

# WARREN COUNTY (PEQUEST RIVER) MUNICIPAL UTILITIES AUTHORITY

## MINUTES

November 20, 2012

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Chairman Chamberlain called the regular meeting of the Warren County (Pequest River) Municipal Utilities Authority to order at 7:32 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	Laurel Napolitani	Absent
Morris Scott, Jr., Vice Chairman	Philip Rosenberg	Absent
Robert Piazza, Treasurer		
Angelo Accetturo		
Sidney Deutsch		
Everdina O'Connor		

Drew Kiszonak (entered meeting at 7:35)

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, Authority Consultant; and Patricia Kaspereen, Administrative Assistant.

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

### MINUTES

Mr. Piazza moved and Mr. Scott seconded to approve the minutes of the October 17, 2012 regular meeting, as presented. The motion passed. Roll call was as follows:

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

Mr. Piazza moved and Mr. Scott seconded to approve the minutes of the October 17, 2012 executive session, as presented. The motion passed. Roll call was as follows:

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

CORRESPONDENCE

Chairman Chamberlain suggested the professionals address their correspondence during their reports.

1. A letter dated October 18, 2012, from Mr. Wauhob, Authority Consultant, to Mr. Williams, Director of Operations for PCFA noting additional charges.
2. A letter dated October 22, 2012, from Mr. Houston, Houston & Palmer requesting information for closing purposes with regard to connection fees and sewer charges for property located at Village Square Center in White Township.
3. A letter dated October 23, 2012, from Mr. Mikulka, Senior Project Manager, CP Engineers, to the NJDEP submitting the Compliance Schedule Progress Report for the Oxford WWTF NJPDES Permit No. NJ0035483.
4. A Notice of Decision and Resolution from the Township of Oxford Land Use Board granting site plan approval for the Oxford WWTP Upgrade.
5. A letter dated October 26, 2012, from Nature's Choice Corporation to Mr. Wauhob requesting a meeting to determine whether it is feasible for them to discharge to the MUA wastewater treatment facilities.
6. A letter dated October 31, 2012, from the Mr. Sauder, Senior Environmental Specialist, CP Engineers to the NJDEP enclosing the Evaluation of Local Discharge Limitations Report for the Belvidere WWTP.
7. A letter dated November 2, 2012, from Cate Kiernan, Executive Director, New Jersey Utilities Authority Joint Insurance Fund to the Authority regarding Public Officials Liability and Employment Practices Liability deductibles.
8. A letter dated November 6, 2012, from Mr. Mikulka, CPE to the NJDEP submitting the required Professional Services Affidavits for the Oxford WWTF Upgrade.
9. A letter dated November 9, 2012 from Mr. Guida, Collection System Operator for the Township of Oxford submitting the township's monthly collection system report.
10. A letter dated November 9, 2012, from Birdsall Services Group, Engineers & Consultants, to Mr. Wasser enclosing the 2012 Environmental JIF Audit.

11. A letter dated November 9, 2012, from Russell Reid to Mr. Wauhopp regarding pricing for emergency sludge hauling and disposal services to Somerset Raritan Valley Sewer Authority.

Mr. Kiszonak entered the meeting.

#### CFO'S REPORT

With regard to correspondence #2, Mr. Houck stated it was in reference to a request by the owner of the property that the county is purchasing. The county will pay the WCMUA directly for the connection fees. However, Mr. Houck suggested the county wait until the end of December to pay in case the deal falls through, although he felt this unlikely. At his request, Ms. Kaspereen invoiced the county, who in turn prepared a voucher.

After monitoring the flows, Mr. Houck prepared a schedule showing the change in utilization over the last two years. He discussed the changes in more detail with the Board. He noted that two users, who are commercial properties, had decreased flow that he attributed to vacancies. Therefore, he recommended waiting another year before making any changes in billing in case those vacancies are filled and we are back to where we started. Other than that, he did not see any other major changes in flow and recommended keeping the billing the same for next year. He will continue to monitor the flows. Chairman Chamberlain agreed with the recommendation and there were no objections from the Board.

Mr. Kiszonak initiated discussion about the amount of money needed to run the Authority and to whether the user rate would need to be increased. Mr. Houck said the rate for 2013 would be determined and adopted at the December meeting. He anticipates a slight increase in the user rate to cover the slight increase in the budget. Approximately \$100,000 has been added to the budget to cover capital anticipation. Some of this may be offset by an increase in users. Mr. Kiszonak asked about the rate in the years beyond 2013. He does not want to see the rate increased in one huge spike. Operating costs for the new plant are anticipated to be higher than the existing one.

Mr. Houck presented a resolution prepared by Bond Counsel for issuance of Notes for Interim Financing for the State FY2013 Trust Loan Program. (The County will also be passing a resolution at its next meeting granting its approval.)

Mr. Scott moved to adopt Resolution #12-45, authorizing the issuance of Project Notes of the WC(PR)MUA in connection with the Interim Financing State FY2013 Trust Loan Program of the NJEIT. Mr. Piazza seconded. The motion passed unanimously on a roll call vote.

Chairman Chamberlain wished Mr. Houck a Happy Thanksgiving, who in turn extended his well wishes and left the meeting.

#### GENERAL COUNSEL'S REPORT

Billy J. Wauhopp & Associates Agreement: Mr. Wauhopp has obtained the required insurance and the agreement will be modified to increase the compensation to \$70,000 to cover the cost of the insurance. This is retroactive to his start date. In order to save the Authority money, Mr. Wauhopp paid for the entire cost of the insurance up front. This is the last item of the agreement that needed to be satisfied. Mr. Tipton requested a resolution approving the agreement as amended.

Mr. Scott moved and Ms. O'Connor seconded to approve the agreement as amended to increase the compensation from \$65,000 to \$70,000. The motion passed unanimously on a roll call vote.

The resolution for action taken by the Oxford Township Land Use Board has been memorialized and received.

### ENGINEER'S REPORT

Nature's Choice: CPE discussed with them the possibility of conveying industrial stormwater to the Authority. They sent a follow up letter (corr. #5) requesting a meeting with the Authority. Mr. Tipton recommended that Mr. Donati ask Nature's Choice to establish an escrow account with the Authority before meeting with them, because we are just one of many options they may be considering and may never become a source of revenue. Mr. Piazza suggested \$2,500 to start and the account can be replenished as needed. The Board agreed.

Permit Compliance: CPE submitted the Local Limits Analysis.

Oxford Upgrade: The design is essentially complete and it is going through the Quality Assurance Process. They are also preparing the permits for DCA review. Mr. Donati will see if they will waive the fee.

Permitting: The FHA (Flood Hazard Application) permit was received earlier today, with conditions that need to be addressed.

The Soil Erosion and Sediment Control Plan Certification has been received.

In order not to delay the upgrade further, Mr. Donati suggested going out to bid before receiving DCA approval. Their approval is needed before the first shovel breaks ground. However, there may be drawbacks to his suggestion.

The Trust is requesting a Reserve Capacity Study. CPE is working on this study.

Value Engineering Study: Mr. Donati distributed copies of a draft of the VES Report. A potential savings of approximately 4.2% was discovered, which validated the worth of the study as well as the appropriateness of the design.

Mr. Wauhob directed everyone to the summary pages of the report and explained it in more detail. There were nine items listed as "AR" (acceptance recommended) totaling a gross savings of \$392,000, which will cost \$47,000 to implement, resulting in a net savings of \$345,000.

There was one item listed as "further study required", which is the filtration process. He had the opportunity to look at a disk filter and was impressed. The Belvidere WWTP utilizes a sand filter that has been problematic from the beginning. He described the disk filter in more detail and said there would be cost savings in the initial equipment, as well as greater savings in the design of the filter building. He recommended further research of the disk filter and for the Board to approve changing the design to incorporate the nine items listed as AR.

Mr. Scott moved to approve a resolution authorizing the implementation of the nine "acceptance recommended" items referred to in the VES Report, and to authorize CPE and Mr. Wauhob to move forward with further study of the disk filter. Mr. Kiszonak seconded. All in favor, motion carried.

There will be a meeting with the manufacturer next week.

#### AUTHORITY CONSULTANT'S REPORT

Mr. Wauhob distributed his report.

Work is ongoing in the maintenance area of the service building at the Belvidere WWTP.

Seven of the twelve worm gears have been renovated and replaced; the remaining five will be done in the spring.

He prepared a detailed report on what occurred during Superstorm Sandy. There were no spillages or violations. There were some issues with the generators, so, in lieu of putting an enclosure over the portable generator at Axford Avenue, he recommended selling that unit and purchasing a permanent generator to be placed on the existing pad, no enclosure would be needed. Then a stand-by generator can be purchased that would be powerful enough to run any of the pump stations. This will better prepare us for the next outage. He will obtain quotes. FEMA will be contacted to see if the Authority can recoup funds expended due to the storm.

On November 9, the Oxford plant lost microbe activity, so, seed sludge was transported from the Belvidere plant to reactivate the process. The cause is unknown and warrants further investigation. The plant recovered quickly.

The lagoons at PCFA are full and no one is available to take their leachate. Passaic Valley Sewage Authority is down due to significant damage from Superstorm Sandy. Last week and this week, the MUA accepted PCFA's maximum flow at the Oxford plant, but had to cut back on Friday. Mr. Wauhob contacted Mr. Williams about them trucking their additional leachate to our Belvidere plant. Earlier today, we accepted several truckloads of leachate at our Belvidere plant, as well as receiving flow to the Oxford plant. We will continue this process until PCFA has

regained sufficient storage capacity. The additional revenue from PCFA will offset the cost of additional sludge disposal, if needed.

Emergency measures had to be taken for sludge disposal due to PVSC being down and will continue for the time being. This will result in additional sludge disposal costs.

The necessary paperwork was submitted to the DEP regarding the changes in the Licensed Operators in Charge for each facility.

Regarding correspondence #10, Mr. Wauhop stated the JIF is giving the MUA until July 1, 2013 to prove that we are in compliance. Only one item was noted.

#### FINANCE (TREASURER'S REPORT)

Mr. Piazza commented on the monthly financial reports. There was nothing out of the ordinary or of concern.

Mr. Piazza moved that Resolution #12-46 (Certificate No. 316: \$70,099.92) be approved to pay all bills from the Operating Fund. Mr. Scott seconded. The motion passed unanimously on a roll call vote.

Mr. Piazza moved that Resolution #12-47 (Certificate No. 324: \$70,215.42) be approved to pay all bills from the Capital Improvements Fund. Ms. O'Connor seconded. The motion passed unanimously on a roll call vote.

#### UNFINISHED BUSINESS

There was no unfinished business to report.

#### NEW BUSINESS

Mr. Tipton noted that our Service Rules called for a minimum of \$3,000 to establish an escrow fund, which modifies an earlier suggestion of \$2,500.

#### PUBLIC COMMENT

There was no public present.

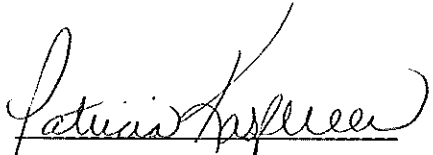
#### EXECUTIVE SESSION

At approximately 9:03 p.m., Mr. Scott moved to enter into Executive Session for the purpose of discussing personnel. Ms. O'Connor seconded. All in favor, motion carried.

Mr. Scott moved and Mr. Piazza seconded to return to open session at approximately 9:22 p.m. All in favor, motion carried.

Mr. Scott made a motion to grant pay increases to the operators as recommended by the Authority's Consultant, Mr. Wauhop. Ms. O'Connor seconded. All in favor, motion carried.

As there was no more business to come before the Authority, Ms. O'Connor moved and Mr. Scott seconded that the meeting be adjourned. The motion passed unanimously. The meeting was adjourned at 9:23 p.m.

A handwritten signature in cursive script, appearing to read "Patricia Kaspereen", written over a horizontal line.

Patricia Kaspereen  
Administrative Assistant