



**NORTHWEST BERGEN COUNTY  
UTILITIES AUTHORITY**

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**MINUTES  
REGULAR MEETING  
March 15, 2016**

1. The Meeting was called to order at 7:54pm.
2. The Chairman read the statement in compliance with C. 231, PL 1975.
3. Roll Call: The following Commissioners were present: DaPuzzo, DePhillips, Kasparian, Kelaher, Plumley, Salazer and Chairman Chewcaskie. The following Commissioners were absent: Bonagura and Gabbert.
4. Salute to the Flag was led by the Chairman.
5. The Chairman Remarks: Chairman Chewcaskie thanked the Authority Staff, T&M Associates and all parties involved for their hard work during the Midland Park sewer main collapse. He asked Commissioner Plumley to extend the Authority's thanks to the governing body of Midland Park and that their assistance during that time is greatly appreciated.

a. Appointments of Committees:

Operating Committee: John DaPuzzo, Chair. Members: Michael Kasparian, Elizabeth Salazer

Strategic Plan Subcommittee: Michael Kasparian, Chair. Members: John DaPuzzo, William Dator (Consultant)

Oakland Subcommittee: John DaPuzzo, Chair

Personnel: Christopher DePhillips, Chair. Members: Frank Kelaher, Elizabeth Salazer

Finance: Kenneth Gabbert, Chair. Members: John DaPuzzo, Michael Kasparian, Todd Sherer, Treasurer

Buildings and Grounds: Frank Kelaher, Chair. Member: Marion Plumley

Insurance: Christopher DePhillips, Chair. Members: Dennis Bonagura and Marion Plumley

Intellectual Technology Committee: Dennis Bonagura, Chair. Member: John DaPuzzo

Public Relations: Marion Plumley, Chair

Safety & Security: Frank Kelaher, Chair

6. Consideration for approval of minutes:

- a. Reorganization Meeting – February 16, 2016: Commissioner Kelaher motioned to accept the minutes from the February 16, 2016 Reorganization Meeting, Commissioner Kasparian seconded the motion. The following Commissioners voted yes: Kasparian, Kelaher, Plumley, Salazer and Chairman Chewcaskie. The following Commissioners abstained: DaPuzzo and DePhillips.

7. Public Comments: Frank Palladino, resident of 18 Sycamore Drive, Waldwick, NJ – Mr. Palladino commended the Authority for a job well done in handling the Midland Park sewer main collapse. He also thanked the Board for getting him the contact information for the NJDEP and will contact Maria Coppolla.

Mr. Palladino commented on a statement made in the Work Session by Commissioner Kasparian. During the Wyckoff expansion discussion, Commissioner Kasparian commented that the Authority needs to decide if the priority of the Board is to be a profit center or to be a service provider that has a responsibility to collect as much wastewater as it can, or is it a combination of the two. Bringing sewers into some neighborhoods may not be a large money maker for the Authority, however the more areas the Authority services, the lower the rates can be for everyone. Mr. Palladino expressed that the Authority should not look at itself as a profit center. He understands the Authority needs to bring in monies to help offset costs, but profit center may not be the correct terminology.

Mr. Palladino asked if there are there any new chemicals that are being used for odor control. Mr. Hurwitz responded that the Authority changed chemicals approximately 5 years ago. The Authority did a great amount of research when the change in chemicals was made. One chemical is used to control hydrogen sulfide and helps with corrosion. The other chemical is used as an oxidizing agent. Mr. Palladino further asked if the Authority speaks with other authorities regarding what types of chemicals they are using. Mr. Hurwitz informed him that's what brought the Authority to the purchasing of new chemicals 5 years ago. The Authority researches thoroughly what chemicals to use. Mr. Palladino asked that the Authority stay up to date on what the best chemicals are for dealing with odor control. Commissioner DaPuzzo added that the Authority didn't receive any odor complaints in the month of February.

8. Consideration for approval list of Resolutions dated March 15, 2016.

- a. The Commissioners voted on Resolution No. 17-2016 and 18-2016, 34-2016 through 38-2016, 40-2016 and 41-2016 by Consent Resolution. Commissioner DePhillips offered the Consent Resolution and Commissioner DaPuzzo seconded. All present Commissioners voted yes.

There was a brief discussion regarding the Toll NJ XII LP project during the work session. These two items, Resolution 17-2016 and Resolution 18-2016 were tabled at the last Authority meeting. They are being reintroduced this meeting. The

wastewater for this property will be pumped into Wyckoff. Franklin Lakes has signed off on the Application, however Wyckoff still needs to do so.

Resolution No. 17-2016 – Resolution of the Governing Body of the Northwest Bergen County Utilities Authority authorizing Connection Fee Payment Agreement with Toll NJ XII LP for 845 Ewing Avenue, Borough of Franklin Lakes: Toll NJ XII LP is the owner of property located at 845 Ewing Avenue, Franklin Lakes, New Jersey. The Toll NJ XII LP has filed an application to connect the property to the Authority's sewer system. This Resolution authorizes the payment agreement between Toll NJ XII LP and the Authority and authorizes the Executive Director to enter into the Agreement.

Resolution No. 18-2016 – Approval of Application for Proposed Sanitary Sewer Extension – 845 Ewing Avenue, Franklin Lakes, New Jersey: An application was submitted by Toll XII LP for a proposed sanitary sewer extension to be located at 845 Ewing Avenue, Franklin Lakes, NJ. The proposed extension would provide sanitary sewer services to 60 single family homes, 160 townhomes, 55 multifamily condominiums and a clubhouse. The property will contribute an average daily flow of 78,922 gallons per day, or 278 additional residential EDUs. The Authority's technical advisor has reviewed the application and the documents and drawing submitted in support thereof and has determined that certain items were missing from the submission. Contingent upon receipt of those items, the technical advisor recommends the application be approved. This resolution approves this application subject to the fulfillment of certain terms and conditions by the Applicant as outlined in the Resolution and contingent upon receipt of the missing information.

Resolution No. 34-2016 – Approval of vouchers, payroll and tax deposits and pensions and benefits transfers for February 2016 and Health and Dental Benefits for March 2016 as follows: Payroll Account: \$203,546.64; Tax Deposit Acct: \$101,565.99; Health Benefits Contribution-Employer: \$114,686.92; Health Benefits Contribution Employee: \$9,426.11; Dental Benefits: \$4,231.68; PERS and Contributory Insurance: \$31,144.15; Operating Account: \$400,682.84; General Improvement Account: \$61,357.42; 2012 WWT Project Account: \$647,500.00; 2015 WWT Project Account: \$531,744.50.

Resolution No. 35-2016 – Award of Contract – VX-456 ®: Evoqua Water Technologies was the sole bidder for the furnishing and delivery of VX-456®. The bid price was \$1.014 per pound. The contract with Evoqua will be for a period of two years.

Resolution No. 36-2016 – Award of Contract – Magnesium Hydroxide Slurry. Premier Magnesia was the sole bidder for the furnishing and delivery of magnesium hydroxide slurry. The bid price was \$.2015 per wet pound. The contract with Premier Magnesia will be for a period of two years.

Resolution No. 37-2016 – Resolution Ratifying Emergency Purchases and Contracts caused by a sewer main collapse in Midland Park, New Jersey: On or about February 25, 2016, the experienced a sewer main collapse of a 24 inch diameter pipe in Midland Park, NJ. It was determined that in order to preserve the public safety and health of the surrounding residents and the environment that approximately 850 feet of sewer line needed to be replaced immediately. The necessary Emergency Procurement Report was filed with the Division of Local Government Services. The total cost for the emergency purchases related to this matter is approximately \$475,000 and were provided by J. Fletcher Creamer & Sons, Inc., Borough of Midland Park Department of Public Works Department and Police Force and National Water Main.

Resolution No. 38-2016 – Resolution engaging the services of Rubenstein, Meyerson, Fox, Mancinelli, Conte & Bern, PA to provide the Legal Professional Services for the Wyckoff Sanitary Sewer Project: The Authority is in the process of expanding its sanitary sewer collections system to include areas of the Township of Wyckoff. The firm of Rubenstein, Meyerson, Fox, Mancinelli, Conte & Bern, PA is deemed highly qualified to provide legal services related to this project. The not to exceed cost for these services is \$35,000.00.

Resolution No. 40-2016 – Approving Change Order No. 9 (Final) for Contract No. 259 – Franklin Lakes Business District Sanitary Sewer: The Contractor for Contract No. 259 has requested certain changes to the Project which are necessary to address various items. The Authority's Engineer has recommended the Change Order be approved in a total cost of \$65,911.48. This Resolution approves Change Order No. 9 for Contract No. 259.

Resolution 41-2016 – Resolution Authorizing an Amended Schedule and Granting an Extension of Time for the Completion of Contract No. 266: On May 15, 2015 the Authority entered into a Contract with Longo Electrical Mechanical, Inc. to make upgrades to the Goffle Road and Midland Park Pump Stations. Longo failed to meet the contractual deadline to complete the specified upgrades. Longo has requested an extension of time from December 24, 2015 to August 6, 2016 to complete the project. This resolution accepts the proposed amended schedule and grants the request for additional time to complete the project. Furthermore, the Authority is authorized to inform Longo that the Authority will waive any liquidated damages that have accrued as a result of not meeting the initial deadline of December 24, 2015. The Authority does however, reserve the its right to seek liquated damages if Longo fails to complete the specified upgrades in accordance with the deadlines set forth in the proposed amended schedule.

- b. The following Resolution was voted on separately.

Resolution No. 39-2016 was offered by Commissioner DaPuzzo and seconded by Commissioner Kasparian. The following Commissioners voted yes: DaPuzzo,

Kasparian, Kelaher, Plumley, Salazer and Chairman Chewcaskie. Commissioner DePhillips recused from discussion on this matter and abstained from vote.

Resolution No. 39-2016 – Approving Change Order No. 5 for Contract No. 268 – Incinerator Emissions Upgrade Project: The Contractor for Contract No. 268 has requested certain changes to the Project which are necessary to address work and materials for demolition, furnishing and installation of portions of a new roofing system. The Authority's Engineer has recommended the Change Order be approved in a total cost of \$26,988.39. This Resolution approves Change Order No. 5 for Contract No. 268.

9. Report 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: The following item was discussed in the Work Session:

The flow for February was 10.2 million gallons per day.

Commissioner DaPuzzo commended the Authority staff and the other parties involved for the tremendous job they did in Midland Park during the sewer main collapse.

Mr. Hurwitz indicated that the Appeal to the Supreme Court for *Donovan v. NBCUA* has been scheduled for April 11-12.

- e. Strategic Plan Subcommittee – During the work session Commissioner Kasparian discussed the task force for the Wyckoff Sewer Expansion. He indicated that Mayor Rooney of Wyckoff identified 2 individuals, the Township Administrator Bob Shannon and Superintendent of Public Works, Mark Fischer to serve on the task force to represent Wyckoff. Additionally to serve on the task force are Commissioners Ken Gabbert and Christopher DePhillips, Bob Benecke, and Boswell Engineering. This project should be a cooperative effort between the Authority and the municipality. He would like the task force to develop a plan of how to proceed with installing sewers in the township and also to determine several options of how the projects will be financed. The Authority's financial advisor, Bob Benecke, is currently working on a financial analysis for the installation of sewers in Wyckoff. As indicated by a study conducted by Boswell Engineering, the Knolls area of Wyckoff is a favorable location to install sewers.

Commissioner DePhillips asked how financing has been handled historically for the installation of sewers in municipalities. The response was Franklin Lakes was the first

real case study for the Authority. When the original towns installed sewers they financed the projects themselves with federal support. The township of Mahwah is a good model for the Authority to look at as they did the installation of sewers in Phases. Mahwah established payment plans for residents for the payment of the assessments.

The Authority is appointing the firm of Rubenstein, Meyerson, Fox, Mancinelli, Conte & Bern, PA to serve as special counsel for the Wyckoff Sewer Expansion Project. Douglas Bern, Esq. provided legal services for the Authority during the Franklin Lakes project. He has already conducted analyses of existing agreement with Wyckoff for the Franklin Lakes project. The Authority does not want to spend that money to do that all over again. The firm has the experience to provide these services to the Authority and they were qualified during the Authority's Reorganization meeting in February.

There was also a discussion about the gains and losses of the investment of infrastructure in neighborhoods. Commissioner Kasparian indicated that the number of EDUs that contribute to the system, may not necessarily cover the costs for the infrastructure in that area, while in some neighborhoods the contribution to the system may be greater than the costs. The collective goal however, is to increase flow so that rates can lower for everybody.

There was also a discussion regarding the sewer connection fee program. Commissioner DaPuzzo explained that the sewer connection fee is in place to help maintain the infrastructure. The method of how new customers buy into the system is through the payment of a connection fee for connecting their properties. Chairman Chewcaskie expanded that the purpose of the fee is to reimburse the Authority for expenses incurred. The original members essentially paid for the creation of the system. For new people coming in, they pay.

- f. Building and Grounds Committee – Nothing further to Report
  - g. Safety and Security Committee – During the Work Session there was a discussion about the Security upgrades project that is part of the 2017 NJEIT Loan Application. A preliminary report has been prepared by T&M. The estimate at this point in time is \$447 thousand dollars. Commissioner Kelaher indicated he is going to look into any grants that may be available to us for this project. Mr. Henderson added that the grants office at T&M Associates is looking into grants for security upgrade projects. The current estimate is if the Authority implements all measures that were recommended by the Department of Homeland Security. There is currently an application in with the NJEIT, however this does not mean the Authority has to take out the loan for the whole amount, or at all.
  - h. Intellectual Technology Committee – Nothing further to report
10. Report of Treasurer – Short term investments – Approximately \$15 million is being held at TD Bank in lieu of fees. Approximately \$1 million is being held at TD Bank at a rate of \$0.10%; approximately \$6 million is being held at Sussex Bank, Santander Bank and Bank

of New Jersey at a rate of 0.5%. Approximately \$1.8 million is being held at Sussex Bank at rates of 0.55% and approximately \$1.8 million is being held at Santander Bank at 0.45%.

11. Report of Counsel – The following items were addressed in the Work Session:
  - a. Alvarez v. NBCUA – The brief is due April 8<sup>th</sup>.
  - b. Bassett v. NBCUA – There was a mediation session last month which was unproductive. The firm is continuing with discovery and proceeding to depositions.
12. Report of Engineer – During the Work Session Mr. Henderson informed the Board that the mediation with Underground Utilities Corporation (UUC) has been resolved. The Authority is to pay to UUC \$647,500. The Authority is getting back out of pocket expenses but not liquidated damages. The Final Change Order No. 9 reflects additional work that was completed as well as subtracting out work that was not performed.
13. Report of Executive Director – During the Work Session the following topics were discussed:
  - a. The Board discussed the policy of payments agreements. Chairman Chewcaskie indicated that in the past payment agreements have been entered into so long as there was security attached to the agreement, such as guaranty, and an agreed upon interest rate. However, the issue has been raised whether the Authority should continue to enter into payment agreements. This more specifically became an issue for the Toll NJ XII LP Payment Agreement for the Reserve in Franklin Lakes Project. Commissioner Kasparian raised concerns of entering into a payment agreement for this project at the February Meeting. The question is whether payment agreements is a policy the Authority would like to continue. Chairman Chewcaskie indicated that he has no issues with payment agreements for larger projects so long as the Authority receives a security and interest on the payments.

Commissioner DaPuzzo didn't discount the concerns over payment agreements that Commissioner Kasparian brought awareness to, agreeing that there is a possibility that the Authority could end up chasing money and the receipt of full payment upfront would be easier. However, he did agree with Chairman Chewcaskie that the Authority should continue with authorizing payment agreements. In the case of Toll NJ XII LP, the letter of credit which has been submitted is a good security that the Authority will receive the funds. In this case, the Authority will actually have received half of the connection fee by the end of this year without any units likely built yet. Furthermore, if the project were to not be completed or lesser units were built, the Authority is then responsible for potentially returning the portion of the fee for units that were not built and connected.

Mr. Garcia indicated that he is currently researching what other Utility Authorities do in regard to payment agreements. His research is not done at this point in time, however so far he has discovered that other Utility Authorities do enter into payment agreements for connection fees. He will send a report to the Board when he has completed his research.

Chairman Chewcaskie also indicated that he will be requesting Commissioner Gabbert to look into the financial benefits of the Authority entering into payment agreements. Treasurer Sherer advised that 6% interest on the payment agreement is a good investment. Furthermore, at this time the Chairman believes it is best to continue with determining the necessity of a payment agreement on a case by case basis and should be evaluated on the Authority's needs.

- b. February was a rainy month with high flows. The rain may have certainly had an impact on the sewer main collapse that occurred in Midland Park.
  - c. Pump Station Improvements: Currently at the Ho-Ho-Kus Pump Station, there is provision for the installation of a diesel pump on an emergency basis should there be a failure at the station. A similar system is being installed at Goffle Road Pump Station. Mr. Hurwitz expressed that the Authority should explore the option of adding a diesel pump at the Midland Park Pump Station as well. The way to do this is by buying an adjacent property near the Pump Station. The Authority would need to get the property appraised to determine its worth. Commissioner Kasparian added that the Authority should first find out if the property owner is interested in selling the property. Authority attorney was asked to contact the property owner to discuss the potential acquisition. Chairman Chewcaskie finds that it is worth investigating to find out what the cost of this would be to purchase the property. This pump would be beneficial for when there is a complete failure at the Station.
14. Report of Superintendent – During the Work Session Mr. Genetelli discussed the following topics:
- a. Midland Park Sewer Collapse. The resolution for the emergency purchases and contracts for this matter are estimated at \$475,000. The cost is for the contractor who replaced the 850 feet of a 24 inch line, property repairs by a landscaper that had to be completed, pumping trucks, police control, and the input of a temporary road. Mr. Genetelli thanked the Borough of Midland Park for their efforts during this emergency as well as the residents for their cooperation throughout. The Authority will not be receiving fines from the NJDEP for this. However, the NJDEP may want to be part of discussions regarding how to prevent this from happening in the future.
  - b. Mr. Genetelli also addressed the request from Frank Palladino, resident of Waldwick, regarding his attendance to NJDEP inspections. Mr. Genetelli reached out to the NJDEP and Maria Coppolla indicated that should would not welcome his attendance during the inspections. However, she indicated that Mr. Palladino may contact her directly with any questions he may have.
15. Old Business: No old business.
16. New Business: No new business.

17. Public Comments: No public Comments.

18. Adjournment: Commissioner DaPuzzo made a motion to adjourn the Regular meeting at 8:06pm. Commissioner DePhillips seconded the motion. All present Commissioners voted in favor of ending the meeting at 8:06pm.

  
ALISON GORDON, SECRETARY