

MEETING MINUTES

PEQUANNOCK RIVER BASIN REGIONAL SEWERAGE AUTHORITY

June 18, 2014

Minutes of the regular meeting of the **Pequannock River Basin Regional Sewerage Authority** held on June 18, 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 Gall, Howard, Lampmann and Metcalfe

ABSENT : Commissioner Verdonik

ALSO PRESENT : 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 – May 21, 2014**

Commissioner Lampmann moved approval of the minutes of the Authority's May 21, 2014 regular meeting. That motion was seconded by Commissioner Howard and passed unanimously on the following roll call vote:

AYES : Chairman Voorman, Commissioners Howard, Lampmann and Metcalfe

NAYS : None

ABSENT : Commissioner Verdonik

ABSTAIN : Commissioner Gall

OPERATIONAL REPORT

1. System Operations

1.1 Flow Report

Mr. Kelly presented the Flow Report dated June 17, 2014 for the period ending May 31, 2014.

He commented that the system flows remain quite high at 2.551 mgd for the month of May. He further noted that the Borough of Riverdale's flow is quite high at 0.629 mgd for the month although observed on a percentage basis, at 24.7%, it is not unusually high.

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

- Flow Report dated June 17, 2014 for the period ending May 2014
- Daily Flow Summary for May 2014
- Daily Flow Hydrograph for May 2014
- Daily Flow Hydrograph Comparing Meters P-4 and TBSA Meter M-15 for May 2014
- TBSA Budgeted vs. Actual Flow for May 2014

1.2 TBSA Actual vs. Budgeted Flow Analysis

As indicated by his June 11, 2014 memorandum, Mr. Kelly advised that the May 2014 flows are running approximately 0.060% higher than those budgeted by Two Bridges going into the fiscal year.

1.3 ADS Flow Monitoring System Evaluations

Mr. Kelly advised that he forwarded the Bloomingdale water demand data for the most recent four quarters to Kleinfelder East for analysis. As soon as Kleinfelder receives the remaining water demand data he said the work will continue.

2. TBSA Activities

2.1 Status Update

Chairman Voorman reported on the ongoing activities at the Two Bridges Sewerage Authority as they affect Pequannock River Basin. Broadly he advised that the activities reported last month remain in progress.

3. TWA Applications and Connection Permits

No change in status on these matters

4. Boonton Avenue Interceptor Project

4.1 Status Report

Mr. Kelly advised that Suburban filed additional information with NJDEP responding to the Department's request for support documentation on the effective "oversizing" (from 8-inch to 10-inch returning to 8-inch lines) of certain lines including the Valley Road/Stonybrook stream crossing pipeline and another sewer main downstream at West Belleview Avenue. He explained that the Department has extended the review period for the TWA application which must be approved no later than July 12th or the application would be returned. If so, it would have to be refiled at that point.

4.2 NJEIT Loan Program

For the record Mr. Kelly advised that bond counsel prepared the application to the Local Finance Board in connection with the State Loan Program financing through the NJEIT program with his input and that of the other professionals. In addition, Mr. Kelly reported that he prepared the LFB's Supplemental Questionnaire which has been filed with the application. He said the LFB Hearing will be held in July.

4.3 Geotechnical Investigations

Mr. Kelly advised that the Authority received the geotechnical report prepared by SESI Engineering that day. He indicated that the report notes significant difficulty with advancing Boring B-1 at the intersection of Main Street and Park Place, approximately 430 feet of the Authority's Manhole 301. He said that the report indicates rocks/boulders or potentially ledge rock was encountered at 5 feet and deeper to the bottom of the bore hole at approximately 14 feet. Commenting further on that Mr. Kelly said that the Authority's contractor actually installed Manhole 301 twice in 1994 and 1995, rebuilding it the second time because of an issue with depth of the inverts. At that time he said there was no problem with rock, boulders or certainly ledge rock. From Butler's experience with construction in the same area Mr. Lampmann commented that the soil conditions were predominantly sandy.

FINANCIAL REPORT

1. Treasurer's Report

1.1 Acceptance of May 31, 2014 Treasurer's Report

Treasurer Lampmann presented and moved acceptance of the Treasurer's Report for the period ending May 31, 2014. Commissioner Gall seconded that motion which passed unanimously upon the following roll call vote:

AYES : Chairman Voorman, Commissioners
Gall, Howard, Lampmann and
Metcalf

NAYS : None

ABSENT : Commissioner Verdonik

ABSTAIN : None

1.2 Capital Reserve Fund Transfer

Mr. Kelly requested the Board's authorization to transfer \$975,000 from the Revenue Fund into the General Fund in accordance with bond counsel's recommendation to retain reserves within the General Fund account. He advised that the funds to be transferred include the reserve amounts budgeted in FY 2013 and FY 2014.

Following discussion Treasurer Lampmann moved approval of the following resolution (**Resolution No. R-14-6-1**):

Resolution No. R-14-6-1

R E S O L U T I O N

WHEREAS, the Pequannock River Basin Regional Sewerage Authority (hereinafter the "Authority") maintains certain funds in reserve in accordance with the General Bond Resolution of July 15, 1986; and

WHEREAS, the Authority previously established the Capital Reserve Fund to minimize future rate impacts anticipated on implementation of the Two Bridges Sewerage Authority capital improvement program, pumping station upgrades as well as Authority-sponsored capital projects; and

WHEREAS, the Authority's FY 2013 and FY 2014 operating budgets increased the reserve amount within the Capital Reserve Fund by \$355,000 (FY 2013) and \$620,000 (FY 2014), respectively, a total increase of \$975,000.00.

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 18th day of June, 2014 as follows:

1. An amount of \$975,000.00 of unrestricted/undesignated net assets currently within the Revenue Fund (Account No. 2576006500) shall be designated as a reserve within the Capital Reserve Fund.
2. Said designation shall increase the unrestricted/designated net assets within the Capital Reserve Fund from \$2,275,000.00 to \$3,250,000.00
3. The funds so designated shall be transferred to and retained in a subaccount within the General Fund (Account No. 2576006485).
4. The Consulting Engineer is directed to forward a copy of this resolution to the Authority's Trustee and auditor.
5. This Resolution shall take effect immediately.

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

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

1.3 Annual Budget FY 2015

Mr. Kelly advised that his office is proceeding with preparation of the Annual Budget for Fiscal Year 2015 in accordance with the schedule outlined by his letter to Treasurer Lampmann dated June 3, 2014. He said the Preliminary Annual Budget will be presented to the Board for consideration at the July 20th regular meeting.

UNFINISHED BUSINESS

1. Riverdale Capacity Allocation Request

Chairman Voorman advised that he and Mr. Kelly will be meeting with Bloomingdale Councilman Ray Yazdi and Borough Administrator Jon Dunleavy on Thursday, June 19th, to discuss a number of questions that the Borough has on the cost of capacity. On discussing that, Commissioner Howard said that he would like to know what is driving the Borough's request for the cost information, essentially whether or not Bloomingdale and Riverdale have reached some sort of an agreement which is dependent upon actual costs.

On discussing the matter more broadly the Board returned to where it had been at the May meeting, electing to avoid any direct calculation of the costs of reserve capacity to the municipalities over the years which may be used as a basis of negotiations between and among the towns.

2. Financial Disclosure Statement

For the record, Mr. Kelly advised that all of the Commissioners as well as Mr. Falcon and himself filed the Financial Disclosure Statements with the Local Finance Board of the State Department of Community Affairs prior to the June 13th deadline.

3. Contingency Operating Plan

At Chairman Voorman's request Mr. Kelly updated the Board on the status of the Contingency Operating Plan. He noted that at the April meeting the Board determined that it would like to approach the Two Bridges Sewerage Authority on the prospect that TBSA would be willing to provide backup capability to Pequannock River Basin's operations. To do so he said the Board agreed that the Procedures Manual that is currently being developed would be used to define the scope of services on its initial discussions with TBSA. Mr. Kelly noted that the Procedures Manual work is in progress and is expected to be completed by the end of July at which time discussions could be initiated with Two Bridges.

Commenting further on the Procedures Manual, Commissioner Howard said that any PRBRSA policies should also be included there. Mr. Kelly agreed noting that, to his recollection, there are relatively few policies that the Board has adopted over the years most of which are embodied within various resolutions that the Board has enacted. Fortunately he noted that, since the Authority has no employees, employee policies are not an issue.

NEW BUSINESS

None

PAYMENT OF BILLS

1. Operating Budget

1.1 Operating Request for Payment No. 328

Treasurer Lampmann presented Operating Request for Payment No. 328 and moved approval of the bills as presented as follows:

PEQUANNOCK RIVER BASIN REGIONAL SEWERAGE AUTHORITY

**SUMMARY OF VOUCHERS FOR
OPERATING EXPENSES**

Operating Request for Payment No. 328

The following bills have been reviewed and are recommended for approval for payment at the **June 18, 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-14-6-1 | 9/12/2012 | \$ 2,475.00 | Borough of Butler |
| 2) | 24.05 | OP-14-6-2 | 3/31/2014 | \$ 250.00 | Borough of Butler |
| 3) | 22.01 | OP-14-6-3 | 6/5/2014 | \$ 2,057.91 | Maraziti, Falcon & Healey |
| 4) | 24.07 | OP-14-6-4 | 6/5/2014 | \$ 131.89 | Kelly Engineering |
| 5) | 22.03 | OP-14-6-5 | 6/5/2014 | \$ 10,400.00 | Kelly Engineering |
| 6) | 32.02 | OP-14-6-6 | 6/12/2014 | \$ 2,533.61 | Kelly Engineering |
| 7) | 33.01 | OP-14-6-7 | 6/9/2014 | \$ 4,566.26 | Kleinfelder |
| 8) | 33.01 | OP-14-6-8 | 06/03/14 | \$ 3,099.90 | ADS LLC |
| 9) | 33.03 | OP-14-6-9 | 5/23/2014 | \$ 30.11 | Verizon |
| 10) | 33.03 | OP-14-6-10 | 5/28/2014 | \$ 33.81 | Verizon |
| 11) | 33.03 | OP-14-6-11 | 6/4/2014 | \$ 33.81 | Verizon |
| 12) | 33.03 | OP-14-6-12 | 6/5/2014 | \$ 17.96 | Borough of Butler -Electric |
| 13) | 33.03 | OP-14-6-13 | 6/6/2014 | \$ 3.25 | JCP&L |

TOTAL: \$ 25,633.51

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

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

NAYS : None

ABSENT : Commissioner Verdonik

ABSTAIN : None

2. Construction Fund Disbursements

2.1 Construction Disbursement Request No. C-13-12

Treasurer Lampmann presented the bills listed on Construction Fund Disbursement Request No. C-13-12 and moved approval of the bills as presented as follows:

CONSTRUCTION DISBURSEMENT REQUISITION No. C-13-12

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 18, 2014**:

| | <u>AUTHORITY ACCOUNT #</u> | <u>VOUCHER NUMBER</u> | <u>VOUCHER DATE</u> | <u>PAYMENT AMOUNT</u> | <u>PAYEE</u> |
|----------------------------|--------------------------------|---------------------------|-------------------------|---------------------------|---------------------------|
| 1) | 120322C2 | C-13-12-6-1 | 6/12/14 | \$ 4,959.29 | Kelly Engineering |
| 2) | 120322C1 | C-13-12-6-2 | 6/5/14 | \$ 740.00 | Maraziti, Falcon & Healey |
| 3) | 120322C6.1 | C-13-12-6-3 | 5/15/14 | \$ 2,053.75 | Suburban Consulting Eng. |
| 4) | 120322C6.1 | C-13-12-6-4 | 5/15/14 | \$ 2,094.03 | Suburban Consulting Eng. |
| 5) | 120322C6.1 | C-13-12-6-5 | 6/11/14 | \$ 2,847.50 | Suburban Consulting Eng. |
| 6) | 120322C6.1 | C-13-12-6-6 | 6/11/14 | \$ 1,623.88 | Suburban Consulting Eng. |
| TOTAL DISBURSEMENTS | | | | <u>\$14,318.45</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.

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

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

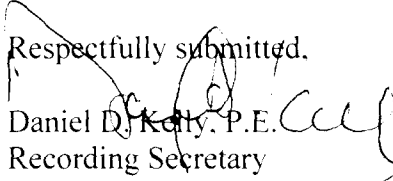
OPEN MEETING FOR PUBLIC COMMENT

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

ADJOURNMENT

At approximately 8:25 pm, Commissioner Metcalfe moved for adjournment. That motion was seconded by Commissioner Gall which passed unanimously on voice vote.

At approximately 8:25 pm, the meeting was adjourned.

Respectfully submitted,

Daniel D. Kelly, P.E.
Recording Secretary

Enclosures: Treasurer’s Report for the period ending May 31, 2014