

NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION

PUBLIC COMMISSION MEETING

WEDNESDAY, NOVEMBER 22, 2017

The monthly Public Meeting of the Commission was called to order by Chairman Charles P. Shotmeyer on Wednesday, November 22, 2017 at 9:00 a.m., One F.A. Orechio Drive, Wanaque, New Jersey.

Chairman Charles P. Shotmeyer, Vice Chairman Carmen A. Orechio and Commissioners Alan S. Ashkinaze, Donald C. Kuser and Howard L. Burrell were recorded present. Also present were Todd R. Caliguire, Executive Director; William Schaffner, Chief Financial Officer and John Wyciskala, Esq., Commission Counsel from the law firm of Inglesino, Webster, Wyciskala & Taylor, LLC. Commissioner Jerome P. Amedeo was absent. Commissioner Robert C. Garofalo and Mary Maples, Senior Counsel of the Governor's Authority Unit participated via teleconference.

Chairman Shotmeyer asked everyone to stand and recite the Pledge of Allegiance.

Pursuant to the requirements of N.J.S.A. 10:4-6, et seq., Commission Secretary Kim Diamond acknowledged compliance with the statute in the affidavit attached to and made a part of these minutes. Commission Secretary Diamond advised that the provisions of the Open Public Meetings Act have been complied with as to the posting of notice in a public place reserved for such announcement and transmittal to the mass media for publication.

Commission Secretary Kim Diamond read the following resolution:

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, *the public body is of the opinion that such circumstances recently exist.*

NOW, THEREFORE, BE IT RESOLVED, *by the Commissioners of the North Jersey District Water Supply Commission of the State of New Jersey as follows:*

1. *The public shall be excluded from discussions of the hereinafter-specified subject matters; the general natures of the subject matters to be discussed are Personnel, Pending Litigation and Contracts;*
2. *It is anticipated at this time that the above stated subject matters will be ratified during the Public Meeting to follow or as soon thereafter as the reason for discussing the matters in the Executive Conference no longer exists.*
3. *This Resolution shall take effect immediately.*

Commissioner Burrell offered a motion to adopt the resolution regarding Section 8, Chapter 231, P.L. 1975 of the Open Public Meetings Act; seconded by Commissioner Ashkinaze and unanimously approved with Chairman Shotmeyer, Vice Chairman Orechio and Commissioners Ashkinaze, Kuser, Burrell and Garofalo voting in the affirmative. The Public Meeting was recessed at 9:02 a.m.

Chairman Shotmeyer reconvened the Public Meeting at 10:58 a.m.

PUBLIC COMMISSION BUSINESS

ACTION REQUIRED:

Vice Chairman Orechio offered a motion to approve the Public Commission Meeting Minutes of October 25, 2017; seconded by Commissioner Ashkinaze and unanimously approved with Chairman Shotmeyer, Vice Chairman Orechio and Commissioners Ashkinaze, Kuser, Burrell and Garofalo voting in the affirmative.

Vice Chairman Orechio offered a motion to approve the Purchase Requisitions over \$5000 Report for November 2017 in the amount of \$151,359.10 seconded by Commissioner Ashkinaze and unanimously approved with Chairman Shotmeyer, Vice Chairman Orechio and Commissioners Ashkinaze, Kuser, Burrell and Garofalo voting in the affirmative.

UNFINISHED BUSINESS:

None

NEW BUSINESS:**Commission Invoices:**

- a. Invoice #1060-22 from Stone Hill Construction for Contract #1060 – Wanaque South Pump Station Upgrades in the amount of \$37,248.00**
Michael Dox, Plant Electrical Engineer and Edwin Reyes, Project Engineer approved invoice 3(a) for payment.
- b. Invoice #20193 from Landscape Materials, Inc. for Contract #1089A – Removal of Residuals in the amount of \$20,608.00**
David Kirkham, Director of Residuals Treatment Operations and Douglas Delorie, Manager approved invoice 3(b) for payment.
- c. Invoice #251840 & #259170 from Premier Utility Services for Contract #1013 – Underground Locating in the amount of \$825.74**
Maria Alliegro, Director of Engineering and James Stachura, Project Engineer approved invoice 3(c) for payment.
- d. Invoice #2021-1 from Alpine Painting & Sandblasting for Contract #2021 – Washwater Tank Painting & Rehabilitation in the amount of \$57,608.00**
Maria Alliegro, Director of Engineering and Chris Clamser, Project Engineer approved invoice 3(d) for payment.
- e. Invoice #2020-3 from Alpine Painting & Sandblasting for Contract #2020 – Surge Tank Painting & Rehabilitation in the amount of \$346,931.45**
Maria Alliegro, Director of Engineering and Chris Clamser, Project Engineer approved invoice 3(e) for payment.
- f. Invoice #2022-1 from Alpine Painting & Sandblasting for Contract #2022 – Filters, Surface Wash & Pipe Gallery Painting & Rehabilitation in the amount of \$112,860.00**
Maria Alliegro, Director of Engineering and Chris Clamser, Project Engineer approved invoice 3(f) for payment.
- g. Various Invoices from BNY Mellon – W/N/P Bonds 1999 Series 1 & 2 NJEIT in the amount of \$3,850.00**
William Schaffner, Chief Financial Officer approved invoice 3(g) for payment.
- h. Invoice #20171031-64680-A from Wilmington Trust – Series 93 Escrow in the amount of \$10,500.00**
William Schaffner, Chief Financial Officer approved invoice 3(h) for payment.
- i. Invoice #1044-15 from Arcadis US, Inc. for Contract #1044 – Release Retainage in the amount of \$16,021.32**
Maria Alliegro, Director of Engineering and Les Malytskyy, Engineering Project Manager approved invoice 3(i) for payment.

- j. Invoice #0857847 & #0871413 from Arcadis US, Inc. for Contract #1095 – Security Project Construction Oversight in the amount of \$9,402.30**
Charles Billings, Director of IT and Edwin Reyes, Project Engineer approved invoice 3(j) for payment.
- k. Invoice #32244 from Princeton Hydro LLC for Contract #1097 – Reservoir & Watershed Management Consulting in the amount of \$8,240.81**
Lewis Schneider, Director of Treatment, Laboratory & Compliance – Licensed Operator Water Treatment/Residuals and Maureen Kneser, Laboratory Manager approved invoice 3(k) for payment.
- l. Invoice #IV00256529 from Mott MacDonald for Contract #1085 – WSPS Construction Administration in the amount of \$2,259.44**
Michael Dox, Plant Electrical Engineer and Edwin Reyes, Project Engineer approved Invoice 3(l) for payment.
- m. Invoice #87941-9650 from JBL Electric, Inc. for Contract #1081 – Electrical Consulting Services in the amount of \$78,264.00**
Michael Dox, Plant Electrical Engineer and Edwin Reyes, Project Engineer approved Invoice 3(m) for payment.
- n. Invoice #87940-9611 from JBL Electric, Inc. for Contract #1081 – Electrical Upgrades to Low Lift Pump Station in the amount of \$290,664.90**
Paul Serillo, Director of Facilities and Edwin Reyes, Project Engineer approved Invoice 3(n) for payment.
- o. Invoice #'s 30605-30607 from Lerch, Vinci & Higgins, LLP for 2016 Audit in the amount of \$45,000.00**
William Schaffner, Chief Financial Officer approved invoice 3(o) for payment.
- p. Invoice #69333 from Total Recall Corp. for Contract #1094 – Security Enhancements in the amount of \$365,139.50**
Charles Billings, Director of IT and Edwin Reyes, Project Engineer approved invoice 3(p) for payment.
- q. Invoice #PTUS-PIN-0001482 from Wachs Water Services for Contract #1093 – Valve Exercising Services in the amount of \$78,750.00**
Maria Alliegro, Director of Engineering and Les Malytskyy, Engineering Project Manager approved invoice 3(q) for payment.
- r. Invoice #WBXB2200-999-PN-17 from Jacobs Engineering Group, Inc. for Contract #1090 – General Consulting Engineering Services – Year 2 – in the amount of \$15,445.00**
Maria Alliegro, Director of Engineering and Les Malytskyy, Engineering Project Manager approved invoice 3(r) for payment.

Vice Chairman Orechio offered a motion to approve invoices 3(a) through 3(r); seconded by Commissioner Ashkinaze and unanimously approved with Chairman Shotmeyer, Vice Chairman Orechio and Commissioners Ashkinaze, Kuser, Burrell and Garofalo voting in the affirmative.

Resolution – Adopting Amended Rules for Overdraft

Commission Secretary Kim Diamond read the following resolution:

RESOLUTION OF THE NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION ADOPTING AMENDED OVERDRAFT REGULATIONS

WHEREAS, the North Jersey District Water Supply Commission (“Commission”) is a public body corporate duly organized and existing under and by virtue of the laws of the State of New Jersey, exercising public and essential governmental functions and providing for the public health and welfare, and is engaged in developing raw water sources, storing water and distributing a reliable supply of potable water to its participating municipalities; and

WHEREAS, the Commission has entered into the Wanaque North and South Agreements (collectively, the “Agreements”) with member municipalities which, among other things, authorize the Commission to adopt a schedule of maximum flows based upon a percentage of the member municipalities’ average daily contractual allotments; and

WHEREAS, the Agreements also authorize the Commission to adopt a schedule of rates containing additional charges payable by the member municipalities for water taken in excess of their maximum allowable flows; and

WHEREAS, the Commission has previously adopted “Overdraft Regulations” for Wanaque North and South setting forth charges for member municipalities that take water in excess of their maximum allowable flows; and

WHEREAS, the Wanaque North Overdraft Regulations have not been updated since 1966 and the Wanaque South Overdraft Regulations have not been updated since 1987, and are outdated and in need of simplification; and

WHEREAS, the Commission has determined that it is necessary to amend its Overdraft Regulations to preserve the integrity of its water treatment systems, accurately reflect current costs to treat and supply water, and discourage overdrafting; and

WHEREAS, the Commission prepared updated Overdraft Regulations for Wanaque North and South and, by certified mail dated July 20, 2017, provided all member municipalities with a copy of the proposed Overdraft Regulations and invited comments thereon; and

WHEREAS, the Commission subsequently received comments from certain member municipalities regarding the proposed Overdraft Regulations and amended the proposed regulations to address said comments; and

WHEREAS, by certified mail dated on or about October 25, 2017, the Commission provided all member municipalities with a copy of the proposed Overdraft Regulations, as amended, and notice that a public hearing was to be held on the proposed regulations on November 22, 2017, at 10:00 a.m.; and

WHEREAS, a public hearing was held at 10:00 a.m. on November 22, 2017, at the offices of the Commission, wherein a presentation was made by the Executive Director explaining the need to revise the existing Overdraft Regulations and describing the proposed regulations; and

WHEREAS, following this presentation, all interested members of the public in attendance at the meeting were invited to provide testimony or comments on the proposed Overdraft Regulations; and

WHEREAS, having considered the proposed regulations and testimony thereon, the Commission deems it reasonable and necessary to adopt the proposed Overdraft Regulations, as amended.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the North Jersey District Water Supply Commission that the proposed Overdraft Regulations, attached hereto as **Exhibit A** and **Exhibit B**, be and are hereby adopted by the Commission; and

BE IT FURTHER RESOLVED that the revised Overdraft Regulations shall not take effect until January 1, 2018; and

BE IT FURTHER RESOLVED that the revised Overdraft Regulations shall apply to all member municipalities; and

BE IT FURTHER RESOLVED that the Executive Director is directed to forward a copy of the revised Overdraft Regulations, as adopted herein, to each member municipality; and

BE IT FURTHER RESOLVED that a copy of this resolution shall be maintained in the Office of the Executive Director and made available for public inspection.

Commissioner Kuser offered a motion to adopt the resolution adopting Amended Rules for Overdraft; seconded by Commissioner Askinaze and unanimously approved with Chairman Shotmeyer, Vice Chairman Orechio and Commissioners Ashkinaze, Kuser, Burrell and Garofalo voting in the affirmative.

Resolution – Adopting an Investment Policy

Commission Secretary Kim Diamond read the following resolution:

**RESOLUTION OF THE NORTH JERSEY DISTRICT WATER SUPPLY
COMMISSION ADOPTING AN INVESTMENT POLICY**

WHEREAS, the North Jersey District Water Supply Commission ("Commission") is a public body corporate duly organized and existing under and by virtue of the laws of the State of New Jersey, exercising public and essential governmental functions and providing for the public health and welfare, and is engaged in developing raw water sources, storing water and distributing a reliable supply of potable water to its participating municipalities; and

WHEREAS, the Commission previously determined that it was necessary to retain the services of a qualified financial advisory firm to provide advice with respect to the development and implementation of a comprehensive investment and cash management program; and

WHEREAS, on or about October 11, 2016, the Commission publicly advertised and issued a Request for Proposals, referenced as RFP #013-2016 for the Provision of Financial Advisory Services – Cash Management Program, and received proposals from interested firms; and

WHEREAS, on or about December 14, 2016, the Commission awarded RFP #013-2016 to PFM Asset Management, LLC ("PFM"); and

WHEREAS, PFM has prepared an investment policy that defines the parameters within which Commission funds are to be managed to ensure the safety of principal, the maintenance of liquidity, a return on investment, and standards of care applicable to investment or reinvestment of Commission assets, amongst other things; and

WHEREAS, Commission staff have reviewed the investment policy and recommended that the Commission adopt said policy; and

WHEREAS, the Commission has determined that it is appropriate to formally adopt the investment policy, said policy being attached hereto as **Exhibit A**.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the North Jersey District Water Supply Commission, that the investment policy be and is hereby adopted by the Commission; and

Vice Chairman Orechio offered a motion to adopt the resolution adopting an investment policy; seconded by Commissioner Kuser and unanimously approved with Chairman Shotmeyer, Vice Chairman Orechio and Commissioners Ashkinaze, Kuser, Burrell and Garofalo voting in the affirmative.

Resolution – Authorizing a Consolidation of Employee Supplemental Insurance Programs

Commission Secretary Kim Diamond read the following resolution:

**RESOLUTION OF THE NORTH JERSEY DISTRICT WATER SUPPLY
COMMISSION AUTHORIZING A CONSOLIDATION OF EMPLOYEE
SUPPLEMENTAL INSURANCE PROGRAMS**

WHEREAS, pursuant to N.J.S.A. 58:5-1 et seq., the North Jersey District Water Supply Commission ("Commission") is a public body corporate duly organized and existing under and by virtue of the laws of the State of New Jersey, exercising public and essential governmental functions and providing for the public health and welfare, and is engaged in developing raw water sources, storing water and distributing a reliable supply of potable water to its participating municipalities; and

WHEREAS, the Commission currently utilizes multiple insurance carriers for its employee supplemental insurance program; and

WHEREAS, Commission staff have recommended that the Commission consolidate its employee supplemental insurance program with one carrier, Unum Group, to save costs, increase customer service levels, and avoid billing issues; and

WHEREAS, the Commission has determined that Unum Group possesses the requisite expertise and skilled personnel to provide Commission employees with a comprehensive supplemental insurance program; and

WHEREAS, the Commission has determined that it is advisable to consolidate its employee supplemental insurance program with Unum Group, effective January 1, 2018.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the North Jersey District Water Supply Commission, that the Commission's employee supplemental insurance program be consolidated and transferred to Unum Group, effective January 1, 2018; and

BE IT FURTHER RESOLVED that a copy of this resolution shall be maintained in the Office of the Executive Director and made available for public inspection.

Vice Chairman Orechio offered a motion to adopt the resolution authorizing a consolidation of employee supplemental insurance programs; seconded by Commissioner Ashkinaze and unanimously approved with Chairman Shotmeyer, Vice Chairman Orechio and Commissioners Ashkinaze, Kuser, Burrell and Garofalo voting in the affirmative.

Resolution – Authorizing the Execution of a Memorandum of Agreement Regarding Contract #1040 By and Between the North Jersey District Water Supply Commission and Joseph M. Sanzari, Inc.

Commission Secretary Kim Diamond read the following resolution:

**RESOLUTION OF THE NORTH JERSEY DISTRICT WATER SUPPLY
COMMISSION AUTHORIZING THE EXECUTION OF A MEMORANDUM OF
AGREEMENT REGARDING CONTRACT #1040 BY AND BETWEEN THE
NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION AND JOSEPH M.
SANZARI, INC.**

WHEREAS, pursuant to N.J.S.A. 58:5-1 et seq., the North Jersey District Water Supply Commission ("Commission") is a public body corporate duly organized and existing under and by virtue of the laws of the State of New Jersey, exercising public and essential governmental functions and providing for the public health and welfare, and is engaged in developing raw water sources, storing water and distributing a reliable supply of potable water to its participating municipalities; and

WHEREAS, the Commission previously determined there was a need to retain the services of a firm to provide for the design and construction of a perimeter retaining structure in the Commission's water treatment residual lagoon ("Project Services"); and

WHEREAS, on or about July 10, 2013, the Commission publicly advertised and issued a Request for Qualifications and Proposals ("RFQ/RFP #012-2013") for the provision of the Project Services; and

WHEREAS, on or about August 21, 2013, Joseph M. Sanzari, Inc., with Suburban Consulting Engineers, Inc. (collectively, "Sanzari") submitted a proposal setting forth its design approach, project components, scope of services, and not-to-exceed cost of \$1,590,000.00 ("Proposal"); and

WHEREAS, on or about September 25, 2013, the Commission adopted a resolution awarding Sanzari a contract for the performance of the Project Services as set forth in RFQ/RFP #012-2013 and the Proposal (Contract #1040); and

WHEREAS, on or about February 18, 2014, the Commission and Sanzari (collectively, the "Parties") executed Contract #1040 for the performance of the Project Services as set forth in RFQ/RFP #012-2013 and the Proposal in exchange for payment of an amount not-to-exceed \$1,590,000.00; and

WHEREAS, during the course of the performance of the Project Services, various issues arose between the Parties concerning the scope of work and the time frames associated therewith; and

WHEREAS, in the interests of amicably resolving the issues between the Parties and facilitating the completion of the Project Services, and without acknowledging the legitimacy of any Party's claim regarding the issues, the Commission has determined that it is necessary and appropriate to enter into a Memorandum of Agreement ("MOA") setting forth terms and conditions that are intended to result in the successful completion of the Project; and

WHEREAS, the MOA provides specifics relative to the work necessary to successfully complete the Project, and includes an additional payment above the original Contract #1040 price in the amount of \$125,000.00 upon successful completion of the tasks set forth in the MOA, to be paid (together with the amount of \$689,172.00 remaining to be paid under Contract #1040, for a total of \$814,172.00) by the Commission as progress payments as the tasks are completed; and

WHEREAS, the work described in the MOA is to be completed no later than December 31, 2017 pursuant to its terms; and

WHEREAS, the Chief Financial Officer of the Commission has certified that the funds will be available for the work outlined in the MOA in a total amount not to exceed \$814,170.00; and

WHEREAS, the execution of the MOA is necessary for the Commission's efficient water treatment operations, the protection of the Commission's water supply facilities, and the health, safety and welfare of the public.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the North Jersey District Water Supply Commission that the execution of the MOU by and between the Commission and Sanzari is hereby authorized; and

BE IT FURTHER RESOLVED that the Chairman or Vice Chairman of the Commission is hereby authorized to execute the MOU and the Secretary of the Commission is authorized to attest to the signature of either the Chairman or the Vice Chairman; and

BE IT FURTHER RESOLVED that a copy of this resolution shall be maintained in the Office of the Executive Director and made available for public inspection.

Vice Chairman Orechio offered a motion to adopt the resolution authorizing the execution of a memorandum of agreement regarding Contract #1040 by and between the North Jersey District Water Supply Commission and Joseph M. Sanzari, Inc; seconded by Commissioner Ashkinaze and unanimously approved with Chairman Shotmeyer, Vice Chairman Orechio and Commissioners Ashkinaze, Kuser, Burrell and Garofalo voting in the affirmative.

Wanaque North Operating Account:

Upon Chief Financial Officer Schaffner's certification of the attached bills and payroll transfers as being proper and accurate, Vice Chairman Orechio offered a motion to approve the Wanaque North Operating Account in the amount of \$13,305,330.94; seconded by Commissioner Ashkinaze and unanimously approved with Chairman Shotmeyer, Vice Chairman Orechio and Commissioners Ashkinaze, Kuser, Burrell and Garofalo voting in the affirmative.

Wanaque South Operating Account:

Upon Chief Financial Officer Schaffner's certification of the attached bills and payroll transfers as being proper and accurate, Vice Chairman Orechio offered a motion to approve the Wanaque South Operating Account in the amount of \$4,213,383.34; seconded by Commissioner Ashkinaze and unanimously approved with Chairman Shotmeyer, Vice Chairman Orechio and Commissioners Ashkinaze, Kuser, Burrell and Garofalo voting in the affirmative.

Wanaque South Joint Venture Operating Account:

Upon Chief Financial Officer Schaffner's certification of the attached bills and payroll transfers as being proper and accurate, Vice Chairman Orechio offered a motion to approve the Wanaque South Joint Venture Operating Account in the amount of \$523,694.45; seconded by Commissioner Ashkinaze and unanimously approved with Chairman Shotmeyer, Vice Chairman Orechio and Commissioners Ashkinaze, Kuser, Burrell and Garofalo voting in the affirmative.

There being no further business, Vice Chairman Orechio offered a motion to adjourn the meeting at 11:08 a.m.; seconded by Commissioner Ashkinaze and unanimously approved with Chairman Shotmeyer, Vice Chairman Orechio and Commissioners Ashkinaze, Kuser, Burrell and Garofalo voting in the affirmative.

Respectfully submitted,

Kim Diamond
Commission Secretary