

WARREN COUNTY (PEQUEST RIVER) MUNICIPAL UTILITIES AUTHORITY

MINUTES September 17, 2019

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	Sidney Deutsch	Absent
Laurel Napolitani, Secretary	Morris Scott, Jr.	Absent
Robert Piazza, Treasurer	Everdina O'Connor	Absent
Drew Kiszona	Robert Nyland	Absent
Donald Niece		

Also, in attendance: Brian Tipton, Esq., Authority Legal Counsel; Stephen Donati, Authority Engineer; Kim Francisco, Authority CFO; Kevin Shoudt, 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 Ms. Napolitani seconded to approve the minutes of the August 20, 2019 regular meeting, as presented. The motion passed. Roll call was as follows:

Mr. Deutsch	Absent	Ms. O'Connor	Absent
Mr. Kiszona	Yes	Mr. Piazza	Yes
Ms. Napolitani	Yes	Mr. Scott	Absent
Mr. Niece	Yes	Chairman Chamberlain	Yes
Mr. Nyland	Absent		

Mr. Piazza moved, and Ms. Napolitani seconded to approve the minutes of the August 20, 2019 executive session, as presented. The motion passed. Roll call was as follows:

Mr. Deutsch	Absent	Ms. O'Connor	Absent
Mr. Kiszona	Yes	Mr. Piazza	Yes
Ms. Napolitani	Yes	Mr. Scott	Absent
Mr. Niece	Yes	Chairman Chamberlain	Yes
Mr. Nyland	Absent		

CORRESPONDENCE

Ms. Napolitani recapped the correspondence listed below:

- 1) A letter dated August 8, 2019, from Paul Baldauf, Assistant Commissioner, Compliance & Enforcement, NJDEP, informing the Authority that the Belvidere WWTF is in compliance.
- 2) A letter dated August 29, 2019, from Domenick DiPaolo, P.E., Finelli Consulting Engineers, Inc., providing notification to the Authority that an application for Letter of Interpretation has been submitted to the NJDEP regarding property located in White Township known as Block 7, Lot 16.
- 3) A letter and proposal dated September 11, 2019, from Joseph J. Maraziti, Jr., Partner, Maraziti Falcon, LLP, Attorneys at Law, about retaining a Special Conflict Counsel.

EXECUTIVE SESSION

None

CFO'S REPORT

Mr. Francisco summarized the monthly financial report. During the month of August is when the Authority paid the settlement to Tomar for \$675,000, so, our cash balance is down by \$997,558. The good news is we still have \$5.4 million dollars and are in good shape. We are about two-thirds of the way through the year, and our revenues are up slightly at 76%, due to some additional interest income and miscellaneous revenue. Expenses are only at 60%.

Mr. Francisco distributed the proposed FY2020 Budget information to the members. Since our August meeting, he has met with Mr. Wauhop and Chairman Chamberlain, and then with the Finance Committee to discuss the budget. All line items were discussed. It was agreed, that overall, there will be no changes to the bottom line of the budget. As in 2019, it will cost \$2,829,744 to operate the plants in 2020. A few adjustments were made to some line items, but there will be a zero increase to the bottom line. He explained this in more detail. There is no increase in appropriations overall. Covanta closed and PCFA is no longer sending us any leachate, so we are not anticipating any revenue from either of these sources. To make up for that lost revenue of \$28,500, we will increase the amount of funds used from the Rate Stabilization Fund by the same \$28,500. The remaining revenue would be the same. They all felt it was not necessary to raise the user rates. Options going forward, such as finding additional revenue sources were discussed. It may become necessary to gradually increase the user rates in the future.

Next, he covered the Capital Projects for 2020: Every year, \$25,000 is put into the capital budget for pumps, motors and controls for the Belvidere STP. For Oxford, paving the service road (\$20,000); pumps, motors and controls (\$20,000); and the UV system installation (\$364,000). Lastly, the systemwide inspection of our interceptors (\$220,000).

Mr. Wauhop had informed Mr. Francisco that he did not see any other major capital projects in the foreseeable future. Mr. Francisco asked Mr. Donati if he had anything that should be included for 2020. Mr. Donati said he did not see anything else major.

Mr. Francisco summarized the remaining line items for Revenues and Appropriations. The biggest expense is for Debt Service, which accounts for 41% of the budget. He believes we will end 2019 with \$5.5 million dollars. Over the next 5 years, we will use about \$3.3 million for Rate Stabilization, PCFA revenue loss, and Capital projects. So, at the end of 5 years, we will have approximately \$2.1 million dollars. This will be monitored every year for the next 5 years, so that we do not need a large increase in the user rate.

Hearing no objections to the proposed budget, Mr. Francisco will prepare the State documents for introduction at our October meeting. It will then be sent to Trenton, for approval at our December meeting.

Mr. Kiszona asked what was the total cost to upgrade the Oxford plant and would the Belvidere plant need to go through the same thing? Mr. Donati said the cost of the Oxford upgrade was around \$9.5 million dollars and he did not think the Belvidere plant would need a major upgrade since it was upgraded in 2004. However, there is the potential for changes to our permits.

GENERAL COUNSEL'S REPORT

Mr. Tipton had nothing to report.

Mr. Piazza asked if he was familiar with Brent Carney, from Maraziti Falcon, LLC? Mr. Tipton said he has had interactions with him with Greenwich Township and he is very professional.

ENGINEER'S REPORT

Mr. Donati's report was included in the agenda packets.

Jaindl Development: Mr. Donati contacted the two recommended Conflict Attorneys, but neither worked out. So, he contacted the firm of Maraziti Falcon, LLC, who submitted a proposal. This property is outside of White Township's Sewer Service Area.

Belvidere Clarifier Rehab: Mr. Shoudt said the tank was taken down, and tomorrow the bottom will be hosed down and the sludge pumped out. So far, the operators have seen quite a few damaged diffusers. Tomorrow more will be known. Mr. Donati stated that from a painting perspective, there is a lot involved to coating metal surfaces correctly. He recommended that any quotes for painting include a warranty for at least 5-years.

Oxford UV Installation: Mr. Donati distributed a memo he prepared with a preliminary evaluation of the 4 possible alternatives. He felt that it would answer a lot of questions. He described the process and options in more detail. The cost for each option is very similar. However, Mr. Wauhop and the operators are adamant about installing the system outside, so that is the option that was chosen. Regarding the estimated cost, Mr. Donati stated that 30 years of

experience tells him that on a mechanical job in the public sector, you take the cost of equipment and double it. Then there is a contingency amount for the unexpected and the engineering percentage is standard. However, he did not feel the costs, or his fees, will be as high as the estimate. Discussion ensued about location, quotes from a manufacturer, design and how often the UV bulbs need to be changed.

Mr. Shoudt informed the members that DEP wants to lower the number for chlorine residuals. The cost for the meter is about \$6,000 to measure for this lower number. UV eliminates the need for chlorine.

The design phase is 8 weeks, permit phase will be at least 12 weeks, bid phase 8 weeks, equipment procurement 20-24 weeks, and construction 8 weeks. So, it will be at least 56 weeks from the day the Authority authorizes moving forward to completion. If we wait much longer, we will be finishing up construction next winter, rather than in the nice weather, said Mr. Donati.

There was discussion about moving forward now or waiting until next the meeting when Mr. Wauhop will be present. Ms. Napolitani moved to authorize CP Engineers to move forward with just the design of the UV system – Alternative #1. Mr. Niece seconded. The motion passed unanimously on a roll call vote.

Oxford STP Access Road Improvements: Reconstruction/grading/paving will be needed from our gate to Pequest Road. Mr. Donati stated that it may cost more than the \$20,000 budgeted.

AUTHORITY CONSULTANT

Mr. Shoudt presented Mr. Wauhop's report.

Belvidere WWTP: He recapped maintenance items performed during the month. The process pit pumps were greased. They unclogged the #2 pump at the pump station and the discharge side of the pump at the county line grease trap. The flush valves in both women's restrooms were replaced, as well as the backflow valve in the service building. The new truck has been picked up.

They flushed the return lines for clarifier #3 and took it down. Tomorrow the sludge will be pumped out, it will be cleaned, and they will start replacing the diffusers.

Oxford WWTP: He recapped maintenance items performed during the month. DEP inspected the plant. The operators cleaned the backwash filters, greased the disk filter bearings, cleaned rags out of the return pumps and cleaned the wasting pumps. They started to paint non-potable pipes.

Mr. Shoudt discussed the interceptor inspections. He has been working with a contractor for the last couple of months, whose pricing is very good. This contractor videos main sewer lines at about 400-500 feet a day and charges \$1,900 a day. In addition to the video, he gives a very detailed report. Mr. Donati agreed, the report is very good. The Authority has 28,000 feet of interceptors. Now that we have a fifth operator, he can work with the camera crew for manhole

inspections and traffic control, if needed. The cost would be substantially less than anticipated if this contractor did the job. Mr. Tipton stated that we would have to go out to bid due to the total cost, no matter how the project was broken out. Mr. Shoudt recommended starting some of the inspections soon.

Ms. Napolitani moved to have Mr. Donati, Mr. Mr. Shoudt and Mr. Wauhopp develop the specs and schedule for the systemwide interceptor inspections, in preparation of going out to bid. Mr. Piazza seconded the motion. The motion passed unanimously on a roll call vote.

Security for Administration Building: An additional proposal was received immediately before the meeting, and an updated one was included in the Agenda Packets. Mr. Shoudt recommended ADT's proposal because that is their line of business. Mr. Niece said the Finance Committee had also reviewed the proposal from ADT that entails a wireless unit that can be carried throughout the building (or up to 300'). Mr. Piazza said that from a finance committee point of view, they thought the wireless system made the most sense and agreed with Mr. Shoudt.

Mr. Kiszonak moved, and Mr. Piazza seconded to have ADT provide and install the wireless/intercom door release system for a cost of \$4,788.00, and a \$20 monthly maintenance fee. All in favor, motion passed.

More parts have come in for the climbing screen and work will resume next week. Mr. Wauhopp must finalize drawings to give to Mott MacDonald for preparation of the TWA.

FINANCE (Treasurer)

Mr. Piazza moved that Resolution #19-37 (Certificate No. 405: \$31,245.39) be approved to pay all bills from the Capital Improvements Fund as presented. Mr. Niece seconded. The motion passed unanimously on roll call vote.

Mr. Piazza moved that Resolution #19-38 (Certificate No. 398: \$41,067.36) be approved to pay all bills from the Operating Fund, as presented. Mr. Niece seconded. The motion passed unanimously on a roll call vote.

Mr. Piazza stated that at the budget meeting between the Finance Committee and CFO Francisco, there was discussion about the need for a new computer for the Administrative Assistant. This is because Microsoft will no longer be supporting Windows 7 next year. The other computers at the Authority were also discussed but it was decided that they did not have to be upgraded at this time.

Mr. Piazza moved to purchase a new computer for the Administrative Assistant with Windows 10. Mr. Niece seconded. All in favor, motion carried.

Also discussed was the proposal for the Conflict Attorney. Action on the matter was tabled until our next meeting, so that pay-to-play documents can be received at least 10 days prior to the meeting.

UNFINISHED BUSINESS

Other than what was already discussed, there was no further unfinished business.

NEW BUSINESS

There was no new business.

PUBLIC COMMENT

There was no public comment.

As there was no more business to come before the Authority, Mr. Niece moved, and Mr. Kiszona seconded that the meeting be adjourned. All in favor, motion carried. The meeting was adjourned at 8:42 p.m.