

WARREN COUNTY (PEQUEST RIVER)
MUNICIPAL UTILITIES AUTHORITY

MINUTES

January 16, 2013

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
Morris Scott, Jr., Vice Chairman
Robert Piazza, Treasurer
Laurel Napolitani, Secretary
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, Authority Consultant; and Patricia Kaspereen, Administrative Assistant.

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

MINUTES

Mr. Scott moved and Ms. Napolitani seconded to approve the minutes of the December 19, 2012 Annual Public Rate Hearing, as presented. The motion passed. Roll call was as follows:

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

Mr. Scott moved and Ms. Napolitani seconded to approve the minutes of the December 19, 2012 regular meeting, as presented. The motion passed. Roll call was as follows:

| | | | |
|-------------|---------|------------|-----|
| Mr. Deutsch | Abstain | Mr. Piazza | Yes |
|-------------|---------|------------|-----|

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

CORRESPONDENCE

Ms. Napolitani recapped the correspondence.

1. A letter dated December 18, 2012, from the DRBC to Chairman Chamberlain enclosing a copy of the fully executed Settlement Agreement approved at the December 5, 2012 DRBC meeting for the Oxford WWTP Upgrade.
2. A letter dated December 20, 2012, from Mr. Houck, CFO, to the NJ Department of Community Affairs enclosing two certified copies of the FY2013 budget.
3. A letter dated December 26, 2012, from the NJDEP to Mr. Schnorrbusch regarding the on-site laboratory audit conducted on December 12, 2012.
4. A letter dated January 1, 2013, from Mr. Guida, Collection System Operator for the Township of Oxford submitting the township's monthly collection system report.
5. A letter dated January 3, 2013, from the USDA to Chairman Chamberlain regarding eligibility for their Water and Waste Disposal Program for the Oxford WWTF Upgrade.
6. A letter of resignation dated January 3, 2013, from Mr. Angelo Accetturo.
7. Local Finance Notice 2013-07 regarding websites and online posting.
8. A letter dated January 9, 2013, from Mr. Donati, P.E., VP, CP Engineers to Mr. Wauhop, enclosing the FY2013 Consulting Engineer's Certification.

Having served on many Boards, Mr. Scott noted that usually a letter of appreciation was sent when a member retired and he suggested one be sent to Angelo Accetturo. Chairman Chamberlain agreed, as did the rest of the Board.

CFO'S REPORT

Mr. Houck's monthly financial report was distributed to the members prior to the meeting. This is actually a year-end report, so he wanted to bring a few items to the Board's attention. The reason for the drop in our cash balances is because we are in the process of doing the preliminary design and steps for the Oxford WWTP Upgrade. He anticipates that a significant portion of those funds, if not all, will be returned to the Authority once funding is received from the Trust. Not all of the money needed for the upgrade needs to be borrowed. That amount could be reduced depending on the cost of the plant. We may have no choice but to reduce the amount

borrowed and take funds out of our accounts to pay for a portion of the upgrade. This will be determined once bids are received.

Under the Revenue Summary, the Rate Stabilization Surplus has increased. In other words, the Rate Stabilization fund has not been depleted - which is good.

FY2012 ended in good shape. Mr. Houck said the staff running the facilities has done an excellent job of controlling costs.

In his opinion, the budget is not inflated and he felt it should not be any tighter in the event of unforeseen circumstances. He is optimistic going forward.

Chairman Chamberlain thanked Mr. Houck for his guidance, and also thanked the Finance Committee.

Addressing discussion last month regarding a retiree's post-retirement health benefit reimbursement, Mr. Houck explained the situation in more detail and how the County handles similar situations. Some years ago, the County discontinued retiree health benefits coverage for new hires. However, employees working prior to that change are still entitled to post-retirement health benefits. The Authority can choose to do the same going forward with new hires and a specific date. Chairman Chamberlain agreed that this is something the Authority may want to consider, and acknowledged the Authority's obligations to its current employees and the ones already retired.

Mr. Houck left the meeting

GENERAL COUNSEL'S REPORT

As discussed last meeting, Mr. Tipton reviewed the MEL Employment Practices Loss Risk Control checklist that he, as the Authority General Counsel, must certify that we are in compliance, in order for the Authority to qualify for the deductible and premium incentives. He also reviewed our Personnel Policy to see what was and was not included regarding this checklist, and determined that we are still missing about ten to twelve items listed. Afterward, he sent the checklist to Mr. Wauhopp to see if any of the items are located elsewhere. The Authority has most of the items covered but, perhaps, not all in the same place. Therefore, Mr. Wauhopp will work on this matter. Anything missing will be added as an addendum, and after adoption by the Board, Mr. Tipton can certify that we are in compliance. Their goal is to have everything ready for the next meeting.

After last month's meeting, Mr. Wauhopp reviewed the MEL slide presentation with Mr. Daly. In addition, the video has been viewed by all the employees, who acknowledged watching the video and agreed to adhere to the policy.

As requested by the JIF, Mr. Wauhopp submitted the GPS coordinates for each of the Authority's insured locations.

There was an OPRA request; Mr. Tipton preferred to discuss this in Executive Session.

ENGINEER'S REPORT

Nature's Choice: No further communication.

Belstra Property: No further communication.

Annual Inspection Report: CPE continues to work on the report and should have it completed by the end of the month.

Oxford Upgrade: As authorized last meeting, CPE continued with the redesign of the facility for the nine "acceptance recommended" items and the disk filter. They put together a spreadsheet and met with Mr. Wauhop to review it in detail.

As a result of the Value Engineering Study, Mr. Wauhop estimated the total net savings to be \$932,833. This is a conservative estimate.

Mr. Donati believes we may be able to go out to bid in April.

Already authorized at previous meetings was \$46,800 and \$66,000, which is a portion of the funds needed to complete all the changes. Mr. Donati sought authorization for the remaining \$238,367.

Mr. Rosenberg moved to authorize CPE to complete the changes needed for an amount not to exceed \$238,367. Mr. Scott seconded. The motion passed unanimously on a roll call vote.

Mr. Donati initiated discussion regarding the letter from the USDA. He spoke with Mr. Houck prior to the meeting. There is a monetary limit (\$4 million) on funding from USDA, so we would have two different loans at the same time. Mr. Houck was not in favor of these terms because it would create cash flow problems. In addition, the USDA interest rate was not as favorable as the Trust. Therefore, Mr. Donati will respond to the USDA and decline their funding.

Mr. Rosenberg disagreed and felt the MUA should attempt to get any type of grant (30% of USDA funding is grant money, 70% a loan), regardless of having two loans at the same time. He asked if we had to take out the loan to get the grant. Mr. Donati will discuss the matter with Mr. Houck before responding to the USDA.

AUTHORITY CONSULTANT'S REPORT

Mr. Wauhop distributed his report.

Under operations, the small standby generator was installed at the Axford Avenue pump station. Rather than place it in a shed, it was placed on blocks within the fenced enclosure with a tarp placed over it, wired and secured. It is ready for use when needed.

He outlined other jobs the operators have done and will be doing in the near future. They completed organizing the maintenance room at Belvidere.

We are still getting wipes, food wrappers and other items at both facilities, but especially coming down the county line on Route 519. At the Oxford facility, the operators are utilizing cloth bags, found unused at the Belvidere plant, and a frame to collect this debris for disposal. Fortunately, the upgrade will have a bar screen which should take care of this problem.

Under general business, Mr. Wauhup has three capital projects he would like to accomplish this year: upgrade the Axford Avenue pump station (including the purchase of a permanent generator for that pump station), improve the sludge thickening capacity at the Belvidere WWTP, and install a bar screen or auger (or some other solution) for collecting the debris received at the Belvidere Facility.

There was ongoing discussion about the sources of debris being received at both plants. Mr. Tipton recommended referring to our Service Rules regarding procedures and penalties for improper disposal.

A touring bicycle club has requested permission to use our grounds at the Belvidere facility as a rest stop on September 15, 2013. Mr. Tipton directed Mr. Wauhup to contact our risk manager for advice. Mr. Wauhup will do so and report back to the Board for their decision.

Chemical Supply Contract: Three bidders responded, and the lowest bidder was Univar USA, Inc. Mr. Wauhup recommended the Board award Contract No. 13-01 to the lowest bidder.

Mr. Scott moved to adopt Resolution #13-01, authorizing the award of contract to the lowest responsible and responsive bidder for Contract #13-01, to Univar USA Inc., for a cumulative total delivery price for all chemicals for \$33,577 for one year. Mr. Rosenberg seconded. The motion passed unanimously on a roll call vote.

The average Total Dissolved Solids leaving the Oxford plant for the month of December was well below the permit limit.

FINANCE (TREASURER'S REPORT)

Mr. Scott moved that Resolution #13-02 (Certificate No. 318: \$87,114.90) be approved to pay all bills from the Operating Fund. Ms. O'Connor seconded. The motion passed unanimously on a roll call vote.

Mr. Piazza moved that Resolution #13-03 (Certificate No. 326: \$85,899.35) be approved to pay all bills from the Capital Improvements Fund. Mr. Scott 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

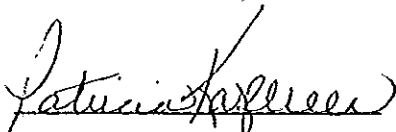
At approximately 8:45 pm, Ms. O'Connor moved and Mr. Scott seconded to enter into executive session for the purpose of discussing personnel, contract negotiations and attorney-client privilege matters. All in favor, motion carried.

At 9:09 pm, Ms. O'Connor moved and Mr. Rosenberg seconded to return to open session. All in favor, motion carried.

Mr. Piazza motioned to release the 2012 executive session minutes. Mr. Scott seconded. All in favor, motion carried.

Mr. Piazza motioned to approve a COLA increase, for 2½ %, for the Administrative Assistant. All in favor, motion carried.

As there was no more business to come before the Authority, Mr. Kiszona moved and Mr. Scott seconded that the meeting be adjourned. All in favor, motion carried. The meeting was adjourned at 9:10 p.m.



Patricia Kaspereen
Administrative Assistant

RESOLUTION 13-01

AUTHORIZING THE AWARD TO THE LOWEST RESPONSIBLE AND RESPONSIVE BIDDER FOR CONTRACT NO. 13-01 FOR THE WARREN COUNTY (PEQUEST RIVER) MUNICIPAL UTILITIES AUTHORITY.

WHEREAS, as publicly advertised in the Star Gazette and The Express Times, the Warren County (Pequest River) Municipal Utilities Authority, hereinafter "Authority" sought bids For Contract No. 13-01, "Chemical Bid Specifications" for the Authority's Belvidere and Oxford Water Pollution Control Facilities; and

WHEREAS, sealed bids therefore were received and opened by the Authority on January 15, 2013 at 11:00 A.M. in accordance with the provisions of said legal advertisements; and

WHEREAS, funds are available for the contract and have been so certified by the Treasurer; and

WHEREAS, the Authority has selected procurement of "Combined Chemicals" under Contract No. 13-01, instead of the aggregate procurement of separate chemicals, in the best interests of the Authority; and

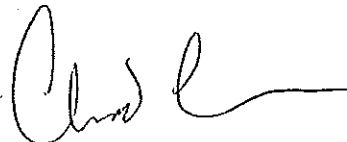
WHEREAS, the Authority desires to designate Univar USA Inc., as the lowest responsible and responsive bidder and award to them Contract No. 13-01 in accordance with the cumulative total delivery price for all chemicals of \$33,577.00 as set forth in their Bid Proposal.

NOW, THEREFORE, BE IT RESOLVED, by the Warren County (Pequest River) Municipal Utilities Authority, in the County of Warren, State of New Jersey as follows:

1. The Authority Contract No. 13-01 for the furnishing and delivery of "Combined Chemicals" to the Warren County (Pequest River) Municipal Utilities Authority is hereby awarded to Univar USA Inc., as the lowest responsible and responsive bidder in accordance with the cumulative total delivery price of \$33,577.00 as set forth in their Bid Proposal.
2. The proper officers of this Authority, its employees, attorney and engineer are hereby instructed and directed to proceed with the preparation and execution of a formal contract with Univar USA Inc., as set forth above, pursuant to the terms and conditions of the bid previously submitted by said Univar USA Inc., and specifications in connection herewith.
3. This award is contingent upon review of the Bid Documents and recommendations for award by the Authority's Attorney and Engineer.

4. This award is subject to the contractor's compliance with the requirements of P.L. 1975 and the regulation adopted thereunder.
5. This Resolution shall take effect as herein provided.

**CERTIFIED AS A TRUE COPY OF THE RESOLUTION ADOPTED BY THE
AUTHORITY AT ITS REGULAR MEETING HELD ON WEDNESDAY, JANUARY 16,
2013.**



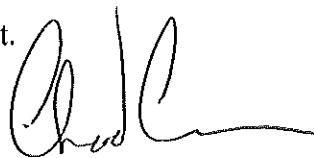
Chad Chamberlain, Chairman



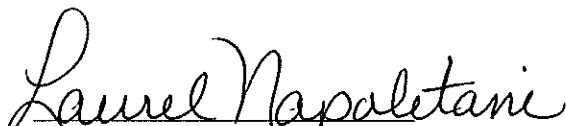
Laurel Napolitani, Secretary

RESOLUTION RE:EXPENDITURES FROM THE OPERATING FUND
DURING THE MONTH OF JANUARY 2013.

I **HEREBY CERTIFY**, that the bills listed on the attached Resolution of January 16, 2013, regarding payment of bills from the Operating Fund were for the operating expenses and were in accordance with the Authority's 2013 budget.



Chad Chamberlain, Chairman


Laurel Napolitani, Secretary

Certificate No. OF 318

Dated: January 16, 2013

Moved by: Mr. ScottSeconded by: Ms. O'ConnorYes 8No 0Abstain 0Absent 0

APPROVAL OF BILLS TO BE PAID FROM THE OPERATING FUND

Meeting: January 16, 2013

BE IT RESOLVED, that the following bills are approved by the Authority for payment from the Operating Fund in accordance with the Authority's Bond Resolution:

| Vendor Invoices: | Date: | |
|---------------------|-----------------|--------------------|
| Check # 15369-15400 | 12/27/12-1/9/13 | \$32,847.33 |
| | Due 1/16/13 | <u>54,267.57</u> |
| | Total | \$87,114.90 |

RESOLUTION RE: EXPENDITURES FROM THE CAPITAL IMPROVEMENTS
FUND FOR THE MONTH OF JANUARY 2013.

I HEREBY CERTIFY that the bills listed for CAPITAL IMPROVEMENTS are in
accordance with the Authority's January 2013 budget.



Chad Chamberlain, Chairman



Laurel Napolitani, Secretary

Certificate No. CI 326

Dated: January 16, 2013

Moved by: Mr. Piazza

Seconded by: Mr. Scott

Yes 8

No 0

Abstain 0

Absent 0

RESOLUTION 13-04

WHEREAS, Section 8 of the Open Public Meetings Act, Chapter 231, P.L. 1975, permits the exclusion of the public from a meeting in certain circumstances; and

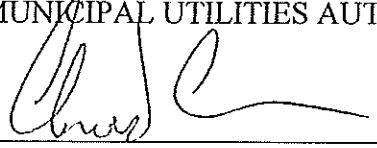
WHEREAS, this public body is of the opinion that such circumstances presently exist.

NOW, THEREFORE, BE IT RESOLVED by the Warren County (Pequest River) Municipal Utilities Authority of the Township of White, County of Warren and State of New Jersey, as follows:


1. The public shall be excluded from discussion of and action upon the hereinafter specified subject matter.
2. The General nature of the subject matter to be discussed is as follows:

Personnel
Contract Negotiations
Attorney-Client Privilege
3. It is anticipated at this time that the above subject matter will be made public when appropriate.
4. This Resolution shall take effect immediately.

WARREN COUNTY (PEQUEST RIVER)
MUNICIPAL UTILITIES AUTHORITY



Chad Chamberlain, Chairperson


Laurel Napolitani, Secretary

DATED: January 16, 2013