

MEETING MINUTES

PEQUANNOCK RIVER BASIN REGIONAL SEWERAGE AUTHORITY

October 29, 2014

Minutes of the regular meeting of the **Pequannock River Basin Regional Sewerage Authority** held on October 29, 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, Metcalfe and Verdonik

ABSENT : None

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

James Cosgrove, P.E. of Kleinfelder East joined the meeting in progress at approximately 7:40 pm and left the meeting at approximately 9:45 pm.

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 17, 2014**

Commissioner Metcalfe moved approval of the minutes of the Authority's September 17, 2014 regular meeting. That motion was seconded by Commissioner Howard and passed unanimously on the following roll call vote:

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

NAYS : None

ABSENT : None

ABSTAIN : None

ORDER OF BUSINESS

Chairman Voorman suggested and the Board agreed to conduct the FY 2015 Annual Budget Hearing and to then proceed with the matters requiring Board action and finally to return to the regular business agenda before addressing the Kleinfelder report matter.

**ANNUAL BUDGET: FY 2015
BUDGET HEARING
OCTOBER 29, 2014**

At approximately 7:35 pm, Commissioner Lampmann moved to open the Budget Hearing on the Authority's proposed Annual Budget for Fiscal Year 2015. That motion was seconded by Vice Chairman Verdonik and passed unanimously on voice vote:

Noting that there were no members of the public present, Chairman Voorman asked the Recording Secretary to include the Budget Message in the minutes of the meeting as follows:

BUDGET MESSAGE

BUDGET HEARING: OCTOBER 29, 2014

ANNUAL BUDGET: FY 2015

The FY 2015 budget was initially approved on August 20, 2014. Tonight the Authority's proposed fiscal year 2015 annual budget will be considered for final adoption without amendments.

On September 23, 2014 the Authority received the State's Division of Local Government Services' certification of the August 20th FY 2015 budget. The proposed budget was forwarded to each town on September 23rd along with notification of this Budget Hearing.

Copies of the proposed amended budget 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 2015 must be adopted and filed with the DLGS by the end of October.

In summary, last year, total revenues and appropriations each amounted to \$5,760,000. This year an increase of 1.8% or \$105,000 is proposed bringing that total to \$5,865,000.

On the appropriations side, more than 60% of the costs relate to the Two Bridges Sewerage Authority's charges for treatment services. This year those amount to \$3,534,776. Also, the Authority's debt service, principal and interest payments on bonds, total \$1,170,584 or 20% of the budgeted appropriations. The Authority's direct expenses total \$475,000 or 8.1%, reduced from \$477,000 last year. Among other appropriations, the budget includes a \$500,000 contribution to the Capital Reserve Fund to offset the expected rate increases as Two Bridges Sewerage Authority moves ahead with its capital improvement program and to fund future additional capital expenses anticipated for plant improvements for its treatment plant upgrade and sludge disposal costs. Those funds will also be used to stabilize and thereby minimize future rate increases and may be applied to partially fund the Authority's Boonton Avenue Interceptor improvements.

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 at \$5,210,000. A credit of \$613,923 from Two Bridges along with approximately \$30,000 anticipated for investment and miscellaneous income account for the remaining revenues.

To recover the cost of service, the Annual Charges are billed to each of the four towns. In setting the sewer charges to the towns 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 2.0% - \$100,000 over the prior year charge of \$5,110,000 increasing that to \$5,210,000 in the FY 2015 budget.

As noted on the second page of the budget summary, the Annual Charge increase is uniform for all of the towns at 2.0%. However, the percentage change for each town varies in accordance with the service contract cost recovery requirements.

Following discussion Commissioner Gall moved adoption of the FY 2015 Annual Budget. That motion was seconded by Commissioner Metcalfe and passed unanimously on the following roll call vote (**Resolution No. R-14-10-1**):

Resolution No. R-14-10-1

2014 ADOPTED BUDGET RESOLUTION (PRBRSA FY 2015)

Pequannock River Basin Regional Sewerage Authority
(Name)

FISCAL YEAR: FROM November 1, 2013 TO October 31, 2014

WHEREAS, the Annual Budget and Capital Budget/Program for the Pequannock River Basin Regional Sewerage Authority for the fiscal year beginning November 1, 2014, and ending, October 31, 2015 has been presented for adoption before the governing body of the Pequannock River Basin Regional Sewerage Authority at its open public meeting of October 29, 2014 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-14-10-1 as adopted by the Pequannock River Basin Regional Sewerage Authority at its open public meeting on October 29, 2014, 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 \$5,865,000 Total Appropriations, including any Accumulated Deficit, if any, of \$5,865,000 and Total Unrestricted Net Assets utilized of \$0; and

WHEREAS, the Capital Budget as presented for adoption reflects Total Capital Appropriations of \$1,800,000 and Total Unrestricted Net Assets planned to be utilized of \$0; 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 29, 2014 that the Annual Budget and Capital Budget/Program of the Pequannock River Basin Regional Sewerage Authority for the fiscal year beginning, November 1, 2014 and, ending, October 31, 2015 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-14-10-1 as adopted by the Pequannock River Basin Regional Sewerage Authority at its open public meeting on October 29, 2014, for approval by the Director of the Division of Local Government Services.

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

At approximately 7:40 pm, Commissioner Gall moved to close the Budget Hearing. That motion was seconded by Vice Chairman Verdonik and was approved unanimously on voice vote.

2.1 Boonton Avenue Interceptor Project

2.2 Status Report

Mr. Kelly reported that while there have been some delays in receiving review comments from NJDEP and the NJEIT, Suburban Consulting Engineers advises that the project is on track to be funded in the current funding cycle, namely, SFY 2015. He presented the current schedule (at October 21st) as developed by Suburban and requested the Board's authorization to authorize advertisement of Contract No. I-4A for the pipeline replacement work as well as Contract No. I-4B for the pipeline and manhole rehabilitation work.

Following discussion, Commissioner Lampmann moved a consent agenda to authorize advertisement for both contracts by **Resolution Nos. R-14-10-3 and R-14-10-4** as follows:

Resolution No. R-14-10-3

**RESOLUTION TO AUTHORIZE PUBLICATION OF
NOTICE TO BIDDERS FOR CONTRACT NO. I-4A**

WHEREAS, the Pequannock River Basin Regional Sewerage Authority (hereinafter the "Authority") desires to authorize the publication of a Notice to Bidders to advertise for the receipt of sealed bids in connection with the Authority's Boonton Avenue Interceptor Project, Contract No. I-4A Sanitary Sewer Pipe and Manhole Replacement; and

WHEREAS, the Authority desires to proceed with the foregoing publication immediately following the receipt of approval therefor from the New Jersey Environmental Infrastructure Trust; and/or the New Jersey Department of Environmental Protection; 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 the 29th day of October, 2014 as follows:

1. The Authority shall cause to be published a Notice to Bidders in accordance with N.J.S.A. 40A:11-23, and in a form approved by the Authority Attorney, to publicly advertise for the receipt of bids for the purpose of the prospective award of the aforesaid Contract.
2. The Notice to Bidders shall be published within ten days of the receipt of approval therefor from the New Jersey Environmental Infrastructure Trust, and for the receipt of bids at 10:00 A.M. on Wednesday, December 17, 2014 at the Borough of Butler Municipal Building, One Ace Road, Butler, New Jersey 07405.
3. This Resolution shall take effect as provided by law.

Resolution No. R-14-10-4

**RESOLUTION TO AUTHORIZE PUBLICATION OF
NOTICE TO BIDDERS FOR CONTRACT NO. I-4B**

WHEREAS, the Pequannock River Basin Regional Sewerage Authority (hereinafter the "Authority") desires to authorize the publication of a Notice to Bidders to advertise for the receipt of sealed bids in connection with the Authority's Boonton Avenue Interceptor Project, Contract No. I-4B Sanitary Sewer Pipe and Manhole Rehabilitation; and

WHEREAS, the Authority desires to proceed with the foregoing publication immediately following the receipt of approval therefor from the New Jersey Environmental Infrastructure Trust; and/or the New Jersey Department of Environmental Protection; 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 the 29th day of October, 2014 as follows:

1. The Authority shall cause to be published a Notice to Bidders in accordance with N.J.S.A. 40A:11-23, and in a form approved by the Authority Attorney, to publicly advertise for the receipt of bids for the purpose of the prospective award of the aforesaid Contract.
2. The Notice to Bidders shall be published within ten days of the receipt of approval therefor from the New Jersey Environmental Infrastructure Trust, and for the receipt of bids at 10:00 A.M. on Wednesday, December 17, 2014 at the Borough of Butler Municipal Building, One Ace Road, Butler, New Jersey 07405.
3. This Resolution shall take effect as provided by law.

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

2.3 Morris County Agreement

Mr. Kelly also asked the Board to authorize an agreement with the County of Morris related to the work on the County's bridge crossing Stone House Brook on Valley Road.

Following discussion, Vice Chairman Verdonik moved approval of the following resolution (**Resolution No. R-14-10-5**):

Resolution No. R-14-10-5

RESOLUTION TO AUTHORIZE EXECUTION OF AN AGREEMENT WITH THE COUNTY OF MORRIS FOR INSTALLATION OF A SANITARY SEWER ON THE VALLEY ROAD BRIDGE IN BUTLER, NEW JERSEY

WHEREAS, the Pequannock River Basin Regional Sewerage Authority (the "Authority") intends to publicly advertise and award a Contract for the Boonton Avenue Interceptor Project (Contract No. I-4A) for sanitary sewer line and manhole rehabilitation (the "Project"); and

WHEREAS, a portion of the Project involves the rehabilitation/replacement of a sanitary sewer line attached to a bridge owned and maintained by Morris County, known as the Valley Road Bridge (Morris County Structure #1400-126) in the Borough of Butler; and

WHEREAS, it is necessary for the Authority to enter into an Agreement with the Board of Chosen Freeholders of the County of Morris concerning the work proposed to be done in the aforesaid County Bridge; and

WHEREAS, the Authority desires to authorize the Chairman to execute an Agreement with the County of Morris for this purpose in a form approved by the Authority Attorney;

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 the 29th day of October, 2014 as follows:

1. The Chairman is hereby authorized to execute and deliver the Agreement with Morris County for the rehabilitation/replacement of the Authority's sewer line attached to the Morris County Valley Road Bridge (County Structure #1400-126) prior to commencement of construction pursuant to Contract No. I-4A.
2. Copies of the fully executed Agreement shall be kept on file at the Office of the duly authorized representative of Morris County and in the Office of the Authority.
3. This Resolution shall take effect as provided by law.

Commissioner Lampmann 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

FINANCIAL REPORT

3.0 Treasurer’s Report

Treasurer Lampmann presented and moved acceptance of the Treasurer’s Report for the period ending September 30, 2014. That motion was seconded by Commissioner Gall and 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

3.1 Authorize Municipal Derivatives Settlement Claim Filing

Explaining the background on the municipal derivatives litigation and the claim settlement amounting in excess of \$123,000,000, Mr. Kelly said that it is not possible to determine the recovery amount, if any. Because of that Mr. Kelly said that he recommends that the Authority proceed cautiously to avoid significant expenses in filing the claim, costs that may exceed the ultimate settlement amount, if any.

Following discussion Treasurer Lampmann moved approval of the following resolution (**Resolution No. R-14-10-6**):

Resolution No. R-14-10-6

RESOLUTION TO AUTHORIZE THE FILING OF A CLAIM IN CONNECTION WITH MUNICIPAL DERIVATIVES LITIGATION

WHEREAS, the Pequannock River Basin Regional Sewerage Authority (the "Authority") is in receipt of a notice dated September 15, 2014 advising as to its potential eligibility to receive payment from settlements reached in litigation commenced by various States Attorneys General, known collectively as In Re Municipal Derivatives Antitrust Litigation; and

WHEREAS, the Authority is currently investigating whether it engaged in any transactions involving any of the Defendants in the foregoing litigation, such that it may be able to recover a share of the settlement funds derived from the resolution of the litigation.

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 29th day of October, 2014, as follows:

1. Bond Counsel is authorized to complete the claim form provided in connection with the foregoing notice, and the Authority Chairman shall execute and file the same prior to January 13, 2015, the final date for submission of such claims.
2. No further action shall be undertaken by the Authority to perfect its claim in this matter unless further authorized by the Authority through the adoption of an additional resolution.
3. This Resolution shall take effect as provided by law.

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

PAYMENT OF BILLS

1. Operating Budget

1.1 Operating Request for Payment No. 332

Treasurer Lampmann presented the bills as listed on Operating Request for Payment No. 332 and moved approval to pay the bills as presented as follows:

PEQUANNOCK RIVER BASIN REGIONAL SEWERAGE AUTHORITY

**SUMMARY OF VOUCHERS FOR
 OPERATING EXPENSES**

Operating Request for Payment No. 332

The following bills have been reviewed and are recommended for approval for payment at the **October 29, 2014** meeting of the Authority from the Operating Account (Wells Fargo Bank Account 1425985):

	<u>PRBRSA ACCT. NO.</u>	<u>VOUCHER NO.</u>	<u>VOUCHER DATE</u>	<u>PAYMENT AMOUNT</u>	<u>CHECK PAYABLE TO</u>
1)	33.01	OP-14-10-1	10/2/2014	\$ 2,500.00	Borough of Butler
2)	24.05	OP-14-10-2	3/31/2014	\$ 250.00	Borough of Butler
3)	22.01	OP-14-10-3	10/15/2014	\$ 3,768.63	Maraziti Falcon LLP
4)	24.07	OP-14-10-4	10/2/2014	\$ 131.89	Kelly Engineering
5)	22.03	OP-14-10-5	10/9/2014	\$ 10,400.00	Kelly Engineering
6)	32.02	OP-14-10-6	10/9/2014	\$ 4,571.60	Kelly Engineering
7)	32.03	OP-14-10-7	10/09/14	\$ 21.00	Kelly Engineering
8)	*	OP-14-10-8	10/15/2014	\$ 709,216.00	Pequannock, Lincoln Park & Fairfield Se Authority
9)	33.02	OP-14-10-9	9/13/2014	\$ 1,980.00	L. Becker & Son
10)	26.04	OP-14-10-10	10/10/2014	\$ 2,500.00	US Bank
11)	33.03	OP-14-10-11	10/1/2014	\$ 17.96	Borough of Butler -Electric
12)	24.07	OP-14-10-12	9/26/2014	\$ 58.03	North Jersey Media
13)	33.03	OP-14-10-13	10/7/2014	\$ 3.25	JCP&L
14)	33.03	OP-14-10-14	9/28//14	\$ 33.99	Verizon
15)	33.03	OP-14-10-15	9/23/2014	\$ 30.29	Verizon
16)	33.03	OP-14-10-16	9/28/2014	\$ 33.99	Verizon
17)	33.03	OP-14-10-17	11/04/14	\$ 34.03	Verizon
18)	33.16	OP-14-10-18	10/20/2014	\$ 3,099.90	ADS LLC
19)	24.07	OP-14-10-19	10/1/2014	\$ 31.89	North Jersey Media
20)	33.03	OP-14-10-20	10/10/2014	\$ 300.00	Up and Running
TOTAL:				<u>\$ 738,982.45</u>	

* Breakdown

27.00	\$	58,677.00
13.00	\$	256,435.00
35.00	\$	547,584.00
18.00	\$	<u>(153,480.00)</u>
	\$	<u>709,216.00</u>

Commissioner Gall 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

2. Construction Fund Disbursements

2.1 Construction Disbursement Request No. C-13-16

Treasurer Lampmann presented the bills as listed on Construction Fund Disbursement Request No. C-13-16. Vice Chairman Verdonik moved payment of the bills as presented as follows:

CONSTRUCTION DISBURSEMENT REQUISITION No. C-13-16

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 #257600650) as authorized by the Authority at a meeting on **October 29, 2014:**

	<u>AUTHORITY ACCOUNT #</u>	<u>VOUCHER NUMBER</u>	<u>VOUCHER DATE</u>	<u>PAYMENT AMOUNT</u>	<u>PAYEE</u>
1)	120322C2	C-13-16-10-1	10/9/14	\$ 6,619.04	Kelly Engineering
2)	120322C1	C-13-16-10-2	10/15/14	\$ 259.00	Maraziti, Falcon LLP
3)	120322C6.1	C-13-16-10-3	9/10/14	\$ 843.69	Suburban Consulting Eng.
4)	120322C6.1	C-13-16-10-4	9/10/14	\$ 1062.50	Suburban Consulting Eng.
5)	120322C6.1	C-13-16-10-5	10/16/14	\$ 900.00	DMC Associates, Inc. .
6)	120322C6.1	C-13-16-10-6	10/29/14	\$ 200.00	Oswald Enterprises, Inc.
TOTAL DISBURSEMENTS				<u>\$ 9,884.23</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.

Treasurer Lampmann 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

NOTE: The following returns to the regular meeting business agenda.

OPERATIONAL REPORT

1. System Operations

1.1 Flow Report

Mr. Kelly presented the Flow Report dated October 15, 2014 for the period ending September 30, 2014.

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

- Daily Flow Summary for September 2014
- Daily Flow Hydrograph for September 2014
- Daily Flow Hydrograph Comparing Meters P-4 and TBSA Meter M-15 for September 2014
- TBSA Budgeted vs. Actual Flow for September 2014

1.2 TBSA Actual vs. Budgeted Flow Analysis

Mr. Kelly also presented his October 9, 2014 memorandum comparing the Two Bridges Sewerage Authority estimated flow for FY 2014 to the actual flows recorded by the Authority's system through September 30, 2014.

2. TBSA Activities

2.1 Status Update

Chairman Voorman and Vice Chairman Verdonik reported that construction is in progress on both the wastewater treatment plant headworks project and the pumping station upgrade projects.

3. Kleinfelder ADS Flow Monitoring System Evaluations

3.1. Kleinfelder ADS Flow Monitoring System Evaluations

The Board welcomed James Cosgrove, P.E., Vice President of Kleinfelder East.

Mr. Cosgrove presented Kleinfelder's preliminary findings and conclusions on their review and analysis of the Authority's flow monitoring system as set forth by their draft October 20, 2014 report. He distributed a copy of that report to each of the Board Members at the meeting. Mr. Kelly noted that the Board received an electronic version of the draft report the day prior to the meeting.

As Mr. Cosgrove explained the report's findings, the Board had a number of questions and comments. For example, Commissioner Lampmann and Vice Chairman Verdonik questioned why, if the ADS flow monitoring system is accurate, that it did not record any significant increase in flows for the large projects connected in Kinnelon years ago and, more recently, the Avalon Bay project, a 178 unit development in Bloomingdale that has been connected and fully occupied over past months. They commented that those flow increases should have been evident following both connections yet none are apparent.

Commissioner Lampmann also raised the point that Bloomingdale's flows appear to be unreasonably low and, at times, said that he recalled the average daily flow was recorded as low as approximately 50,000 gpd. Mr. Kelly said he would check that yet did not recall flows that low, noting as well that the magnitude of the new flows compared to the existing flows make such determinations difficult. In terms of the Kleinfelder report he explained that the issues raised, while certainly valid, were not within the scope of Kleinfelder's review.

Commissioner Lampmann and Commissioner Howard questioned as well ADS' data editing process, the conversion of raw data to the final data as reported. By way of clarification the data referenced is the actual sensor data for velocity and depth readings (termed raw/raw data) versus ADS' screened or edited data as reported to the Board and as primarily utilized by Kleinfelder for its report, what ADS terms the "final" data, termed at the meeting as the raw data.

Mr. Cosgrove explained that Kleinfelder did crosscheck the ADS flow calculations by utilizing available ADS quarterly field confirmation data to calculate the reported flows based on the measured field depth and velocity readings. He explained that those physical measurements are used by ADS to check the sensor readings and were generally found to be reasonably accurate and, if not, noted that ADS would typically make field adjustments to recalibrate the meters.

Following extensive discussion on the ADS metering system and on Kleinfelder's findings, the Board thanked Mr. Cosgrove for his presentation.

3.2. Kleinfelder Budget Request

Mr. Cosgrove explained the reasons for Kleinfelder's budget over-run and the corresponding budget increase as detailed by his October 7, 2014 letter. Commenting on that Chairman Voorman said that it would have been appropriate and, in his experience, necessary to have raised the matter with the Authority before expending the time on the analysis and the revised draft report. Mr. Cosgrove agreed that that should have been done yet stated that he did not want to further delay the project so decided to take the risk by moving ahead to complete the work and in the process incurred considerably greater costs than that which the firm is requesting.

The Board again thanked Mr. Cosgrove, advising that Kleinfelder's budget increase request would be considered further.

At approximately 9:45 pm. Mr. Cosgrove left the meeting in progress.

Considerable discussion followed on Kleinfelder's request for a budget increase. The general consensus of the Board was, while the \$7500 budget increase on a \$17,000 contract seems high and should have been brought to the Board's attention much earlier, that, nonetheless, the work was done as evidenced by his review of the draft report. Commenting on that, Commissioner Howard said Kleinfelder's report suggests to him that considerable engineering analyses were performed to test the data, consistent with what he would have expected.

Following further discussion Chairman Voorman called for a vote on the matter. Commissioner Metcalfe moved to approve Resolution No. R-14-10-2 authorizing the \$7500 budget increase. On discussion Commissioner Howard moved to amend the motion to authorize a \$5000 budget increase in lieu of the \$7500.

There being no second to the amended motion, Chairman Voorman called for a second on the original motion. With that Commissioner Gall seconded approval of the original resolution (**Resolution No. R-14-10-2**) as follows:

Resolution No. R-14-10-2

**RESOLUTION TO AUTHORIZE CHANGE ORDER NO. 1
FOR AGREEMENT WITH KLEINFELDER EAST**

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. 1 to the January 30, 2014 agreement with Kleinfelder East for supplemental flow monitoring evaluations; 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 29th day of October, 2014 as follows:

1. The Authority hereby approves Change Order No. 1 to the Agreement as described above in the Request for Change Order filed by Daniel D. Kelly, P.E., in the amount of \$7,500.00.
2. The Chairman is authorized and directed to sign Change Order No. 1 to the Agreement in the foregoing amount.
3. This Resolution shall take effect as provided by law.

The above resolution passed on the following roll call vote:

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

NAYS : Commissioner Howard

ABSENT : None

ABSTAIN : None

Returning to the Board's concern on ADS' editing process, the Board directed Mr. Kelly to solicit a proposal from Kleinfelder on a recalculation of the flow data from FY 2010 (November 1, 2009) forward. Effectively the Board desires an independent engineering verification that the edited, what ADS calls the final data (termed at the meeting, the raw data), are consistent with the velocity and depth sensor readings (the raw/raw data) to verify that ADS' "screening" or editing process produces accurate "final" data. At Commissioner Gall's request Kleinfelder will also be asked to quote on a single year's calculation rather than the 5 year.

4. TWA Applications and Connection Permits

4.1 TWA Application
Paterson Hamburg Turnpike Pumping Station Project
Borough of Riverdale

Referring to his October 24, 2014 memorandum to Mr. Falcon, Mr. Kelly reported on recent discussions with Riverdale's sewer engineer concerning the Borough's interest in connecting the Paterson Hamburg pumping station and sewer extension to the PRBRSA system. He explained that the issue is that the Borough's current flows presently exceed its 0.409 mgd allocation and therefore no capacity is available for that connection. Further, Mr. Kelly reported that the situation with the Paterson Hamburg Turnpike pumping station project is comparable to that which the Authority and Riverdale mutually resolved in 2006 for the Borough's Target Store application on Riverdale's acquisition of the 4000 gpd allocation required for the project from the Borough of Butler.

Commissioner Gall recalled that the Authority's action on the Target store application was made with the understanding that it would not set a precedent. Agreeing Mr. Kelly said that was the case yet reported that the flows for the current project are relatively low at approximately 7900 gpd and, importantly, that the pumping station has been constructed yet remains idle which would typically result in deterioration of the electrical and mechanical components. Therefore, from strictly an engineering standpoint, he said that it would be desirable to be able to connect and place the facilities into operation.

5. Boonton Avenue Interceptor Project

5.1 Status Report

See Above

5.2 NJEIT Loan Program

Again, Mr. Kelly referred to the project schedule developed by Suburban Consulting Engineers as of October 21st noting that there is very little slack between each of the milestones. He added that two special meetings may be required in January yet that decision will need to be made at a later date once the NJDEP/NJEIT review comments are received and the State's Authorization to Award both contracts is received.

5.3 Easement Acquisitions

Mr. Kelly advised that the Authority is working to secure four temporary easements along Boonton Avenue which ideally should be in hand prior to award of Contract No. I-4A.

5.4 Authorization to Advertise

See Above

5.5 Morris County Agreement

See Above

FINANCIAL REPORT

1. Treasurer's Report

1.1 Acceptance of September 30, 2014 Treasurer's Report

See Above

1.2 Annual Budget: FY 2015

See above.

1.3 SEC Municipalities Continuing Disclosure Cooperative Initiative

From his conversation with Mr. Beinfield, Mr. Falcon advised that Bond Counsel's review of the Authority's continuing disclosure compliance along with that of a number of other agencies across the state remains in progress. He indicated that Mr. Beinfield will be meeting with Hawkins Delafield & Wood's security specialist to make a final determination on the advisability of self-reporting to the SEC. Based on the resolution that the Authority adopted in August (Resolution No. R-14-8-4), he said, if Bond Counsel determines that it would be advisable to file a self-report with the SEC, then the Authority will need to convene a special meeting in order to approve that action. If, on the other hand, Bond Counsel determines that no filing is necessary then the Board will not need to act. Lastly, he noted that the filing deadline is December 1st.

UNFINISHED BUSINESS

1. Riverdale Capacity Allocation Request

Mr. Kelly noted that to his knowledge there has been no further action on this matter.

2. Contingency Operating Plan

Mr. Kelly presented a draft of his report titled "Business System Manual" as transmitted over his October 29th letter. He reviewed the purpose and the nature of the Business Systems Manual advising that it provides a transition plan that would facilitate maintaining the Authority's operations in an orderly manner were that to become necessary. The Manual, he explained, presents listings of all of the activities that his office performs at the Board's direction and under its guidance. He further explained that the Manual contains numerous hyperlinks to enable the user to view source documents, for example, Annual Charge Certifications as issued to the municipalities annually along with a myriad of other documents that would be available to the user in the electronic version. On completion he said that the Business Systems Manual would be made available through Intermedia's SecuriSync system with access provided to the Authority's Officers if not all Board Members as well as to Mr. Falcon and to any others that the Board may elect to provide such authorization.

Continuing, Mr. Kelly said, following completion of the Manual itself to include the hyperlinks currently in the draft report, that the next step will involve reorganizing the original source documents, documents that are presently available in Word, Excel, QuickBooks, AutoCAD and other formats for ready-access and use by others.

In closing Mr. Kelly indicated that he would welcome comments from the Board Members on the Business Systems Manual.

NEW BUSINESS

1. Municipal Derivatives Litigation Settlement Claim

See above.

2. AEA Fall Conference

Mr. Kelly advised that the AEA Fall Conference will be convened in Atlantic City on November 18th and 19th. He noted that the venue has changed from the Taj Mahal to the Golden Nugget and asked that if any of the Board Members would like to attend to contact his office to make the necessary arrangements.

PAYMENT OF BILLS

2. Operating Budget

2.1 Operating Request for Payment No. 332

See above.

2. Construction Fund Disbursements

2.1 Construction Disbursement Request No. C-13-16

See above.

OPEN MEETING FOR PUBLIC COMMENT

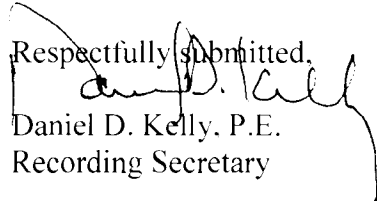
There being no members of the public present, Chairman Voorman dispensed with the public participation portion of the meeting.

ADJOURNMENT

At approximately 10:05 pm, Commissioner Howard moved adjournment. That motion was seconded by Vice Chairman Verdonik and passed unanimously on voice vote.

At approximately 10:05 pm, the meeting was adjourned.

Respectfully submitted,


Daniel D. Kelly, P.E.
Recording Secretary

Enclosures: Treasurer's Report for the period ending September 30, 2014