

READINGTON-LEBANON SEWERAGE AUTHORITY

July 27, 2016

**OPENING:** Vice Chairman, Mr. Burton opened this regular meeting and announced that the Sunshine laws have been satisfied for the convening of this meeting.

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

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

**APPROVAL OF INVOICES:** Motion to approve the invoices for the month of July in the amount of \$ **64,332.47** along with the authorization for the Administrator to transfer this amount into the Operating Checking account on August 1, 2016 was made by Dr. Westfield, seconded by Mr. Monaco, and carried with a roll call of ayes all, nays none.

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

**NEW BUSINESS:** *2015 Audit Report* – Mr. Colantano noted that due to GASB 68, the long term net pension liability was included in this year's audit. The long term health benefit liability is not reported. The State provided the net pension liability amount; whereas, the Authority would need to hire an actuary at considerable cost to calculate the health benefit liability. Mr. Colantano noted two recommendations for this year's audit. First, procedures should be implemented to reduce a risk of errors in connection with a lack of

segregation of duties. Mrs. Plesnarski noted that due to the Authority's structure felt that those duties were efficiently handled with the personnel available and there are compensating controls in place. She will begin reviewing the monthly bank reconciliations as an additional control. Second, controls need to be in place to guarantee that purchases do not exceed the bid threshold without following bidding guidelines. Mrs. Plesnarski is reviewing the process and will implement procedures to ensure that proper bidding procedures are in place. Mr. Colantano noted that revenue increased by only 1.5% over a nine year period to accommodate operating expenses. The Authority has been able to control expenditures over the nine year period especially labor costs. Mr. Colantano noted that the Authority is in a good position for current operating expenditures and future capital needs. Motion to adopt the resolution to approve the Audit Report for 2015 and forward to the State Local Government Services was made by Mr. Monaco, seconded by Dr. Westfield and carried with roll call of ayes all, nays none.

*Process Water Pumps* – Mrs. Plesnarski had informed the board that (3) process water pumps needed to be replaced. They have outlived their life expectancy. Mrs. Plesnarski received a proposal from Mr. Ponte for their replacement. The cost estimate for the pumps and installation was \$50,000-\$60,000 with an additional \$18,000 for engineering costs to create the spec and bid package. On site engineering will not be used for this installation. She would like to move forward on putting the contract out to bid. There were no further comments from the board members.

***OLD BUSINESS:***

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

Respectfully submitted:

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Charles Westfield  
Secretary/Treasurer

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Virginia Weierich  
Recording Secretary

## **Resolution 16-13**

**WHEREAS**, N.J.S.A. 40A:5A-15 requires the governing body of each local authority to cause an annual audit of its accounts to be made, and

**WHEREAS**, the annual audit report for the fiscal year ended December 31, 2015 has been completed and filed with the Readington-Lebanon Sewerage Authority pursuant to N.J.S.A. 40A:5A-15, and

**WHEREAS**, N.J.S.A. 40A:5A-17, requires the governing body of each authority to, within 45 days of receipt of the annual audit, certify by resolution to the Local Finance Board that each member thereof has personally reviewed the annual audit report, and specifically the sections of the audit report entitled “**General Comments**” and “**Recommendations**”, and has evidenced same by group affidavit in the form prescribed by the Local Finance Board, and

**WHEREAS**, the members of the governing body have received the annual audit and have personally reviewed the annual audit, and have specifically reviewed the sections of the annual audit report entitled “**General Comments**” and “**Recommendations**”, in accordance with N.J.S.A. 40A:5A-17,

**NOW, THEREFORE BE IT RESOLVED**, that the governing body of the Readington-Lebanon Sewerage Authority hereby certifies to the Local Finance Board of the State of New Jersey that each governing body member has personally reviewed the annual audit report for the fiscal year ended December 31, 2015, and specifically has reviewed the sections of the audit report entitled “**General Comments**” and “**Recommendations**”, and has evidenced same by group affidavit in the form prescribed by the Local Finance Board.

**BE IT FURTHER RESOLVED** that the secretary of the authority is hereby directed to promptly submit to the Local Finance Board the aforesaid group affidavit, accompanied by a certified true copy of this resolution.

**IT IS HEREBY CERTIFIED THAT THIS IS A TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING HELD ON July 27, 2016.**

July 27, 2016  
Date

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Charles Westfield  
Secretary/Treasurer