

WARREN COUNTY (PEQUEST RIVER) MUNICIPAL UTILITIES AUTHORITY

MINUTES

September 19, 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.

He introduced Mr. Sidney Deutsch, who was appointed by the freeholder board to replace former commissioner Michael Walsh. Mr. Deutsch is a resident of White Township and owner of the newly restored Hotel Belvidere.

Brian Tipton administered the Oath of Office to Sidney Deutsch.

Present at roll call:

Chad Chamberlain, Chairman
Morris Scott, Jr., Vice Chairman
Robert Piazza, Treasurer
Laurel Napolitani, Secretary
Angelo Accetturo
Sidney Deutsch
Drew Kiszonak
Everdina O'Connor
Philip Rosenberg

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; Billy J. Wauhop, Superintendent; John Wasser, Chief Operator; and Patricia Kaspereen, Administrative Assistant.

John Daly, the Authority's risk manager, also attended.

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

MINUTES

Mr. Piazza moved and Ms. Napolitani seconded to approve the minutes of the August 15, 2012 regular meeting, as presented. The motion passed. Roll call was as follows:

Mr. Accetturo	Abstain	Mr. Piazza	Yes
Mr. Deutsch	Abstain	Mr. Rosenberg	Yes
Mr. Kiszonak	Yes	Mr. Scott	Abstain

Ms. Napolitani	Yes	Chairman Chamberlain	Yes
Ms. O'Connor	Yes		

Ms. O'Connor moved and Mr. Rosenberg seconded to approve the minutes of the August 15, 2012 executive session, as presented. The motion passed. Roll call was as follows:

Mr. Accetturo	Abstain	Mr. Piazza	Yes
Mr. Deutsch	Abstain	Mr. Rosenberg	Yes
Mr. Kiszonak	Yes	Mr. Scott	Abstain
Ms. Napolitani	Yes	Chairman Chamberlain	Yes
Ms. O'Connor	Yes		

CORRESPONDENCE

Ms. Napolitani recapped the correspondence:

1. A letter dated August 13, 2012, from Ms. DeMont, Belvidere Town Clerk, to the Authority requesting a statement of consent for the Proposed Amendment to the Town of Belvidere Water Quality Management Plan (WQMP).
2. A letter dated August 14, 2012, from Mr. Sauder, Senior Environmental Specialist, CP Engineers to Mr. Patel, NJDEP requesting a 30-day extension for the review of the Treatment Works Approval (TWA) application for the Oxford WWTP Upgrade.
3. A letter dated August 15, 2012, from Mr. Tipton, Esq., Florio Perrucci Steinhardt & Fader to the Oxford Township Land Use Board with regard to an informal application for the Capital Improvement Projects.

Mr. Tipton interjected with comments on the hearing held on August 28, before the Oxford Township Land Use Board. The process was simple and the Oxford Township Land Use Board was very courteous. The application fee was waived, but they did ask for an escrow fee of \$750, in order to pay their attorney and engineer fees related to the application. Approval was given and we should have the written resolution by the end of the month.

4. A letter of resignation dated August 20, 2012 from Michael Walsh.
5. A letter dated August 21, 2012, from Mr. Donati, P.E., VP, CP Engineers to Mr. Patel, NJDEP requesting a 30-day extension for the review of the TWA application for the Oxford WWTP Upgrade. (request granted)
6. A Public Notice dated August 22, 2012, from the NJDEP for the proposed FFY2013 Priority System, Intended Use Plan and Project Priority List Document and Proposed Amendments to the FFY2012 Priority System Document.
7. A letter dated August 23, 2012, from the Board of Chosen Freeholders of the County of Warren to Sidney Deutsch announcing his appointment to the WC(PR)MUA Board.
8. A letter dated August 27, 2012, from the NJDEP in response to correspondence no. 5.

9. A letter dated August 29, 2012, from the NJDEP to the Authority regarding their review of the Stage II Cultural Resource Survey for the New Jersey Environmental Infrastructure Financing Program relative to the Oxford WWTP Upgrade.
10. A letter dated August 30, 2012, from Ms. Kaspereen to Mr. Deutsch welcoming him as a member of the Board.
11. A collection system report dated September 5, 2012, from Mr. Guida, Collection System Operator for the Township of Oxford.
12. A letter dated September 7, 2012, from Mr. Sauder, CP Engineers, to the NJDEP enclosing revised materials for the TWA application for the Oxford WWTP Upgrade.
13. A letter dated September 10, 2012, from Troy & Banks to First Energy in connection with Contract #12-02: Utility Audit.
14. A letter dated September 10, 2012 from the NJDEP regarding their review and comments of contract documents for the Oxford WWTP Upgrade. (procedural)
15. From the Delaware River Basin Commission (DRBC), a Notice of Commission Meeting and Public Hearing held on September 12, 2012.
16. A letter dated September 12, 2012, from TD Wealth seeking the Engineer's Certificate.
17. A letter dated September 13, 2012, from Mr. Sauder, CP Engineers to NJDEP submitting fully executed documents for the TWA application for the Oxford WWTP Upgrade. (If the DEP agrees with the assessment, the upgraded plant with still be considered a S2 plant)
18. A memo and copy of invoice (for informational purposes only) from Finelli Consulting Engineers for the Oxford Township Land Use Board Application for the Capital Improvement Projects. (already discussed)

CFO'S REPORT

Mr. Houck commented on the monthly financial report prepared by his office. Revenue from Covanta and PCFA are lowered than anticipated, but last year revenue from PCFA was higher, so it somewhat balances out over a two-year period. At this point, there is nothing to be alarmed about.

As discussed at last month's meeting, the proposed operating budget for FY2013 was prepared. There is very little increase over this year's budget. Additional items included in the 2013 proposed budget, based on discussions with the Board and the anticipated increase in Debt Service, are Capital Anticipation (\$90,054) to offset the cost of the capital costs to be incurred over the next 3-4 years, and a modest 2.5 % increase in salaries, if the Board decides to award increases the funds are there if needed. If the Board is comfortable with the proposed budget,

Mr. Houck will prepare the official documents to be introduced at the October 17th meeting. The budget must be introduced at least 60 days prior to the start of the next fiscal year.

Mr. Piazza met with Mr. Houck and Mr. Wauhop, when the proposed budget was presented for the first time, and then spoke with the other members of the Finance Committee. The committee was in agreement with Mr. Houck and recommended approval of the budget as presented to the Board.

On a related topic, the county building and grounds superintendent contacted Mr. Houck to ask what to include in the county's budget for sewer treatment charges for the new county library. Based on state standards, Mr. Houck calculated the figure to be about \$11,500 (including the I&I factor). Therefore, he is thinking of using \$12,000 initially because there are no meter readings yet. Occupancy is anticipated to be either at the end of this year or beginning of next.

Hearing no objections to the proposed FY2013 budget, formal documents will be prepared for next month's meeting.

Bond Counsel contacted Mr. Houck and informed him formal application has been made to the Local Finance Board (LFB). He endorsed the Application Certification and forwarded the document to Bond Counsel. The Authority Board must adopt a resolution directing application be made to the LFB, which serves as notice that the Authority is borrowing money.

Mr. Piazza moved to adopt Resolution #12-36, directing application be made to the Local Finance Board for its review of a proposed project financing in connection with the Oxford WWTP Upgrade. Mr. Scott seconded; the motion passed unanimously on a roll call vote.

Regarding Debt Service, Mr. Houck expects the closing on the bonds to be around May 2014. The first interest payment, which will be low because of the low interest rate, will have to be paid in November 2014. The first principle payment will be in 2015. Our current bonds retire in 2016, but the last payment for those bonds will be in 2015. Therefore, there will be a one-year overlap of payments in 2015 for the existing bonds and new bonds.

Mr. Kiszonak asked if this meant the Authority should be raising user rates. Mr. Houck said yes, that is why the Capital Anticipation line item was added to the budget for FY2013. The decision of when and/or how the rates should be increased is up to the Board. Mr. Houck will meet with Ms. Kaspreen in October to review flow numbers, to see if billing units need to be adjusted for users whose flow numbers have increased or decreased by more than 10 percent.

Mr. Houck left the meeting.

GENERAL COUNSEL'S REPORT

Mr. Tipton already addressed the Oxford Township Land Use Board meeting. His remaining items are for Executive Session.

ENGINEER'S REPORT

Operations: Regarding correspondence #1, Mr. Donati reviewed the map for the proposed amendment to the Town of Belvidere Wastewater Management Plan (WMP). Almost the entire town is proposed to be in the Sewer Service Area (SSA). This is good for both the town and the Authority. A model resolution was sent to the Authority with a request to consent to the proposed amendment. Some modifications were made to the resolution to make clear that the Authority is endorsing the map only, since we have no other information.

Ms. Napolitani moved to adopt Resolution #12-37, consenting to the proposed Water Quality Management (WQM) Plan amendment map entitled "Future Wastewater Service Area Map – Town of Belvidere Water Quality Management Plan." Mr. Scott seconded, all in favor.

Oxford Upgrade Permitting: The DRBC Docket was approved on September 12. The nitrate limit was relaxed and does not require any additional design or construction work to meet the limit.

The NJDEP FHA (Flood Hazard Application) has reached Administrative Completeness and we expect to have that permit soon.

The NJDEP granted the MUA a 30-day extension on the Treatment Works Approval (TWA) application (corr. #5). We expect to receive this permit within the next two weeks.

The issue with the DRBC delayed the design of the upgrade significantly, so we are behind schedule. Therefore, the Authority will need to request an extension of the NJDEP compliance date.

The final drawings for the upgrade are almost complete. The Value Engineering Study needs to be done. Mr. Donati believes the project can go out to bid in November. He is also a week or two away from having a firm estimate of the cost for the upgrade.

SUPERINTENDENT'S REPORT

Mr. Wauhopp reported that he has been transitioning with Mr. Bale and Mr. Donati and getting to know the employees. He is also becoming familiar with the plants. A list has been put together from items Mr. Bale noted needed to be addressed at both facilities; items have been added to the list. Work on one of the maintenance issues has already begun, and Mr. Bale had already resolved others. The list will be prioritized with cost estimates, if possible, and a schedule will be set up.

In preparation for the Value Engineering Study, Mr. Wauhopp will be reviewing the drawings for the upgrade.

FINANCE (TREASURER'S REPORT)

Regarding the bills, Mr. Piazza asked the staff to be more cognizant of freight charges. He suggested an attempt be made to obtain goods FOB Belvidere, if possible. If freight charges are unavoidable, make sure the charges are justified, not an arbitrary number.

Mr. Piazza moved that Resolution #12-38 (Certificate No. 314: \$68,667.57) be approved to pay all bills from the Operating Fund. Mr. Accetturo seconded. The motion passed unanimously on a roll call vote.

Mr. Piazza moved that Resolution #12-39 (Certificate No. 322: \$72,977.76) be approved to pay all bills from the Capital Improvements Fund. Mr. Rosenberg seconded. The motion passed unanimously on a roll call vote.

UNFINISHED BUSINESS

There was no unfinished business to report.

NEW BUSINESS

There was no new business to report.

PUBLIC COMMENT

There was no public present.

EXECUTIVE SESSION

At approximately 8:12 p.m., Mr. Scott moved to enter into Executive Session for the purposes of discussing attorney-client privilege, contract negotiations and personnel. Mr. Rosenberg seconded. All in favor.

Mr. Scott moved and Ms. O'Connor seconded to return to open session at approximately 9:34 p.m. All in favor.

Mr. Scott moved to settle the N.O.V. matter with the DRBC for \$7,500. Mr. Rosenberg seconded, all in favor.

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 9:35 p.m.

Patricia Kaspereen

Patricia Kaspereen

Administrative Assistant