

MEETING MINUTES

PEQUANNOCK RIVER BASIN REGIONAL SEWERAGE AUTHORITY

October 17, 2012

Minutes of the regular meeting of the **Pequannock River Basin Regional Sewerage Authority** held on October 17, 2012 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, Metcalfe and Verdonik

ABSENT : Commissioner Lampmann

ALSO PRESENT : Christopher H. Falcon, Esq., Maraziti, Falcon & Healey; and Daniel D. Kelly, P.E., Kelly Engineering

OPEN PUBLIC MEETING STATEMENT

Chairman Voorman introduced the "Open Public Meeting Statement" indicating that adequate notice of the Authority's regular meeting had been publicized in accordance with law by posting notice on the bulletin board at the Butler Municipal Building by providing notice to the municipal clerks of Bloomingdale, Butler, Kinnelon, and Riverdale, and by providing notice to the official newspapers of the Authority.

ADOPTION OF MINUTES

1. **Meeting Minutes: Regular Meeting – September 12, 2012**

Commissioner Gall moved acceptance of the minutes of the September 12, 2012 regular meeting. That motion was seconded by Vice Chairman Verdonik and passed upon the following roll call vote:

AYES : Chairman Voorman, Commissioners Gall, and Verdonik

NAYS : None

ABSENT : Commissioners Lampmann and Metcalfe

ABSTAIN : Commissioner Howard

[**Note:** Commissioner Metcalfe joined the meeting in progress at approximately 7:35 pm]

FINANCIAL REPORT

1. Annual Budget: FY 2013

At approximately 7:40 pm Chairman Voorman opened the public hearing on the Authority's Annual Budget for FY 2012.

Noting that no members of the public were in attendance for the Budget Hearing, Chairman Voorman directed the Recording Secretary to include the following Budget message into the meeting minutes for the record:

ANNUAL BUDGET: FY 2013

BUDGET HEARING: OCTOBER 17, 2012

The FY 2013 Annual Budget was initially approved on August 15, 2012. Tonight it will be considered for final adoption with amendments. The proposed budget amendments are summarized by Resolution No. R-12-10-1A which will be considered for adoption following this Hearing.

On October 16, 2012 the Authority received the State's Division of Local Government Services' verbal approval on the August 15th FY 2013 budget along with proposed amendments thereto. The proposed budget was forwarded to each town on October 5th along with notification of this Hearing.

Copies of the proposed amended budget as well as the individual budget amendments are available on the table for any member of the public in two formats. One is the format as filed with the Division of Local Government Services, the DLGS budget. The second is the PRBRSA format.

Also available are copies of a summary of the budget dated today.

In accordance with state regulations, the adopted budget must be filed with the Division of Local Government Services prior to the beginning of the fiscal year which starts on November 1st.

Therefore, the budget for FY 2013 must be adopted and filed with the DLGS by the end of October.

The following summarizes the budget in brief:

Last year, total revenues and appropriations each amounted to \$5,595,000. This year an increase of 1.1% or \$60,000 is proposed bringing that total to \$5,655,000.

On the appropriations side, almost 60% of the costs relate to the Two Bridges Sewerage Authority's charges for treatment services. This year those amount to \$3,382,822. Also, the Authority's debt service, principal and interest payments on bonds, is another 22% or \$1,253,718. The Authority's direct expenses total 8.5% or \$481,000, the same as last year. Among other appropriations, the budget includes a \$355,000 contribution to the Capital Reserve Fund to offset the expected increases as Two Bridges Sewerage Authority moves ahead with its capital improvement program and to fund future additional costs anticipated for sludge disposal. Those funds will be used to stabilize and minimize future rate increases.

On the revenue side, most of the funds collected by the Authority are from the charges to the towns, termed Annual Charges, which this year account for almost 89% of the total revenues. A \$613,923 credit from Two Bridges along with approximately \$31,000 anticipated for investment and miscellaneous income account for the remaining revenues.

To recover the cost of service, sewer user charges, the Annual Charges, are billed to each of the four towns. In setting the sewer rates for the upcoming year, the Board carefully considered the impacts of the 2% property tax cap at the local level along with local budget constraints generally. Accordingly, the Annual Charge increase this year is proposed at 1.8% - \$90,000 over the prior year charge of \$4,920,000 increasing to \$5,010,000 in the FY 2013 budget.

As noted on the second page of the budget summary, the Annual Charge increase is uniform for all of the towns at 1.8%. However, the percentage change for each town varies in accordance with the service contract payment methodologies. As shown, the Annual Charges decrease by 0.2% for Bloomingdale and 6.1% for Kinnelon. Butler's and Riverdale's charges will increase by 1.2% and 11.8%, respectively. The dollar amounts of the Annual Charges for last year and this year are shown along with the dollar and percentage increase or decrease in each case on the budget summary.

The reason for the large disparity in the rate increases and decreases among the towns is that the estimated flows as budgeted going into the next fiscal year have been redistributed. That flow redistribution reflects, as closely as possible, each town's average percentage flow share contributions over the past 5 years. The change is intended to minimize the flow adjusted charges between and among the towns at year end which are based on actual, not estimated, flows.

That concludes our presentation on the proposed FY 2013 annual budget.

On discussion Mr. Kelly explained that there are two actions required on adoption of the final budget. The first is in accordance with the requirements of the State Division of Local Government Services which requires adoption of a Budget Amendment inasmuch as there are substantive changes from the budget originally approved at the August 15th meeting and as filed with and approved by the Division. The second action he said is the actual adoption of the Annual Budget for FY 2013 in the DLGS format.

Following further discussion, Vice Chairman Verdonik moved approval of the following resolution (**Resolution No. R-12-10-1A**):

BUDGET AMENDMENT RESOLUTION

Pequannock River Basin Regional Sewerage Authority

WHEREAS, the **Pequannock River Basin Regional Sewerage Authority** has approved the 2012 (FY 2013) Authority Budget on August 15, 2012 and

WHEREAS, the **Pequannock River Basin Regional Sewerage Authority** finds it necessary to amend the 2012 (FY 2013) Authority Budget, as follows:

	<u>From</u>	<u>To</u>	<u>Reference</u>
<u>Budget Message 2012 (FY 2013)</u>			
Item No. 1	See Attached		Page 3 (Rev. 10/17/12)
Item No. 2	See Attached		Page 3 (Rev. 10/17/12)
<u>Anticipated Revenues</u>			
Operating Revenues			
Service Charges	\$4,950,000	\$5,010,000	Page 4, A-1
Total Operating Revenues	\$4,950,000	\$5,010,000	Page 4, R-1
Non-Operating Revenues			
Interest on Investments and Deposits	\$ 56,000	\$ 26,000	Page 4, A-7
Total Anticipated Revenues	\$5,625,000	\$5,655,000	Page 4, B-1

Budgeted Appropriations

Operating Appropriations

Cost of Providing Services

Other Expenses	\$2,637,996	\$2,634,546	Page 5
Total Cost of Providing Services	\$2,637,996	\$2,634,546	Page 5, E-2
Total Principal Payments on Debt Service in Lieu of Depreciation	\$1,677,653	\$1,642,653	Page 5, D-1
Total Operating Appropriations	\$4,619,649	\$4,581,199	Page 5, B-2

BUDGET AMENDMENT RESOLUTION

	<u>From</u>	<u>To</u>	<u>Reference</u>
Non-Operating Appropriations			
Total Interest Payments on Debt	\$ 815,351	\$ 686,341	Page 6, D-2
Operations & Maintenance Reserve	\$ 0	\$ 1,960	Page 6
Capital Reserve Fund	\$ 190,000	\$ 355,000	
2012 Series N BSR Reserve	\$ 0	\$ 30,500	
Total Non-Operating Appropriations	\$1,005,351	\$1,073,801	Page 6, B-3
Total Operating & Non-Operating Appropriations & Accumulated Deficit	\$5,625,000	\$5,655,000	Page 6, B-5
Net Total Appropriations	\$5,625,000	\$5,655,000	Page 6, B-6
<u>2012 Adopted Budget Resolution (FY 2013)</u>	See Attached		Page 8

Operating Revenues

Service Charges

Intergovernmental	\$4,950,000	\$5,010,000	Page SS-1
Total Service Charges	\$4,950,000	\$5,010,000	Page SS-1, A-1

Non-Operating Revenues

Interest on Investments and Deposits

Investments	\$ 56,000	\$ 26,000	Page SS-4
Total Interest on Investments & Deposits	\$ 56,000	\$ 26,000	Page SS-4, A-7

Budgeted Debt Service Requirements

Principal Payments

Authority Bonds	\$1,140,015	\$1,015,015	Page SS-6, P-2
Total Principal Payments	\$1,677,653	\$1,642,653	Page SS-6, D-1
	<u>From</u>	<u>To</u>	<u>Reference</u>

Interest Payments

Authority Bonds	\$ 277,713	\$ 148,703	Page SS-6, I-2
Total Interest Payments	\$ 815,351	\$ 686,341	Page SS-7, D-2

5 Year Debt Service Schedule

Principal Payments

Authority Bonds	See Attached		Page SS-7, P-1
Total Payments	\$1,140,015	\$1,105,015	Page SS-7, P-2
Total Principal Debt Payments	\$1,677,653	\$1,642,653	Page SS-7, SS-6

Interest Payments

Authority Bonds	See Attached		Page SS-8, I-1
Total Payments	\$ 277,713	\$ 148,703	Page SS-8, I-2
Total Interest Debt Payments	\$ 815,351	\$ 686,341	Page SS-8, SS-6

NOW, THEREFORE BE IT RESOLVED, by the Commissioners of the **Pequannock River Basin Regional Sewerage Authority** that the 2012 (FY 2013) Budget is hereby amended as detailed above, and

BE IT FURTHER RESOLVED, that the Board's secretary is hereby directed to submit a copy of this resolution to the Director of Local Government Services for approval as part of the Authority's 2012 (FY 2013) budget.

Certified to be a true copy of a Resolution enacted at a duly convened public meeting of the **Pequannock River Basin Regional Sewerage Authority** held on October 17, 2012.

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

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

In order to approve the DLGS budget Vice Chairman Verdonik moved approval of the following resolution (**Resolution No. R-12-10-1B**):

2012 ADOPTED BUDGET RESOLUTION (PRBRSA FY 2013)

Pequannock River Basin Regional Sewerage Authority

FISCAL YEAR: FROM November 1, 2012 TO October 31, 2013

WHEREAS, the Annual Budget and Capital Budget/Program for the Pequannock River Basin Regional Sewerage Authority for the fiscal year beginning November 1, 2012, and ending, October 31, 2013 has been presented for adoption before the governing body of the Pequannock River Basin Regional Sewerage Authority at its open public meeting of October 17, 2012; and

WHEREAS, the Annual Budget and Capital Budget as presented for adoption reflects each item of revenue and appropriation in the same amount and title as set forth in the introduced and approved budget, including amendments as set forth by Resolution No. R-12-10-1 as adopted by the Pequannock River Basin Regional Sewerage Authority

at its open public meeting on October 17, 2012, for approval by the Director of the Division of Local Government Services: and

WHEREAS, the Annual Budget as presented for adoption reflects Total Revenues of \$5,655,000 Total Appropriations, including any Accumulated Deficit, if any, of \$5,655,000 and Total Unrestricted Net Assets utilized of \$0; and

WHEREAS, the Capital Budget as presented for adoption reflects Total Capital Appropriations of \$1,500,000 and Total Unrestricted Net Assets planned to be utilized of \$325,000; and

NOW, THEREFORE BE IT RESOLVED, by the governing body of Pequannock River Basin Regional Sewerage Authority, at an open public meeting held on October 17, 2012 that the Annual Budget and Capital Budget/Program of the Pequannock River Basin Regional Sewerage Authority for the fiscal year beginning, November 1, 2012 and ending, October 31, 2013 is hereby adopted and shall constitute appropriations for the purposes stated: and

BE IT FURTHER RESOLVED, that the Annual Budget and Capital Budget/Program as presented for adoption reflects each item of revenue and appropriation in the same amount and title as set forth in the introduced and approved budget, including amendments as set forth by Resolution No. R-12-10-1 as adopted by the Pequannock River Basin Regional Sewerage Authority at its open public meeting on October 17, 2012, for approval by the Director of the Division of Local Government Services.

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

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

OPERATIONAL REPORT

1. System Operations

1.1 Flow Report

Reporting on the status of the flows through September 30th and referring to the Flow Report dated October 11, 2012, Mr. Kelly advised that the flows remain extremely low at 1.390 mgd for the entire system and, on a year-to-date basis, 1.642 mgd. Referring to the Daily Flow Summary for the month of September, Mr. Kelly also observed that the Authority's meter, Meter P-4, remains in close correlation with the corresponding TBSA flow meter, Meter M-15, with the meters at 1.390 mgd (P-4) and 1.408 mgd (M-15), approximately a 1.3% differential. For the record Mr. Kelly noted that the Flow Report for the period ending August 31, 2012 dated September 17, 2012 is also included in the file. That data was not available from ADS in time to present at the September meeting.

The following reports were distributed to the Board for review:

August 2012

- Flow Report dated September 17, 2012 for the period ending August 31, 2012
- Daily Flow Summary for August 2012
- Daily Flow Hydrograph for August 2012
- Daily Flow Hydrograph Comparing Meters P-4 and TBSA Meter M-15 for August 2012
- TBSA Yearly Plant Operations Report (w/DDK Calculations)

September 2012

- Flow Report dated October 11, 2012 for the period ending September 30, 2012
- Daily Flow Summary for September 2012
- Daily Flow Hydrograph for September 2012
- Daily Flow Hydrograph Comparing Meters P-4 and TBSA Meter M-15 for September 2012
- TBSA Yearly Plant Operations Report (w/DDK Calculations)

1.2 TBSA Flow Report (Budgeted vs. Actual)

Concerning the budgeted versus actual flows recorded by the TBSA Yearly Plant Operations Report. Chairman Voorman noted a correction to those calculations for the September period. Mr. Kelly said he would review that further and reissue the report accordingly.

1.3 Contract No. OM-5 Renewal

As indicated by his October 17, 2012 letter to the Board, Mr. Kelly recommended award of Contract OM-5 to ADS Environmental Services in accordance with ADS' revised pricing proposal submitted by ADS on October 16th. Mr. Kelly explained that the revised pricing is the result of his negotiations with ADS which lowered the total cost by approximately \$2400 over the three year period for Proposals A, B and C and also leveled the annual increases. ADS originally proposed a 10.4% increase for the initial year under Proposal A followed by 2.1% increases for the next two years. He said the revised pricing proposes increases of 5.0% for each of the three years.

On discussion, Commissioner Metcalfe questioned the 5% price increase noting that the current inflationary trends are quite low and that the additional scope of work, namely, the two additional quarterly confirms required by the specifications do not seem adequate to justify an increase of 5% each year. Mr. Kelly said that the quarterly confirms do involve substantial additional work conceding that the 5% appears relatively high when viewed against current inflationary trends. He further agreed with Commissioner Metcalfe's observation that the ADS contract is a sole source procurement and therefore the Authority has little leverage in negotiating the final prices.

Responding to Commissioner Metcalfe's question on the handwritten prices noted on Proposals A, B and C, Mr. Kelly explained the circumstances that likely led to the error by ADS in that pricing. He also noted that the differences are extremely minor, typically pennies. Accordingly Mr. Kelly said that he will have ADS re-submit its pricing with the corrected figures.

Following further discussion, Vice Chairman Verdonik moved approval of the following resolution (**Resolution No. R-12-10-2**):

WHEREAS, the Pequannock River Basin Regional Sewerage Authority (hereinafter the "Authority") desires to award a contract for permanent metering services in connection with the operation of the Authority's wastewater system; and

WHEREAS, the Local Public Contracts Law (N.J.S.A. 40A: 11-1 et seq.) provides at N.J.S.A. 40A: 11-5(1)(gg) that a contract for the operation of a component part of a wastewater treatment system can be awarded without competitive bidding; and

WHEREAS, a wastewater treatment system is defined at N.J.S.A. 40A: 11-15 (19) to include equipment operated in connection with the collection and transmission of wastewater; and

WHEREAS, the Authority has received and reviewed the October 11, 2012 proposals of ADS Environmental Services and the ADS revised proposals dated October 16, 2012 for Contract No. OM-5 renewal; and

WHEREAS, the Authority has considered the recommendations set forth by the reports of Daniel D. Kelly, P.E. dated October 15, 2012 and October 17, 2012 concerning the proposals of ADS Environmental Services, and is satisfied that the proposals are in the best interest of the Authority.

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 October, 2012, as follows:

1. The Authority hereby awards a contract to ADS Environmental Services for the performance of comprehensive flow monitoring services in connection with the measurement, electronic transmission, calculation, analysis, and recording of sewage flows as follows:

Permanent Flow Meters

December 1, 2012 to November 30, 2013	\$35,427.48 (Proposal A)
December 1, 2013 to November 30, 2014	\$37,198.56 (Proposal B)
December 1, 2014 to November 30, 2015	\$39,058.44 (Proposal C)

2. The Authority hereby authorizes ADS Environmental Services to proceed with the Work set forth by Proposal A for the performance of permanent metering services for the period of December 1, 2012 to November 30, 2013 at a cost of \$35,427.48.
3. The Authority reserves the right in its discretion to authorize extensions of the contract through the adoption of resolutions for each of the two subsequent one year extensions for Proposal B and Proposal C. The Authority shall adopt any such extension resolution within 60 days before the expiration of the then applicable annual period. The contract price shall be that set forth above for the applicable year and the terms and conditions of the contract shall remain the same.

4. The Chairman is authorized and directed to execute the aforesaid agreement on behalf of the Authority.
5. The Secretary is authorized and directed to cause a copy of this Resolution to be published in the official newspaper of the Authority within ten (10) days of the date hereof. The contract shall be on file and available for inspection by members of the public in accordance with law.
6. This Resolution shall take effect as provided by law.

This Resolution is certified to be a true copy of a Resolution enacted at a duly convened public meeting of the Pequannock River Basin Regional Sewerage Authority held on October 17, 2012.

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

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

2. **TBSA Activities**

2.1 **Status Update**

Chairman Voorman and Vice Chairman Verdonik highlighted several matters as discussed at TBSA's October Board meeting as they affect Pequannock River Basin. Notably they advised on the findings of TBSA's consultant, Black & Veatch on the additional costs to upgrade both incinerators to be in compliance with recently promulgated USEPA air emission regulations. Vice Chairman Verdonik explained that those costs are estimated to exceed \$15 million in capital expense with approximately \$338,000 additional operation expense. Based on those upgrade costs, they advised that continuing the current incineration process has been found to be no longer feasible. Consequently, they reported that TBSA is in the process of exploring other alternatives to the present sludge incineration disposal method.

In addition, both Chairman Voorman and Vice Chairman Verdonik explained that Two Bridges is moving ahead with further analyses of its capital improvement program to upgrade and possibly expand the existing treatment plant. To that end, TBSA has established a new standing committee, the Treatment Plant Upgrade and Expansion Committee, which will delve into the plant improvements required to maintain NJPDES permit compliance including the most recent changes anticipated as a result of the new regulatory limitations on sludge incineration.

Lastly, both Chairman Voorman and Vice Chairman Verdonik advised that TBSA's consultant, Black & Veatch, will be reviewing how the reduced backflow from the incinerator affects available plant capacity.

Returning to the Black & Veatch report, Chairman Voorman and Vice Chairman Verdonik suggested that Mr. Kelly reach out to Bob Bongiovanni to request B&V's PowerPoint presentation as well as the two technical memoranda on the sludge incineration upgrade to make, at least the PowerPoint, presentation available to the entire Board.

3. TWA Application and Connection Permits

No change in status on this matter

4. Boonton Avenue Interceptor Project

4.1 Engineering Procurement

Mr. Kelly reviewed the status of engineering procurement on the proposed Boonton Ave Interceptor project. He noted that the Board last year selected four firms and ranked each of those firms according to their respective qualifications in order to move forward with the engineering services required for rehabilitation and replacement of the Boonton Avenue Interceptor. On discussing the procurement methodology, the Board agreed that Mr. Kelly should move forward to initiate negotiations with the top ranked firm, Alaimo Engineering, and if unsuccessful there, to then negotiate with the next highest ranked firm.

Commenting on the procurement methodology, Mr. Falcon noted that the Authority is not required to competitive bid professional engineering services of this type and therefore is at liberty to move ahead with direct negotiations for the engineering services as a professional service procurement.

FINANCIAL REPORT

1. Treasurer's Report (Period Ending September 30, 2012)

Commissioner Gall acceptance of the Treasurer's Report for the period ending September 30, 2012. Vice Chairman Verdonik seconded that motion which passed unanimously upon the following roll call vote:

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

2. Annual Budget: FY 2013

See discussion above.

3. Refunding Impacts on FY 2013 Annual Budget

Mr. Kelly reviewed several communications between his office and the auditor's office concerning the implications, on a cash and an accrual basis, of the recent refunding on the Authority's annual budgets from FY 2012 to FY 2015. He said that after Mr. Cuva completed his initial analysis of Mr. Kelly's calculations, those calculations and analyses were modified and again reviewed with the auditor for final confirmation. In short he said that the implications to the Authority's operating budget are now established and therefore have been incorporated into the FY 2013 amended budget.

4. Budget Flow Redistribution

For the record Mr. Kelly noted that the Authority has substantially modified the flows budgeted for each of the four municipalities for FY 2013. He mentioned that the "Budget Message" on page 3 of the DLGS budget provides the specifics for those changes which largely impact Riverdale with an 11.8% increase and Kinnelon with a 6.1% decrease for the year.

5. **1996 Series L and 2002 Series M Arbitrage Compliance Reports**

Mr. Kelly said that his office has been working with bond counsel to retrieve, scan and electronically submit approximately 1200 to 1500 pages of bank statements that Hawkins Delafield & Wood needs in order to prepare two Arbitrage Compliance Reports, one for the 1996 Series L Bonds and another for the 2002 Series M Bonds.

6. **Arbitrage Rebate Reserve Procedures**

Mr. Kelly recommended and Chairman Voorman agreed that this matter should be carried to next month.

7. **2012 Series N Bond Service Reserve**

Mr. Kelly explained that under the 1986 General Bond Resolution the Authority must be able to certify that it has sufficient funds to pay outstanding interest and principal due as of the succeeding December 1st bond payment date. Consequently he said that, for FY 2013, the Authority must have on hand 1/6th of the interest payable on the 2012 Series N bonds as well as 1/12th of the principal due on 12/1/12 (i.e., FY 2013). Accordingly, Mr. Kelly said that he calculated the amount of the Bond Service Requirement and prepared a resolution to transfer monies currently in the Bond Service Reserve for the Series L bonds to the new 2012 Series N Bond Service Requirement Reserve.

Following discussion, Vice Chairman Verdonik moved adoption of the following resolution (**Resolution No. R-12-10-3**):

**RESOLUTION TO AUTHORIZE THE ESTABLISHMENT OF THE SERIES N (2012)
BOND SERVICE REQUIREMENT RESERVE ACCOUNT**

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

WHEREAS, the Authority has previously established the Series L (1996) Bond Service Requirement Reserve Account (hereinafter the "Series L (1996) BSR Reserve") to comply with the provisions of Section 105-18 of the Resolution; and

WHEREAS, Section 105-18 of the Resolution requires maintaining of funds on hand sufficient at year end to pay all principal and interest due on outstanding bonds as of December 1st of the succeeding year; and

WHEREAS, the Series L (1996) Bonds have been retired such that the Series L (1996) BSR Reserve is no longer required: and

WHEREAS, the Authority has issued the Series N (2012) Refunding Bonds and desires to create a Bond Service Requirement Reserve for said Bonds; and

WHEREAS, by letter of September 27, 2012, the Consulting Engineer has calculated the FY 2013 Bond Service Requirement for the Series N (2012) Refunding Bonds at \$61,671.00.

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 October, 2012, as follows:

1. The Authority authorizes and directs the Treasurer to establish the 2012 Series N Bond Service Requirement Reserve as a subaccount of the Revenue Fund (Account No. 2576006485).
2. The Authority authorizes and directs the Treasurer to transfer \$30,500.00 currently in the Series L (1996) BSR Reserve into the new Series N (2012) BSR Reserve.
3. The Authority authorizes and directs the Treasurer to transfer an additional \$31,171.00 from the aforesaid Revenue Fund into the new Series N (2012) BSR Reserve account to increase said Reserve balance to \$61,671.00 for FY 2013.
4. The Authority authorizes and directs the Treasurer to close the Series L (1996) BSR Reserve account upon establishment of the Series N (2012) BSR Reserve.
5. The Treasurer is authorized to sign such documents and take all actions necessary and desirable in order to implement the provisions of this Resolution.
6. This Resolution shall take effect as provided by law.

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

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

UNFINISHED BUSINESS

None

NEW BUSINESS

1. AEA Fall Conference

Mr. Kelly advised that the AEA Fall Conference will be convened on November 13th and 14th in Atlantic City and asked that if any of the Commissioners are interested in attending that they contact his office to make those arrangements.

PAYMENT OF BILLS

1. **Operating Budget**

1.1 **Operating Request for Payment No. 307A (October)**

Vice Chairman Verdonik moved approval of the bills as listed on Operating Request for Payment No. 307A as presented:

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

Operating Request for Payment No. 307A

The following bills have been reviewed and are recommended for approval for payment at the **October 17, 2012** 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)	24.05	OP-12-10-1	3/17/2012	\$ 250.00	Borough of Butler
2)	33.01	OP-12-10-2	9/12/2012	\$ 2,425.00	Borough of Butler
3)	22.05	OP-12-10-3	9/11/2012	\$ 830.00	Ferraioli Wielkocz Cerullo & Cuva
4)	22.01	OP-12-10-4	09/13/12	\$ 1,479.50	Maraziti, Falcon & Healey
5)	22.01	OP-12-10-5	10/11/12	\$ 2,257.00	Maraziti, Falcon & Healey
6)	22.03	OP-12-10-6	10/4/2012	\$ 10,400.00	Kelly Engineering
7)	32.02	OP-12-10-7	10/8/2012	\$ 1,974.75	Kelly Engineering
8)	24.07	OP-12-10-8	10/4/2012	\$ 174.95	Kelly Engineering
9)	*	OP-12-10-9	10/15/2012	\$ 684,372.00	Pequannock, Lincoln Park & Fairfield Sewerage Authority
10)	33.16	OP-12-10-10	10/4/2012	\$ 2,811.70	ADS LLC
11)	33.16	OP-12-10-11	10/4/2012	\$ 2,811.70	ADS LLC
12)	33.03	OP-12-10-12	9/1/2012	50.00	Navitend
13)	33.03	OP-12-10-13	10/1/12	50.00	Navitend
14)	33.03	OP-12-10-14	10/1/12	600.00	Navitend
15)	24.04	OP-12-10-15	9/7/2012	\$ 57.92	The Tab Group
16)	24.04	OP-12-10-16	10/1/12	\$ 54.50	The Tab Group
17)	33.03	OP-12-10-17	9/7/2012	\$ 17.96	Borough of Butler - Electric Dept.
18)	33.03	OP-12-10-18	10/4/12	\$ 17.96	Borough of Butler - Electric Dept.
19)	24.07	OP-12-10-19	10/4/12	\$ 49.81	North Jersey Media Group
20)	24.07	OP-12-10-20	9/5/12	\$ 62.88	North Jersey Media Group
21)	33.03	OP-12-10-21	9/4/12	\$ 33.18	Verizon
22)	33.03	OP-12-10-22	9/23/12	\$ 29.48	Verizon
23)	33.03	OP-12-10-23	9/28/12	\$ 33.18	Verizon
24)	33.03	OP-12-10-24	9/28/12	\$ 33.18	Verizon
25)	33.03	OP-12-10-25	9/7/12	\$ 3.25	JCP&L
26)	33.03	OP-12-10-26	10/9/12	\$ 3.25	JCP&L

TOTAL: \$ 710,883.15

* Breakdown

27.00	\$	54,653.00
13.00	\$	270,108.00
35.00	\$	513,091.00
18.00	\$	(153,480.00)
	<u>\$</u>	<u>684,372.00</u>

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

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

NAYS : None

ABSENT : Commissioner Lampmann

ABSTAIN : None

1.2 Operating Request for Payment No. 307B Issuance Costs (October)

Vice Chairman Verdonik moved payment of the bills as listed on Operating Request for Payment No. 307B:

PEQUANNOCK RIVER BASIN REGIONAL SEWERAGE AUTHORITY

**SUMMARY OF VOUCHERS FOR
 OPERATING EXPENSES ***

Operating Request for Payment No. 307B

**2012 SERIES N REFUNDING
 BOND ISSUANCE COSTS
 *[To Be Reimbursed From Bond Proceeds]**

The following bills have been reviewed and are recommended for approval for payment at the **October 17, 2012** 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>ACCL. NO.</u>	<u>NO.</u>	<u>DATE</u>	<u>AMOUNT</u>	
1)	22.05	OP-12-10-1B	9/11/2012	\$ 841.25	Ferraioli, Wielkotz, Cerullo & Cuva
2)	22.05	OP-12-10-2B	9/11/2012	\$ 6,633.50	Ferraioli, Wielkotz, Cerullo & Cuva
3)	22.05	OP-12-10-3B	9/17/2012	\$ 35,583.59	Hawkins Delafield & Wood
4)	22.05	OP-12-10-4B	10/8/2012	\$ 3,419.07	Kelly Engineering
5)	22.05	OP-12-10-5B	10/8/2012	\$ 1,347.72	Kelly Engineering
6)	22.05	OP-12-10-6B	10/1/2012	\$ 6,750.00	Municipal Capital Management
7)	22.05	OP-12-10-7B	9/28/2012	\$ 2,500.00	McElwee & Quinn
8)	22.05	OP-12-10-8B	10/11/2012	\$ 2,658.58	Maraziti Falcon & Healey
TOTAL:				<u>\$ 59,733.71</u>	

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

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

OPEN MEETING FOR PUBLIC COMMENT

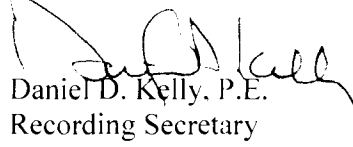
There being no members of the public present, Chairman Voorman dispensed with the public participation portion of the meeting.

ADJOURNMENT

Commissioner Metcalfe moved for adjournment at approximately 9:20 pm. That motion was seconded by Commissioner Howard and was approved unanimously on voice vote.

At approximately 9:20 pm, the meeting was adjourned.

Respectfully submitted,



Daniel D. Kelly, P.E.
Recording Secretary

Enclosure: Treasurer's Report for the period ending September 30, 2012