

## MEETING MINUTES

### PEQUANNOCK RIVER BASIN REGIONAL SEWERAGE AUTHORITY

December 5, 2012

Minutes of the regular meeting of the **Pequannock River Basin Regional Sewerage Authority** held on December 5, 2012 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:

<b>PRESENT</b>	:	Chairman Voorman, Commissioners Gall, Howard, Lampmann, Metcalfe and Verdonik
<b>ABSENT</b>	:	None
<b>ALSO PRESENT</b>	:	Diane Alexander, 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 – October 17, 2012**

Commissioner Gall moved acceptance of the minutes of the October 17, 2012 regular meeting. That motion was seconded by Commissioner Lampmann and passed upon the following roll call vote:

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

## **OPERATIONAL REPORT**

### **1. System Operations**

#### **1.1 Flow Report**

Mr. Kelly advised that the year-end flow data for FY 2012 is currently under review. He presented the draft Daily Flow Summary for October 2012 dated November 19, 2012 along with the related flow hydrograph for October 2012.

Referring to the Flow Hydrograph titled "Average Daily Flow P-4 vs. M-15" for October 2012, Mr. Kelly noted that the flows for both meters are virtually identical throughout the period.

Also, regarding the TBSA flow metering data, Mr. Kelly presented his memorandum analyzing the TBSA budgeted flow versus the actual flow. He noted again that the actual flow of 1.62 mgd for billing purposes is modified to 1.85 mgd, that being the contractual minimum flow with TBSA. Accordingly, as indicated by the memorandum, the actual/contract flow percentage exceeds the budgeted flow by 2.34%.

### **2. TBSA Activities**

#### **2.1 Status Update**

Chairman Voorman and Vice Chairman Verdonik reported that there were no new matters of importance to PRBRSA considered at the TBSA Board meeting.

Nonetheless, Chairman Voorman mentioned that TBSA's FY 2013 budget resulted in an overall increase of 0.9 percent for the year. Chairman Voorman further advised that the prior year flow adjustment was on the order of \$148,000 yet, with the application of net assets as revenues, will likely result in a relatively minor increase to PRBRSA, on the order of \$22,000.

**3. TWA Application and Connection Permits**

**3.1 Non-Residential Connection  
Photo Lab – Target  
Borough of Riverdale**

For the record, Mr. Kelly advised that the non-residential connection permit for the Target store within Riverdale has been cancelled now that Target is no longer using a wet-solution type photo process.

**4. Boonton Avenue Interceptor Project**

**4.1 Engineering Procurement**

Mr. Kelly advised that the Boonton Avenue Interceptor Request for Proposal will be finalized and issued in early December to the Alaimo Group noting that Alaimo was the top ranked firm based on the Authority's engineering consultant selection process last year.

**FINANCIAL REPORT**

**1. Treasurer's Report (Period Ending October 31, 2012)**

Commissioner Gall acceptance of the Treasurer's Report for the period ending October 31, 2012. Commissioner Lampmann seconded that motion which passed unanimously upon the following roll call vote:

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

**2. Annual Budget: FY 2013**

For the record Mr. Kelly noted that the State Division of Local Government Services has issued its final approval on the Authority's FY 2013 Annual Budget as amended.

Further, he noted that the Annual Charge Certifications for FY 2013 have been issued to the four municipalities.

**3. 1996 Series L and 2002 Series M Arbitrage Compliance Reports**

As indicated by his December 5<sup>th</sup> letter to Treasurer Lampmann, Mr. Kelly advised that bond counsel's report on the 1996 Series L bond arbitrage and yield restriction report indicates that no rebate is due to the IRS.

Mr. Kelly further noted that the comparable report for the 2002 Series M Bonds will be completed prior to the September 20<sup>th</sup> date when the arbitrage/yield restriction rebate, if any, would be due.

**4. 2012 Series N Bond Arbitrage Reserve Account**

Following discussion on the nature of the need for a new reserve account for the 2012 Series N Bond arbitrage payment, Treasurer Lampmann moved approval of the following resolutions (**Resolution No. R-12-12-1**):

**Resolution No. R-12-12-1**

**RESOLUTION TO AUTHORIZE THE CREATION OF THE SERIES N (2012) BOND  
ARBITRAGE RESERVE ACCOUNT**

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

**WHEREAS**, the Authority previously established, on January 16, 2008 by Resolution No. R-08-1-1, the Series M (2002) Bond Arbitrage Reserve Account as a subaccount of the Revenue Fund (Account No. 2576006500); and

**WHEREAS**, the Series M (2002) Bonds have been retired; and

**WHEREAS**, the Authority desires to establish a new arbitrage rebate reserve subaccount for the Series N (2012) Refunding Bonds.

**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 17th day of October, 2012, as follows:

1. The Authority authorizes and directs the Treasurer to establish a Series N (2012) Arbitrage Reserve Account as a subaccount of the Revenue fund (Account No. 2576006485)
2. The Authority authorizes and directs the Treasurer to periodically, generally semi-annually, upon transfer by the Trustee from the Series N (2012) Forward Delivery Agreement account (Account No. 2576011013), transfer said funds into the new Series N (2012) Arbitrage Reserve Subaccount.

3. The Authority further authorizes and directs the Treasurer, upon payment of any rebate amount due on the retired 2002 Series M Bonds, to transfer funds remaining in the Series M (2002) Arbitrage Reserve Account, if any, into the new Series N (2012) Arbitrage Reserve Account and to close the Series M (2002) account.
4. The Authority authorizes and directs the Treasurer to record such transfers on the Treasurer's Report upon completion.
5. The Authority authorizes and directs the Treasurer to sign such documents and take any and all actions necessary and desirable in order to implement the provisions of this resolution.
6. This Resolution shall take effect as provided by law.

Commissioner Howard seconded that motion which passed unanimously upon the following roll call vote:

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

5. **2002 Series M Forward Delivery Agreement Close Out**

As explained in detail by his December 5<sup>th</sup> emails to Rick Barnes of US Bank acting as the Authority's Trustee, Mr. Kelly advised of the extensive exchanges between his office and the Trustee on the amount of investment income remaining due on the 2002 Series M Bond Forward Delivery Agreement principal and interest accounts. He explained that his office calculated the final amount due at approximately \$18,000 whereas US Bank's corresponding calculations approximate \$10,000. Before the accounts are closed out Mr. Kelly said that the final amount will be resolved with the Trustee.

6. **Audit: FY 2012**

By letter dated November 30<sup>th</sup> to the auditor's office, Mr. Kelly advised that his office transmitted relevant documents to Mr. Cova and Mr. Winkle to initiate the FY 2012 audit process. He noted as well that the field audit activities are currently in progress.

7. **TBSA FY 2013 Budget**

Mr. Kelly noted that TBSA has reduced the budgeted flow for Pequannock River Basin from the current 2.08 mgd to 2.03 mgd. As indicated previously, while the reduced flow will result in initial billings lower than they would have been previously, the fact remains that the change increases the risk that at year end the flow adjustment will result in an additional charge to PRBRSA.

**UNFINISHED BUSINESS**

None

**NEW BUSINESS**

None

**PAYMENT OF BILLS**

1. **Operating Budget**

1.1 **Operating Request for Payment No. 308A (November) and  
Operating Request for Payment No. 308B Issuance Costs (November)**

Commissioner Lampmann moved acceptance of the bills as presented on Operating Request for Payment No. 308A and No. 308B and moved there payment as follows:

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

**Operating Request for Payment No. 308A**

The following bills have been reviewed and are recommended for approval for payment at the **December 5, 2012** meeting of the Authority from the Operating Account (Wells Fargo Bank Account 1425985):

	<u>PRBRSA</u> <u>ACCT. NO.</u>	<u>VOUCHER</u> <u>NO.</u>	<u>VOUCHER</u> <u>DATE</u>	<u>PAYMENT</u> <u>AMOUNT</u>	<u>CHECK PAYABLE TO</u>
1)	24.05	OP-12-11-1	3/17/2012	\$ 250.00	Borough of Butler
2)	33.01	OP-12-11-2	9/12/2012	\$ 2,425.00	Borough of Butler
3)	32.02	OP-12-11-3	10/8/2012	\$ 3,423.20	Kelly Engineering
4)	25.03	OP-12-11-4	10/23/12	\$ 4,500.00	Assoc. of Environmental Authorities
5)	22.01	OP-12-11-5	11/13/12	\$ 3,022.41	Maraziti, Falcon & Healey
6)	22.03	OP-12-11-6	11/7/2012	\$ 10,400.00	Kelly Engineering
7)	32.02	OP-12-11-7	11/12/2012	\$ 4,686.53	Kelly Engineering
8)	24.07	OP-12-11-8	11/7/2012	\$ 174.95	Kelly Engineering
9)	32.02	OP-12-11-9	11/7/2012	\$ 672.15	Kelly Engineering
10)	33.16	OP-12-11-10	11/1/2012	\$ 2,811.70	ADS LLC
11)	33.03	OP-12-11-11	10/4/2012	\$ 33.41	Verizon
12)	33.03	OP-12-11-12	10/23/2012	\$ 29.84	Verizon
13)	33.03	OP-12-11-13	10/28/2012	\$ 33.58	Verizon
14)	33.03	OP-12-11-14	11/4/2012	\$ 33.39	Verizon
15)	33.03	OP-12-11-15	11/7/2012	\$ 3.25	JCP&L
16)	33.03	OP-12-11-16	10/28/2012	\$ 33.58	Verizon
17)	33.03	OP-12-11-17	11/26/2012	\$ 47.00	The Tab Group
18)	33.03	OP-12-11-18	11/1/2012	\$ 71.86	North Jersey Media Group
19)	33.03	OP-12-11-19	11/28/2012	\$ 17.96	Butler Electric
<b>TOTAL:</b>				<b><u>\$ 32,669.81</u></b>	

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

**Operating Request for Payment No. 308B**

**2012 SERIES N REFUNDING**  
**BOND ISSUANCE COSTS**  
 \*[To Be Reimbursed From Bond  
 Proceeds]

The following bills have been reviewed and are recommended for approval for payment at the **December 5, 2012** meeting of the Authority from the Operating Account (Wells Fargo Bank Account 1425985):

	<u>PRBRSA</u> <u>ACCT.</u> <u>NO.</u>	<u>VOUCHER</u> <u>NO.</u>	<u>VOUCHER</u> <u>DATE</u>	<u>PAYMENT</u> <u>AMOUNT</u>	<u>CHECK PAYABLE TO</u>
1)	22.05	OP-12-11- 1B	11/8/2012	\$ 3,737.00	US Bank
2)	22.05	OP-12-10- 1B	9/11/2012	\$ <u>(841.25)</u>	Ferraioli, Wielkotz, Cerullo & Cuva (Credi Voided Ck#6706 Billed to Issuance Costs in September)
<b>TOTAL:</b>				<b><u>\$ 2,895.75</u></b>	

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

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

**NAYS** : None



**ABSENT** : None

**ABSTAIN** : None

**OPEN MEETING FOR PUBLIC COMMENT**

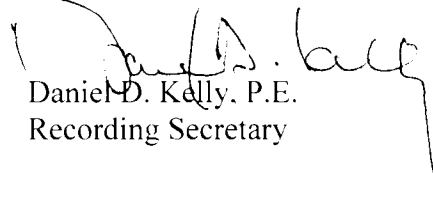
There being no members of the public present, Chairman Voorman dispensed with the public participation portion of the meeting.

**ADJOURNMENT**

Commissioner Lampmann moved for adjournment at approximately 7:55 pm. That motion was seconded by Commissioner Gall and was approved unanimously on voice vote.

At approximately 7:55 pm, the meeting was adjourned.

Respectfully submitted,



Daniel D. Kelly, P.E.  
Recording Secretary

Enclosure: Treasurer's Report for the period ending October 31, 2012