

MEETING MINUTES

PEQUANNOCK RIVER BASIN REGIONAL SEWERAGE AUTHORITY

June 17, 2015

Minutes of the regular meeting of the **Pequannock River Basin Regional Sewerage Authority** held on June 17, 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 – May 20, 2015**

Commissioner Gall moved acceptance of the minutes of the Authority's May 20, 2015 regular meeting. That motion was seconded by Commissioner Metcalfe and passed upon the following roll call vote:

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

NAYS : None

ABSENT : None

ABSTAIN : Commissioner Lampmann

OPERATIONAL REPORT

1. System Operations

1.1 Flow Report

Mr. Kelly presented the Flow Report dated June 15, 2015 for the period ending May 31, 2015. He noted that the system flows again decreased over the past month from 1,978 mgd in April to 1,535 mgd in May, a reduction of over 400,000 gpd, for a total system year-to-date flow of 1,740 mgd. He commented as well that the Borough of Riverdale's flows decreased substantially from 0.504 mgd in April to 0.416 mgd in May.

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

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

1.2 TBSA Actual vs. Budgeted Flow Analysis

Mr. Kelly also presented his memorandum dated June 9, 2015 comparing the actual year-to-date flows with TBSA's estimated flow. He explained that the current year-to-date flows exceed TBSA's estimated flow by 1.44%. That means that, at year-end, if this trend were to continue, there would be additional User Charges (O&M) assessments from Two Bridges to PRBRSA.

1.3 Fichter Street Sewer Construction – Bloomingdale

Following an inquiry by Chairman Voorman on the work being performed by Bloomingdale's contractor at Fichter Street, Mr. Kelly said that he inspected the area and found that apparently a new sewer connection has been made to the Authority's Bloomingdale Interceptor at Fichter Street and the Hamburg Turnpike. Noting that the Authority was not notified of the connection nor has the Authority approved such a connection Mr. Kelly advised that he would review it further and report from there.

2. TBSA Activities

2.1 Status Update

Chairman Voorman and Vice Chairman Verdonik reported on various business matters at the Two Bridges Sewerage Authority as they affect Pequannock River Basin. In particular Vice Chairman Verdonik advised that construction is ongoing for both the pumping station upgrade contract and the headworks improvements at the treatment plant. He and Chairman Voorman noted that Two Bridges has been vindicated for its decision to abandon the sludge incineration facilities in favor of off-site disposal due to what have been confirmed as extraordinary costs for implementation of USEPA air quality control systems. They reported that it has been established that USEPA's new air quality regulations are so stringent as to be unworkable for sludge incinerators such as that formerly operated by Two Bridges.

3. TWA Applications and Connection Permits

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

Concerning the Meadtown Shopping Center improvements Mr. Kelly advised that the project envisions a new Marshalls store to replace five existing retail outlets within the shopping center. He said based on information provided to date and his review of the Authority's shop drawings for the Kiel Avenue Interceptor which extends across Route 23 into the Meadtown property within easements in Butler and Kinnelon that there may not be a need for a connection to the PRBRSA system. He noted that information available thus far is preliminary yet indications are that the expansion will result in less than 200 square feet of additional retail area and will therefore produce minimal additional flow contribution to the Borough of Kinnelon system and that of PRBRSA.

4. Boonton Avenue Interceptor Project

4.1 Status Report

Referring to a June 15th letter from Suburban Consulting Engineers, Mr. Kelly advised that the work under Contract No. I-4A by Hutton Construction has not as yet been initiated although has been scheduled to begin on Monday, June 22nd at Valley Road to cross the Morris County bridge. He said the contractor will provide notice to the affected residents since Valley Road will be closed during construction scheduled for approximately a one week duration. He added that his office prepared a press release to alert the public to the detour.

Vice Chairman Verdonik mentioned the need to coordinate detours and notify residents for the work proposed immediately downstream of Valley Road on Brook Street. He explained that Brook Street is a dead-end and therefore access and egress are critical.

As to Contract No. I-4B Mr. Kelly reported Arold Construction has completed approximately 3500 feet of cured-in-place-pipe (CIPP) lining. He explained that the contractor has begun the service lateral installations and will come back to complete the remaining 1000 feet of CIPP lining once Hutton's work is complete to provide a seamless connection of the lining material into the new manhole structures. A section of the pipe lining material from the project was made available for inspection by the Board.

On Contract No. I-4B Mr. Kelly reported on resident odor complaints that were received in late May and early June which was the subject of a June 2nd meeting with Arold Construction, Suburban, Butler Borough Administrator Lampmann and him. He noted that as a result of the meeting the contractor modified construction methods to the fullest extent possible to minimize the potential for escape of off-odors and provided additional notice to the residents in advance of the work.

At the same time Mr. Kelly advised that the contractor requested and Suburban granted the contractor approval to use all steam cure in lieu of water cure inasmuch as steam cure is the method normally employed unless there are extreme defects potentially causing imminent collapse to the pipeline which is not the case for the Boonton Avenue Interceptor. Mr. Kelly explained that defective pipes to that extent are being replaced under Contract No. I-4A.

4.2 NJEIT Loan Grant Program

Referring to documentation from the NJEIT and the State of New Jersey Mr. Kelly reported that the Authority received a total of \$273,495 for the Planning and Design Allowance for the project.

4.3 Suburban Engineering Agreement - Inspection

Mr. Kelly briefed the Board on the possibility that additional inspection services will be required on the project depending upon the work plan and final schedule of the deployment by both contractors. He advised that Suburban's original plan did not provide full time inspection yet by letter dated June 8th advised that full time inspection will be provided within the authorized budget. However, since the schedules are subject to change. Mr. Kelly cautioned that the engineering budget may need to be modified accordingly.

4.4 Soil Testing/Disposal

Referring to a June 17th letter from Suburban and his email of the same date, Mr. Kelly reviewed the potential claim filed by Hutton Construction on Contract No. I-4A for soil storage, testing and disposal. Based on a review of the information filed thus far Mr. Kelly said that Suburban has rejected Hutton's basis of the claim noting that the contractor may nonetheless pursue it further.

4.5 Passaic County Milling/Paving Project

In order to provide the manhole frame and covers needed for Passaic County's contractor to replace those on the Authority's Boonton Avenue Interceptor line within the Hamburg Turnpike between Glenwild Road and Vreeland Avenue, Mr. Kelly said that he has ordered a total of 35 frames and covers in two different sizes at a total price of \$11,575 and requested the Authority's authorization for that purchase. He noted that while difficult he was able to obtain a second quotation in order to comply with the Local Public Contracts Law and that the Campbell Foundry pricing was the lower of the two.

Following discussion Commissioner Lampmann moved approval of the following resolution (**Resolution No. R-15-6-1**):

**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") was obliged to acquire certain manhole frames and covers in connection with the paving of the Hamburg Turnpike by the County of Passaic in Bloomingdale, New Jersey; and

WHEREAS, the Authority received a proposal from Campbell Foundry Company for 15 manhole frames and covers @ \$385.00 each at a cost of \$5,775.00; and

WHEREAS, the Authority received a proposal from Campbell Foundry Company for 20 manhole covers @ \$290.00 at a cost of \$5,800.00; and

WHEREAS, the foregoing purchases total \$11,575.00 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 purchase of said equipment; and

WHEREAS, it will be substantially less expensive for the Authority to have the installation work completed as part of the Passaic County project, than it would have been had the Authority undertaken the project separately.

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 June, 2015, as follows:

- 1) The Consulting Engineer is authorized to pay the vouchers of Campbell Foundry Company for the foregoing manhole frames and covers, as and when approved by the Authority.
- 2) 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 Gall,
Howard, Lampmann, Metcalfe and Verdonik

NAYS : None

ABSENT : None

ABSTAIN : None

4.6 NYS&W Railroad Crossing

Referring to his June 17th letter Mr. Kelly recounted some of the difficulties encountered with the proposed crossing of the NYS&W Railroad at Park Place into Main Street. He noted initially the issue was potential delays if the crossing were to be placed within the park adjacent to Park Place which precipitated the decision to remove that portion of the work from the NJEIT Loan Program. Following that and various engineering evaluations of alternative crossing locations and following substantial geotechnical investigations he said the estimated cost of the crossing, more than \$670,000 with only a 5% contingency allowance, coupled with what he considers to be extreme risk due to the tunneling work through an area potentially laden with boulders or rock has caused

substantial delay in moving that portion of the project forward. Due to the unique conditions found and the specialized nature of the tunneling work based on the geotechnical conditions encountered. Mr. Kelly recommended that the Authority retain specialized tunneling engineering expertise for this portion of the project.

Following discussion, Commissioner Lampmann moved to authorize the Consulting Engineer to prepare a Request for Proposal to specialized tunneling engineering firms for the sewer line crossing of the NYS&W railroad. That motion was seconded by Vice Chairman Verdonik and approved unanimously on the following roll call vote:

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

NAYS : None

ABSENT : None

ABSTAIN : None

FINANCIAL REPORT

1. Treasurer's Report

1.1 Acceptance of May 31, 2015 Treasurer's Report

Treasurer Lampmann presented the Treasurer's Report. Vice Chairman Verdonik moved acceptance of the Treasurer's Report as presented for the period ending May 31, 2015. That motion was seconded by Treasurer Lampmann and 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

Mr. Kelly advised that his office is in the process of preparing the preliminary annual budget for fiscal year 2016. He noted as well that this year the State Division of Local Government Services has prescribed a new budget format which he has analyzed and reported upon by letter of June 9th. He explained that the new DLGS budget format requires substantially more information than was previously required yet substantively should not pose an issue for PRBRSA.

UNFINISHED BUSINESS

1. Contingency Operating Plan

Mr. Kelly presented a draft of a Memorandum of Understanding outlining the terms of an Interlocal Services Agreement Between the Pequannock, Lincoln Park & Fairfield Sewerage Authority And The Pequannock River Basin Regional Sewerage Authority as transmitted over his June 16th letter.

On discussion Mr. Falcon said he would like the opportunity to review the Memorandum of Understanding prior to any further action by the Board. The Board agreed that counsel should review and comment before any further action is considered.

2. Riverdale Capacity Transfer

Mr. Falcon briefed the Board on a number of developments on the proposed transfer of 91,000 gallons per day to Riverdale, 45,500 gpd each from Bloomingdale and Kinnelon. He reported that Bloomingdale has adopted the Four Party Agreement as has Kinnelon. However, by letter of May 22nd, Richard Clemack, Counsel for Riverdale, advised of Riverdale's position that it will not proceed with the transaction until it is assured that it will have membership on the PRBRSA. In reply to Riverdale's position Mr. Falcon said that he advised, by letter of May 29th, counsel for Bloomingdale, Butler, Kinnelon and Riverdale that the Authority is moving forward with the transaction and there is a need to de-link the concept of Riverdale's membership on the Authority with the capacity transfer matter itself. Based on recent communications with Mr. Clemack he reported that Riverdale has reconsidered its position so will not delay the capacity transfer due to its position on membership. He further reported that Riverdale expects to have all funding in place by September 15th and therefore that would be the soonest that the transaction could be concluded.

In order to expeditiously move the capacity transfer forward Mr. Falcon indicated that the Authority will need to approve two forms of agreement, the 2015 Four Party Agreement between and among the Authority, Bloomingdale, Kinnelon and Riverdale and a 2015 Amendment to the 1987 Riverdale Service Contract between the Authority and Riverdale. He noted that both resolutions are subject to Riverdale's similar enactments.

Following discussion Commissioner Metcalfe moved approval of the following resolution to approve the 2015 Four Party Agreement (**Resolution No. R-15-6-2**):

**RESOLUTION TO AUTHORIZE EXECUTION
OF THE 2015 FOUR PARTY AGREEMENT FOR THE
TRANSFER OF SEWERAGE CAPACITY**

WHEREAS, the Boroughs of Bloomingdale, Kinnelon, . Riverdale and the Pequannock River Basin Regional Sewerage Authority ("The Authority") have formulated a capacity transfer transaction under the terms of which 91,000 gpd of capacity (45,500 gpd from each of Kinnelon and Bloomingdale) will be transferred to Riverdale upon terms mutually negotiated among the municipalities; and

WHEREAS, the Authority has considered the terms and conditions of the Four Party Agreement and is agreeable to implementing a reallocation of capacity between and among the parties; and

WHEREAS, the Boroughs of Bloomingdale and Kinnelon have each adopted Resolutions to authorize execution of the Four Party Agreement which has been executed by the Mayors of both municipalities; and

WHEREAS, the approval of the Four Party Agreement is pending before the Governing Body of the Borough of Riverdale; and

WHEREAS, the Authority has determined to approve the execution of the Four Party Agreement subject to certain conditions;

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 June, 2015 as follows:

1. The Authority does hereby approve and the Chairman or Vice Chairman is authorized and directed to execute the Four Party Agreement in the form reviewed by the Authority, a copy of which is attached hereto as Exhibit A, with such minor corrections, modifications, additions or deletions which do not alter the substantive provisions thereof and which may be hereafter approved by the Chairman or Vice Chairman after consultation with the Authority Attorney.
2. This authorization is subject to the enactment of authorization and execution of this Four Party Agreement and the 2015 Amendment to the 1987 Riverdale Service Contract by the Borough of Riverdale.
3. This Resolution shall take effect as provided by law.

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

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

NAYS : None

ABSENT : None

ABSTAIN : None

Commissioner Metcalfe moved approval of the 2015 Amendment to the 1987 Riverdale Service Contract (**Resolution No. R-15-6-3**):

**RESOLUTION OF THE PEQUANNOCK RIVER BASIN REGIONAL
SEWERAGE AUTHORITY AUTHORIZING THE EXECUTION AND
DELIVERY OF THE 2015 AMENDMENT TO THE 1987 SERVICE
CONTRACT BETWEEN THE AUTHORITY AND THE BOROUGH OF
RIVERDALE**

WHEREAS, as authorized by the Act, the Authority and The Pequannock, Lincoln Park and Fairfield Sewerage Authority (the "Two Bridges Authority") entered into an agreement, dated December 20, 1985, and entitled: "1985 Service Contract Between The Pequannock, Lincoln Park and Fairfield Sewerage Authority and The Pequannock River Basin Regional Sewerage Authority", as amended by an agreement dated October 11, 1995 and by an agreement dated December 31, 2008 (collectively, the "Pequannock River/Two Bridges Agreement"), relating to the treatment and disposal of sewage; and

WHEREAS, sewage originating in the service area of the Authority is treated and disposed of by the Two Bridges Authority; and

WHEREAS, the Borough of Riverdale is a customer of the Authority pursuant to the 1987 Riverdale Service Contract between the Authority and Riverdale (the "1987 Riverdale Service contract") as amended in 1997, 2003, 2006 and 2008; and

WHEREAS, as authorized by the Act, the Authority entered into a Service Contract with the PRBRSA Members Municipalities, dated as of December 31, 1990 and entitled: "1990 Amendment to the 1985 Service Contract Between The Pequannock River Basin Regional Sewerage Authority and Borough of Bloomingdale and Borough of Butler and the Borough of Kinnelon" (the "1990 Amendment") relating to the use of the System; and

WHEREAS, by virtue of a series of capacity transfer transactions between and among the Authority, Bloomingdale, Butler and Kinnelon with the Borough of Riverdale, the capacity available to Riverdale is currently 0.409 mgd, representing 15.73% of the 2.60 mgd currently available to the Authority at the Two Bridges Authority Treatment Plant; and

WHEREAS, there is currently pending before the Authority, a 2015 Four Party Agreement under the terms of which 0.091 mgd of additional capacity would be available to Riverdale for a total of 0.500 mgd and 19.23% of the 2.60 mgd currently available at the Two Bridges Authority Treatment Plant; and

WHEREAS, there is currently pending before the Authority, this 2015 Amendment to the 1987 Service Contract between the Authority and the Borough of Riverdale to implement the provisions of the aforesaid Four Party Agreement.

Section 1. 2015 Amendment to the 1987 Service Contract Between the Authority and the Borough of Riverdale. The substance and form of the 2015 Amendment to the 1987 Service Contract between the Authority and the Borough of Riverdale in the form reviewed by the Authority, a copy of which is attached hereto as Exhibit A, are hereby approved, adopted and agreed to by the Authority with such minor corrections or modifications, additions or deletions which do not alter the substantive provisions thereof and which may hereafter be approved by the Chairman or Vice Chairman of the Authority after consultation with counsel and bond counsel to the Authority. The Chairman or Vice Chairman of the Authority is hereby authorized and directed to execute and deliver the 2015 Amendment to the 1987 Service Contract between the Authority and the Borough of Riverdale and the Secretary or Assistant Secretary of the Authority is hereby authorized and directed to affix the seal of the Authority on the 2015 Amendment to the 1987 Service Contract between the Authority and the Borough of Riverdale and to attest same. The execution of the 2015 Amendment to the 1987 Service Contract between the Authority and the Borough of Riverdale by the Chairman or Vice Chairman of the Authority shall be conclusive evidence of any approval required by this Section.

Section 2. Contingent Approval. This authorization is subject to the enactments and approval of all parties to the Four Party Agreement between and among Bloomingdale, Kinnelon, The Authority and Riverdale as shall be needed to perfect the transaction contemplated therein.

Section 3. Capitalized Terms. Unless a different meaning is clear from the context, all capitalized words and terms used but not defined in this Resolution shall have the meanings ascribed to such words and terms, respectively, in the preambles to this Resolution.

Section 4. Effective Date. This Resolution shall take effect immediately.

Commissioner Lampmann 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

3. 2015 Amendment to 1990 Amendment

Mr. Falcon and Mr. Kelly explained the anticipated need to amend the 1990 Amendment to the 1985 Service Contract if in fact it is determined that the Borough of Riverdale is entitled to membership on the Authority. Mr. Falcon explained, based on communications with bond counsel, that it will be necessary to provide an opinion to the Trustee to the effect that bringing Riverdale onto the Authority as a Member municipality and a Participant under the present contract with Bloomingdale, Butler and Kinnelon will not adversely affect the rights of the holders of the bonds. In order to secure such an opinion bond counsel will necessarily need a review by an independent financial advisor familiar with the nature of the rating agency process to confirm, by bringing Riverdale into the 1990 Amendment thereby diluting the financial obligations of the current Member/Participant municipalities, that that would not adversely affect the present bondholders. He and Mr. Kelly explained that currently Riverdale is not obligated as are the other three Member/Participant municipalities on the general obligation revenue pledge although Riverdale does have a contractual obligation to make payments due under its service contract with the Authority.

On discussion Commissioner Metcalfe questioned if the Authority needs to perform this work at this time inasmuch as no application has been made by Riverdale as required by the Riverdale Service Contract and by the Act. Mr. Falcon said that it would be advisable to have Public Financial Management on board as the Authority's financial advisor on this matter yet would recommend that the work not proceed until such time as Riverdale does make application to the Authority in the appropriate manner.

Following discussion Commissioner Lampmann moved approval of the following resolution (**Resolution No. R-15-6-4**):

**RESOLUTION TO AWARD CONTRACT TO PUBLIC
FINANCIAL MANAGEMENT, INC.**

WHEREAS, the Pequannock River Basin Regional Sewerage Authority (“Authority”) desires to retain the services of a financial consultant to perform a financial analysis and deliver a report in connection with the development of facts and conclusions which would support the delivery of opinions required pursuant to Section 610 of the Authority’s General Bond Resolution of 1986.

WHEREAS, the Authority has reviewed the proposal of Public Financial Management, Inc. dated June 15, 2015; and

WHEREAS, the Authority is authorized by N.J.S.A. 40A:11-5(1)(a)(ii) to award a Contract for the provision of specialized financial consulting services as an extraordinary unspecifiable service; 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 17th day of June, 2015 as follows:

1. The Authority does hereby designate Public Financial Management, Inc. (“PFM”) to provide financial consulting services described in the proposal of June 15, 2015.
2. The Chairman is authorized to execute an agreement with PFM for the provision of such services which agreement shall provide for compensation in the amount of a \$13,000.00 fee, (\$12,500.00 plus out-of-pocket expenses of \$500.00) which shall not exceed that amount without further authorization .
3. The above-named Contract is awarded for the provision of extraordinary unspecifiable services pursuant to N.J.S.A. 40A:11-5(1)(a)(ii).
4. The Secretary is authorized and directed to cause a copy of this Resolution to be published in the official newspaper of the Authority concerning the contract award to the aforesaid consultant within twenty (20) days of the date hereof. The aforesaid firm shall be paid from funds appropriated for these purposes in accordance with the duly adopted budget of the Authority, and other implementing actions of the Authority. The agreement for

services shall be on file and available for inspection by members of the public in accordance with law.

5. This Resolution shall take effect as provided by law.

Commissioner Howard 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

4. Riverdale I/I Program

Mr. Falcon advised that he forwarded to Riverdale's counsel a form of Right-of-Entry Agreement yet was informed that the Borough's consultant has not processed that agreement yet understands that the Borough is pursuing the matter. Mr. Kelly noted that Riverdale's consultant and contractor can not access PRBRSA facilities until the Right-of-Entry Agreement is executed.

In response to the question from the Board as to the status and the nature of the work, Mr. Kelly advised that Riverdale has not informed the Authority on those particulars yet the Right-of-Entry Agreement requires that the scope of the work be included as one of the exhibits. Therefore that information should be available on return of the agreement.

5. Expense Policy Amendment

Based on discussions at the May 20th meeting on the need to amend the Authority's expense policy, Commissioner Lampmann moved approval of the following resolution (**Resolution No. R-15-6-5**):

RESOLUTION TO AMEND AND READOPT THE AUTHORITY'S POLICY CONCERNING REIMBURSEMENT OF NECESSARY BUSINESS EXPENSES INCURRED BY AUTHORITY MEMBERS

WHEREAS, the Sewerage Authorities Law provides at N.J.S.A. 40:14A-5 for the payment by a Sewerage Authority of necessary business expenses incurred by its Members in the discharge of their duties; and

WHEREAS, the Pequannock River Basin Regional Sewerage Authority (“Authority”) has determined that it is in the public interest that the circumstances under which such payments are to be made should be clearly defined and enumerated; and

WHEREAS, the Authority adopted Resolution R-09-7-2 adopting an expense reimbursement policy dated July 2009; and

WHEREAS, the Authority has undertaken a review of its policy on this topic, and desires to amend the same; and

WHEREAS, the Authority desires to adopt a Resolution to reflect the same.

NOW, THEREFORE, BE IT RESOLVED, by the Pequannock River Basin Regional Sewerage Authority on this 17th day of June, 2015 as follows:

1. The Authority hereby approves and adopts the attached “Business Expense Policy” dated May 2015, and directs that the entitlement for and payment of expenses by Authority Members shall be administered in accordance with its terms.
2. The May 2015 policy shall apply to any expense reimbursements submitted following the date of adoption of this Resolution, and shall apply to any qualifying expenses incurred prior to its adoption.
3. This Resolution shall take effect as provided by law.

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

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

NEW BUSINESS

1. Stanford Risk Management Contract Amendment

As indicated by his June 15th letter Mr. Kelly recommended approval of an amendment to the Stanford Risk Management contract and noted that John Campanile provided substantial background information to explain the additional work necessary to secure compliance with Article VII, the insurance provisions of Contract No. I-4A.

Responding to Commissioner Metcalfe's questions Mr. Kelly confirmed that the work was necessary as an integral part of the construction contract and therefore will not be charged against the operating budget.

Following discussion Commissioner Lampmann moved approval of the following resolution (**Resolution No. R-15-6-6**):

RESOLUTION TO APPROVE ADDITIONAL RISK MANAGEMENT SERVICES AND COMPENSATION THEREFOR TO STANFORD RISK MANAGEMENT SERVICES, INC.

WHEREAS, the Pequannock River Basin Regional Sewerage Authority ("the Authority") retained the services of Stanford Risk Management Services, Inc. (Stanford Risk) in connection with the Authority's Boonton Avenue Interceptor Project with payment therefor not to exceed \$3,500.00, without further approval;

WHEREAS, the Authority has received a recommendation of Daniel D. Kelly, P.E., Consulting Engineer, dated June 15, 2015 for an additional budget authorization of \$2,750.00, based upon a detailed description of services prepared by John Campanile of Stanford Risk dated June 11, 2015; and

WHEREAS, the Stanford Risk Contract was awarded as an extraordinary, unspecifiable service for the provision of Risk Management Construction Consultant Services;

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 June, 2015 as follows:

1. The Authority does hereby approve an increase in the budget authorization for its Contract for Risk Management Construction Consultant Services with Stanford Risk in an amount not to exceed an additional \$2,750.00 without further approval by the Authority.
2. The Secretary is authorized and directed to cause a copy of this Resolution to be published within 10 days in an official newspaper of the Authority.

3. This Resolution shall take effect as provided by law.

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

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

NAYS : None

ABSENT : None

ABSTAIN : None

2. Capacity Assurance Program

Mr. Kelly presented an updated version of the Capacity Assurance Policy as presented at the May 20th regular meeting. He explained that the Capacity Assurance Policy and related Capacity Assurance Calculations are consistent with the Board's determinations based on discussions at the May 6th special meeting, notably, to require a 3 year lookback to determine a municipality's actual flow while accounting for committed flows and connected flows over that period.

On discussion Commissioner Howard indicated that the policy is reasonably complex and technical and therefore suggested that the Board have the opportunity to review it further before taking action. The Board agreed and therefore Chairman Voorman tabled action on the matter.

PAYMENT OF BILLS

1. Operating Budget

1.1 Operating Request for Payment No. 340

Treasurer Lampmann presented and moved approval of the bills as presented on Operating Request for Payment No. 340 as follows:

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

Operating Request for Payment No. 340

The following bills have been reviewed and are recommended for approval for payment at the **June 17, 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-15-6-1	10/2/2014	\$ 2,500.00	Borough of Butler
2	24.05	OP-15-6-2	3/31/2014	\$ 250.00	Borough of Butler
3	24.07	OP-15-6-3	6/5/2015	\$ 131.89	Kelly Engineering
4	22.03	OP-15-6-4	6/5/2015	\$ 10,400.00	Kelly Engineering
5	32.02	OP-15-6-5	6/8/2015	\$ 7,894.97	Kelly Engineering
6	22.01	OP-15-6-6	6/4/2015	\$ 10,182.40	Maraziti Falcon LLP
7	24.07	OP-15-6-7	5/28/2015	\$115.16	North Jersey Media
8	33.03	OP-15-6-8	6/1/2015	\$ 18.86	Borough of Butler -Electric
9	33.03	OP-15-6-9	4/28/2015	\$ 34.26	Verizon
10	33.03	OP-15-6-10	5/23/2015	\$ 30.49	Verizon
11	33.03	OP-15-6-11	5/28/2015	\$ 34.19	Verizon
12	24.07	OP-15-6-12	5/31/2015	\$216.67	North Jersey Media
13	33.03	OP-15-6-13	5/28/2015	\$ 34.19	Verizon
14	33.03	OP-15-6-14	6/4/2015	\$ 34.19	Verizon
15	33.03	OP-15-6-15	6/10/2015	\$2.81	JCP&I.
TOTAL:				<u>\$ 31,880.08</u>	

Commissioner Gall 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

2. Construction Fund Disbursements

2.1 Construction Disbursement Requisition No. C-13-24

Treasurer Lampmann presented and moved approval of the bills as listed on Construction Fund Disbursement Requisition No. C-13-24 as follows:

CONSTRUCTION DISBURSEMENT REQUISITION No. C-13-24

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 **June 17, 2015:**

	<u>AUTHORITY ACCOUNT #</u>	<u>VOUCHER NUMBER</u>	<u>VOUCHER DATE</u>	<u>PAYMENT AMOUNT</u>	<u>PAYEE</u>
1)	120322C6.1	C-13-24-6-1	6/11/15	\$ 5,716.25	Suburban Consulting Eng
2)	120322C2	C-13-24-6-2	6/8/15	\$ 5,129.92	Kelly Engineering
3)	120322C1	C-13-24-6-3	6/4/15	\$ 649.50	Maraziti, Falcon LLP
TOTAL DISBURSEMENTS				<u>\$ 11,495.67</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

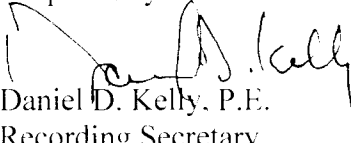
There being no members of the public present, Chairman Voorman dispensed with the public participation portion of the meeting.

ADJOURNMENT

At approximately 8:55 pm, Commissioner Lampmann moved for adjournment. That motion was seconded by Commissioner Howard and was approved unanimously on voice vote.

At approximately 8:55 pm, the meeting was adjourned.

Respectfully submitted,



Daniel D. Kelly, P.E.
Recording Secretary

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