

WARREN COUNTY (PEQUEST RIVER)  
MUNICIPAL UTILITIES AUTHORITY

**MINUTES**  
**November 17, 2010**

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

Present at Roll Call:

|                                     |                                      |        |
|-------------------------------------|--------------------------------------|--------|
| Chad Chamberlain, Chairman          | Robert Piazza                        | Absent |
| A. Morris Scott, Jr., Vice Chairman | Michael Walsh (entered at 8:05 p.m.) |        |
| Laurel Napolitani, Secretary        |                                      |        |
| Angelo Accetturo, Treasurer         |                                      |        |
| Drew Kiszonak                       |                                      |        |
| Everdina O'Connor                   |                                      |        |
| Philip Rosenberg                    |                                      |        |

Also, in attendance were:

Stephen Donati, P.E., Authority Engineer and Consultant; Charles Houck, Authority Chief Financial Officer; Jessica Cardone, Esq., Authority Legal Counsel; and Patricia Kaspereen, Administrative Assistant.

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

MINUTES

Ms. Napolitani moved and Mr. Scott seconded to approve the minutes of the October 20, 2010 regular meeting, as presented. The motion passed unanimously; Roll call was as follows:

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

CORRESPONDENCE

Ms. Napolitani reviewed the correspondence; Mr. Donati addressed his items during his report.

1. A letter dated October 21, 2010, from Mr. Kitchen, Supervisor of Roads, Warren County Road Department to Mr. Bale, Acting Supervisor regarding acceptance of truck wash recycle waste.
2. An e-mail dated October 22, 2010, from Mr. Dibble, Risk Manager, Bollinger Insurance regarding property valuation.
3. A letter dated October 22, 2010, from MEL JIF to the Board about POL/ELP.
4. A letter dated October 28, 2010, from the PMK Group to Mr. Bale with the results of the EJIF Audit.
5. An invoice dated November 1, 2010, from the AEA.
6. A letter dated November 2, 2010, from Mr. Donati, P.E., Senior Associate, C&P to the NJDEP with an updated compliance schedule progress report.
7. A letter dated November 10, 2010 from HydroQual to the Authority with a proposal for mercury sampling services.

#### CFO REPORT

An updated spreadsheet with flow numbers was distributed to the members at the start of the meeting. These figures are through September 30, 2010. A summarization of the impact was also provided. Mr. Houck was seeking a decision from the Board as to whether the billing would be based on 73,000 gallons of flow per EDU or 1,000 g.p.d. of flow per billing unit. He needs the information for preparation of documents for the December hearing.

Although this was not the rate hearing, Chairman Chamberlain offered the public an opportunity to speak.

Charles Duffy, from Brookfield Development, was in opposition to the proposed billing system. He was surprised to read in an article in *The Express-Times*, a comment from the Authority's CFO that White Township residents were not paying for any I&I. In addition, that I&I is paid for exclusively by Belvidere and Oxford residents. Mr. Duffy disagreed with this comment. He referred to a 2007 study done by Maser Engineering regarding I&I. The study determined I&I within Brookfield was almost 26,000 g.p.d., which was paid for by Brookfield residents. Under the proposed billing system, he believes Brookfield residents will be paying almost twice the amount they currently pay for sewer treatment. He does not think Brookfield should subsidize other people's flow.

Mr. Houck reiterated his comments made at the September 15<sup>th</sup> meeting that I&I is a system-wide problem and should be borne by its users system-wide. Moreover, Brookfield will not be billed at 200 g.p.d. per unit. He explained the methodology. He believes the average household in Brookfield will be paying approximately \$560 a year, whereas, the average household in Belvidere is currently paying \$700 a year. The Authority is attempting to devise a system that is fair and equitable to every user. The current system is not. A disagreement ensued.

Frank Destefano, also from Brookfield, objected to paying for over 100 gallons a day more of water going out than what he takes in.

Herb Hinton, from Brookfield Glen, said he and others present spent one night (during the study) checking sewer flow in their development. They found a lot of I&I and reported this to the Authority, and were told to accept it for what it is. Where he previously lived, residents were billed on water usage minus 10% for incidental usage. He wondered why the same could not be done here.

Chairman Chamberlain said that unfortunately this Authority is not a homogeneous system. As the CFO has stated numerous times, approximately \$2.6 million is needed to operate the system.

Mr. Donati explained that this Authority bills on a wholesale basis (one large number), with the towns and some developments billing retail (individual residents). It is up to the individual towns and developments to decide on how they will bill, whether by water usage or sewer discharge.

Mr. Hinton felt there should be a more equitable way to bill. He suggested cutting the budget. He was offended by Mr. Houck's earlier comment to Mr. Duffy and suggested a better form of communication.

Mr. Kiszonak stated the Authority is already down to a skeleton crew. The Board's goal is to reduce costs, plan for the future, and be fair and equitable to everyone. Many senior citizens also live in Belvidere and Oxford.

Sam Race, a member of the governing body of White Township, requested the Authority to consider the matter of equity of who is responsible for what. He agreed with Mr. Duffy's statements. He asked for more analysis toward the equity of how the Authority charges for I&I.

Howard Thompson, from Belvidere, apologized for not attending earlier discussions. He inquired about the Oxford WWTP upgrade. Mr. Donati explained the reasons for the upgrade. The upgrade would be needed regardless of the flow from the EFR (incinerator). The two main issues relative to the Oxford permit are ammonia and phosphorus, neither of which are incinerator issues. Ammonia and phosphorus are domestic wastewater issues. However, the upgrade may include provisions to assist in the treatment of the flow from the EFR and PCFA. The potential for future issues will also be taken into consideration during the feasibility study of the upgrade.

Mr. Houck was looking for direction from the Board for preparation of the final documents for submission to the state and in conjunction with the rate hearing. The consensus of the Board was to use 1,000 g.p.d. as the basis to come up with the number of billing units for the users, and an I&I factor of 25%, multiplied by the user rate. The domestic rate will be approximately \$10.95 and the industrial rate will be double the domestic rate.

#### GENERAL COUNSEL'S REPORT

Ms. Cardone filled in for Mr. Tipton.

She deferred to Mr. Donati regarding the sludge disposal agreement, because he has an update on the matter.

#### ENGINEER'S REPORT

After running the numbers about the possibility of the town of Phillipsburg accepting our sludge, it was realized that it would cost more than an agreement with PVSC. Phillipsburg also takes their sludge to PVSC. Therefore, Phillipsburg has officially withdrawn its interest in accepting our sludge.

Mr. Donati sees nothing in the near future regarding other options or alternatives to PVSC. In fact, the MUA's second best option is \$0.07 per gallon with Parsippany-Troy Hills versus only \$0.04 with PVSC.

At the last meeting, the Board authorized execution of the PVSC agreement contingent upon negotiations with Phillipsburg, as well as an attempt to broker an acceptable escape clause in the PVSC agreement. No one from PVSC returned Mr. Tipton's phone calls. However, earlier today PVSC called inquiring on the status of the agreement. Mr. Donati spoke with Mr. Burns from PVSC. He explained that PVSC does not consider a short-term agreement an agreement at all. If the MUA wants a shorter term, such as two years, then the disposal rate will be considerably higher.

Therefore, the MUA will execute the contract with PVSC as previously presented and voted on at last month's meeting. Resolution #10-39 and the agreement call for a sludge disposal rate of \$0.04 per gallon for both the Belvidere and Oxford facilities.

Mr. Donati gave an update on the county's request to connect the truck-wash facility to the Authority's system (see correspondence no. 1). After further review, Mr. Donati is comfortable that due to the low amount of flow from their facility he sees no adverse impact on the Belvidere WWTP. He recommended the Board grant its consent. No connection fee is involved, as the county garage was already connected to the system.

Mr. Scott made a motion to allow connection of the county truck-wash facility to the Authority's system. Ms. O'Connor seconded, all in favor.

TMDL for phosphorus for the Oxford WWTP permit: Mr. Donati prepared and submitted the semi-annual NJPDES permit compliance report (corr. no. 6). The report made clear the MUA is still waiting to be formally notified by the DEP that the 3-year compliance schedule has begun, even though the Authority is proceeding as if it had received formal notification.

Mr. Walsh entered the meeting.

Feasibility Study for the Oxford Upgrade: a meeting between the subcommittee and Mr. Donati could not be arranged due to scheduling conflicts. He did contact DSM and researched other funding options. He gave a summary of the history of the study that began in 2006 and displayed a map outlining the possible routes for conveying flow from the Oxford facility to Belvidere.

He explained that the Authority has to consider committed flows as well as present flows. These figures are on the Operators' Reports given to the commissioners every month.

DSM has a considerable amount of excess capacity. They are going to talk amongst themselves and get back to Mr. Donati. There are many other issues to consider.

Funding Sources: other than the NJEIT and any stimulus money that may be available, the U.S.D.A. might be a possibility. Mr. Donati said it not very common in New Jersey because of their strict eligibility requirements. Fortunately, C&P was able to obtain financing for a client in Sussex County, which may be an advantageous to the Authority. C&P contacted the U.S.D.A, who suggested we submit an eligibility application. The cost to the Authority would be about \$3,500, to have C&P put together all the paperwork.

Mr. Scott moved to authorize C&P to prepare the application for the U.S.D.A. for a total cost of \$3,500. Mr. Rosenberg seconded, all in favor.

Mr. Donati will see if correspondence no. 7 applies to the Authority.

Regarding insurance, the Board did not see the need to increase the property valuations to incorporate the large blanket limits discussed at previous meetings. Mr. Donati will have something for the Board for next month's meeting.

The JIF conducted an environmental audit (corr. no. 4) of both facilities. Mr. Kiszonak said the operators should be commended for receiving a 99% on the checklist.

Due to monetary constraints, the Board decided not to renew its membership with AEA for 2011. C&P is a member.

Mr. Scott moved not to renew membership with AEA for 2011. Ms. Napolitani seconded, all in favor.

Ragging issues continue to be a significant problem at the Belvidere plant. The operators want the opportunity to weigh in with any decision made in this area. Mr. Donati suggested that they attend a subcommittee meeting for the upcoming upgrade.

Chairman Chamberlain encouraged the subcommittee set up for the feasibility study to meet as soon as possible.

Chairman Chamberlain suggested to Mr. Donati that it would be helpful if he were to include some prepared notes for the agenda packets, since there is so much information to cover.

#### FINANCE

Mr. Accetturo recommended that Mr. Donati, sooner rather than later, suggest 6-7 dates for the subcommittee to meet to discuss the feasibility study.

Mr. Accetturo moved that Resolution #10-40 (Certificate No. 292: \$58,927.98) be approved to pay all bills from the Operating Fund. Mr. Scott seconded, all in favor.

Mr. Accetturo moved that Resolution #10-41 (Certificate No. 300: \$3,771.00) be approved to pay all bills from the Capital Improvements Fund. Mr. Scott seconded, all in favor.

#### PERSONNEL COMMITTEE

Discussed under Executive Session at the end of meeting.

#### UNFINISHED BUSINESS

No progress on the proposed website.

#### NEW BUSINESS

There was no new business to report.

#### PUBLIC COMMENT

Mr. Wichert, from *The Express-Times*, asked if the final decision for changing the billing system was going to be made at the December meeting. Chairman Chamberlain answered in the affirmative.

Due to the expectation of a larger audience, both December meetings will be held at the PCFA Administration Building.

#### EXECUTIVE SESSION

Mr. Scott moved to enter into Executive Session at approximately 8:35 p.m., for the purpose of discussing Personnel issues relative to Authority management. Ms. O'Connor seconded, all in favor.

Mr. Scott moved to return to open session at approximately 9:00 p.m. Mr. Rosenberg seconded, all in favor.

As there was no more business to come before the Authority, Mr. Scott moved and Mr. Rosenberg seconded that the meeting be adjourned. The motion passed unanimously. The meeting was adjourned at 9:35 p.m.

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Patricia Kaspereen  
Administrative Assistant