

READINGTON-LEBANON SEWERAGE AUTHORITY

December 21, 2016

OPENING: Chairman, Dr. Schaible opened this regular meeting and announced that the Sunshine laws have been satisfied for the convening of this meeting.

PRESENT: Dr. Schaible, Messrs. Burton, Cichone, Ms. Rohrbach and Dr. Westfield members, Mrs. Plesnarski administrator. Mr. Monaco did not attend.

APPROVAL OF MINUTES: Motion to approve the minutes from the regular meeting of November 22, 2016 as written, was carried with roll call of ayes all, nays none.

APPROVAL OF INVOICES: Motion to approve invoices for December in the amount of \$ 96,955.95 along with authorization for the Administrator to transfer this amount into the Operating Checking account on January 3, 2017 was made by Mr. Burton, seconded by Ms. Rohrbach. By same motion made by Mr. Burton approval of (1) invoice in the amount of \$ 3,876.00 to be paid from the General Fund also on January 3, 2017, seconded by Ms. Rohrbach, and carried with a roll call of ayes all, nays none.

APPROVAL OF BUDGET STATEMENT: Motion to acknowledge the review and approve the December Budget Statement without any exceptions noted as written was made by Mr. Burton, seconded by Ms. Rohrbach and carried with a roll call of ayes all, nays none.

NEW BUSINESS: *Approval of Corrective Action Plan* – In the course of the 2015 Audit Mr. Colantano, Authority auditor had noted deficiencies that needed to be addressed. Mrs. Plesnarski noted that the Authority implemented additional compensating controls to address the lack of segregation of duties and additional procedures to assure proper bidding procedures are followed. Motion to approve the Corrective Action Plan was

made by Mr. Cichone, seconded by Mr. Burton and carried with a roll call of ayes all, nays none.

2017 Budget Adoption – The 2017 budget as prepared by William M. Colantano, Jr., CPA, PSA, RMA and approved by the board during the October regular meeting was returned approved by the Division of Local Government Services. Motion to **Adopt** the 2017 Budget was made by Mr. Burton, seconded by Dr. Westfield and carried with roll call of ayes all, nays none.

NJ Cash Mgt Capital Improvement Fund – Dr. Schaible noted that the transfer is designed to build up the Capital Improvement Fund. Resolution to transfer \$250,000 from the 2016 Capital Acquisitions line item #3300 monies held in the General Fund to the NJ Cash Mgt Capital Improvement Fund was motioned for approval by Ms. Rohrbach, seconded by Mr. Burton and carried with a roll call of ayes all, nays none.

QuickChek Easement Request – No action was taken on the QuickChek request. Motion to not take action at this time was made by Mr. Cichone, seconded by Mr. Burton and carried with a roll call of ayes all, nays none.

Process Water Pumps Update – Mrs. Plesnarski advised the board that the cost for the process water pumps projected has increased over the original \$18,000 for engineering design and \$80,000 for the pumps and installation. R3m engineering costs will be for an additional \$8,000.00. The scope of the project has been modified. Separation of controllers from pumps was requested as the Authority has experienced controller failure prior to pump failure, and redesign of conduit will be encompassed in the revised bid spec. Equipment cost and installation with the new pump configuration will increase to \$130,000. Dr. Schaible agreed with the changes but wanted to make sure that Mr. Ponte and R3m Engineering realize that their costs need to be overseen. Mrs. Plesnarski noted that the replacement pumps will be designed to accommodate future needs for phosphorous removal. Members were in agreement to the change in scope and additional costs for the project.

OLD BUSINESS:

ADJOURNMENT: As there was no further business to come before the Board, meeting was adjourned by motion made by Mr. Cichone seconded by Dr. Westfield and carried with a roll call of ayes all, nays none.

Respectfully submitted:

Charles Westfield
Secretary/Treasurer

Virginia Weierich
Recording Secretary

Resolution
Approval of Corrective Action Plan
16-16

WHEREAS, the Readington-Lebanon Sewerage Authority is in receipt of the 2015 Report of Audit for the period ending December 31, 2015; and

WHEREAS, the governing body of the Readington-Lebanon Sewerage Authority has reviewed and accepted the 2015 Report of Audit, and

WHEREAS, it is necessary to develop and submit to the Division of Local Government Services a Corrective Action Plan; and

WHEREAS, a Corrective Action Plan covering the findings and recommendations in the audit report has been submitted to the governing body; and

WHEREAS, the governing body has reviewed the Corrective Action Plan,

NOW, THEREFORE BE IT RESOLVED, that the governing body of the Readington-Lebanon Sewerage Authority hereby approves the Corrective Action Plan for the 2015 Audit as prepared and submitted.

BE IT FURTHER RESOLVED, that said Corrective Action Plan will be on file and available for public inspection at the offices of the Readington-Lebanon Sewerage Authority.

IT IS HEREBY CERTIFIED THAT THIS IS A TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING HELD ON December 21, 2016

December 21, 2016

Date

Charles Westfield
Secretary/Treasurer

<u>Governing Body Member</u>	<u>Recorded Vote</u>			
	<u>Aye</u>	<u>Nay</u>	<u>Abstain</u>	<u>Absent</u>
Vincent Schaible	X			
Richard Burton	X			
Charles Westfield	X			
Edward Cichone	X			
Ron Monaco				X
Tanya Rohrbach	X			

Readington-Lebanon Sewerage Authority
 Corrective Action Plan
 December 31,2015

Audit recommendation number	Corrective Action	Staff Responsible	Completion Date
2015-01 There is an overall lack of segregation of duties in the accounting control process.	The Authority has implemented compensating controls and continues to consider risk assessment as it relates to the financial reporting process.	Secretary Treasurer, governing body	On going
2015-02 Bidding requirements were not met for contracts expected to exceed the bid threshold	The Authority will implement proper bidding procedures to guarantee bid requirements are met for contracts expected to exceed the bid threshold.	Secretary Treasurer, governing body	On going

2017 ADOPTED BUDGET RESOLUTION

Readington-Lebanon Sewerage Authority

AUTHORITY

FISCAL YEAR: FROM: January 1, 2017 TO: December 31, 2017

WHEREAS, the Annual Budget and Capital Budget/Program for the Readington-Lebanon Sewerage Authority for the fiscal year beginning January 1, 2017 and ending, December 31, 2017 has been presented for adoption before the governing body of the Readington-Lebanon Sewerage Authority at its open public meeting of December 21, 2016; and

WHEREAS, the Annual Budget and Capital Budget as presented for adoption reflects each item of revenue and appropriation in the same amount and title as set forth in the introduced and approved budget, including all amendments thereto, if any, which have been approved by the Director of the Division of Local Government Services; and

WHEREAS, the Annual Budget as presented for adoption reflects Total Revenues of \$1,601,500, Total Appropriations, including any Accumulated Deficit, if any, of \$1,726,500 and Total Unrestricted Net Position utilized of \$125,000; and

WHEREAS, the Capital Budget as presented for adoption reflects Total Capital Appropriations of \$228,000 and Total Unrestricted Net Position planned to be utilized of \$228,000; and

NOW, THEREFORE BE IT RESOLVED, by the governing body of the Readington-Lebanon Sewerage Authority, at an open public meeting held on December 21, 2016 that the Annual Budget and Capital Budget/Program of the Readington-Lebanon Sewerage Authority for the fiscal year beginning, January 1, 2017 and, ending, December 31, 2017 is hereby adopted and shall constitute appropriations for the purposes stated; and

BE IT FURTHER RESOLVED, that the Annual Budget and Capital Budget/Program as presented for adoption reflects each item of revenue and appropriation in the same amount and title as set forth in the introduced and approved budget, including all amendments thereto, if any, which have been approved by the Director of the Division of Local Government Services.

 (Secretary's Signature) Charles Westfield December 21, 2016
(Date)

Governing Body Member:	Recorded Vote			
	Aye	Nay	Abstain	Absent
Vincent Schaible	X			
Richard Burton	X			
Charles Westfield	X			
Edward Cichone	X			
Ron Monaco				X
Tanya Rohrbach	X			

RESOLUTION
16-18
OF
READINGTON-LEBANON SEWERAGE AUTHORITY

WHEREAS, the Readington-Lebanon Sewerage Authority Bond Resolution of 1984, section 511:3ii, allows transfers of funds in the General Fund account that are free and clear of any lien or pledge and is in excess of amounts required to be reserved for payment or security of the Bonds and allows for transfers by the filing of an "Officer's Certificate" and;

WHEREAS, an "Officer's Certificate" is defined in said Resolution as a certificate signed by an Authority Officer and;

WHEREAS, the Authority in its 2016 Budget has appropriated \$250,000 of Capital Acquisitions monies in account# 3300 and;

WHEREAS, \$250,000 of said monies were not disbursed for fiscal year 2016;

WHEREAS, it is financially prudent to build a reserve for Capital Improvement,

NOW THEREFORE BE IT RESOLVED, that this Resolution be considered an "Officer's Certificate" and;

NOW THEREFORE BE IT FURTHER RESOLVED, that the Administrator transfer \$250,000 from the General Fund Account to:

State Street Bank and Trust Company
Boston, MA 02110

For Credit to: State of New Jersey Cash Management Fund

Account of: Readington-Lebanon SA Capital Improvement Fund

Vincent Schaible
Chairman

Richard Burton
Vice Chairman

Charles Westfield
Secretary/Treasurer

December 21, 2016
DATE