

MEETING MINUTES

PEQUANNOCK RIVER BASIN REGIONAL SEWERAGE AUTHORITY

July 21, 2016 (Rescheduled from July 20, 2016)

Minutes of the regular meeting of the **Pequannock River Basin Regional Sewerage Authority** held on July 21, 2016 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, Howard and Verdonik

ABSENT : Commissioners Gall and Metcalfe

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 – June 22, 2016**

Commissioner Lampmann moved acceptance of the minutes of the Authority's June 22, 2016 regular meeting. That motion was seconded by Vice Chairman Verdonik and passed unanimously on the following roll call vote:

AYES : Chairman Voorman, Commissioners Howard, Lampmann and Verdonik

NAYS : None

ABSENT : Commissioners Gall and Metcalfe

ABSTAIN : None

OPERATIONAL REPORT

1. System Operations

1.1 Flow Report

Referring to the July 18, 2016 Flow Reports for both the FlowShark monitors as well as the Triton monitors, Mr. Kelly indicated that the total system flows remain extremely low, between 1.465 mgd (Triton) to 1.500 mgd (FlowShark). At the same time he noted that the TBSA Meter M-15 recorded a flow of 1.433 mgd. Overall the system flows are also extremely low ranging from 1.665 mgd (Triton) to 1.702 mgd (FlowShark) versus 1.720 mgd per TBSA M-15.

Mr. Kelly also commented on communications with Mike Armes of ADS noting that ADS has added three additional meters and measuring devices for flow monitors P-2A, P-3 as well as P-1. In addition ADS is performing a volumetric weir confirmation at the Meter P-3 site.

Referring to his July 21, 2016 memorandum Mr. Kelly further reviewed the year-to-date differences between the FlowShark and Triton monitoring systems based on the meter readings themselves and as broken down by each of the four municipalities.

Commissioner Howard inquired if ADS revised and submitted the flow data editing process flow chart which Mr. Armes committed to do at the April 25th meeting. Mr. Kelly said he would follow up with ADS on that matter.

The following reports were distributed for the June 2016 period for the Board's information and review:

- FlowShark Flow Report for June 2016
- FlowShark Daily Flow Summary for June 2016
- FlowShark Daily Flow Hydrograph for June 2016
- FlowShark Daily Flow Hydrograph Comparing Meters P-4 and TBSA Meter M-15 for June 2016
- TBSA Budgeted vs. Actual Flow for June 2016

The following reports were also made available to the Board on the Triton meter readings:

- Triton Flow Report for June 2016
- Triton Daily Flow Summary for June 2016
- Triton Daily Flow Hydrograph for June 2016
- Triton Daily Flow Hydrograph Comparing Meters P-4 and TBSA Meter M-15 for June 2016

1.2 TBSA Actual vs. Budgeted Flow Analysis

Commenting on his July 2016 memorandum summarizing the flows budgeted by TBSA at the beginning of FY 2016 versus the actual flows recorded year-to-date, Mr. Kelly indicated that since the overall system flows are substantially less than the contractual minimum flow of 1.85 mgd that the Authority would owe additional User Charges at the end of the year estimated at an additional 1.57%.

1.3 PRBRSA Interceptor Inspection 2016

Mr. Kelly updated the Board on his recommendation to move forward with inspection of the Authority's PRBRSA Interceptor facilities. He explained that the last inspection of these lines was performed in 2003 by National Water Main with engineering evaluations by Hatch Mott MacDonald.

He said inspection of those lines is particularly important given their critical nature in that they convey all flows upstream of and within Riverdale as well to TBSA's system at the Riverdale/Pequannock Township municipal boundary line. Further, he noted that the lines are large diameter, 30-inch and 36-inch diameter, constructed of prestressed concrete cylinder pipe (PCPP). Given the strategic importance of the lines and the nature of the material of construction Mr. Kelly recommended that the Authority perform an inspection of that portion of the system this year if possible.

Commenting further, Mr. Kelly said he reviewed the Red Zone Industries technology which includes advanced monitoring systems as generally described by his June 23rd memorandum.

As to the procurement method, Mr. Kelly said that the Authority would be able to contract with an engineering firm who in turn could subcontract this type of work as a professional service.

Commissioner Lampmann said that it may be preferable for the Authority to independently procure the Red Zone services or something comparable noting that the Authority's contract with the Borough of Butler for

Purchasing Agent services would allow award of a contract without public bidding up to \$40,000. Mr. Kelly agreed in that direct procurement should result in significant savings.

2. TBSA Activities

2.1 Status Update

Chairman Voorman and Vice Chairman Verdonik reported on various activities at the Two Bridges Sewerage Authority as they affect Pequannock River Basin. They indicated that Two Bridges is presently projecting a relatively flat budget with minimal increases in the Annual Charges to the Participants including PRBRSA. Mr. Kelly said he would contact Mr. Bongiovanni to obtain the preliminary budget figures.

Reporting further, Chairman Voorman and Vice Chairman Verdonik said that Two Bridges is continuing its planning process to upgrade the biological treatment processes of the existing plant.

3. TWA Applications and Connection Permits

No applications or permit approvals are presently pending.

4. Riverdale Infiltration/Inflow Investigations

Mr. Kelly said that this is one of the matters that will likely be discussed with Riverdale officials at a meeting scheduled for next week.

5. Boonton Avenue Interceptor Project

5.1 Status Report

5.1.1 Contract No. I-4A: Hutton Construction

Mr. Kelly advised that based on the Mott MacDonald report that remedial work will likely be required on the approximate 600' of 8-inch and 10-inch diameter sewer installed last year. He noted in particular that the report comments on a condition that must be remedied within a manhole on Boonton Avenue and other conditions that warrant further investigation, if not repair or at least monitoring, within High Street.

Mr. Kelly advised that he has forwarded the MM report to SCE for review and comment with the expectation that SCE will notify Hutton as to the remedial work required.

In the interim Mr. Kelly said that he recommends that the Authority to hold retainage on the contract pending final acceptance.

5.1.2 Contract No. I-4B: Arold Construction

Similar to the Hutton contract, Mr. Kelly said that the Mott MacDonald report found some minor problems with the pipe lining work performed by Arold Construction. Most notably he said is a repair needed to the lining in the upstream end of the lining within a manhole on Valley Road. If not repaired, Mr. Kelly said that the liner could separate from the pipe causing significant issues. Therefore remedial work is essential.

Mr. Kelly said he also recommends withholding retainage on Contract No. I-4B pending completion of the remedial work. He added that the MM report has also been forwarded to SCE as related to Arold's work.

5.2 SCE Engineering Agreement

Mr. Kelly said that he will be meeting with Andrew Holt next week to discuss close-out of both construction contracts.

Also, he indicated that he had previously advised and again informed SCE that the Authority will deduct the cost of the remedial work required to install MH 132A within High Street from SCE's billing for the additional engineering cost of the manhole lining issues. He noted that that deduct has been made on SCE's bill to be considered that evening for approval.

5.3 MM Contract: Park Place/NYS&W Railroad Crossing

Concerning the geotechnical investigations for the NYS&W railroad crossing within Park Place, Mr. Kelly said that he has contacted Mott MacDonald's office to request that they expedite that work in the interest of completing it before school begins in September if possible.

5.4 MM Contract: Post Construction Review of CIPP Lining Videos

As reported earlier in the meeting, Mr. Kelly indicated that Mott MacDonald completed their review of the pipe installations by Hutton and the pipe lining and manhole lining work by Arold and issued a report dated July 2016 thereon. He noted that the MM Report was previously forwarded to the Board electronically and that a copy is also available for each Member within the meeting file folders.

Substantively, the findings of MM's Report were discussed in earlier portions of the meeting.

FINANCIAL REPORT

1. Treasurer's Report

1.1 June 30, 2016 Treasurer's Report

Treasurer Lampmann presented the Treasurer's Report for the period ending June 30, 2016 and moved its acceptance. Vice Chairman Verdonik seconded that motion which passed unanimously on the following roll call vote:

AYES : Chairman Voorman, Commissioners Lampmann,
Howard and Verdonik

NAYS : None

ABSENT : Commissioners Gall and Metcalfe

ABSTAIN : None

2. Preliminary Annual Budget: FY 2017

Referring to his June 29, 2016 letter along with the Preliminary Annual Budget for Fiscal Year 2017 dated July 21, 2016 as well as the Budget Summary, Mr. Kelly reviewed key aspects of the proposed budget.

He noted that the budget, preliminarily, includes a \$175,000 reduction in Revenues and Appropriations, a 3.1% decrease. At the same time he indicated that the budget includes an increase in the rates to the towns. Specifically, he said the Annual Charges are projected at an increase from \$5,300,000 to \$5,400,000 in FY 2017, a \$100,000 or 1.9% increase.

Commenting on other items in the budget, Mr. Kelly said that it includes a projected \$240,000 contribution to the Capital Reserve Fund, up from \$150,000 from the prior year. He noted, however, that that is substantially less than the funding contributions in years prior to FY 2016.

Chairman Voorman and Vice Chairman Verdonik again noted that TBSA is currently projecting a relatively flat budget. That being the case Mr. Kelly said he would take TBSA's projections into account on preparing the budget to be issued to the Board prior to the August 17th meeting when it will be introduced for initial approval.

UNFINISHED BUSINESS

1. Contingency Operating Plan

Based on recent discussions at TBSA, Chairman Voorman and Vice Chairman Verdonik reported that Two Bridges appears to be more open to consider working with Pequannock River Basin on its Contingency Operating Plan. Inasmuch as these matters were discussed informally they advised that nothing further can be disclosed at this point.

2. AEA Ethics Policy

Mr. Falcon commented on the draft ethics policy distributed by the Association of Environmental Authorities as a model to be considered for adoption. He said, on review of AEA's model policy, that it is broadly consistent with laws and regulations already on the books and generally did not see any particular advantage to having the Authority independently adopt a policy of this type.

Following discussion, the Board elected not to pursue this matter at this time.

3. Municipal Derivatives Settlement

Mr. Kelly reported that the Authority received payment for its share of the settlement on the Municipal Derivatives Claim matter. He said the settlement amount issued to PRBRSA is \$10,806.00.

4. Insurance Consultant Contract

Mr. Kelly recommended an increase to the current budget for the general consultation services provided by Stanford Risk Management to increase the present \$1400 budget to \$1750, a \$350 increase. At the same time he recommended, since Stanford does not have a construction consultation budget for FY 2016, authorizing an additional \$1050 for that work.

In response to questions from the Board, Mr. Kelly said that the additional services are necessary to address a number of matters that have arisen including contract insurance provisions for the Mott MacDonald contracts as well as the contracts with the three engineering firms that the Borough of Riverdale has engaged in order to protect PRBRSA as those firms conduct their work on Authority-owned facilities within Riverdale.

Following discussion, Vice Chairman Verdonik moved approval of the following resolution (**Resolution No. R-16-7-1**):

Resolution No. R-16-7-1

RESOLUTION

RESOLUTION TO AMEND STANFORD RISK MANAGEMENT SERVICES, INC. CONTRACT FOR INSURANCE CONSULTATION AND RISK MANAGEMENT SERVICES AS EXTRAORDINARY UNSPECIFIABLE SERVICES

WHEREAS, the Pequannock River Basin Regional Sewerage Authority (“Authority”) has retained the services of an insurance and risk management consultant to provide services associated with its annual insurance coverages; and

WHEREAS, the Authority has a need for additional insurance and risk management services of a general consultation and construction nature

WHEREAS, the Authority authorized by Resolution No. 16-3-4 under N.J.S.A. 40A:11-5(1)(m) a contract to Stanford Risk Management Services, Inc. (“Stanford”) for the provision of annual insurance and related risk management consultant services including risk management construction consultation services, as extraordinary unspecifiable services; and

WHEREAS, the Authority desires to amend the Stanford contract for additional General Consultation services and Construction Consultation services; and

WHEREAS, the Authority has reviewed the Certification of Daniel D. Kelly, P.E. of even date delivered in accordance with the regulations of the Division of Local Government Services;

WHEREAS, funds are available for these services.

NOW, THEREFORE, BE IT RESOLVED, by the Pequannock River Basin Regional Sewerage Authority, in the State of New Jersey on this 21st day of July, 2016 as follows:

1. The Stanford General Consultation services budget of \$1,400.00 as authorized by Resolution No. R-16-4-3 shall be increased by \$350.00 not-to-exceed \$1,750.00.
2. The Stanford Construction Consultation services budget shall be authorized not-to-exceed \$1,050.00 in connection with the Boonton Avenue Interceptor project and related activities.
3. This Resolution shall take effect as provided by law.

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

AYES : Chairman Voorman, Commissioners Howard,
Lampmann and Verdonik

NAYS : None

ABSENT : Commissioners Gall and Metcalfe

ABSTAIN : None

NEW BUSINESS

None

PAYMENT OF BILLS

1. Operating Budget

1.1 Operating Request for Payment No. 353

Treasurer Lampmann presented and moved approval of Operating Request for Payment No. 353 as follows:

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

Operating Request for Payment No. 353

The following bills have been reviewed and are recommended for approval for payment at the **July 21, 2016** 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)	24.05	OP-16-7-1	3/31/2016	\$ 250.00	Borough of Butler
2)	33.01	OP-16-7-2	10/2/2014	\$ 2,535.00	Borough of Butler
3)	24.07	OP-16-7-3	7/6/2016	\$ 131.89	Kelly Engineering
4)	22.03	OP-16-7-4	7/8/2016	\$ 10,400.00	Kelly Engineering
5)	32.02	OP-16-7-5	7/11/2016	\$ 4,595.93	Kelly Engineering
6)	22.01	OP-16-7-6	7/8/2016	\$ 3,991.86	Maraziti Falcon LLP
7)	*	OP-16-7-7	12/21/2015	\$ 825,854.00	Pequannock, Lincoln Park & Fairfield Sew. Authority
8)	26.04	OP-16-7-8	6/13/2016	\$ 2,627.00	US Bank
9)	23.08	OP-16-7-9	7/11/2016	\$ 962.50	Stanford Risk Management
10)	33.03	OP-16-7-10	6/28/2016	\$ 36.15	Verizon
11)	33.03	OP-16-7-11	6/28/2016	\$ 36.15	Verizon
12)	33.03	OP-16-7-12	6/23/2016	\$ 31.90	Verizon
13)	33.03	OP-16-7-13	6/30/2016	\$ 17.96	Borough of Butler Electric
14)	33.03	OP-16-7-14	7/7/2016	\$ 2.81	JCP&L
TOTAL:				<u>\$ 851,473.15</u>	

* Breakdown

27.00	\$	57,329.00
13.00	\$	263,318.00
35.00	\$	569,354.00
18.00	\$	(64,147.00)
	\$	<u>825,854.00</u>

Respectfully Submitted,

Daniel D. Kelly, P.E.
 Consulting Engineer

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

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

2. Construction Fund Disbursements

2.1 Construction Disbursement Requisition No. C-13-40

Treasurer Lampmann presented and moved approval of the bills as listed on Construction Fund Disbursement Requisition No. C-13-40 as follows:

CONSTRUCTION DISBURSEMENT REQUISITION No. C-13-40

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 21, 2016**:

	<u>AUTHORITY ACCOUNT #</u>	<u>VOUCHER NUMBER</u>	<u>VOUCHER DATE</u>	<u>PAYMENT AMOUNT</u>	<u>PAYEE</u>
1)	120322C2	C-13-40-7-1	7/11/16	\$ 6,932.73	Kelly Engineering
2)	120322C1	C-13-40-7-2	7/8/16	\$ 1,590.91	Maraziti, Falcon LLP
3)	120322C6.1	C-13-40-7-8	6/29/16	\$ 888.96	Hatch Moti MacDonald
4)	120322C6.1	C-13-40-7-4	6/9/166	\$ 1,138.75	Suburban Consulting Engineers
5)	120322C6.1	C-13-40-7-5	6/9/16	\$ 2,317.43	Suburban Consulting Engineers
6)	120322C6.1	C-13-40-7-6	6/9/166	\$ 9,558.77	Suburban Consulting Engineers
7)	120322C6.1	C-13-40-7-7	6/21/16	\$ 605.00	Suburban Consulting Engineers

TOTAL DISBURSEMENTS \$23,032.55

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 Howard,
Lampmann and Verdonik

NAYS : None

ABSENT : Commissioners Gall and Metcalfe

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 Howard moved for adjournment. Commissioner Lampmann seconded the motion which 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 June 30, 2016