

MEETING MINUTES

PEQUANNOCK RIVER BASIN REGIONAL SEWERAGE AUTHORITY

July 16, 2014

Minutes of the regular meeting of the **Pequannock River Basin Regional Sewerage Authority** held on July 16, 2014 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 Lampmann, Metcalfe, Verdonik

ABSENT : Commissioners Gall and Howard

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 – June 18, 2014**

Commissioner Lampmann moved approval of the minutes of the Authority's June 18, 2014 regular meeting. That motion was seconded by Commissioner Lampmann and passed unanimously on the following roll call vote:

AYES : Chairman Voorman, Commissioners Lampmann, and Metcalfe

NAYS : None

ABSENT : Commissioners Gall and Howard

ABSTAIN : Commissioner Verdonik

OPERATIONAL REPORT

1. System Operations

1.1 Flow Report

Mr. Kelly presented the Flow Report dated July 16, 2014 for the period ending June 30, 2014.

Commenting on the system flows, Mr. Kelly observed the total system flow decreased by more than 800,000 gpd from 2.551 mgd in May to 1.741 in June.

The following reports were distributed to the Board in the meeting file folders:

- Flow Report dated July 16, 2014 for the period ending June 2014
- Daily Flow Summary for June 2014
- Daily Flow Hydrograph for June 2014
- Daily Flow Hydrograph Comparing Meters P-4 and TBSA Meter M-15 for June 2014
- TBSA Budgeted vs. Actual Flow for June 2014

1.2 TBSA Actual vs. Budgeted Flow Analysis

As indicated by his July 16, 2014 memorandum, Mr. Kelly reported that the June 2014 flows are approximately 0.43% higher than those budgeted by Two Bridges going into the fiscal year. He noted that if the trend continues, the Authority would be billed additional charges for TBSA's operation and maintenance expenses

1.3 ADS Flow Monitoring System Evaluations

Concerning the ongoing evaluation of the ADS flow monitoring data, Mr. Kelly advised that Kleinfelder has temporarily suspended work pending receipt of additional water metering demand data. Commissioner Lampmann commented that he did not believe the water data would add to Kleinfelder's analysis, particularly in view of the comment evidently made by Jim Cosgrove to Mr. Falcon to the effect that the ADS metering system generates excellent data. Nonetheless, he said that he would complete Butler's analysis and forward the information for Kleinfelder's use.

2. TBSA Activities

2.1 Status Update

Chairman Voorman and Vice Chairman Verdonik reported on various matters as the Two Bridges Sewerage Authorities as they affect Pequannock River Basin. Notably they advised that the preliminary annual budget as presented, which Mr. Kelly noted includes a 3.97% rate increase, will be amended before approval which is anticipated at the August meeting.

3. TWA Applications and Connection Permits

No change in status on these matters.

4. Boonton Avenue Interceptor Project

4.1 Status Report

Referring to the July 11, 2014 "Project Status Update" report filed by Suburban Consulting Engineers as distributed to the Board, Mr. Kelly noted that the primary issue remains with the geotechnical investigations and related work within Park Place and Main Street, Butler. He said he would report on that separately.

4.2 NJEIT Loan Program

As also indicated by the report of Suburban Consulting Engineers, Mr. Kelly advised that the Flood Hazard Area Individual Permit application has been completed and will be executed for submittal to the Department. He noted for the record that the \$1,000 application fee for that permit is on the Operating Bill list, noting further that funds will be transferred from the Construction Fund to the Revenue Fund to reimburse that expense.

4.3 Geotechnical Investigations

In order to obtain additional geotechnical information, Mr. Kelly requested approval of a supplementary contract authorization with SESI Consulting Engineers amounting to \$8,000. He advised that SESI's July 2nd proposal includes securing an additional 6 or possibly 8 probes using the GeoProbe technology, a specialized, small diameter drilling rig. Mr. Kelly explained that the work is necessary due to the unusual results encountered by the earlier boring (B-1) within Main Street.

Commissioner Lampmann questioned the need for additional geotechnical information, in particular what would change by way of engineering design based upon the additional information? Mr. Kelly explained that

the information is needed not only for design purposes but also to provide the best information possible for the construction contractor noting that if conditions encountered are not as represented in the geotechnical report, which report is made available to the contractor and to the bidders, that costs for delays and unforeseen conditions could result

Following further discussion, Commissioner Metcalfe moved approval the following Resolution (**Resolution R-14-7-1**):

Resolution No. R-14- 7-1

**RESOLUTION AUTHORIZING SUPPLEMENTAL PROFESSIONAL SERVICES
CONTRACT WITH SESI CONSULTING ENGINEERING**

WHEREAS, on April 16, 2014 the Pequannock River Basin Regional Sewerage Authority (the "Authority") adopted a Resolution authorizing and directing the Chairman to sign an Agreement with SESI Consulting Engineers ("SESI") providing for geotechnical engineering investigations, analyses and report; and

WHEREAS, the parties have executed said Agreement as of May 2, 2014; and

WHEREAS, it has become necessary that SESI perform supplementary subsurface explorations for the Boonton Avenue Interceptor Project in Butler, New Jersey; and

WHEREAS, SESI has provided the Authority with a Supplemental Proposal entitled "Professional Services Agreement for Supplementary Geotechnical Investigation and Report" dated July 2, 2014 indicating the additional scope of work required for a fee not to exceed \$8,000; and

WHEREAS, funds are available for these purposes.

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 July, 2014 as follows:

1. The Chairman is authorized and directed to sign the Supplementary Proposal of SESI of

July 2, 2014 for a fee not to exceed a total cost of \$8,000 without prior approval of the Authority for supplementary subsurface explorations for the Boonton Avenue Interceptor Project in Butler, New Jersey to be performed under the aforesaid May 2, 2014 Agreement.

2. This Resolution shall be published in accordance with N.J.S.A. 40A:11-5 (l)(a)(i).
3. This Resolution shall take effect as provided by law.

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

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

FINANCIAL REPORT

1. Treasurer's Report

1.1 Acceptance of June 30, 2014 Treasurer's Report

Treasurer Lampmann presented and moved acceptance of the Treasurer's Report for the period ending June 30, 2014. Commissioner Metcalfe seconded that motion which passed unanimously upon the following roll call vote:

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

1.2 Preliminary Annual Budget: FY 2015

Referring to his July 18 letter transmitting the Preliminary Annual Budget for fiscal year 2015, Mr. Kelly reviewed several of its key provisions. Notably, he advised that the budget would increase overall spending, appropriations and revenues, by \$105,000 or 1.8% over the prior year. At the same time he said the Annual Charge or rate increase to the towns is proposed at \$100,000 or 2.0% over FY 2015. He noted as well that the budget anticipates a \$500,000 contribution to the Capital Reserve Fund down from the prior year's contribution of \$620,000.

On discussion, the Board considered the Preliminary Annual Budget as presented and determined that the overall projected rate increase of 2.0% should be incorporated into the budget for the Board's initial approval at the August 20th meeting. Mr. Kelly noted that the updated budget would be prepared and distributed to the Board prior to the August 20th meeting. In addition, he said a rate stabilization analysis will be prepared and distributed to the Board for their consideration.

1.3 LFP Approval – NJEIT Financing

For the record, Mr. Kelly advised that the Authority's application to the Local Finance Board was approved. That application, he noted, authorizes a maximum \$2,700,000 bond issuance through the New Jersey Environmental Infrastructure Trust Program at what he noted would be approximately a 0.6% blended interest rate under current market conditions.

UNFINISHED BUSINESS

1. Riverdale Capacity Allocation Request

At the Borough of Bloomingdale's request at a meeting that Chairman Voorman and he attended on July 19 with local officials, Mr. Kelly said that his office retrieved financial records dating to FY 1988 and compiled those records to determine the total debt service paid made annually and in the aggregate from FY 1988 through the end of FY 2014. He advised that that information was distributed to the Member municipalities on June 30th at Bloomingdale's request.

2. Contingency Operating Plan

Mr. Kelly advised that his office is proceeding with the preparation of the procedures manual as part of the Authority's Contingency Operating Plan.

NEW BUSINESS

None

PAYMENT OF BILLS

1. Operating Budget

1.1 Operating Request for Payment No. 329

Treasurer Lampmann presented Operating Request for Payment No. 329 and moved approval of the bills as presented as follows:

**SUMMARY OF VOUCHERS FOR
 OPERATING EXPENSES**

Operating Request for Payment No. 329

The following bills have been reviewed and are recommended for approval for payment at the July 16, 2014 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-14-7-1	9 12 2012	\$ 2,475.00	Borough of Butler
2)	24 05	OP-14-7-2	3 31 2014	\$ 250.00	Borough of Butler
3)	22 01	OP-14-7-3	7 9 2014	\$ 543.00	Maraziti, Falcon & Healey
4)	24 07	OP-14-7-4	7 2 2014	\$ 131.89	Kelly Engineering
5)	22 03	OP-14-7-5	7 3 2014	\$ 10,400.00	Kelly Engineering
6)	32 02	OP-14-7-6	7 9 2014	\$ 4,326.40	Kelly Engineering
7)	26 04	OP-14-7-7	6 16 2014	\$ 945.00	US Bank
8)	34 05	OP-14-7-8	7 9 2014	\$ 1,000.00	Treasurer, State of NJ
9)	33 03	OP-14-7-9	07 04 14	\$ 34.01	Verizon
10)	*	OP-14-7-10	7 15 14	\$ 709,215.00	Pequannock, Lincoln Park & Fairfield Sewerage Authority
11)	24 07	OP-14-7-11	6 3 2014	\$ 154.89	North Jersey Media
12)	33 03	OP-14-7-12	6 23 2014	\$ 30.11	Verizon
13)	33 03	OP-14-7-13	6 28 2014	\$ 33.81	Verizon
14)	33 03	OP-14-7-14	6 28 2014	\$ 33.81	Verizon
15)	33 03	OP-14-7-15	5 28 2014	\$ 33.81	Verizon
16)	33 03	OP-14-7-16	7 1 2014	\$ 17.96	Borough of Butler -Electric
17)	33 01	OP-14-7-17	07 09 14	\$531.25	Klenfelder
18)	33 03	OP-14-7-18	07 08 14	\$3.25	JCP&L

TOTAL: \$ 730,159.19

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

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

NAYS : None

ABSENT : Commissioners Gall and Howard

ABSTAIN : None

2. Construction Fund Disbursements

2.1 Construction Disbursement Request No. C-13-13

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

CONSTRUCTION DISBURSEMENT REQUISITION No. C-13-13

Gentlemen:

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 **July 16, 2014**:

	<u>AUTHORITY ACCOUNT #</u>	<u>VOUCHER NUMBER</u>	<u>VOUCHER DATE</u>	<u>PAYMENT AMOUNT</u>	<u>PAYEE</u>
1)	120322C2	C-13-13-7-1	7/9/14	\$ 1,574.10	Kelly Engineering
2)	120322C6.1	C-13-13-7-2	6/26/14	\$13,500.00	SESI Consulting Engineers
3)	120322C6.1	C-13-13-7-3	7/8/14	\$ 290.00	Suburban Consulting Eng.
4)	120322C6.1	C-13-13-7-4	7/8/14	\$ 7,217.49	Suburban Consulting Eng.
TOTAL DISBURSEMENTS				<u>\$22,581.59</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, Vice Chairman Verdonik, Commissioners, Lampmann, and Metcalfe
- NAYS** : None
- ABSENT** : Commissioners Gall and Howard
- ABSTAIN** : None

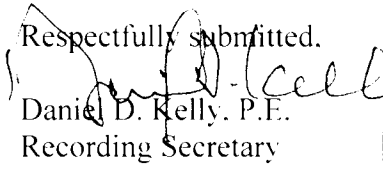
OPEN MEETING FOR PUBLIC COMMENT

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

ADJOURNMENT

At approximately 8:15 pm, Commissioner Metcalfe moved for adjournment. That motion was seconded by Vice Chairman Verdonik and passed unanimously on voice vote.

At approximately 8:15 pm, the meeting was adjourned.

Respectfully submitted,

Daniel D. Kelly, P.E.
Recording Secretary

Enclosures: Treasurer's Report for the period ending June 30, 2014