

**Minutes of a PUBLIC MEETING  
of The Brick Township Municipal Utilities Authority held on  
July 26, 2010**

**1. SALUTE TO THE FLAG OF THE UNITED STATES OF AMERICA**

**2. CHAIRMAN'S OPENING STATEMENT**

Chairman Bottazzi called the meeting to order and read the following statement: *"This meeting is being conducted pursuant to the Open Public Meetings Act, being Chapter 231 of the Laws of 1975. In accordance with the requirements of this law, a Meeting Notice was published on February 10, 2010 in the Asbury Park Press and Brick Communicator. Similar Notice was given to the Clerk of the Township of Brick and placed on the bulletin board maintained for this purpose by the Authority."*

**3. ROLL CALL**

**Commissioners Present**

Joseph Buttacavoli, DMD  
Allan E. Cartine  
Joseph M. Veni, P.E.  
Madeline Iannarone  
John Cioceo  
Edward J. McBride  
Patrick L. Bottazzi

**Others Present**

James F. Lacey, Executive Director  
Frank Planko, CFO  
Joseph Maggio, PE, Dir. of Water Quality  
Scott Bundy, Dir. Central Services  
Frank Pannucci, Dir. Customer Accounts  
Marie Sylvester, Executive Supervisor  
Jerry Dasti, Esq., Authority Counsel  
Frank Holman, Authority Auditor  
John Truhan, PE, Authority Consulting Engineer

**4. APPROVAL OF MINUTES**

Comm. Cartine made a motion to adopt the minutes of the June 21, 2010 meeting that were previously distributed to the Commissioners. Seconded by Comm. Veni.

Ayes: Commissioners Iannarone, Buttacavoli, Veni, Cartine, Bottazzi  
Nays: None  
Abstain: None

**5. CORRESPONDENCE**

June 2010 Letter from Patricia O'Brien complimenting Authority crews that assisted her with a pipe burst emergency

Chairman Bottazzi asked Director Lacey to read the above referenced letter into the record.

Director Lacey stated, "Ms. O'Brien from Carroll Fox Road felt that our service was so extraordinary that she felt compelled to write a letter commending MUA employees Wayne Davison, Scott Erickson and Bryan Nightingale."

Chairman Bottazzi suggested that Director Lacey send a letter to each one of the employees complimenting them and stated, "Some people would say well you know it was a risk we took dealing with the pipe, but if it was someone in distress they did the right thing."

**6. APPROVAL OF BILL RESOLUTION - Commissioner Buttacavoli**

Commissioner Buttacavoli read the Bill Resolution in the total amount of \$1,696,038.45.

Comm. Buttacavoli made a motion to adopt the Bill Resolution. Seconded by Comm. Veni.

Ayes: Commissioners Iannarone, Buttacavoli, Veni, Cartine, Bottazzi  
Nays: None  
Abstain: None

**7. TREASURER'S REPORT - Commissioner Cartine**

Comm. Cartine read the Treasurer's Report for the month ending June 30, 2010 as follows:

Total Unrestricted Funds:	\$11,474,819.09
Total Restricted Funds:	\$26,810,782.61
Total All Funds:	\$38,285,601.70

Comm. Cartine made a motion to adopt the Treasurer's Report dated June 30, 2010. Seconded by Comm. Veni.

Ayes: Commissioners Iannarone, Buttacavoli, Veni, Cartine, Bottazzi  
Nays: None  
Abstain: None

Chairman Bottazzi stated, "For the record I would like to welcome Councilwoman Scaturro and Councilman Brando and Councilman Thulen. Thank you very much for coming and all the other guests as well."

**8. DEVELOPER APPLICATIONS**

**8.1 Preliminary Applications - No Further Action Required - None**

**8.2**

**Other Applications**

2073 Sciorilli Family Ltd. Partnership, Chambers Bridge Road,  
Preliminary, Six Commercial

Commissioner McBride stated, "Project 2073, Sciorilli Family Ltd. Partnership, Chambers Bridge Road, six commercial units. It is noted that there are no proposed changes to the existing two story building located on the property. The first floor of the existing building has three retail units and the second floor has a residential apartment. The existing building has an existing 4 inch diameter sanitary sewer later and a ¾ inch diameter water service. We provide sewer and water service to the existing building. Site plan will have to be revised to show the location of the existing 4 inch diameter sewer later and sewer clean out. Revise the site plan to include a note indicating that the owner will be responsible for costs associated with locating and properly adjusting the finished grade. The existing sanitary sewer clean outs for the existing commercial building located on the property. The site plan will have to be revised to provide all the standard Brick Utilities construction details for the installation of the individual water service lines."

Comm. Cartine asked where this property is. Comm. McBride advised that is on the north side of Chambers Bridge Road, about a quarter of a mile east of town hall, across from the primary learning center.

Comm. Iannarone made a motion to adopt Developer Application No. 2073. Seconded by Comm. Veni.

Ayes: Commissioners Iannarone, Buttacavoli, Veni, Cartine, Bottazzi  
Nays: None  
Abstain: None

**8.3**

**Release of Performance Bonds - None**

**9.**

**UNANTICIPATED/EMERGENCY CAPITAL EXPENDITURES - None**

**10.**

**CUSTOMER ACCOUNTS RECONCILIATIONS - None**

**11.**

**Contract Closeouts - None**

**12.**

**Authorization to Expend Approved Funds - None**

**13.**

**Authorization to send out Bids, RFP's & RFQ's**

**a. Authorization to Distribute a Request for Proposals for Water Quality Modeling Consulting Services**

Director Maggio stated, "Mr. Chairman we are seeking authorization to request proposals from the Authority's consulting engineers for services that the Authority staff has completed

in operating our water quality model. The water quality model will be used by various departments in the Authority to model distribution system flow scenarios to best manage the operation of the distribution system to optimize water quality and operation efficiency.”

Chairman Bottazzi clarified, “And we are going to go to in-house engineers.”

Director Maggio replied, “Yes our appointed alternate engineers. There are a number of firms who have expertise in this area and can provide these services. The anticipated cost is about \$30,000 to \$40,000.”

Comm. Veni made a motion to approve. Seconded by Comm. Iannarone.

Ayes: Commissioners Iannarone, Buttacavoli, Veni, Cartine, Bottazzi  
Nays: None  
Abstain: None

**b. Authorization to proceed with a request for Proposals for Professional Engineering Design and Construction Management Services for the Virginia Avenue Tank Water Booster Station**

Director Lacey advised, “This is a request from the staff for authorization to proceed with the Virginia Avenue tank water booster station, requested proposals for engineering design and construction management services. Essentially the Virginia Avenue tank, which is approximately 1.25 million gallons of water into the Parkway water up on the hill, we see that from the Alaska Avenue tank so now the Ridge Road tank which is up by Sally Ike essentially feeds the Alaska Avenue. Therefore we are not able to control the three like we want to. We are losing about 30% or 875,000 gallons that we can’t use because we have to equalize it. So by putting a control booster pump in there on peak hours we’d be able to draw that tank down on off peak hours and it would also help give us...”

Chairman Bottazzi asked, “Did Specht give us a number?”

Director Lacey replied, “\$200,000.00 approximately for everything capital budget, funding, management construction.”

Comm. Veni made a motion to approve this item. Seconded by Comm. Iannarone.

Ayes: Commissioners Iannarone, Buttacavoli, Veni, Cartine, Bottazzi  
Nays: None  
Abstain: None

**14. Reports**

**14.1 Executive Director's Monthly Report - James F. Lacey, CPWM**

Chairman Bottazzi stated that everyone received and reviewed the executive director’s monthly report and asked for a motion to adopt it along with the personnel.

Director Lacey advised that the only personnel item is the resignation of Jay Delaney as project manager.

Comm. Veni made a motion to adopt the Executive director's monthly report and personnel.  
Seconded by Comm. Iannarone

Ayes: Commissioners Iannarone, Buttacavoli, Veni, Cartine, Bottazzi  
Nays: None  
Abstain: None

14.2 Personnel - included in previous vote

**15. OLD BUSINESS**

**15.1 Authorization to Utilize Reservoir**

In regard to the requests to utilize the Reservoir, Director Bundy began, "Mr. Chairman we have six requests to utilize the Reservoir. Do you want me to do them separately?" Chairman Bottazzi replied, "Yes because there may be discussion on them."

- a. The Yoga Attic – Summer Solstice Free Yoga Classes –Karen Kozlowski. Requesting use of the Sunset Deck Fishing Pier to offer free yoga classes on 4 Sunday evenings (8/22, 8/29, 9/5 and 9/19), beginning at 6:30 p.m., with approximately 15 participants per session.

Director Bundy advised, "The first one is by Karen Kozlowski the owner of the Yoga Attic. If you recall we let her use the Reservoir for a public yoga session last month. She requested four Sunday evenings with a list of their agenda to have free classes again. There were some questions brought up. Marie distributed correspondence to all the commissioners before the meeting. Ms. Kowlowski has certified that she is not charging for these classes. It is going to be four different instructors on the four different days and her idea is to let people become acquainted with yoga."

Chairman Bottazzi stated, "I brought up this question and I want to bring it up before all the other commissioners, I talked to the executive director about it. In my travels I gave a girl my credit card and she said 'oh where I know that name we do yoga at the Reservoir, and I can't wait it is going to start soon again.' And I said, 'Oh great deal, free.' she says, 'who told you it's free?' So I just took that to here and I told the executive director that information. Now do we have releases and so forth. If their people are paying and we don't know about it, do we have to get a release from them that they are not going to sue us if they get hurt?"

Counselor Dasti stated, "Anybody that is taking yoga that day that breaks a knee you are going to hear about it."

Chairman Bottazzi stated, "I'm not pointing fingers. Maybe it is free. I just want to bring that to the board so they can make a decision. I am not trying to stop the free yoga at the Reservoir."

Counselor Dasti stated, "Mr. Chairman that brings up a good point, and I don't know if we have really ever gotten into any in depth regulations as to who can use the Reservoir. I mean the other five

items are not for profit. I have to believe that the Yoga Attic is a for profit business and whether or not she is charging these people. Let's presume she is not charging them, but the hope is that she will eventually get them to come and take classes. And what happens when the next yoga or judo class wants to use it. You have to establish some sort of policy here or else. This is a for profit business. It's not like the Trinity Church which is here. I think you need to establish a policy or else you are going to have all sorts of businesses wanting to use it."

Chairman Bottazzi stated, "They are saying to us in black and white that they are not charging for this."

Comm. Cartine stated, "Commissioner Iannarone and myself met with Director Bundy over the use of the Reservoir site for all of these items as you brought up a year ago or so as you brought up I objected to having a commercial enterprise using the Reservoir. Then we were told that these were free and it was not going to be used for commercial purposes. I still have reservations about it, but we conditionally approved the authorization to use the Reservoir at our meeting for all these purposes, but being as the Yoga Attic is being brought up again and being questioned, I personally question the validity of the people that are running it as, they would like us to believe that it is a free class, but in essence we know it is going to be used to promote their business and enterprise that is for profit. We don't have a policy now as to who we will let use the site, and maybe this should go to committee to determine some rules about who may use the Reservoir."

Chairman Bottazzi stated, "Well the date is getting close and we can't put it off for a month. I have no problem to approve it now and get more information and so forth."

Comm. Iannarone stated, "With the Reservoir, are we allowed to rent it out to businesses to promote their business? Is that something that we can do so they would have to pay a fee if they were going to use it for that purpose?"

Director Bundy replied, "No I don't believe that. Mr. Dasti asked me if we received any Green Acre funds and I don't think so."

Mr. Dasti stated, "If you had used Green Acres Funds you cannot use it as a business. I am not sure if you can or can't, but I caution you that if you start to do that then it is going to be difficult to tell the next guy no, without a formal policy. If you don't have a written policy of what you are going to allow and not allow there, the first time you say no someone is going to complain that you are being arbitrary. I think, but I don't know, I assume that this Yoga Attic is a business."

Comm. Iannarone stated, "If we already allowed them to use it and now we say you are a business, if we have a fee most businesses aren't going to want to do it."

Mr. Dasti stated, "Well that could be the policy. The policy could be that if you have a for profit company then you pay a specific fee. "

Chairman Bottazzi suggested, "How about this for now that you design a policy that if they have ten or fifteen people they have to have a signed statement that will hold us harmless and they are there and they are not paying for it."

Director Bundy advised that we already have a hold harmless agreement that the organizer signs and she has offered to have a hold harmless from each individual and she has already provided insurance.

Mr. Dasti stated, "Understand there are two issues here. Those procedures are fine if you are going to allow it. The issue is are you going to allow it from here on in."

Chairman Bottazzi stated, "I would like to see it happen because people enjoy it and we've made the place for that purpose, but I don't want to see someone taking and using our place free and charging for it. And also if someone gets hurt it is our responsibility."

Comm. Veni asked, "Can we authorize the Reservoir Committee to look into developing a policy of how we want to allow the reservoir to be used."

Chairman Bottazzi agreed and stated that the attorney might also need to be involved.

Comm. Cartine stated, "Well that's fine but I think we've already conceded this one because we have already allowed it once, but it still bothers me that someone coming down the pike can use it as a promotion gimmick."

Mr. Dasti stated, "What happens if a business wants to have a company picnic and they won't cook, but they want to have all their employees come and enjoy the Reservoir. Do you say no to them because they are a business? This could be an issue. The Reservoir is getting very popular for good reason and you have to weigh the fact that it is a public facility, and you want people to enjoy it but by the same token you ought to have some kind of policy so that if it comes a point in time you have the right to rely on a yes or no."

Chairman Bottazzi stated, "We have to come to some decisions on a couple of things, but I don't want to spend anymore time on this right now. I would entertain a motion that ..."

Councilwoman Scaturro stated, "We rent out Windward Beach all the time to groups that want to have a function there but they have to pay for it. You might want to consider that when you develop your policy to make it uniform for every type of group. For non profits we have a cleaning fee that is refundable afterwards if they clean up."

Chairman Bottazzi stated, "I am going to turn this over to our Reservoir Committee to work with our counsel to come up with a standard policy. I think Comm. Cartine that is you and Comm. Iannarone. "

Comm. Iannarone made a motion to approve this request to utilize the reservoir, seconded by Comm. Veni.

Ayes:	Commissioners Iannarone, Buttacavoli, Veni, Cartine, Bottazzi
Nays:	None
Abstain:	None

- b. Wedding Ceremony –Friday, September 3<sup>rd</sup> at 4:00 p.m., with about fifty participants.

Comm. Iannarone made a motion to approve this request to utilize the reservoir, seconded by Comm. Veni.

Ayes: Commissioners Iannarone, Buttacavoli, Veni, Cartine, Bottazzi  
Nays: None  
Abstain: None

- c. Team P2E – Walk to Benefit the Lance Armstrong Foundation –Sal Bongiorno, requesting use of the reservoir site for a 5k walk. The event is proposed to take place on Saturday, October 2, 2010, beginning at 9:00 a.m., with approximately 100 participants

Comm. Iannarone made a motion to approve this request to utilize the reservoir, seconded by Comm. Veni.

Ayes: Commissioners Iannarone, Buttacavoli, Veni, Cartine, Bottazzi  
Nays: None  
Abstain: None

- d. Trinity Bible Church –Requesting use of the reservoir site for their annual walk-a-thon. The event is proposed to take place on Saturday, October 16<sup>th</sup>, beginning at 6:00 a.m. and ending at about 2:00 p.m., with approximately 100 participants. Event parking and staging will take place at the Trinity Bible Church parking lot.

Comm. Iannarone made a motion to approve this request to utilize the reservoir, seconded by Comm. Veni.

Ayes: Commissioners Iannarone, Buttacavoli, Veni, Cartine, Bottazzi  
Nays: None  
Abstain: None

- e. Wedding Ceremony –on Saturday, October 23<sup>rd</sup> at 3:00 p.m., with about twenty-five participants.

Comm. Iannarone made a motion to approve this request to utilize the reservoir, seconded by Comm. Veni.

Ayes: Commissioners Iannarone, Buttacavoli, Veni, Cartine, Bottazzi  
Nays: None  
Abstain: None



- f. Melissa's Memorial Halloween Walk – Stephanie Lozito requesting use of the reservoir site for a walk to benefit the American Foundation for Suicide Prevention in honor of her sister Melissa. The event is proposed to take place on Saturday, October 23<sup>rd</sup>, beginning at 9:30 a.m. and ending at 1:00 p.m. Event parking and staging will take place at Trinity Bible Church.

Comm. Veni made a motion to approve this request to utilize the reservoir, seconded by Comm. Buttacavoli.

Ayes: Commissioners Iannarone, Buttacavoli, Veni, Cartine, Bottazzi  
Nays: None  
Abstain: None

## **16. NEW BUSINESS**

### **16.1 Water Treatment Plant Unprecedented Demands**

Director Lacey advised, "Mr. Chairman, Director Maggio has provided a little update and we'd like to make the board aware that from June 18<sup>th</sup> to the 12<sup>th</sup> and I would ask Director Maggio to jump in any time he feels necessary, the water plant we have gone a period of 25 consecutive days. We have put out an unprecedented amount of water. We had one day that was at 16.128 million gallons matching to our filters. The demand was probably higher due to the fact that we used water that was in the storage tanks. There were record number and we didn't have to curtail anything. There was enough water in our river and wells. Also it was the first time we were asked to curtail electric. If you remember you signed a contract with Hess Corporation to go on generators if we need to do so and one day we did do that and they pay us from \$5,000 a month or \$65,000 a year.

Chairman Bottazzi asked, "How much was that \$34,000? That is the electric company for us going out on our own. So how much did we average in June and July? Did we average at least 14,000 during the middle of the week?"

Director Lacey replied, "We had a peak for 14.95 million to about 16.1 so we were at max of what we can comfortably run through the filters."

Director Maggio stated "Through June, we think in excess of 356 million gallons. If you recall the first half of June was actually a pretty wet time, and we had low demand during the first half of the month. Through July we are expecting to come very close or exceed our record month for water production ever which was August 2006, which was in excess of 399 million gallons. The only thing I would like to add is that at no time during all of this when all systems were operating at full capacity was water quality impacted whatsoever. The quality of the water was consistently high just as it is at any time of the year."

Comm. Cartine asked, "Are we in good shape as far as our Reservoir and wells are concerned? Are we experiencing any light flow in the Metedeconk?"

Director Maggio replied, "Prior to July 12<sup>th</sup> we had a real long stretch of very very dry weather with almost no precipitation between June 18<sup>th</sup> and July 12<sup>th</sup>. That is twenty five days. We were getting very nervous just projecting dry weather beyond that the river availability would drop to where we would be forced to use the reservoir and forced to use our PRM our really limited well to a great extent. We were in close consultation with our executive director and we never really got too far below the available water from the River. We have about 16 million available today. During this period it did dip just below the 16 million per day, but because of the rains that we saw on July 13<sup>th</sup> it has really stabilized in that 15 million available from the river. The Reservoir is filled and we are maintaining a full Reservoir as a back-up in the event the dry weather continues through August. During this period we really focused on utilizing the River and minimize using our PRM wells, but the majority of the water has come directly from the River. Also this year we began work to bring in some of our Cohansey Wells into the plant. Some of our higher quality water from our higher producing Cohansely wells and we were bringing in approximately 600,000 gallons a day from our Cohansey wells. We haven't used them since 2004, but it was something that we worked on in the Spring to make sure that we had the ability to bring that water in just in the even that we had sustained dry weather."

Director Lacey stated, "Also Mr. Chairman, I would like to ad that the Virginia Avenue on peak time adds approximately another 875,000 gallons, and of course the ASR which we will be giving the contract our for some time next month, when that comes on line that will give us an additional 3 million gallons of water that has already been filtered. If we had to put out arguably around 19 million gallons a day."

Chairman Bottazzi asked what we were putting our before the hot weather came. Director Maggio stated, "We were seeing below average demand until about June 18<sup>th</sup> and then after that it kicked in really hard. As Director Lacey pointed out over the July 4<sup>th</sup> weekend we had two days of record production on July 4<sup>th</sup> and 5<sup>th</sup> and from the 2<sup>nd</sup> through the 5<sup>th</sup> we put out in excess of 15 million gallons per day each day."

Director Planko stated, "I would like to point out that as far as our bulk customers go, that there was one week in July, we averaged 1.4 million a day actually a new record for that as well."

## **16.2 Property Encroachment Issue – Exempt**

*Mr. Dasti advised this will be discussed in Exempt Session since it involved potential litigation.*

## **17. RESOLUTIONS**

56-10            A Resolution Renewing IMAC insurance agency a Broker of Record and Accepting the Horizon Blue Cross/Blue Shield Rates presented by IMAC

Chairman Bottazzi welcomed Joe Maurillo from IMAC insurance.

Mr. Maurillo stated, "The renewal for your medical and prescription insurance is due next month and Tom Ucko from our office wants to come up and go over all the numbers with you."

Mr. Ucko stated, "The bottom line is that this is one of our best renewals so far this year. This Horizon BCBS renewal is available to you with a composite 9.5% increase, which is about 8.95% for medical and 11.16% for prescription. Obviously no one likes to see rate increases in anything. The reason you are doing so well is that your claims experience continues to run better than average for a group of your size and your status. We did do some negotiation during the process. Horizon's initial increase was for a 15% increase and we did contact Cigna, AmeraHealth and Oxford, as well as looking at the State Health Benefits plan as a potential option. We always looked at the option of having a free standing prescription plan. We didn't get a lot of quotes back on the medical. In fact we got responses back from Aetna and Cigna stating that they couldn't compete with Horizon. Oxford did give us a quote that seemed to be somewhat competitive with Horizon, but to make a long story short, we were able to negotiate Horizon down to 9.5% as I mentioned earlier. The State Health Benefits Plan recently announced their increases for 2011. They are forecasting a composite of 11%. Your rate is coming in better than the State Health Benefits plan. We did get some attractive quotes on the prescription plan out as I mentioned earlier but the fact is that if Horizon loses the prescription plan they would raise the medical rate. They have some scales they use when you have both coverages with them."

Chairman Bottazzi asked Mr. Ucko that since he is encouraging us to go with this if it is indeed what they are seeing as the average increase across the country.

Mr. Ucko replied, "Actually 9.5% you are getting is a few points below average trends for the entire country."

Chairman Bottazzi asked if the Authority's participation in the wellness clinic is helping.

Mr. Ucko replied, "I'm guessing that is a help, but I haven't seen hard data to support that but certainly in theory it could help."

Comm. Cartine asked if the benefits on all the plans will remain the same. Mr. Ucko replied that the benefits are exactly the same.

Comm. Cartine made a motion to approve Resolution No. 56-10, seconded by Comm. Veni.

Ayes:	Commissioners Iannarone, Buttacavoli, Veni, Cartine, Bottazzi
Nays:	None
Abstain:	None

57-10 Award of a Public Contract to Allied Construction Group, Inc. in the Amount of \$193,500.00 for Sewage Grating, Wet Well Top Slabs and Ladder Removal and Replacement – Phase I for Eleven (11) Wastewater Pump Stations; Brick Utilities Contract No. 809002; New Jersey Environmental Infrastructure Financing Program Project No. S340448-07

Director Lacey stated, “This is an award of public contract to Allied Construction Group Inc. in the amount of \$193,500.00 for sewage grating, wet well top slabs and ladder removal, Phase I for Eleven wastewater pump stations and New Jersey..... this is an on going project to take care of infrastructure. This was reviewed at the July 13<sup>th</sup> construction committee meeting and it was also reviewed by our attorney Jerry Dasti.”

Comm. Veni made a motion to adopt this resolution, seconded by Comm. Buttacavoli.

Ayes: Commissioners Iannarone, Buttacavoli, Veni, Cartine, Bottazzi  
Nays: None  
Abstain: None

58-10 Authorizing a Grant Agreement Totaling \$320,000.00 Between The Brick Township Municipal Utilities Authority and The State of New Jersey by and for the Department of Environmental Protection for the Parallel Gravity Sewer Main Under the Garden State Parkway; Brick Utilities Project No. 805001; New Jersey Environmental Infrastructure Financing Program Project No. S340448-08; Grant No. CWF-448

Director Lacey read the title of the resolution up for approval by the board of commissioners.

Comm. Cartine made a motion to adopt Resolution No. 58-10, seconded by Comm. Veni.

Ayes: Commissioners Iannarone, Buttacavoli, Veni, Cartine, Bottazzi  
Nays: None  
Abstain: None

59-10 Award of a Public Contract to Fluid Conservation Systems in the Amount of \$16,500.00 for Complete Intelligent Noise Loggers and Patrollers; Brick Utilities Project No. 709004

Director Lacey read the title of the resolution up for approval by the board of commissioners and added, ‘Simply what this is when we have exhausted all our abilities to find leaks in the sanitary sewer that we are paying this is a noise longer to put on the pipe and tells us exactly where this leak is. We did receive a total of four bids, a high bid of

\$20,367.00 and a low bid of \$16, 500 and again this was looked at by the Construction Committee and the Buildings and Grounds Committee on July 13<sup>th</sup>.”

Comm. Veni made a motion to approve this request to utilize the reservoir, seconded by Comm. Iannarone.

Ayes: Commissioners Iannarone, Buttacavoli, Veni, Cartine, Bottazzi  
Nays: None  
Abstain: None

60-10 A Resolution Adopting the 2009/2010 Annual Audit

Chairman Bottazzi stated, “I hope that we are going to follow through with the instructions of Mr. Holman, that we take all our money out and put it in a separate account. That \$320,000- do we know when it will be available. There is a report that Holman and Frenia gave us that we all have in our packet. We are going to go into that but first I’d like hear from Mr. Holman and Director Planko.”

Mr. Holman stated, “We have distributed your audit report and we met with your Finance Committee last week. I just wanted to point out a couple of numbers in the report. It is consistent with what Mr. Planko has been saying all year. The Authority is in good financial shape. As of March 31, 2010 your balance sheet reflects net assets of \$44 million. On top of your investments on property and equipment the appreciation is \$108 million. You have a big investment in capital as you know. Your revenue increased from the year before and you kept your expenses under control at \$29,793,000, and as a result you had an operating increase of \$1,513,000.00. Interest on investments was about a third of what you earned the year before. You had \$1.4 million in interest income the year before, and this year you had about \$527,000. Overall you earned a little over 1% on the money available for investment.”

Chairman Bottazzi asked Director Planko how many places we bid out our investments to. Mr. Planko replied that he bids all the investments out to about 15 institutions, as long as they are protected and have the proper collateral.

Mr. Holman continued, “We had a net loss for the year after we provided for retirement benefits and also the transfer to the Township of the Brick, we had a net loss of \$5.5 million dollars. Certainly the rate adjustment that the commissioners made was necessary when you look at your statement of revenues and expenses. We had no reportable conditions to the state of New Jersey. What we mean by that is that You had no issues that were reportable to the state. You had no deviations with compliance issues you had no exception at all. We did make a number of points of times that require you to work on. But once again they weren’t severe enough to require them to go to the state of New Jersey. I just want to mention that your staff here is very professional and we appreciate the total cooperation we get from them.”

Comm. Cartine stated, “The only condition that bothered me when I read this report, not that the others weren’t important, but I have a question for Director Lacey, which would be directed to Director Specht if he were here. If you follow this money for a specific project, how long have we had this money now since 2002? Eight years later we haven’t figured out how to spend that money? I don’t understand it.”

Chairman Bottazzi stated, "Well one was a lot of this money was going to the Parkway project and getting approvals and so forth."

Comm. Cartine asked, "So this is really a case of bureaucracy and approvals and permits that have delayed us all these years. I just need an explanation for that."

Director Lacey stated, "There are those cases where we have an ambitious project we want to do and we move forward to design and then we run into a permitting process where it gets longer. That does become an issue dealing with other bureaucracies that hold it up."

Comm. Cartine asked if that is the only reason. Director Lacey replied, "No that is not the only reason. There are probably other projects we want to do and I can't speak for Steve Specht because he is not here, but there are projects that we haven't gotten to. That is very possible. We understand the severity of it since it costs 1.5% interest and we are trying to get whatever projects going that we can."

Comm. Cartine asked if we have a priority project list to start spending this money.

Director Planko stated, "If I might add, you are talking about the NJEIT 2002 that is strictly for sewer rehab and pump station work. Director Specht has a specific project in mind that we need to use the money for over the next year or year and a half or so. If we don't use it within a period of time they have the right to withdraw the loan."

Comm. Cartine stated, "You scare me because you say project in mind. I am lead to believe these are projects that are designed and ready to go on a timely basis. Are we just sitting around on our hands waiting for something to happen. I don't get it."

Director Planko stated, "The specifics of the delay Steve would know, but I know he has these monies budgeted for pump station and sewer rehab work in the capital budget."

Chairman Bottazzi stated, "I think we are in good shape and we are staying on top of the money that we receive for that. We move right along on projects and move on them quickly."

Councilman Thulen commented, "I would just like to add as an old commissioner Some of the stuff is the original cost estimates and then when you go out for bonding you might have more than what the project came in at and then you have some left over so then you actually go back and say what can I do with the rest of the money."

Comm. Cartine stated, "Yes but Councilman this is eight years from 2002."

Councilman Thulen stated, "It doesn't matter. The same issues happen at the town Mr. Commissioner and until that capital is either expended and or you decide to pay off that particular bond at a lower rate it is just a matter of where you are as far as time."

Chairman Bottazzi stated, "I think Commissioner Cartine should meet with Director Specht and Director Lacey and review these things."

Comm. Cartine stated, "I would like to suggest to Director Lacey that he direct Director Specht to give us a list of unfinished projects so I have them in front of me at the next meeting so we know what this funding is being used for because I have no idea at this time."

Mr. Holman stated that a list of recommendations was also distributed that the commissioners need to review, and Mr. Planko has indicated that the staff will begin working on them.

Chairman Bottazzi stated, "Yes I noticed the comments and I don't want to get into them but passwords and so forth ..."

Director Lacey stated, "Mr. Chairman I will give you an example. The first one pertaining to disposal of fixed assets. We have at time obsolete equipment and in the past we had to advertise in the newspaper for fifty dollars and no one would come for them."

Chairman Bottazzi stated, "I would expect you to look into these minor items and get them resolved."

Director Lacey replied, "Of course."

Chairman Bottazzi continued, "I am very happy with the audit that we are in line with the state and following all the rules as we should be. And thank you very much for your report."

Comm. Veni made a motion to adopt the Annual Audit, seconded by Comm. Cartine.

Ayes: Commissioners Iannarone, Buttacavoli, Veni, Cartine, Bottazzi  
Nays: None  
Abstain: None

## **18. PUBLIC DISCUSSION**

Chairman Bottazzi opened the meeting to the public.

Melanie Briggs asked, "Are we not including envelopes with the bills any longer?"

Director Pannucci advised that we are and it is possible that they may have gotten jammed when they were going through the machine.

Another member of the public who was not identified asked, "Do the employees pay towards their benefits?"

Chairman Bottazzi replied, "No they do not. That is why we pay so much less than they do at the township."

Director Lacey stated, "As of right now it will be 1.5% when their contract expires that will come on board with the new contract."

Comm. Cartine stated "I have one comment, just for information and for Councilman Cartine, the Senate Budget Committee passed a bill that will allow government agencies and municipalities and county government not to advertise in the newspaper, but to be able to use their website for any legal advertising. It was a huge debate at the meeting last week. The newspapers came down with their high priced lawyers and they objected very strenuously to it. It is a good idea, it will

save a lot of money in advertising. For instance the City of Elizabeth spent \$373,000 in advertising. I don't know what we spend in Brick, but we support, I support it and there are some republicans not on board from Morris County because they feel it is a transparency question. I think it is good news and it will happen."

John Truhan stated, "I met with Steve Specht last week and he gave me the Annual Reports from all the directors so I am incorporating that into my Annual Report which you should have in about a month. As far as the watershed management project, I am working in conjunction with Joe Maggio and Rob Karl and meeting with representatives of Howell, Lakewood to talk about bringing these towns up to speed on where we are going."

Counselor Dasti advised, "Just an FYI, we had oral arguments on the Pineveiw Estates matter before Judge Grasso on June 25<sup>th</sup> and the Executive Director was there. The Judge had reserved decision so we expect to get that in the next few weeks so stay tuned."

Counselor Dasti advised, "We need to go into executive session to discuss potential litigation and some contractual matters and the minutes of which will be held confidential until the need for confidentiality no longer exists."

Motion to go into closed by Comm. Veni, Seconded by Comm. Iannarone.

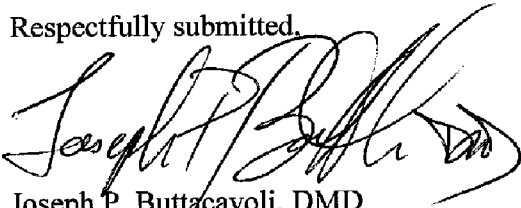
Ayes:	Commissioners Iannarone, Buttacavoli, Veni, Cartine, Bottazzi
Nays:	None
Abstain:	None

The group recessed for five minutes and all staff and consultants were dismissed with the exception of Director Lacey and Counselor Dasti. Counselor Dasti prepared the minutes of the exempt session that followed.

#### **19. CHAIRMAN'S CLOSING STATEMENT**

*"The next regular meeting of the Authority will be a Public Meeting on Monday, August 23, 2010. All meetings begin at 7:00 p.m., unless otherwise specified and take place in the Main Conference Room of the Authority's Administration Building located at 1551 Highway 88 West.*

Respectfully submitted,



Joseph P. Buttacavoli, DMD  
Secretary