

WARREN COUNTY (PEQUEST RIVER)
MUNICIPAL UTILITIES AUTHORITY

MINUTES
May 16, 2012

Chairman Chamberlain called the regular meeting of the Warren County (Pequest River) Municipal Utilities Authority to order at 7:30 p.m. The meeting was held at the Authority's Administration building located at 199 Foul Rift Road, Belvidere, New Jersey.

Roll Call:

| | | |
|----------------------------------|------------------|--------|
| Chad Chamberlain, Chairman | Philip Rosenberg | Absent |
| Morris Scott, Jr., Vice Chairman | Michael Walsh | Absent |
| Laurel Napolitani, Secretary | | |
| Robert Piazza, Treasurer | | |
| Drew Kiszonak | | |
| Everdina O'Connor | | |

Angelo Accetturo (entered the meeting at 7:37 p.m.)

Also, in attendance were:

Stephen Donati, P.E., Authority Engineer and Consultant; Charles L. Houck, Authority Chief Financial Officer; Brian Tipton, Esq., Authority Legal Counsel; John Wasser, Chief Operator; and Patricia Kaspereen, Administrative Assistant.

Chairman Chamberlain led everyone in the Pledge of Allegiance and then read the Introductory Statement.

MINUTES

Last month, the Board attempted to approve the March 21, 2012 meeting minutes, but there were not enough votes.

Mr. Scott moved and Ms. Napolitani seconded to approve the minutes of the March 21, 2012 regular meeting, as presented. The motion passed. Roll call was as follows:

| | | | |
|----------------|---------|-------------------------|---------|
| Mr. Rosenberg | Absent | Mr. Scott | Abstain |
| Mr. Kiszonak | Yes | Mr. Walsh | Absent |
| Ms. Napolitani | Yes | Chairman Chamberlain | Yes |
| Ms. O'Connor | Yes | Mr. Accetturo (entered) | Abstain |
| Mr. Piazza | Abstain | | |

Mr. Piazza moved and Mr. Scott seconded to approve the minutes of the April 18, 2012 regular meeting, as presented. The motion passed. Roll call was as follows:

| | | | |
|----------------|---------|----------------------|--------|
| Mr. Accetturo | Yes | Mr. Rosenberg | Absent |
| Mr. Kiszonak | Yes | Mr. Scott | Yes |
| Ms. Napolitani | Abstain | Mr. Walsh | Absent |
| Ms. O'Connor | Abstain | Chairman Chamberlain | Yes |
| Mr. Piazza | Yes | | |

Mr. Scott moved and Mr. Kiszonak seconded to approve the minutes of the April 18, 2012 executive session, as presented. The motion passed. Roll call was as follows:

| | | | |
|----------------|---------|----------------------|--------|
| Mr. Accetturo | Yes | Mr. Rosenberg | Absent |
| Mr. Kiszonak | Yes | Mr. Scott | Yes |
| Ms. Napolitani | Abstain | Mr. Walsh | Absent |
| Ms. O'Connor | Abstain | Chairman Chamberlain | Yes |
| Mr. Piazza | Yes | | |

CORRESPONDENCE

Ms. Napolitani recapped the correspondence:

1. A letter dated April 20, 2012, from Mr. Mikulka, Senior Project Manager, C&P, to the NJDEP, Municipal Finance & Construction Element responding to the DEP's comments on the Authority's loan application for the Oxford WWTP Upgrade.
2. A letter dated April 23, 2012, from Mr. Sauder, Senior Environmental Specialist, C&P, to the NJDEP, Bureau of Financing & Construction Permits submitting the TWA application for the Oxford WWTP Upgrade.
3. A letter dated April 25, 2012, from Mr. Donati, P.E., Senior Associate, C&P, to the DRBC with regard to the proposed Natural Wastewater Treatment Alternatives Feasibility Study.
4. A letter dated May 14, 2012, from Mr. Weise, Audit Manager, Troy & Banks regarding the power bill audit.
5. A sewer capacity allocation letter dated May 15, 2012, from Ms. Kaspereen to residents located at 737 Water Street, White Township.
6. A sewer capacity allocation letter dated May 15, 2012, from Ms. Kaspereen to residents located at 731 Water Street, White Township.

CFO's REPORT

As a follow up to an inquiry from Mr. Kiszonak last month, Mr. Houck distributed Debt Service

and Bond Index information to the Board. Interest rates are at a historic low. Using current figures, if the Authority obtains a loan from the NJEIT the rate would be under one percent. He brought two things to the attention of the Board. First, the sooner the borrowing is in place the better. Second, should the MUA have to borrow more than \$10 million, which appears likely, the cost is approximately \$50,000 a year for every million borrowed (at the current rate) for 20 years. This would exceed what we are currently paying on our existing bond issues and may impact future budgets.

Mr. Piazza expressed concern that the price of the Oxford Upgrade keeps increasing. He was under the impression the costs would be approximately \$10-12 million and now \$15 million is being discussed.

Mr. Donati said that during the Feasibility Study, \$10.9 million in construction costs was discussed. However, soft costs must be added to construction costs. The project still needs to go out to bid; at that time, the total cost will be better known.

Discussion ensued as to whether it would be better to increase user rates, if necessary, slightly each year rather than one large increase. Pending State legislation regarding user fees, as well as rate caps for taxes, was mentioned.

Once the upgrade costs are more finalized and we know what needs to be borrowed, Mr. Houck can calculate the increase in debt service. Operating costs for the upgraded plant will be higher.

Mr. Houck announced that he will not be at next month's meeting and left the meeting.

GENERAL COUNSEL'S REPORT

Sewer Extensions: Mr. Tipton stated there was a bit of confusion regarding the White Township residents who expressed interest in connecting to the sewer system. The line they are interested in connecting to runs down Water Street in Belvidere to the A&P located in White Township. The situation is unique and Mr. Tipton explained it in more detail. The MUA's main concerns are allocation and collection of the connection fee. He will prepare a short memo outlining the procedures for White Township residents connecting to that line. After review and approval of the outline, it will be distributed to both town clerks and Ms. Kaspereen for future use.

There was further discussion regarding the unique configuration of the pipes in the location where the residents want to connect, as opposed to where the Augustinian Sisters connected.

ENGINEER'S REPORT

Oxford Upgrade Permitting: The TWA application was submitted (corr. #2). The Stage 2 Cultural Resource Survey was done. Nothing of significance was found. The Flood Hazard area is another matter of concern.

However, the biggest issue is the DRBC; Mr. Donati also covered this in his monthly report. He explained the three options open to the Authority, but the first option is impossible to meet.

Options 2 and 3 will be explored. Earlier in the day, Mr. Donati discussed the matter with Mr. Tipton, who will be discussing it further with others. This issue caused the Authority to miss the DRBC May meeting (docket), and the next meeting is not until July.

Upgrade Financing: C&P submitted comments to the Trust (corr. #1), is following up with the USDA, and working with Bond Counsel.

Belvidere Influent Screening: C&P recommended final payment be issued to HC Constructors for Contract No. 09-01, the Belvidere WWTP Improvements. There is only one minor issue outstanding, so the check will be held until all the work is done.

CHIEF OPERATOR'S REPORT

Operations: Both plants are performing well.

Mr. Wasser requested authorization to increase the permanent part-time worker's hours to 40 hours per week, for 13 weeks in the summer (seasonal worker). Chairman Chamberlain recommended tabling action on this request until the next meeting.

FINANCE (Treasurer's Report)

Mr. Piazza recapped the monthly financial report. The Authority continues to be on target with regard to revenues and expenditures.

Mr. Piazza moved that Resolution #12-26 (Certificate No. 318: \$94,959.94) be approved to pay all bills from the Capital Improvements Fund. Mr. Scott seconded. The motion passed unanimously on a roll call vote.

Mr. Piazza moved that Resolution #12-27 (Certificate No. 310: \$59,109.72) be approved to pay all bills from the Operating Fund. Ms. O'Connor seconded. The motion passed unanimously on a roll call vote.

UNFINISHED BUSINESS

As discussed at last month's meeting, Mr. Bale is preparing a letter to be sent to Warren Haven regarding disposable wipes.

NEW BUSINESS

Chairman Chamberlain spoke to Sherriff Gallant about the rags from the correctional facility. They are limited on what action can be taken, but are monitoring the situation.

Mr. Wasser informed the Board that the rags from county grease tank are now being accepted at PVSC, but we are being charged based on truck capacity rather than the actual weight.

Therefore, the disposal cost is a little bit more or the same as with the Pennsylvania disposal site.

He will look into having the truck weighed beforehand. Russell Reid is also looking into the matter with PVSC.

PUBLIC COMMENT

There was no public present.

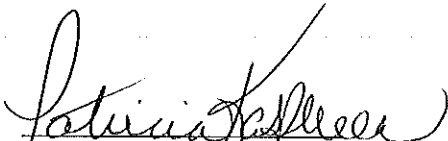
EXECUTIVE SESSION

At approximately 8:42 p.m., Ms. Napolitani moved and Mr. Scott seconded to enter into Executive Session for the purpose of discussing a personnel matter. All in favor.

At approximately 9:07 p.m., Ms. O'Connor moved and Mr. Scott seconded to return to open session. All in favor.

Mr. Scott moved to place a posting for the position of a part-time superintendent. Mr. Piazza seconded. The motion passed unanimously on a roll call vote.

As there was no more business to come before the Authority, Ms. Napolitani moved and Mr. Scott seconded that the meeting be adjourned. The motion passed unanimously. The meeting was adjourned at 9:08 p.m.


Patricia Kaspereen
Administrative Assistant