

## MEETING MINUTES

### PEQUANNOCK RIVER BASIN REGIONAL SEWERAGE AUTHORITY

March 18, 2015

Minutes of the regular meeting of the **Pequannock River Basin Regional Sewerage Authority** held on March 18, 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 and Metcalfe

**ABSENT** : Commissioners Lampmann & Verdonik

**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 – February 18, 2015

Commissioner Metcalfe moved approval of the minutes of the Authority's February 18, 2015 regular meeting. That motion was seconded by Commissioner Howard and was approved unanimously on the following roll call vote:

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

**NAYS** : None

**ABSENT** : Commissioners Lampmann and Verdonik

**ABSTAIN** : None

## **OPERATIONAL REPORT**

### **1. System Operations**

#### **1.1 Flow Report**

Mr. Kelly presented the Flow Report dated March 16, 2015 for the period ending February 28, 2015. He noted that the system flows are down by more than 200,000 gpd from the prior month at 1,497 mgd.

The following supplemental reports were distributed for the February 2015 period for the Boards information and review:

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

#### **1.2 TBSA Actual vs. Budgeted Flow Analysis**

Mr. Kelly also presented his memorandum dated March 12, 2015 analyzing the actual flows to date as recorded by TBSA's Meter M-15 versus those estimated by Two Bridges going into FY 2015.

### **2. TBSA Activities**

#### **2.1 Status Update**

Chairman Voorman advised that Two Bridges is proceeding with the construction projects on both the wastewater treatment plant headworks improvements as well as the pumping station upgrades noting also that construction is slated to begin in April.

### **3. TWA Applications and Connection Permits**

#### **3.1 TWA Application Non-Residential Connection 122-124 Hamburg Turnpike (Quick Chek) Borough of Bloomingdale**

Mr. Kelly noted that the applicant's contractor has initiated dewatering operations for the new Quick Chek store on the Hamburg Turnpike in Bloomingdale. He advised that to date the dewatering operation has generally been less than the maximum 20,000 gpd authorized by permit as the maximum pumping capacity.

#### **4. Boonton Avenue Interceptor Project**

##### **4.1 Status Report**

Reporting on the preconstruction conferences convened on March 3<sup>rd</sup> with both Hutton Construction for Contract No. I-4A and Arold Construction for Contract No. I-4B. Mr. Kelly indicated that both contractors plan to begin in April with current expectations that Hutton will initiate work by mid to late April while Arold would begin work closer to the beginning of the month.

Noting that the contractors must submit a number of documents before the Authority will be able to issue a Notice to Proceed for each contract. Mr. Kelly said that Suburban is in the process of reviewing documents submitted thus far and that Stanford Risk Management is working with the contractors' brokers to secure the proper coverages set forth by Article VII of the contract.

##### **4.2 NJEIT Loan Program**

Mr. Kelly advised that it has finally been confirmed that the Boonton Avenue Interceptor project will be funded in the current funding cycle, namely, SFY 2015. That being the case he said the closing is scheduled for May 21<sup>st</sup> with the expectation that the Authority's escrow closing will be several weeks prior to the bond closing date. He further advised that bond counsel and counsel are in the process of reviewing the final form of loan agreements which will be held in escrow pending closing.

##### **4.3 Easement Acquisitions**

Mr. Kelly advised that counsel has filed the easement agreements with the Morris County Clerk's office for recording. He noted also that one of the four easement agreements has to be re-executed by the property owners which he expects to receive that in final form shortly.

##### **4.4 Spoil Materials Testing**

Commenting on advice from both the Authority's Licensed Site Remediation Professional and counsel, Mr. Kelly indicated that it may be advisable to conduct further soil testing in each of the four areas where the existing sewer mains will be replaced requiring excavations and spoils disposal under Contract No. I-4A. He noted that the contractor apparently plans to remove the spoil materials as they are excavated from the trench in which case it may be necessary to negotiate a change order on the contract to require the contractor to temporarily store the materials for testing prior to ultimate disposal. He noted that he will contact the Borough of Butler to determine if any temporary storage sites are available for the contractor's use.

**4.5 Suburban Change Order No. 3**

As indicated by his March 12<sup>th</sup> letter, Mr. Kelly recommended approval of the request by Suburban Consulting Engineers for a \$1470.00 increase on the contract under Change Order No. 3. He explained that the work was that related to Suburban's preparation of a scope of work for the additional environmental investigations performed by SESI along Boonton Avenue near the monitoring well along with related activities.

Following discussion Commissioner Gall moved approval of the following resolution (**Resolution No. R-15-3-1**):

**Resolution No. R-15-3-1**

**RESOLUTION TO AUTHORIZE CHANGE ORDER NO. 3  
FOR AGREEMENT WITH SUBURBAN CONSULTING ENGINEERS, INC.**

WHEREAS, the Authority is in receipt of a Request for Change Order filed by Daniel D. Kelly, P.E., the Authority Consulting Engineer, requesting approval of Change Order No. 3 for preparation of a scope of work for geotechnical investigations and associated services hereinafter set forth; and

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 18<sup>th</sup> day of March, 2015 as follows:

1. The Authority hereby approves Change Order No. 3 to the Agreement with Suburban Consulting Engineers, Inc. as described in the Request for Change Order filed by Daniel D. Kelly, P.E., in the amount of \$1,470.00.
2. The Chairman is authorized and directed to sign Change Order No. 3 to the Agreement in the foregoing amount.
3. This Resolution shall take effect as provided by law.

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

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

#### **4.6 Environmental Investigations Report**

Mr. Kelly advised that SESI has prepared a geotechnical report along with a letter on the environmental investigations, namely, the water and soil laboratory testing results. He noted that the consultant's report indicates that the area tested clean, that is, within state limits. A more formal report format reflecting the scope of services authorized for this particular environmental testing work has been requested from the consultant.

### **FINANCIAL REPORT**

#### **1. Treasurer's Report**

##### **1.1 Acceptance of February 28, 2015 Treasurer's Report**

Mr. Kelly presented the Treasurer's Report for the period ending February 28, 2015. Commissioner Gall moved acceptance of the Treasurer's Report as presented. That motion was seconded by Commissioner Metcalfe and was approved unanimously upon the following roll call vote:

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

**NAYS** : None

**ABSENT** : Commissioners Lampmann and Verdonik

**ABSTAIN** : None

##### **1.2 DLGS Annual Budget: FY 2015**

For the record Mr. Kelly advised that the New Jersey Division of Local Government Services approved the Authority's Annual Budget for fiscal year 2015.

##### **1.3 Auditor's Report on Compliance**

Mr. Kelly noted that a final copy of the Auditor's Report on Compliance, essentially confirming the accuracy of the Annual Charge calculations as distributed to the towns including the Revised Annual Charge Certifications with the prior year adjustments was distributed to the Board electronically and in their file folders.

#### **1.4 EMMA Continuing Disclosure Filing**

Mr. Kelly distributed copies of the Continuing Disclosure Filing prepared by the auditor as filed on the EMMA website along with the prior year EMMA filing.

### **UNFINISHED BUSINESS**

#### **1. Contingency Operating Plan**

Chairman Voorman reported that he raised the PRBRSA Contingency Operating Plan matter with TBSA's Board at their March 11<sup>th</sup> meeting. He noted that the Board was generally receptive to the Authority's interest in having Two Bridges back up its present operations if such a need were to arise. He indicated that Mr. Bongiovanni reported to the Two Bridges Board that he met with Mr. Kelly on the Contingency Operating Plan and on the related Business Systems Manual to more fully understand the scope of the activities involved with PRBRSA's ongoing operations.

### **NEW BUSINESS**

#### **1. Insurance/Risk Consultant Contract Renewal**

On discussing the contract renewal for the insurance and risk consultation services to be provided by Stanford Risk Management, Commissioner Metcalfe questioned whether the consultant's professional liability insurance coverage, as evidenced by Stanford's Certificate of Insurance provided to the Board at the meeting, was sufficient at \$1,000,000/\$2,000,000 each occurrence and in the aggregate. He reasoned that the Authority's coverages, which are \$1,000,000/\$3,000,000 with a \$5,000,000 umbrella, should be matched by the insurance consultant. He further questioned whether the \$1,000,000/\$2,000,000 coverage limits would be sufficient given that the Authority is actively engaged in multi-million dollar construction contracts and, therefore, if recovery from an insurance claim is determined to have been denied due to the negligence of the consultant, the Authority's recovery liability would be limited to those amounts.

Following considerable discussion on the point Commissioner Metcalfe suggested and the Board agreed that the consultant should be required to amend its proposal as well as the form of contract to indicate the following:

1. The Consultant will maintain a minimum of \$1,000,000/\$2,000,000 coverage in full force and effect throughout the term of the agreement
2. The Consultant shall provide a Certificate of Insurance evidencing proof of coverage
3. At least 30 days notice will be provided to the Authority prior to termination of policy coverage

In addition to the change in the proposal and contract language the Authority's resolution will be modified to reflect similar conditions.

With those changes, Commissioner Gall moved approval of the following resolution as revised in accordance with the Board's directive (**Resolution No. R-15-3-2**):

**Resolution No. R-15-3-2**

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

**WHEREAS**, the Pequannock River Basin Regional Sewerage Authority ("Authority") desires to retain the services of an insurance and risk management consultant to provide services associated with its annual insurance coverages; and

**WHEREAS**, the Authority also desires to retain the services of an insurance and risk management construction consultant; and

**WHEREAS**, the Authority is authorized by N.J.S.A. 40A:11-5(1)(m) to award both a contract for the provision of annual insurance and related risk management consultant services, as well as a contract for the provision of insurance and risk management construction consultation services, as extraordinary unspecifiable services; and

**WHEREAS**, the Authority has reviewed the Certification 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 18<sup>th</sup> day of March, 2015 as follows:

1. The Authority does hereby name and designate John Campanile of Stanford Risk Management Services, Inc. to provide insurance and related risk management consultant services as required and subject to the requirements of the Local Public Contracts Law.
2. The Chairman is authorized to execute an agreement therewith for the provision of such services which agreement shall provide for compensation at the rate of \$175.00 an hour, not to exceed \$1,400.00 without further approval, including out of pocket expenses.
3. The Authority further hereby names and designates John Campanile of Stanford Risk Management Services, Inc. to provide insurance and risk management construction consultation services as required and as subject to the requirements of the Local Public Contracts Law.

4. The Chairman is authorized to execute an agreement therewith for the provision of such services which agreement shall provide for compensation at the rate of \$175.00 an hour, not to exceed \$3,500.00 without further approval, including out of pocket expenses.
5. Both above-named contracts shall be awarded for the provision of extraordinary unspecifiable services pursuant to N.J.S.A. 40A:11-5(1)(a)(ii) and pursuant to N.J.S.A. 40A:11-5(m). The contract is awarded subject to the requirements that evidence of Professional Liability Insurance be provided prior to the expiration date of the current policy on April 16, 2015, that coverage be maintained at the level of \$1,000,000 each claim/\$2,000,000 aggregate and that the agreement with Stanford Risk Management Services, Inc. be amended to provide that notice shall be sent to the Authority 30 days prior to any cancellation of coverage.
6. 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 appointments of the aforesaid consultant within ten (10) 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 agreements for services shall be on file and available for inspection by members of the public in accordance with law.
7. This Resolution shall take effect as provided by law.

The motion was seconded by Commissioner Howard and approved on the following roll call vote:

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

## **2. Local Finance Board Financial Disclosure Statements**

Mr. Kelly noted that each Board Member must file his Financial Disclosure Statement directly with the State no later than April 30<sup>th</sup>. He explained that the Pin numbers are contained in the memorandum within the Board's file folders and that the filling does require a password which if, not readily available, would require contact directly with the state directly inasmuch as his office can not retain the passwords for the individual Board Members.



**PAYMENT OF BILLS**

**1. Operating Budget**

**1.1 Operating Request for Payment No. 337**

Commissioner Gall moved approval of the bills as presented on Operating Request for Payment No. 337 as follows:

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

**Operating Request for Payment No. 337**

The following bills have been reviewed and are recommended for approval for payment at the **March 18, 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>CHECK PAYABLE TO</u>
	<u>ACCT. NO.</u>	<u>NO.</u>	<u>DATE</u>	<u>AMOUNT</u>	
1	33.01	OP-15-3-1	10/2/2014	\$ 2,500.00	Borough of Butler
2	24.05	OP-15-3-2	3/31/2014	\$ 250.00	Borough of Butler
3	33.16	OP-15-3-3	2/16/2015	\$ 3,254.89	ADS LLC
4	24.07	OP-15-3-4	3/3/2015	\$ 131.89	Kelly Engineering
5	22.03	OP-15-3-5	3/5/2015	\$14,300.00	Ferraioli, Wilkatz, Cerullo & Cuva
6	22.01	OP-15-3-6	3/4/2015	\$ 1,387.50	Maraziti Falcon LLP
7	22.03	OP-15-3-7	3/5/2015	\$ 10,400.00	Kelly Engineering
8	32.02	OP-15-3-8	3/10/2015	\$ 3,584.72	Kelly Engineering
9	32.02	OP-15-3-9	3/10/2015	\$ 5,523.00	Kelly Engineernig
10	33.03	OP-15-3-10	3/5/2015	\$ 34.11	Verizon
11	33.03	OP-15-3-11	3/5/2015	\$ 30.41	Verizon
12	33.03	OP-15-3-12	2/28/2015	\$ 34.11	Verizon
13	33.03	OP-15-3-13	3/3/2015	\$ 17.96	Borough of Butler -Electric
14	24.07	OP-15-3-14	2/28/2015	\$693.87	North Jersey Media
15	33.16	OP-15-3-15	3/9/2015	\$ 3,254.87	ADS LLC
16	33.03	OP-15-3-16	3/4/2015	\$ 34.11	Verizon
17	33.03	OP-15-3-17	3/16/2015	\$ 3.25	JCP&L

**TOTAL:     \$ 45,434.69**

That motion was seconded by Commissioner Metcalfe and approved unanimously on the following roll call vote:

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

**NAYS** : None

**ABSENT** : Commissioners Lampmann and Verdonik

**ABSTAIN** : None

**2. Construction Fund Disbursements**

**2.1 Construction Disbursement Requisition No. C-13-21**

Commissioner Gall moved approval of the bills as listed on Construction Fund Disbursement Requisition No. C-13-21 as follows:

**CONSTRUCTION DISBURSEMENT REQUISITION No. C-13-21**

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 **March 18, 2015**:

	<u>AUTHORITY ACCOUNT #</u>	<u>VOUCHER NUMBER</u>	<u>VOUCHER DATE</u>	<u>PAYMENT AMOUNT</u>	<u>PAYEE</u>
1)	120322C6.1	C-13-21-3-1	10/20/14	\$ 202.28	Suburban Consulting Eng
2)	120322C6.1	C-13-21-3-2	10/20/14	\$ 527.50	Suburban Consulting Eng
3)	120322C6.1	C-13-21-3-3	2/24/15	\$ 492.10	Suburban Consulting Eng.
4)	120322C6.1	C-13-21-3-4	2/25/15	\$ 5,000.00	Integra Realty .
5)	120322C1	C-13-21-3-5	3/4/15	\$ 2,163.50	Maraziti, Falcon LLP
6)	120322C2	C-13-21-3-6	3/10/15	\$ 6,844.21	Kelly Engineering
7)	120322C6.1	C-13-21-3-7	3/3/15	\$ 1,225.00	Stanford Risk Management
8)	120322C6.1	C-13-21-3-8	3/12/15	\$ 612.50	Stanford Risk Management
9)	120322C6.1	C-13-21-3-9	3/17/15	\$ 1,407.56	Marsh McLennan Insurance
<b>TOTAL DISBURSEMENTS</b>				<b><u>\$ 18,474.65</u></b>	

**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 Metcalfe seconded the motion which passed unanimously on the following roll call vote:

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

**NAYS** : None

**ABSENT** : Commissioners Lampmann and Verdonik

**ABSTAIN** : None

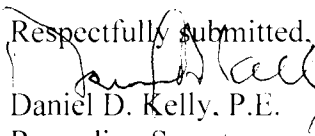
#### **OPEN MEETING FOR PUBLIC COMMENT**

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

#### **ADJOURNMENT**

At approximately 8:50 pm, Commissioner Howard moved for adjournment. That motion was seconded by Commissioner Metcalfe and 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 February 28, 2015