



**MINUTES
REGULAR MEETING
JAN. 10, 2012**

1. **The Chairman called the Meeting to order at 7:30 p.m.**
2. **The Chairman read the statement in compliance with C.231, PL 1975.**
3. **Roll Call: the following Commissioners were present: Chewcaskie, Dachnowicz, Kasparian, Kelaher, Plumley, Rotonda, Shafron, Dator.**
4. **Salute to the Flag. The Salute to the Flag was led by the Chairman.**
5. **Chairman's remarks. We received the written approval from the DEP to award the contract on the Franklin Lakes sewer project. The Chairman appreciated the foresight of Vice-Chairman Kasparian to say that if this Authority is going to grow, we have to get Franklin Lakes to become a member. In spite of a lot of pullback on the part of Franklin Lakes, which has since changed, we are going to sign the contract tonight to start construction of our line into the Franklin Lakes Business District. Today the Mayor of Franklin Lakes called the Executive Director with a positive outlook on entering the Authority's system.**
6. **Approval of Minutes.**

2012 Annual Budget Meeting of Dec. 6, 2011. Commissioner Rotonda made a motion to approve the minutes as presented, seconded by Commissioner Kasparian. All Commissioners present voted in favor of approving the minutes of the 2012 Budget except Commissioner Chewcaskie who abstained.

Regular Meeting of Dec. 6, 2011. Commissioner Rotonda made a motion to approve the minutes as presented, seconded by Commissioner Dachnowicz. All Commissioners presented voted in favor of approving the minutes of the Regular Meeting except Commissioner Chewcaskie who abstained.

7. **Public Comments.**

Frank Palladino, Councilman from Waldwick.

Councilman Palladino wanted to know if the 2% reduction is an additional reduction to the preliminary charges. The Executive Director stated it is not in addition to the preliminary charges reduction.

Councilman Palladino asked if the Authority receives end sludge from other

facilities to burn and was advised that we do not.

On Franklin Lakes, he wanted to know if there is a shared investment with them or is the Authority assuming all of the risk and costs.

Chairman remarked that it will be self funding. We are building into Franklin Lakes and there are five or six plants that are going to connect as soon as we get the facility up and running. We are putting in the trunklines which is our expense and Franklin lakes has the option of putting in lateral lines in the future, which would be at their expense. We have always put in the trunklines and the cost has been what we charge our member communities.

Mr. Palladino pointed out that our capacity in November was 68% and wanted to know with the entering of Franklin Lakes and potentially Oakland, were there studies done for rain events like Irene and if we have these additional towns using the facilities, will we be able to absorb the additional flow.

Vice-Chairman noted that the correlation between rain events and the amount of flow that goes into this plant is insignificant. There are days where we will have rain events, but if you look at it statistically it is a non-event.

8. Consideration for approval list of Resolutions attached dated Jan. 10, 2012.

All Resolutions were discussed during the work session.

Resolutions #01-2012 through #07-2012. All Resolutions were moved by consent by Commissioner Chewcaskie, seconded by Commissioner Kelaher. All Commissioners present voted in favor of the Resolutions.

Resolution #01-2012. Approval of Vouchers, Payroll Transfers, Payroll Tax Deposits and Pensions and Benefits Transfers for the month of Dec. 2011 and Health and Dental Benefits for Jan. 2012. Payroll Account \$215,728.38; Tax Deposit Account , \$78,195.41; PERS and Contributory Insurance \$25,183.49; Health Benefits \$93,794.26; Dental Benefits \$4,482.09; DCRP Employee Contribution \$27.08; DCRP Employer Contribution \$12.50; Operating Account \$352,445.47; General Improvement Account \$24,694.32; 2009A Project Account \$663,002.00; 2010 WWT Project Account , \$31,588.30.

Resolution #02-2012 Resolution of the NBCUA approving the 2012 Service Charges. This resolution sets forth the service charges for each municipality for the year 2012.

Resolution #03-2012. Designation of Public Agency Compliance Officer. This resolution is to designate Madeline Thumudo as Public Agency Compliance Officer for the period January 2012 through December 2012.

Resolution #04-2012. Resolution ratifying emergency purchases and contracts caused by incinerator failure. This resolution is to authorize the emergency purchases due to the shutdown of the Authority's incinerator on or about Nov. 20, 2011. The Authority suffered an equipment failure in its IDI fluid bed incinerator, which failure caused an immediate interruption in the incineration of sewage sludge processed at the plant.

Resolution #05-2012. Retention of Authority Consulting Engineer for Inflow & Infiltration (I&I) Studies. This resolution is to retain Boswell Engineering to continue the I&I Studies and to amend Task #1 in the amount of \$10,000 to include the Borough of Allendale.

Resolution #06-2012. Approval of Tighe & Bond Amendment #2 for 2011 Meter Review and 2012 User Charges. This resolution is to increase the amount of Task #5 in the amount of \$3,000 for additional services assisting Ramsey in the preparation of its water use and equivalent dwelling units for the 2012 User Charges and assisting Midland Park in preparation of its water use and reviewing the flow reports prepared by Progressive Control Solutions.

Resolution #07-2012. Authorization to execute Utility Easement Agreement to provide a non-exclusive Easement Over a Portion of the Driveway leading to the Authority's Darlington Pump Station. This resolution authorizes the Executive Director to execute the Utility Easement Agreement subject to the review and approval of Authority counsel and consulting engineer.

9. Reports of Committees (January 2012 Work Session Highlights)

- A. Finance Committee – The Final 2012 Service Charges were approved. The charges reflect a 2.01% reduction from 2011. This reduction is not distributed equally among our users since the service charges are established by a formula which includes water use, EDUs and sewage flow. Our Service Contracts require the Service Charges be sent to member municipalities by Jan. 15th of each year.**
- B. Personnel Committee – Nothing to report.**
- C. Insurance Committee – The Authority has implemented IRS Code Section 125 tax program and a Flexible Spending Account program.**
- D. Operating Committee – a report was presented during the Work Session. Highlights are as follows:**

Plant Operations – The IDI incinerator was placed back in service on Dec. 2, 2011 and was operated for about a week. An Emergency Procurement Report has been filed with the Div. Of Local

Government Services for authorization to make payment for the repairs and sludge hauling.

Franklin Lakes Interceptor – The Authorization to Award the construction contract has been received from the NJDEP.

Discharge Permit Appeal – The Authority continues to pursue a Permit Modification to address ammonia discharge limits before the limit becomes effective.

Authority UV Project – Equipment has been delivered and installation is in progress.

RFQ for Professional Services - The Authority will be advertising to receive qualification statements from professionals for 2012. Responses should be available prior to the next Operating Committee meeting.

- E. Buildings & Grounds – Commissioner Kelaher is looking into a Security Assessment of the Authority facilities and pump stations.**
- 10. Report of Treasurer – We have \$8.5 million invested short-term. \$1.4 million is with TD Bank at no interest in lieu of paying banking fees and \$2.5 million with Bank of New Jersey at 1.25%. Balance of funds are invested with TD Bank at .04% to .13%. Rates are not going higher.**
- 11. Report of Counsel – A written report was distributed to the Commissioners (copy attached).**
- 12. Report of Engineer – A written report was distributed to the Commissioners (copy attached).**
- 13. Report of Executive Director – Nothing further to report.**
- 14. Report of Superintendent – Nothing further to report.**
- 15. Old Business. No old business.**
- 16. New Business. No new business.**
- 17. Public comments (on subjects 8 through 17).**

Councilman Palladino – Wanted to know how the Authority budgets income and questioned the \$8.5 million in investments.

Executive Director clarified that we do take our expenses (operating, debt service and capital) and evaluate our income streams (interest, charges for septage, connection fees, solar energy credits, etc.) the difference is the service charges. We look at all the other potential sources of income. Most

of the \$8.5 million is in Bond Reserves in a trust account and we are required to invest it and get the best price we can get. We are also restricted in our investment to 5% of the reported capitalization of the bank. We are able to get a very good rate from the Bank of New Jersey but we cannot invest more than \$2.5 million there. The large banks do not want to do business.

Councilman Palladino wanted to know with all the money coming in are we trying to break even or are we planning to have extra income at the end of the year. The Executive Director informed him that we are subsidizing the service charges so that there is a 2% reduction and we are doing that by taking money out of surplus. Some of the money that we have in reserves is being used in our budget to subsidize this 2% reduction. There is no contingency in the budget and there is no surplus in the budget.

Comm. Chewcaskie clarified that with the operation of a sewer plant you are looking at a balanced budget and your expenses are going to equal the user fees you collect. What offsets that are those outside the core of the operation of the plant where you have three possibilities. You are taking in septage for a fee, generating solar energy which you may be able to sell for your energy, and the third is something that may not get off the ground but could be a revenue producer which is trap grease. The other aspect is that when you hear the numbers from the Treasurer on the investments most of them are Bond Reserve Funds that are dedicated for specific projects, where we may have borrowed the money to be set aside for that project. There is an income stream and we are restricted by Arbitrage Rules from making a lot of money from that. When you look at the operational end it is what we are charging the municipalities is what it cost to operate the plant. What reduce those costs are other revenue streams.

18. Adjournment. Motion to adjourn was made by Commissioner Kasparian, seconded by Commissioner Plumley. All Commissioners present voted to adjourn at 7:50 p.m.


Madeline Thumudo, Secretary

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KULZER & DIPADOVA, P.A.

TO: Northwest Bergen County Utilities Authority Commissioners

FROM: Jeffrey A. Zenn

DATE: January 4, 2012

RE: Monthly Counsel Report

CC: Howard Hurwitz, Executive Director
Madeline Thumudo, Administrative Assistant/Board Secretary

The following is a summary of our firm's activities on behalf of the Authority for the previous month.

1. We continued to work on various issues regarding the budget for 2012 and the implications of the County Executive's veto of the Minutes which approved the final budget. This included various meetings, research, correspondence and conversations with the Chairman, Executive Director, Commissioners and with the County Counsel's office ranging from the final budget, the 2012 Service Charges, the budget default provisions under the Authority's bonds, stipends and health benefits. Review bond indentures.
2. Correspondence and communication with the Division of Local Government Services concerning filing and obtaining approval of Authority budget.
3. We attended the Operating Committee meeting.
4. Respond to Authority auditor in connection with Franklin Lakes project regarding pending litigation.

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5. Correspondence with Brown & Brown regarding HSA.
6. Respond to Executive Director regarding Ramsey Housing connection fee reduction.

If you have any questions, please contact me.

Respectfully submitted,



Jeffrey A. Zenn

NBUA-G1102

January 3, 2012

Mr. William Dator, Chairman
Northwest Bergen County Utilities Authority
30 Wyckoff Avenue at Authority Drive
P.O. Box 255
Waldwick, New Jersey 07463

Re: Monthly Report – December 2011

Dear Mr. Dator:

The following is a brief summary of T&M's activities during the month of December.

Franklin Lakes Sewer Project – The Franklin Lakes Sewer Project was awarded to Underground Utilities in the amount of \$3,806,433.43 at the Authority's September meeting. The award is subject to DEP approval and authorization to award. In late December, T&M completed and submitted a package to the DEP to secure authorization to award. This submittal included a number of documents, one of which was Attorney certification as to the Authority's interest in easements required for the project. The status of easements required for the project is as follows:

- 827 Franklin Avenue (Car Wash) – Declaration of Taking has been filed.
- 803 Susquehanna Avenue (Racquet Club) – Settlement with property owner has been negotiated and an Easement Agreement has been circulated for approval.
- 830 Franklin Avenue (Franklin Crossing) – An offer has been made to the property owner and Declaration of Taking is to be filed.

Annual Report – Preparation of this year's annual report is underway and the Authority has forwarded T&M most of the information required for the report. We are also in the process of arranging the plant inspection with Authority personnel.

Scum Trough Replacement – T&M forwarded final documents to the Authority, including 2-year Maintenance Bond, for approval and project closeout.

Wastewater Management Plan Amendment – At this time T&M is finalizing the revised WMP for submittal to the NJDEP. The next step, once the plan amendment is approved, will be publication of a Public Notice in the Authority's newspaper. Since Saddle River, Upper Saddle River, and Washington Township have not adopted the appropriate ordinances, the NJDEP will exclude them from NBCUA's SSA. Such exclusion will result in new development or redevelopment within these municipalities not being able to obtain NJDEP approval on Treatment Works Approval permits for new sanitary sewerage connections. Septic system approvals would not be impacted by the exclusion.

Oakland Sewer Service – During December, there was no further action required of T&M regarding the Borough's efforts to investigate sewer service by NBCUA.



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*Le: Mr. William Dator, Chairman
Northwest Bergen County Utilities Authority*

Re: Monthly Report – December 2011

Ultraviolet Disinfection System Improvements – The contractor has completed channel modifications for the new UV equipment and is preparing for installation of same. Electrical work is ongoing and the UV equipment has been delivered to the site.

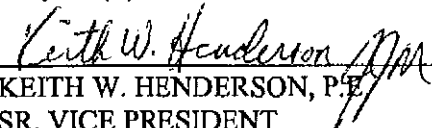
Aeration Blower Improvements – T&M is currently awaiting direction on continuing with project design. An updated scope of services letter, estimated engineering fee and a revised payback analysis were provided to NBCUA. As directed, T&M is investigating the viability of utilizing Atlas Copco positive displacement screw blowers.

Grease Separation Facility Pilot Test – In November, T&M forwarded the grease separation facility concept plan to the DEP to request approval on behalf of the Authority to move forward with the pilot test. Prior to approval, NJDEP has requested clarification on the discharge location of process wastewater.

Engineer's Certification and Report on 2011 Tangible Property Value – T&M prepared two documents, an Engineer's Certification regarding the Authority's Renewal and Replacement Account and a report regarding the Authority's Tangible Property Value. Drafts were reviewed with the Authority, finalized and transmitted to NBCUA.

If you have any questions or require additional information, please advise.

Very truly yours,



KEITH W. HENDERSON, P.E.
SR. VICE PRESIDENT

KWH:JJM:scb

cc: Authority Commissioners
Howard Hurwitz, Executive Director
Robert Genetelli, Superintendent
Jeffrey Zenn, Esq.

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