

**TWO RIVERS WATER RECLAMATION AUTHORITY
ONE HIGHLAND AVENUE
MONMOUTH BEACH, NEW JERSEY 07750**

The Regular Meeting of the Two Rivers Water Reclamation Authority was held on Monday, January 18, 2011 at 6:00 PM at One Highland Avenue, Monmouth Beach, New Jersey.

Mr. William Leonard, Chairman, presided.

All Resolutions are contained in the Resolutions portion of the minutes.

Members Present:

Mr. William E. Leonard, Chairman
Mr. Arno Weber, Assistant Secretary
Mr. Barry J. Berdahl, Ph. D, Treasurer
Mr. Richard Tocci, Assistant Treasurer
Mr. Gregory J. Christopher
Mr. Scott Hartman
Mrs. Catherine D. LaPorta
Mr. Brian McPeak
Mr. William W. Nolze

Members Absent:

Mr. William R. Baarck, PE, Secretary
Mr. Thomas Barham, Vice Chairman
Mr. John Bonforte

Others Present:

Mr. Michael A. Gianforte, P.E., Executive Director
Mr. Edward Griffin, Financial Manager
Mr. Dennis Galvin, P.E., Engineering Manager
Mr. Gregory Seaman, Operations Manager
Mr. David Applegate, P.E., Representing the Firm of
Birdsall Engineering
Mr. David Laughlin, Esq., Birdsall & Laughlin, LLC
Mr. David Kaplan, DAK CPA

NOTICE OF REGULAR MEETING

Statement is hereby made that adequate Notice of Meetings has been provided by publishing the same in the Asbury Park Press on Saturday, December 25, 2010, and The Atlanticville on Wednesday, January 19, 2011, and mailing the same on Wednesday, December 22, 2010, to the Clerks of the participant municipalities of the Boroughs of Fair Haven, Little Silver, Monmouth Beach, Oceanport, Shrewsbury and West Long Branch, and all customer communities whose geographic boundaries are co-extensive with those of this Authority, and by prominently posting said Notice in the entry way of the Authority's office building on Wednesday, December 22, 2010.

CHAIRMAN RULES OF QUORUM

Mr. Leonard declared that a quorum was present. All present saluted the American Flag.

Mr. Leonard turned the meeting over to Mr. David Kaplan, DAK CPA to give a summary of the audit.

Mr. Kaplan stated that the audit was completed for the fiscal year ended October 31, 2010. Mr. Kaplan indicated that the reports were distributed to all commissioners. Mr. Kaplan indicated that the report dated December 31, 2010 coincided with the completion of the audit and the field work. Mr. Kaplan stated that the report was filed in a timely manner with the State of New Jersey and in accordance with the State's regulations. Mr. Kaplan indicated that on pages 1 and 2 of the report there is the Auditor's independent report. Mr. Kaplan indicated that on page 1 in the third paragraph "When an auditor says referenced to and presents fairly and in all material aspects, those are the key words that the Authority would be looking for from an auditor," Mr. Kaplan was happy to report that similar to last year and the recent years before that, he has given an unqualified opinion. Mr. Kaplan stated that it is the highest level of assurance that the audit is completed and in accordance with the auditing standard.

Mr. Kaplan stated that the Authority ended the year with about \$67million in net assets with an increase of \$1.8 million over the prior year but of that \$67 million only about 10.6 million was unrestricted or available for use and that amount changed by about \$147,000.00 increase over the prior year. Mr. Kaplan reported that the budget for 2010 was \$13.2 million and that entire budget was expended during the current year. Mr. Kaplan reported that on the debt side \$36.2 million in debt and that results from annual maturities \$3.4 million being repaid and also earlier redemption of the series 2000 bonds \$715,000.00 which the Authority did to achieve savings. The Authority had \$24.4 million in investments at the end of the year and almost all of those were in federally backed bonds and notes, all permitted investments. The Authority received about \$7.6 million in revenue from Customer Towns and \$5.6 million from Member Towns. Mr. Kaplan reported that the Authority ended up in a strong financial position once again. Mr. Kaplan reported that in respect to the audit findings, there were two material weaknesses that were reported on page 53 of the audit. Mr. Kaplan indicated that one of the findings was on the general ledger and the other on bank reconciliations and their tie out to the general ledger control balances. Mr. Kaplan stated that with respect to those recommendations, the corrective action plan was prepared and reviewed. Mr Kaplan also stated that it is properly written and if it is implemented, it should ameliorate both of those audit recommendations.

Discussion ensued.

Mr. Gianforte read the following Resolutions:

**RESOLUTION #2011-01-02
ACCEPTING ANNUAL AUDIT REPORT FOR THE
FISCAL YEAR ENDING OCTOBER 31, 2010**

Mr. Berdahl moved Resolution #2011-01-02 for adoption. The motion was seconded by Mr. Tocci and carried by the following vote on roll call:

AYES:

Mr. William E. Leonard, Chairman
Mr. Arno Weber, Assistant Secretary
Mr. Barry J. Berdahl, Ph. D, Treasurer
Mr. Richard Tocci, Assistant Treasurer
Mr. Gregory J. Christopher
Mrs. Catherine D. LaPorta
Mr. Brian McPeak
Mr. Scott Hartman
Mr. William W. Nolze

MEMBERS ABSENT:

Mr. Thomas Barham, Vice Chairman
Mr. William R. Baarck, PE, Secretary
Mr. John M. Bonforte

**RESOLUTION #2011-01-03
MEMORIALIZING THE ADOPTION AND IMPLEMENTATION
OF THE RECOMMENDATIONS STATED IN THE
2010 AUTHORITY AUDIT**

Mr. Berdahl moved Resolution #2011-01-03 for adoption. The motion was seconded by Mr. Tocci and carried by the following vote on roll call:

AYES: Mr. William E. Leonard, Chairman
Mr. Arno Weber, Assistant Secretary
Mr. Barry J. Berdahl, Ph. D, Treasurer
Mr. Richard Tocci, Assistant Treasurer
Mr. Gregory J. Christopher
Mrs. Catherine D. LaPorta
Mr. Brian McPeak
Mr. Scott Hartman
Mr. William W. Nolze

MEMBERS ABSENT: Mr. Thomas Barham, Vice Chairman
Mr. William R. Baarck, PE, Secretary
Mr. John M. Bonforte

APPROVAL OF THE REGULAR MONTHLY MEETING MINUTES OF DECEMBER 15, 2010

Mr. Nolze moved that the minutes from the Regular Monthly Meeting held December 15, 2010 be approved as submitted. The motion was seconded by Mr. Berdahl and carried by the following vote on roll call:

AYES: Mr. Arno Weber, Assistant Secretary
Mr. Barry J. Berdahl, Ph. D, Treasurer
Mr. Richard Tocci, Assistant Treasurer
Mr. Gregory J. Christopher
Mr. Scott Hartman
Mrs. Catherine D. LaPorta
Mr. Brian McPeak
Mr. William W. Nolze

MEMBERS ABSENT: Mr. William R. Baarck, PE, Secretary
Mr. Thomas Barham, Vice Chairman
Mr. John Bonforte

ABSTAIN: Mr. William E. Leonard, Chairman

CORRESPONDENCE

Mr. Gianforte stated that there are two items of correspondence; the first is copy of a letter to TD Bank Asset Management from Mr. Edward Griffin in reference to notifying the bank that the Authority is proceeding to look at other alternatives to banking and trustee services.

Mr. Gianforte stated that the second item is a notice of a Loss Control Report performed by the NJ Utilities Joint Insurance Fund describing the survey of outlying sites and their suggestions for

improvement conditions observed during the visit. The report was very positive and does not require a filling of any new SFI's suggestions for improvement. Mr. Gianforte stated that the Commissioners are welcome to review it.

APPOINTMENT OF NOMINATING COMMITTEE

Mr. Leonard stated that the following Commissioners were appointed to the Nominating Committee:

Mr. John Bonforte, Chairman
Mr. Gregory Christopher
Mr. Scott Hartman
Mr. Richard Tocci
Mr. Barry J. Berdahl
Mr. William E. Leonard

PUBLIC COMMENT ON AGENDA

There was no public present.

ENGINEERING COMMITTEE

ENGINEERING MANAGER'S REPORT

Collection System SCADA - Mr. Galvin indicated that the project should be receiving bids in February and action taken at the February meeting.

Contract 136A-Roll Off Container Truck - Mr. Galvin reported the Authority has spoken with the supplier and the Roll-Off Container Truck is still expected to be delivered later on in this month and it is the subcontractor that will put the roll off body on the vehicle.

Contract 135 Main Pump Station Tap Box – Mr. Galvin indicated that the Authority has a meeting with the contractor, supplier and the Authority's consultant, Mr. Richard Bernhardt.

Contract 122C Pump Station 12- Mr. Galvin reported that the Authority was waiting for the contractor to send some documentation for the station by-pass.

Contract 137 Underground Storage Tanks Removal and Above Ground Storage Tank Installation- Mr. Galvin stated that the Authority has received plans for the removal of the Underground Storage Tanks and Above Ground Storage Tank Installation and that project continues to move along.

Energy Audit- Mr. Galvin stated that the Authority received final approval from the Clean Energy program and the Authority is beginning to implement the recommendations for the various improvements.

Curtailed Service Provider- Mr. Galvin stated that there is an item on the agenda for a curtailment service provider. Mr. Galvin indicated that the Authority sought proposals and received two responses, one from Hess and another from Energy Curtailment specialists. The Authority is recommending that the Energy Curtailment Specialists be awarded the contract. Mr. Gianforte addressed a comment on the Authority's Air permit brought up by Mr. McPeak. Mr. Gianforte and Mr. Galvin spoke to the Enforcement Personnel and the original engineer for the Authority's air permit and they both confirmed that this is acceptable. Mr. Gianforte reported that Mr. Galvin did a very good job writing up the RFP.

Discussion ensued.

Mr. Galvin Stated the Authority received a final of the annual inspection of the treatment plant and the collection system from Birdsall Engineering.

Subdivisions- Mr. Christopher inquired about the two open work orders: Friendship Lane: Mr. Galvin reported that there is nothing going on there and that Mr. Galvin has reached out to the contractor numerous times. Mr. Galvin believes that the contractor shut down for the winter and has not seen any further work on the sanitary sewer system since September of 2009. Avalon Bay: Mr. Galvin reported that the occupancy is 55 to 60 percent full. Mr. Galvin reported that the Authority has been getting regular updates as the buildings come on line from Avalon Bay and the Authority is confirming that with West Long Branch Borough as well. Mr. Galvin reported that Avalon Bay has been very cooperative.

CONSULTING ENGINEER'S REPORT

Mr. Applegate reported that the final annual inspection report has been submitted to the Authority. Mr. Applegate thanked Mr. Gregory Seaman and Staff Personnel at the Authority for helping Mr. Applegate's staff with the review of the facilities. Mr. Applegate reported that a final set of USTs removal and AST installation plans and specifications have been provided to the Authority for final review.

Mr. Gianforte reported that the inspection report was handed out at the meeting and asked the Board to accept the 2010 Annual Inspection Report through a motion and by voice vote.

Mr. Leonard moved to accept it. The motion was seconded by Mr. Tocci and unanimously approved by the Board.

OPERATION MANAGER'S REPORT

Mr. Seaman had no additions to his report.

FINANCE AND INSURANCE COMMITTEE

Mr. Berdahl read the following resolution.

RESOLUTION #2011-01-01 AUTHORIZING PAYMENT OF BILLS

Mr. Berdahl moved Resolution #2011-01-01 for adoption. The motion was seconded by Mr. Tocci and carried by the following vote on roll call:

AYES:

- Mr. William E. Leonard, Chairman
- Mr. Arno Weber, Assistant Secretary
- Mr. Barry J. Berdahl, Ph. D, Treasurer
- Mr. Richard Tocci, Assistant Treasurer
- Mr. Gregory J. Christopher
- Mrs. Catherine D. LaPorta
- Mr. Brian McPeak
- Mr. Scott Hartman
- Mr. William W. Nolze

MEMBERS ABSENT:

- Mr. Thomas Barham, Vice Chairman
- Mr. William R. Baarck, PE, Secretary
- Mr. John M. Bonforte

Mr. Gianforte read the following Resolutions:

**RESOLUTION #2011-01-04
AUTHORIZING THE PURCHASE OF A
REPLACEMENT ROLL-OFF CONTAINER**

Mr. Tocci moved Resolution #2011-01-04 for adoption. The motion was seconded by Mr. Berdahl and carried by the following vote on roll call:

AYES: Mr. William E. Leonard, Chairman
Mr. Arno Weber, Assistant Secretary
Mr. Barry J. Berdahl, Ph. D, Treasurer
Mr. Richard Tocci, Assistant Treasurer
Mr. Gregory J. Christopher
Mrs. Catherine D. LaPorta
Mr. Brian McPeak
Mr. Scott Hartman
Mr. William W. Nolze

MEMBERS ABSENT: Mr. Thomas Barham, Vice Chairman
Mr. William R. Baarck, PE, Secretary
Mr. John M. Bonforte

Mr. Gianforte described the container and also the cost to the Board. Discussion ensued.

**RESOLUTION #2011-01-05
AUTHORIZING THE EXECUTIVE DIRECTOR
TO REQUEST PROPOSALS FOR THE
PURCHASE OF A REPLACEMENT FORKLIFT.**

Mr. Tocci moved Resolution #2011-01-05 for adoption. The motion was seconded by Mr. Berdahl and carried by the following vote on roll call:

AYES: Mr. William E. Leonard, Chairman
Mr. Arno Weber, Assistant Secretary
Mr. Barry J. Berdahl, Ph. D, Treasurer
Mr. Richard Tocci, Assistant Treasurer
Mr. Gregory J. Christopher
Mrs. Catherine D. LaPorta
Mr. Brian McPeak
Mr. Scott Hartman
Mr. William W. Nolze

MEMBERS ABSENT: Mr. Thomas Barham, Vice Chairman
Mr. William R. Baarck, PE, Secretary
Mr. John M. Bonforte

**RESOLUTION #2011-01-06
AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE
A CONTRACT FOR CURTAILMENT SERVICE PROVIDER
IN THE LOAD CURTAILMENT PJM DR/IRL PROGRAMS**

Mr. Tocci moved Resolution #2011-01-06 for adoption. The motion was seconded by Mr. Berdahl and carried by the following vote on roll call:

AYES: Mr. William E. Leonard, Chairman
Mr. Arno Weber, Assistant Secretary
Mr. Barry J. Berdahl, Ph. D, Treasurer
Mr. Richard Tocci, Assistant Treasurer
Mr. Gregory J. Christopher
Mrs. Catherine D. LaPorta
Mr. Brian McPeak
Mr. Scott Hartman
Mr. William W. Nolze

MEMBERS ABSENT: Mr. Thomas Barham, Vice Chairman
Mr. William R. Baarck, PE, Secretary
Mr. John M. Bonforte

Mr. Gianforte read the following resolution

PERSONNEL COMMITTEE

**RESOLUTION #2011-01-07
RECOGNIZING THE OUTSTANDING EFFORTS OF CERTAIN
EMPLOYEES DURING A RECENT STORM EVENT**

Mr. Christopher moved Resolution #2011-01-07 for adoption. The motion was seconded by Mr. Tocci and carried by the following vote on roll call:

AYES: Mr. William E. Leonard, Chairman
Mr. Arno Weber, Assistant Secretary
Mr. Barry J. Berdahl, Ph. D, Treasurer
Mr. Richard Tocci, Assistant Treasurer
Mr. Gregory J. Christopher
Mrs. Catherine D. LaPorta
Mr. Brian McPeak
Mr. Scott Hartman
Mr. William W. Nolze

MEMBERS ABSENT: Mr. Thomas Barham, Vice Chairman
Mr. William R. Baarck, PE, Secretary
Mr. John M. Bonforte

**RESOLUTION #2011-01-08
APPROVING TRAINING AND
CONFERENCE REQUESTS**

Mr. Nolze moved Resolution #2011-01-08 for adoption. The motion was seconded by Mr. Tocci and carried by the following vote on roll call:

AYES: Mr. William E. Leonard, Chairman
Mr. Arno Weber, Assistant Secretary
Mr. Arno Weber, Assistant Secretary
Mr. Barry J. Berdahl, Ph. D, Treasurer
Mr. Richard Tocci, Assistant Treasurer
Mr. Gregory J. Christopher
Mrs. Catherine D. LaPorta
Mr. Brian McPeak
Mr. Scott Hartman
Mr. William W. Nolze

MEMBERS ABSENT: Mr. Thomas Barham, Vice Chairman
Mr. William R. Baarck, PE, Secretary
Mr. John M. Bonforte

LEGAL AFFAIRS

Mr. Gianforte stated that there was no need to go into Closed Session .

OLD BUSINESS

There was no old business to discuss.

NEW BUSINESS

There was no new business to discuss.

OPEN TO THE PUBLIC

There was no public present.

Commissioner Nolze moved that the Meeting adjourn at 6.24 p.m. seconded by Commissioner Berdahl and carried by voice vote.

The Chairman stated that final copies of approved Resolutions are available in the main office.

Respectfully submitted,

Mr. Arno Weber, Assistant Secretary

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