

POLLUTION CONTROL FINANCING AUTHORITY
OF WARREN COUNTY

MINUTES OF REGULAR MONTHLY MEETING
July 22, 2009

Chairwoman Napolitani called the regular monthly meeting of the Pollution Control Financing Authority of Warren County to order at approximately 2:07 PM.

Authority Members present: Laurel Napolitani, Dick Mach, Angelo Accetturo, Everett Chamberlain and Todd Yanoff (arrived 2:11 pm).

ROLL CALL:	Ms. Napolitani	-	Present
	Mr. Mach	-	Present
	Mr. Accetturo	-	Present
	Mr. Chamberlain	-	Present
	Mr. Yanoff	-	Present

Also present: James Williams, Operations Manager, Joseph Houston, Esquire, Dan Olshefski for CFO, Bruce Jones, Special Attorney; Brian Tipton, Special Attorney; Paul Sterbenz, Maser Consulting; Cliff Wilkinson, Hatch Mott MacDonald and Margaret Rogers, Recording Secretary.

Pledge of Allegiance / Introductory Statement

MINUTES

The minutes of the Regular Meeting of June 10, 2009 were presented for approval. Mr. Chamberlain moved for acceptance of the minutes as presented, seconded by Mr. Accetturo.

ROLL CALL:	Ms. Napolitani	-	Yes
	Mr. Chamberlain	-	Yes
	Mr. Accetturo	-	Yes
	Mr. Yanoff	-	Late – no vote
	Mr. Mach	-	Abstain

The Executive Session minutes of the June 10, 2009 meeting were presented for approval. Mr. Chamberlain moved for acceptance of the minutes as presented, seconded by Mr. Accetturo.

ROLL CALL:	Ms. Napolitani	-	Yes
	Mr. Chamberlain	-	Yes
	Mr. Accetturo	-	Yes
	Mr. Yanoff	-	Late – no vote
	Mr. Mach	-	Abstain

CORRESPONDENCE

None

PUBLIC COMMENTS (Agenda Items Only)

None

PRESENTATIONS

Paul Sterbenz of Maser, gave a status on the leachate treatment plant construction.

- the work is substantially complete from a billing perspective, about 75% of the overall contract has been invoiced.
- we're holding roughly about 75% that's been billed until the very end of the job, until final payment is issued to this contractor.
- we're probably about 90% complete from a work perspective. The contractor is now hustling to get the project ready for an overall system test on it before August 11th at this point.
- 95% of the plumbing has been individually tested, 75% of the electrical, and 50% of the mechanical units have been tested thus far as required by the bid document (that each and every piece of equipment be tested individually).

From Maser's perspective, the quality of the work based on the personnel on this project have indicated to me the work is very good. The fact that there's been very little failure during the individual testing is an indicator of that. Only one section of wire failed that had to be replaced and there's only been a few leaks in the plumbing that's been installed.

As far as the soil compaction issue goes, we did receive a report from A&S, who is the testing laboratory for this particular project, and all those compaction tests were in compliance with the project specification. The required soil density is supposed to be 95% at least, and all the tests were showing 96.4% or better, so, it's exceeding the requirements in the specification. Obviously they have to fine grade it and stabilize those areas in order to comply with the contract.

Just a couple of overall observations on the work, I personally think the work has gone well. No construction job is perfect and we've had issues along the way. There are a few issues we're still sorting through which we'll review and discuss at our next progress meeting and provide a resolution.

We had a good set of plans to work from and it all starts with that. I thought it was a good move by Cliff Wilkinson in putting together the bid documents to include a \$100,000 allowance for change orders; built into the base contract. Every job is going to have a/ change order(s).

There are three (3) other change orders pending, totaling \$42,000. Assuming the Authority authorizes them at the prices quoted we would be about \$72,000 in change orders, less than the \$100,000 which was allocated in the contract.

Overall, I think we had a very good project. I think the contractor has done a good job, he's had good sub-contractors who've been attentive to detail.

There are a few things to resolve with the contractor. Probably the most major one other than the overall system test are completing the component testing, and, getting the operations manual. We've been given a diskette with over 3,000 pages, and not user friendly. It's completely unmanageable for

the authority, the staff of the authority and the operator to really go through, so we're trying to get a hard copy of that because whatever personnel from the Board who's going to be involved in the start up process and beyond are really going to need something to work from. It starts with the overall system test. That's probably the biggest issue besides finishing the components testing and the overall system testing on or before August 11.

Board members raised concerns which will be addressed at the next construction meeting on Monday, July 27, 2009, regarding the O&M Manuals.

Cliff Wilkinson of Hatch Mott MacDonald, introduced Tom Rudy who manages the Operations Group. His group also operates two other facilities like this in Morris County. Tom would be the go-to guy for any operational issues concerning the treatment plant.

Mr. Wilkinson commented on the following questions raised by the Board:

- When do we actually run material through the plant?
We are making plans to seed the treatment plant, get the micro biology going ahead of time. We've arranged to have mixed liquor from two other facilities; we just have to dispose of it and that seeds the plant. We should start seeing activity within 24-48 hours. We'll probably be fully operational within 3-4 weeks.
- What will we be sending PRMUA and when?
We'll probably be able to begin sending them small quantities within a week after the seeding operation.
- Has the permit to operate the plant and utilize a part-time worker been forwarded to the DEP?
Maser has to sign off on a WQM form which states the construction is in substantial conformance with the design. Two copies to PRMUA, they accept it, then that part is taken care of as well. There's a DEP form that we will be sending in this week. There is a provision in the regulations that if the plant is automated, you can go part time. The DEP responded with a phone call and said we qualify for that, however, they did not indicate the number of hours.
- PRMUA actually has to sign off on the operation?
They have to sign off on the WQM form. PRMUA's operator is very flexible on scheduling, want's to be kept in the loop and offered to come out and take the training. He was very receptive to taking the flow whenever.
 - *Mr. Williams interjected, stating that he has been keeping them abreast of our schedule (8/11-12/09) and possibly they could see clean flow as early as two (2) weeks.*
- Are we going to require some kind of operations contract or a service agreement since we are going to be a customer? Did we have a contract before?
Mr. Accetturo noted that we have a service agreement which indicated we were to put in a leachate plant when we reached a certain point. We're staying in compliance with the original agreement.
General Counsel indicated that he and PRMUA's Attorney would review the contract and revise if necessary.
- We were already in the loop, so there are no hook-up fees or anything?
Mr. Williams responded that there weren't.
- We'll have full flow and stop our leachate hauling in the middle of September. Do we need to notify our hauler?
Mr. Williams indicated he has been in touch with the hauler.

-- How much savings will that be for us?

Mr. Williams indicated we could save a quarter million dollars per year.

-- How much additional flow does PRMUA anticipate?

Jim stated on an average, 40-45,000 per day.

Mr. Wilkinson noted the plant is designed for 50 and we can discharge up to 60. It depends on rainfall. The average would probably be less than 40. 35-40,000 gal.

REPORTS

Facilities/Recycling

Mr. Williams stated that the recycling process with Colgate is working very well. We were paying a fee of \$12.00 per ton, it since has dropped to \$5.00 per ton. The recycling market actually is coming back a little bit so it is costing us less. They've been great to work with.

We have since ceased several recycling collection operations with the county facilities, returned the truck back to them so now the county is doing the recycling collection themselves.

Mr. Chamberlain commented that there should have been more coordination with the county. The county now needs to assess their recycling needs, go out to bid and review other nuances of this function.

Mr. Williams indicated the sulfur removal system has been working well. The hydrogen sulfide content in the gas continues to drop, in turn, produces less sulfur out of the system. Since the sulfur production isn't what it previously was we'll probably only see one tractor trailer load per year.

Mr. Chamberlain brought up the issue of truck traffic (4:00 am) in response to a call from a resident of Hope Twp. He questioned if it was the Essex ash trucks and if we have traffic restrictions in the contract with Essex. Or perhaps it was trucks going to Covanta?

Mr. Accetturo stated that he also received a call and noted that Covanta has language in their contracts that such traffic should be traveling on Rt. 80 to Rt. 46, not exit onto Rt. 519.

Mr. Chamberlain stated that he wants language in our contract(s) too. If need be, we request Essex to take Rt. 46. We're trying to work with Hope to reduce the traffic.

FINANCE/PERSONNEL

Several questions were raised concerning the monthly billing report:

-- Is there an increase in the 0-30 days in account receivables or is it Ash?

Ash has made a difference.

-- How do we handle non-sufficient funds now?

We send a letter and a certified letter. Once they receive it, they come in and pay. If they don't acknowledge, then it goes into the county court system.

General Counsel mentioned that:

-- Mills went into bankruptcy so we won't expect anything.

-- Northern Sanitation will be defaulting at the end of this month. We did receive a letter from them proposing a payment option plan. If the Board is satisfied with this plan just have Jim contact them and say the proposal is acceptable as long as they don't default. Cash payment for services will only be acceptable hereafter.

-- Issue a default payment by Maser to Scafar pending receipt of manuals.
Mr. Chamberlain felt we should issue the check.

Resolution to Pay Bills (R-07-01-09) was presented for approval. Ms. Napolitani motioned to approve, seconded by Mr. Accetturo.

ROLL CALL:	Ms. Napolitani	-	Yes
	Mr. Chamberlain	-	Yes
	Mr. Accetturo	-	Yes
	Mr. Yanoff	-	Yes
	Mr. Mach	-	Yes

NEW BUSINESS

None

GENERAL COUNSEL'S REPORT

None

OTHER BUSINESS

None

CLOSING PUBLIC COMMENT

None

PRESS COMMENTS & QUESTIONS

None

EXECUTIVE SESSION

Mr. Accetturo motioned to enter into Executive Session (R-07-02-09) at 3:00 pm, seconded by Mr. Mach.

ROLL CALL:	Ms. Napolitani	-	Yes
	Mr. Chamberlain	-	Yes
	Mr. Accetturo	-	Yes
	Mr. Yanoff	-	Yes
	Mr. Mach	-	Yes

Regular Session resumed at 3:55 pm on a motion by Mr. Mach, seconded by Mr. Accetturo.

ROLL CALL:	Ms. Napolitani	-	Yes
	Mr. Chamberlain	-	Yes
	Mr. Accetturo	-	Yes
	Mr. Yanoff	-	Yes
	Mr. Mach	-	Yes

Mr. Accetturo motioned to accept Resolution (R-07-03-09) with the date change from September 21, 2009 to August 26, 2009, seconded by Mr. Mach.

ROLL CALL: Ms. Napolitani - Abstain
Mr. Chamberlain - Yes
Mr. Accetturo - Yes
Mr. Yanoff - Yes
Mr. Mach - Yes

ADJOURNMENT

Mr. Accetturo motioned to Adjourn at 3:56 pm, seconded by Mr. Mach.

ROLL CALL: Ms. Napolitani -
Mr. Chamberlain -
Mr. Accetturo -
Mr. Yanoff -
Mr. Mach -

Respectfully submitted by:

Margaret Rogers

Recording Secretary

Approved: *August 26, 2009*