



**MINUTES  
REORGANIZATION MEETING  
February 17, 2015**

1. Chairman Chewcaskie called the meeting to order at 7:27pm.
2. Chairman Chewcaskie read the statement in compliance with C.231, PL 1975.
3. Roll Call: The following Commissioners were present: Bonagura, DaPuzzo, DePhillips, Gabbert, Kasparian, Kelaher, Plumley, Salazer and Chairman Chewcaskie.
4. Election of Officers:
  - a. Report of Nominating Committee: Commissioner Kelaher reported that the nominating committee nominates Brian Chewcaskie as Chairman and Michael Kasparian as Vice-Chairman for the ensuing year.
  - b. Election of Chairman and Vice-Chairman for ensuing year: Commissioner Kelaher made a motion to elect Brian Chewcaskie as Chairman and Michael Kasparian as Vice-Chairman. Commissioner Gabbert seconded the motion. All Commissioners voted yes. Chairman Chewcaskie abstained.
5. Closed Session: Chairman Chewcaskie stated that he does have a relationship with one of the law firms that is being qualified for legal services so he will be recusing himself from any discussions regarding the legal services due to this. He is leaving it up to the Board to decide if it is necessary to go into closed session to discuss the appointments of professionals. Chairman Chewcaskie expressed concerned about whether it would be appropriate to go into closed session to discuss the appointment of professionals. Mr. Zenn stated that he looked into it and the Board may exclude the public to discuss the appointment of professionals and it is in his opinion that if the Board would like to go into closed session to discuss these matters it may do so. A resolution was prepared by Mr. Zenn for the closed session.

Commissioner DePhillips made a motion to go into closed session. Commissioner Kelaher seconded the motion. The following Commissioners voted yes: Bonagura, DePhillips, Kasparian, Kelaher, Plumley, Salazer, and Chairman Chewcaskie. The following Commissioners voted no: DaPuzzo and Gabbert. The Board went into closed session at 7:30pm.

The Board came out of closed session at 9:13pm.

6. Approval of Minutes: Public Hearing – 2015 Service Charges – January 12, 2015

Commissioner Kasparian made a motion to accept the minutes as presented, Commissioner Salazer seconded the motion. The following Commissioners were in favor of passing the minutes: Bonagura, DaPuzzo, DePhillips, Gabbert, Kasparian, Kelaher, Plumley, Salazer and Chairman Chewcaskie.

Approval of Minutes: Regular Meeting – January 12, 2015

Commissioner Kasparian made a motion to accept the minutes as presented, Commissioner Gabbert seconded the motion. The following Commissioners voted in favor of passing the minutes: Bonagura, DaPuzzo, DePhillips, Gabbert, Kasparian, Kelaher, Plumley, Salazer and Chairman Chewcaskie.

Approval of Minutes: Special Meeting – January 26, 2015

Commissioner Salazer made a motion to accept the minutes as presented, Commissioner Kelaher seconded the motion. The following Commissioners voted in favor of passing the minutes: Bonagura, DaPuzzo, Gabbert, Kelaher, Plumley, Salazer and Chairman Chewcaskie. Commissioners DePhillips and Kasparian abstained.

7. Consideration for approval list of Resolutions dated January 12, 2015.

- a. Consent Resolution for Resolution No. 09-2015 through 11-2015 and 13-2015 through 18-2015 was offered by Commissioner DaPuzzo and seconded by Commissioner DePhillips. All Commissioners voted in favor of passing Resolution No. 09-2015 through 11-2015 and 13-2015 through 18-2015.

Resolution No. 09-2015 – Approval of vouchers, payroll and tax deposits and pensions and benefits transfers for January 2015 and Health and Dental Benefits for February 2015 as follows: Payroll Account: \$320,885.11; Tax Deposit Acct: \$142,208.96; Health Benefits Contribution-Employer: \$102,438.59; Health Benefits Contribution Employee: \$9,924.30; Dental Benefits: \$3,912.16; PERS and Contributory Insurance: \$27,409.70; PERS and Contributory Insurance for September 2014 RETRO: \$5.12; Operating Account: \$390,686.92; General Improvement Account: \$186,989.92; 2014 WWT Project Account \$84,738.58.

Resolution No. 10-2015 – Approving Change Order No. 1 for Contract No. 264 – Pulis Avenue Sewer Extension under the NYS&W Railroad: This resolution approves change Order No. 1 for Contract No. 264 requested by the contractor, J. Fletcher Creamer and Son, Inc. The Authority's Engineer reviewed the Change Order and determined that it is necessary to address site conditions and changes in the quantities of materials. This change order results in a net reduction cost of the Project by \$3.11.

Resolution No. 11-2015 – Approving Change Order No. 2 for Contract No. 261 – Darlington Road Pump Station Valve Actuator and Isolation Valve Installation Project: This resolution approves change Order No. 2 for Contract No. 261 requested by the contractor, Rapid Pump & Meter Co. The Authority’s Engineer reviewed the Change Order and determined that it is necessary to address site conditions and changes in the quantities of materials to reflect the as-built conditions of the Project. A decrease in the total cost of the Project as a result of this Change Order is \$1,897.84.

Resolution No. 13-2015 – Award Bid – Contract No. 269 – Disposal of Incinerator Ash: Bids were received on February 3, 2015 for Contract No. 269. The Authority received one bid from Spectraserv, Inc. in the amount of \$104.80 per ton for the existing amount of ash and for future accumulated ash. The bid was found to be within the anticipated parameters and legally sufficient. This resolution awards Contract No. 269 – Disposal of Incinerator Ash to Spectraserv in the amount of \$104.80 per ton of existing and future ash for a period of two years.

Resolution No. 14-2015 – 2015 Schedule of Meetings: This resolution sets the meeting dates for the year 2015.

Resolution No. 15-2015 – Official Newspapers for 2015: This resolution designates the Record, Ridgewood News and Herald News as official newspapers for the Authority for 2015.

Resolution No. 16-2015 – Regular Employment – Operations Supervisor: Bart Brophy was hired in the position of Operations Supervisor by Resolution No. 76-2014. His probationary period ended January 24, 2015. He has successfully completed his probationary period and this Resolution retained him as a regular employee effective January 25, 2015.

Resolution No. 17-2015 – Qualification of individuals/firms for the provision of auditing services. The Authority issued a Request for qualifications for the position of Auditor on January 5, 2015. Five responses were received on January 21, 2015. The following firms/individuals were found to be qualified to provide auditing services to the Authority: Louis C. Mai CPA & Associates; Lerch, Vinci & Higgins, LLP; Garbarini & Co., PC; Baker Tilly; Ferraioli, Wielkotz, Cerullo & Cuva, PA.

Resolution No. 18-2015 – Qualification of individuals/firms for the provision of engineering services. The Authority issued a Request for qualifications for engineering services on January 16, 2015. Ten responses were received on January 30, 2015. The following firms/individuals were found to be qualified to provide engineering services to the Authority: Boswell Engineering; Chavond Barry Engineering Corp; CH2M Hill; CME Associates; Hatch Mott McDonald;

T&M Associates; Tighe & Bond; CP Engineers; Suburban Consulting Engineers; Beckmeyer.

- b. The following resolutions were all voted on separately.

Commissioner Gabbert offered resolution No. 12-2015. The resolution was seconded by Commissioner Kelaher. The following Commissioners voted yes: Bonagura, DaPuzzo, Gabbert, Kasparian, Kelaher, Plumley, Salazer, and Chairman Chewcaskie. Commissioner DePhillips recused from voting on this resolution.

Resolution 12-2015 – Authorization to Award Contract No. 268 – Incinerator Emissions Upgrade Project: The Authority received bid proposals on January 28, 2015 for Contract No. 268. 3 bids were received: Tomar Construction, LLC - \$5,948,000; Iron Hills Construction - \$6,489,800; Industrial Furnace Co., Inc. - \$6,970,000. The Authority determined that the submission of an Independent Accountant’s Review Report in lieu of a Certified Financial Statement is not a material defect in the Tomar Construction bid proposal. Tomar Construction is the lowest responsible bidder. Contract 268 is awarded to Tomar Construction in the amount of \$5,948,000 contingent upon and subject to the receipt of closing and funding of a project loan from the NJEIT which is the source of funds for Contract 268.

Commissioner DaPuzzo offered Resolution No. 19-2015. The resolution was seconded by Commissioner Salazer. The following Commissioners voted yes: Bonagura, DaPuzzo, DePhillips, Gabbert, Kelaher, Plumley, and Salazer. Chairman Chewcaskie and Vice-Chairman Kasparian recused from voting on this resolution.

Resolution No. 19-2015 – Qualifications of individuals/firms for the provision of legal services. The Authority issued a Request for qualifications for legal services on January 16, 2015. Seven responses were received on January 30, 2015. The following firms/individuals were found to be qualified to provide legal services to the Authority: Eric M. Bernstein and Associates, LLC; Sokol, Behot, LLP; Waters, McPherson, McNeill; Rubenstein, Meyerson, Fox, Mancinelli, Conte & Bern, PA; DeCotiis, Fitzpatrick & Cole, LLP; Chasan, Leyner & Lamparello; Alterman & Associates, LLC.

Commissioner DaPuzzo offered Resolution No. 20-2015. The resolution was seconded by Commissioner Gabbert. The following Commissioners voted yes: Bonagura, DaPuzzo, Gabbert, Kasparian, Kelaher, Plumley, Salazer and Chairman Chewcaskie. Commissioner DePhillips recused from voting on this resolution.

Resolution No. 20-2015 – Qualifications of individuals/firms for the provision of bond counsel services. The Authority issued a Request for qualifications for bond counsel services on January 16, 2015. Five responses were received on January 30, 2015. The following firms/individuals were found to be qualified to provide

bond counsel services to the Authority: Gibbons, PC; Kraft & Capizzi; Parker McCay; Wilentz, Goldman & Spitzer, PA; DeCotiis, Fitzpatrick & Cole, LLP.

Resolution 21-2015 – Retention of Auditor for 2015 pursuant to NJSA 19:44A-20.4:

Commissioner DaPuzzo made a motion to retain the auditing firm of Ferraioli, Wielkotz, Cerullo & Cuva, PA for the year 2015. Commissioner Gabbert seconded the motion.

Discussion:

Commissioner Gabbert stated that the finance committee had met with the Authority's current Auditor, Lerch, Vinci & Higgins, LLP, about a year ago to discuss concerns. In 2014, there was a significant increase in costs and the proposal for this year looks as though costs are going to increase again. The Authority went out for a request for qualifications and received responses from five vendors. There was then a request for more information on specific items. The firm of Ferraioli, Weilkotz, Cerullo and Cuva, PC submitted a proposal of \$72,000 which is about 30% less than the current auditor's proposal. The Authority had worked with the current auditor to get back on board. But with retaining a new auditor there will be savings of approximately \$25,000 to \$30,000. Commissioner Gabbert stated as finance Chair he recommends very seriously to make a change in auditor.

Commissioner DaPuzzo explained that Lerch, Vinci & Higgins, LLP had a significantly higher cost for the arbitrage analysis compared to others. In 2014 the cost was \$16,500 and this year's proposal is \$14,000, whereas the other firms came in under \$5,000 for an arbitrage rebate analysis. The billing for arbitrage analysis in 2014 was very excessive. Last year the auditor's not to exceed cost was exceeded by about \$24,000 which includes the \$16,500 for the arbitrage analysis.

Commissioner Kasparian noted that Lerch, Vinci & Higgins, LLP has represented the organization extremely well over the past 10 years. In 2014 they came in at a cost of \$95,000 and they did their job well. The proposal for this year hasn't changed. The 2014 costs were exceeded but not by Lerch's consequence. The Authority asked for a proposal and signed off on a proposal for the arbitrage analysis of \$16,500. The finance committee and the board did not question it, and did not have a discussion on it. The onus is on the board to correct that. There are a couple of things that the Board needs to do to ensure that they know exactly what it is that is necessary to run the board. The onus is on the board to work with Mr. Hurwitz to improve that in the future so the board is not finding out after the fact that proposals were requested, accepted, executed in the absence of discussion by the Board.

Commissioner DaPuzzo added to Commissioner Kasparian's remarks that this proposal for the arbitrage analysis was done without the knowledge of the finance committee.

Commissioner Kasparian added that it would be inappropriate to ask anybody to sharpen their pencils at this time. If Lerch, Vinci and Higgins, LLP is chosen then the Authority should discuss its concerns with the firm and at a minimum discuss the arbitrage analysis.

The roll call vote for retention of Ferraioli, Wielkotz, Cerullo & Cuva, PA as Auditor for the year 2015 is as follows: Yeses: Commissioners DaPuzzo, Gabbert and Salazer. The following Commissioner voted No: Bonagura, DePhillips, Kasparian, Kelaher, Plumley, and Chairman Chewcaskie. The motion did not pass.

Commissioner Kelaher nominated Lerch, Vinci & Higgins, LLP to be retained as Auditor for 2015. Commissioner Kasparian seconded the motion.

Discussion:

Chairman Chewcaskie suggested that Commissioner DePhillips and himself meet with Lerch to discuss two concerns. The first issue is compensation and the second issue is the individual or partner to service the account. Chairman Chewcaskie requested an amendment to the motion to reflect that Lerch Vinci & Higgins, LLP be retained as Auditor subject to negotiation of an appropriate agreement that will be undertaken by Commissioner DePhillips and himself and also to address the partner to service the Authority.

Commissioner Kelaher and Commissioner Kasparian accepted the amendment to their motion and second of Lerch Vinci & Higgins, LLP as Auditor.

Commissioner Kasparian asked that the agreement be prepared by general counsel. And then the agreement be presented to the board. Commissioner Kelaher and Commissioner Kasparian amended their motion and second to reflect the amendment that the professional services agreement be prepared by general counsel.

Roll Call vote for the retention of Lerch, Vinci & Higgins, LLP as auditor for 2015: Yeses: Commissioners Bonagura, DaPuzzo, DePhillips, Kelaher, Kasparian, Plumley, Salazer, Chairman Chewcaskie. Commissioner Gabbert voted no.

Mr. Hurwitz inquired what the not to exceed cost and the hourly billing rates should be in the resolution. Chairman Chewcaskie suggests that the resolution be changed to reflect the amendments that were discussed.

Mr. Hurwitz pointed out that majority of the Auditor's Agreement is technical and may not be appropriate for general counsel to prepare. The pages that dealt with scope of work and pricing was a small portion. Chairman Chewcaskie informed him that an attachment can be made to the agreement.

Chairman Chewcaskie requested that general counsel prepare a resolution to reflect the amendments that were discussed for the retention of auditor. After the negotiations with Lerch, Vinci & Higgins, LLP, and then another resolution will be prepared by general counsel to approve the professional services agreement which is to be prepared by general counsel. With resolution 21-2015, Lerch, Vinci, Higgins, LLP is retained as auditor subject to the contract. And if a contract amount is reached during the negotiation, then general counsel will prepare a resolution that will be presented to the board for approval with appropriate numbers and not to exceed amounts.

Resolution 21-2015 – Retention of Auditor for 2015 pursuant to NJSA 19:44A-20.4: Lerch, Vinci & Higgins, LLP was found to be highly qualified and eminently capable of providing auditing services. The Authority hereby retains Lerch, Vinci & Higgins as Auditor in accordance with the conditions set forth in the Resolution. There were concerns expressed by Commissioners regarding compensation and staffing issues. The Authority authorizes and directs Chairman Chewcaskie and Commissioner DePhillips to negotiate with Lerch, Vinci & Higgins the amounts of their compensation for the services for the year ending December 31, 2015. General Counsel will prepare a professional services agreement for execution and delivery by the Authority and the professional in accordance with the terms negotiated. This agreement shall be subject to review and approval by the Board of Commissioners.

Commissioner DaPuzzo offered Resolution No. 22-2015. The resolution was seconded by Commissioner Kasparian. All Commissioners voted yes on Resolution No. 22-2015.

Resolution No. 22-2015 – Retention of Authority Engineer pursuant to N.J.S.A. 19:44A-20.4. T&M Associates was found to be highly qualified and eminently capable of providing consulting engineer services. This resolution retains T&M Associates as the Authority Engineer for 2015, with a not to exceed compensation amount of \$85,000.

Commissioner DaPuzzo offered Resolution No. 23-2015. The resolution was seconded by Commissioner Kelaher. All Commissioners voted yes on Resolution No. 23-2015.

Resolution No. 23-2015 – Retention of Authority Engineer for Service Charges pursuant to N.J.S.A. 19:44A-20.4. Paul Malmrose of Tighe & Bond, Inc. was determined to be highly qualified and capable of providing consulting engineering services to the Authority. This resolution retains Paul Malmrose of Tighe & Bond as the engineer for 2016 service charges with a not to exceed compensation of \$33,000.

Commissioner DaPuzzo offered Resolution No. 24-2015. The resolution was seconded by Commissioner Gabbert. The following Commissioners voted yes:

Bonagura, DaPuzzo, Gabbert, Kasparian, Kelaher, Plumley, Salazer and Chairman Chewcaskie. Commissioner DePhillips recused from voting on this resolution.

Resolution No. 24-2015 – Retention of Authority Engineer pursuant to N.J.S.A. 19:44A-20.4. Chavond Barry Engineering Corp. was found to be highly qualified and eminently capable of providing consulting engineer services. This resolution retains Chavond Barry Engineering Corp. as Consulting Engineer to provide general incinerator advice in 2015, with a not to exceed compensation amount of \$35,000.

Resolution No. 25-2015 – Retention of General Counsel pursuant to N.J.S.A. 19:44A-20.4.

Commissioner Kasparian made a motion to retain Chasan, Leyner & Lamparello as general counsel for 2015. Commissioner Kelaher seconded the motion. Chairman Chewcaskie recused himself from vote and discussion on the retention of Chasan, Leyner & Lamparello. There was no discussion. The roll call vote is as follows: Yeses: Commissioners Kasparian, Kelaher and Plumley. Noes: Commissioners Bonagura, DaPuzzo, DePhillips, Gabbert and Salazer. The motion did not pass.

Commissioner DaPuzzo made a motion to retain Sokol, Behot, LLP as General Counsel for 2015. Commissioner Gabbert seconded the motion. Commissioner Kasparian recused from vote and discussion on the retention of Sokol, Behot, LLP. There was no discussion. The following Commissioners voted yes: Bonagura, DePhillips, DaPuzzo, Gabbert, Plumley, Salazer and Chairman Chewcaskie. Commissioner Kelaher voted no.

Resolution No. 25-2015 – Retention of General Counsel pursuant to N.J.S.A. 19:44A-20.4. Sokol, Behot, LLP was found to be highly qualified and eminently capable of providing legal services. This resolution retains Sokol, Behot, LLP as General Counsel for 2015, with a not to exceed compensation amount of \$60,000.

Commissioner Salazer offered Resolution No. 26-2015. The resolution was seconded by Commissioner Gabbert. All Commissioners voted yes on Resolution No. 26-2015.

Resolution No. 26-2015 – Retention of Labor Counsel pursuant to N.J.S.A. 19:44A-20.4. Eric M. Bernstein & Associates, LLC was found to be highly qualified and eminently capable of providing labor counsel services. This resolution retains Eric M. Bernstein & Associates, LLC as Labor Counsel for 2015, with a not to exceed compensation amount of \$30,000.

Commissioner DePhillips offered Resolution No. 27-2015. The resolution was seconded by Commissioner Kelaher. All Commissioners voted yes on Resolution No. 26-2015.



Resolution No. 27-2015 – Retention of Labor Counsel pursuant to N.J.S.A. 19:44A-20.4. Alterman & Associates, LLC was found to be highly qualified and eminently capable of providing labor counsel services, more specifically work related to on-going litigation with a former employee. This resolution retains Alterman & Associates, LLC as Labor Counsel for 2015, with a not to exceed compensation amount of \$10,000.

Commissioner DaPuzzo offered Resolution No. 28-2015. The resolution was seconded by Commissioner Kasparian. All Commissioners voted yes on Resolution No. 28-2015.

Resolution No. 28-2015 – Retention of Special Counsel: The purpose of this resolution is to appoint Waters, McPherson, McNeill, PC as special counsel to achieve the Authority's goal of exploring a potential sanitary sewer system for the Borough of Oakland via a connection to the Authority at a not to exceed cost of \$25,000.

Commissioner DaPuzzo offered Resolution No. 29-2015. The resolution was seconded by Commissioner Gabbert. The following Commissioners voted yes: Bonagura, DaPuzzo, Gabbert, Kasparian, Kelaher, Plumley, Salazer and Chairman Chewcaskie. Commissioner DePhillips recused from voting on this resolution.

Resolution No. 29-2015 – Retention of Bond Counsel pursuant to N.J.S.A. 19:44A-20.4. Gibbons, PC was found to be highly qualified and eminently capable of providing bond counsel services. This resolution retains Gibbons, PC as Bond Counsel for 2015, with a not to exceed compensation amount of \$65,000.

Commissioner Gabbert offered Resolution No. 30-2015. The resolution was seconded by Commissioner DaPuzzo. All Commissioners voted yes on Resolution 30-2015.

Resolution No. 30-2015 – Retention Risk Manager pursuant to N.J.S.A. 19:44a-20.4. The Authority issued a Request for Proposals on January 9, 2015. The Authority received five responses: Alamo Insurance Group; Beckerman & Co; Brown & Brown; Professional Insurance Association; Arthur Caughlan & Gerard Quinn, Division of Nelson-Patterson and Conklin & Kraft. Arthur Caughlan & Gerard Quinn, Division of Nelson-Patterson and Conklin & Kraft was found to be highly qualified and eminently capable of providing Risk Management Consulting Services. This resolution retains Arthur Caughlan & Gerard Quinn, Division of Nelson-Patterson and Conklin & Kraft as Risk Manager at a not to exceed amount of 3% of the New Jersey Utility Authorities Joint Insurance Fund's 2015 assessment for the Authority.

- c. The following two resolutions were voted on by consent. Commissioner Gabbert offered Resolution 31-2015 & 32-2015. The motion was seconded by Commissioner Salazer. All Commissioners voted yes on Resolution No. 31-2015 & 32-2015.

Resolution No. 31-2015 – Authorization to enter into a Shared Services Agreement with the Borough of Saddle River: This resolution authorizes the Authority to enter into a shared services agreement with the Borough of Saddle River for a period of one (1) year to act as the Borough’s New Jersey Licensed Operator and to provide weekly monitoring to the Borough’s one (1) wastewater pump station.

Resolution No. 32-2015 – The Authority intends to file a loan application with the NJDEP and the NJEIT for proposed projects which includes various improvements for the Authority’s Wastewater Treatment Plant. This resolution designates Executive Director, Howard Hurwitz as the authorized representative to represent the Authority in all matters relating to the proposed project.

- d. Commissioner DaPuzzo offered Motions 15-03, Commissioner Kelaher seconded the motion. All Commissioners were in favor of Motion 15-03.

Motion 15-03 – Motion to authorize Executive Director Howard Hurwitz and Assistant Executive Director James Rotundo to attend the Association of Environmental Authorities’ Utility Management Conference in Atlantic City, New Jersey on March 10-11, 2015.

- 8. Reports of Committees:
  - a. Finance Committee – Nothing further to report.
  - b. Personnel Committee – Nothing further to report.
  - c. Insurance Committee – Nothing further to report.
  - d. Operating Committee – Nothing further to report.
  - e. Building and Grounds – Nothing further to report.
- 9. Report of Treasurer – As of February 13, 2015: Approximately \$10.3 million has been invested in short term investments: Approximately \$1.2 million is being held at TD Bank with no interest in lieu of fees. \$3.1 million at the Bank of New Jersey with an interest rate of 0.75%; and the remaining \$6 million is at TD Bank with an interest rate of 0.10% interest.
- 10. Report of Counsel – Nothing further to report.
- 11. Report of Engineer – Nothing further to report.
- 12. Report of Executive Director – Nothing further to report.

13. Report of Superintendent – Nothing further to report.
14. No old business.
15. New Business: Commissioner DaPuzzo asked the Board if they are interested in going paperless for the board meetings. Chairman Chewcaskie believes it is a good suggestion and that it can be a topic for discussion at the strategic planning meeting on February 21, 2015.
16. No public comments.
17. Motion to adjourn the meeting at 9:43pm was made by Commissioner DaPuzzo and seconded by Commissioner Kasparian. All Commissioners were in favor of adjourning the meeting at 9:43pm.

  
Alison Gordon, Secretary