Gall seconded the 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 2016

Referring to his August 19, 2015 letter transmitting the Annual Budget for Fiscal Year 2016 along with a two page Budget Summary, both also dated August 19, 2015, Mr. Kelly advised that the budget as proposed is identical to the Preliminary Annual Budget as presented to the Board at the July 15th meeting.

In summary, the proposed budget includes a 4.5% decrease or \$265,000 reduction in Appropriations and Revenues. As to the Annual Charges to the municipalities, the budget includes a \$90,000 increase or 1.7% over the prior year. Mr. Kelly also noted that Revenues have been substantially reduced due to the contractual reduction of the TBSA Debt Service Credit from \$613,923 to \$256,588, a \$357,335 decrease for the year. To offset the Revenue shortfall Mr. Kelly said the \$500,000 current year contribution to the Capital Reserve Fund has been reduced to \$150,000.

Following discussion Treasurer Lampmann moved approval of the following resolution (**Resolution No. R-15-8-1**):

Resolution No. R-15-8-1

2015 (FY 2016) AUTHORITY BUDGET RESOLUTION
Pequannock River Basin Regional Sewerage
Authority
(Name)

FISCAL YEAR: FROM: November 1, 2015 TO: October 31, 2015

WHEREAS, the Annual Budget and Capital Budget for the Pequannock River Basin Regional Sewerage Authority for the fiscal year beginning, November 1, 2015 and ending, October 31, 2016 has been presented before the governing body of the Pequannock River Basin Regional Sewerage Authority at its open public meeting of August 19, 2015; and

WHEREAS, the Annual Budget as introduced reflects Total Revenues of \$5,600,000, Total Appropriations, including any Accumulated Deficit if any, of \$5,600,000 and Total Unrestricted Net Position utilized of \$0; and

WHEREAS, the Capital Budget as introduced reflects Total Capital Appropriations of \$1,100,000 and Unrestricted Net Position planned to be utilized as funding thereof, of \$0; and

WHEREAS, the schedule of rates, fees and other charges in effect will produce sufficient revenues, together with all other anticipated revenues to satisfy all obligations to the holders of bonds of the Authority, to meet operating expenses, capital outlays, debt service requirements, and to provide for such reserves, all as may be required by law, regulation or terms of contracts and agreements; and

WHEREAS, the Capital Budget/Program, pursuant to N.J.A.C. 5:31-2, does not confer any authorization to raise or expend funds; rather it is a document to be used as part of the said Authority's planning and management objectives. Specific authorization to expend funds for the purposes described in this section of the budget, must be granted elsewhere; by bond resolution, by a project financing agreement, by resolution appropriating funds from the Renewal and Replacement Reserve or other means provided by law.

NOW, THEREFORE BE IT RESOLVED, by the governing body of the Pequannock River Basin Regional Sewerage Authority, at an open public meeting held on August 19, 2015 that the Annual Budget, including all related schedules, and the Capital Budget/Program of the Pequannock River Basin Regional Sewerage Authority for the fiscal year beginning, November 1, 2015 and ending, October 31, 2016 is hereby approved; and

BE IT FURTHER RESOLVED, that the anticipated revenues as reflected in the Annual Budget are of sufficient amount to meet all proposed expenditures/expenses and all covenants, terms and provisions as stipulated in the said Authority's outstanding debt obligations, capital lease arrangements, service contracts, and other pledged agreements; and

BE IT FURTHER RESOLVED, that the governing body of the Pequannock River Basin Regional Sewerage Authority will consider the Annual Budget and Capital Budget/Program for adoption on October 21, 2015.

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

3. Wells Fargo – Wire Transfer Authorization

Mr. Kelly explained that his office has been working with Wells Fargo in order to establish a portal which will allow his office to issue wire transfers directly from the Operating Account. He said it has been a complicated process but he expects that the portal will be available for that purpose shortly. He explained that the original purpose was to make payment on the NJEIT Administrative fees and the NJDEP Administrative fees due as of August 1st but those payments were made directly through Wells Fargo. Nonetheless the portal will be necessary in order to transfer the funds anticipated for the Riverdale capacity transfer in the amount of

\$2,093,000 in equal parts to Bloomingdale and Kinnelon assuming that transaction does proceed to conclusion.

UNFINISHED BUSINESS

1. Riverdale Capacity Transfer – Sequestration Principle

Counsel recommended that the Board consider the Riverdale capacity transfer contract negotiation matters in Closed Executive Session. To do so Commissioner Metcalfe moved adoption of the following resolution (**Resolution No. R-15-8-3**):

Resolution No. R-15-8-3

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 19th day of August, 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.

Commissioner Lampmann 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

At approximately 7:55 pm the Board entered Closed Executive Session to discuss contract negotiation matters.

CLOSED EXECUTIVE SESSION

At approximately 8:50 pm Commissioner Gall moved to reopen the closed session meeting to the public. Commissioner Howard seconded that 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

2. **Capacity Assurance Policy**

Mr. Kelly advised that he has made a number of revisions to the latest draft Capacity Assurance Policy on receipt of comments from Commissioner Howard yet believes additional changes will be needed to the capacity assurance calculation methodology. He indicated that the revised policy will be issued to the Board prior to the September 16th meeting.

3. **Riverdale I/I Program**

Referring to a contact from an engineer with Matrix Engineering, one of the two firms retained by Riverdale in connection with its infiltration/inflow abatement program, Mr. Kelly indicated that the engineer advised that a letter has been issued requesting the Authority's flow data. He noted that no letter has been received to date.

4. **Contingency Operating Plan**

No change in status on this matter.

5. **Trustee Agreement – 2015 NJEIT Bonds**

For the record Mr. Kelly said that US Bank has executed the agreement titled "Resolution of the Pequannock River Basin Regional Sewerage Authority Authorizing Withdrawals from the General Fund for Purposes of Making 2015 NJEIT Program Semi-Annual Loan Repayments and Authorizing the Execution of a Depository Agreement in Connection Therewith". He explained that that agreement will facilitate payment of the NJEIT Trust Bonds and Fund Bonds semi-annually through FY 2034 at no cost to the Authority.

NEW BUSINESS

1. WEFTEC Conference

Mr. Kelly indicated that the WEFTEC Conference will be held in Chicago from September 26th through the 30th and asked that if any of the Members are interested in attending that they contact his office for those arrangements.

2. AEA Conference

The Fall Conference of the Association of Environmental Authorities will be convened in Atlantic City on November 17th and 18th. Again, Mr. Kelly asked if any of the Members are interested in attending that conference that they contact his office to make those arrangements

PAYMENT OF BILLS

1. Operating Budget

1.1 Operating Request for Payment No. 342

Treasurer Lampmann presented and moved approval of Operating Request for Payment No. 342 as follows:

Operating Request for Payment No. 342

The following bills have been reviewed and are recommended for approval for payment at the **August 19, 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-15-8-1	10/2/2014	\$ 2,500.00	Borough of Butler
2	24.05	OP-15-8-2	3/31/2014	\$ 250.00	Borough of Butler
3	24.07	OP-15-8-3	8/4/2015	\$ 131.89	Kelly Engineering
4	22.03	OP-15-8-4	8/6/2015	\$ 10,400.00	Kelly Engineering
5	32.02	OP-15-8-5	8/11/2015	\$ 3,865.27	Kelly Engineering
6	22.01	OP-15-8-6	8/7/2015	\$ 3,367.00	Maraziti Falcon LLP
7	33.01	OP-15-8-7	7/29/2015	\$ 3,254.87	ADS
8	33.01	OP-15-8-8	7/29/2015	\$ 3,254.87	ADS
9	33.02	OP-15-8-9	8/12/15	\$ 11,575.00	Campbell Foundry
10	24.04	OP-15-8-10	7/16/15	\$ 69.11	The Tab Group
11	24.04	OP-15-8-11	8/5/15	\$ 46.95	The Tab Group
12	33.03	OP-15-8-12	6/28/2015	\$ 34.19	Verizon
13	33.03	OP-15-8-13	7/4/15	\$ 34.46	Verizon
14	33.03	OP-15-8-14	7/28/2015	\$ 34.67	Verizon
15	24.07	OP-15-8-15	6/30/15	\$ 65.17	North Jersey Media Group
16	24.07	OP-15-8-16	8/1/15	\$ 91.95	North Jersey Media Group
17	33.03	OP-15-8-17	7/23/2015	\$ 30.92	Verizon
18	33.03	OP-15-8-18	7/28/2015	\$ 34.67	Verizon
19	33.03	OP-15-8-19	8/11/2015	\$ 2.81	JCP&L
30	33.03	OP-15-8-20	8/4/2015	\$ 17.96	Borough of Butler -Electric
TOTAL:				\$ <u>39,061.76</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** : None
- ABSTAIN** : Commissioner Howard

2. Construction Fund Disbursements

2.1 Construction Disbursement Requisition No. C-13-26

Treasurer Lampmann presented and moved approval of the bills as listed on Construction Fund Disbursement Requisition No. C-13-26 as follows:

CONSTRUCTION DISBURSEMENT REQUISITION No. C-13-26

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 **August 19, 2015**:

	<u>AUTHORITY ACCOUNT #</u>	<u>VOUCHER NUMBER</u>	<u>VOUCHER DATE</u>	<u>PAYMENT AMOUNT</u>	<u>PAYEE</u>
1)	120322C6.1	C-13-26-8-1	7/17/15	\$ 15,872.50	Suburban Consulting Engineers
2)	120322C2	C-13-26-8-2	8/7/15	\$ 7,705.65	Kelly Engineering
3)	120322C1	C-13-26-8-3	8/7/15	\$ 2,719.50	Maraziti, Falcon LLP
4)	120322C6.1	C-13-26-8-4	8/10/15	\$ 73,079.70	Hutton Construction
5)	120322C6.1	C-13-26-8-5	8/13/15	\$ 10,347.50	Suburban Consulting Engineers
			TOTAL DISBURSEMENTS	<u>\$109,724.85</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 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

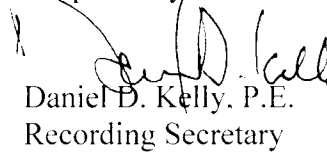
There being no members of the public present, Chairman Voorman dispensed with the public participation portion of the meeting.

ADJOURNMENT

At approximately 8:50 pm, Commissioner Gall moved for adjournment. That motion was seconded by Commissioner Howard and was approved unanimously on voice vote.

At approximately 8:50 pm, the meeting was adjourned.

Respectfully submitted,


Daniel D. Kelly, P.E.
Recording Secretary

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