

**Minutes of a Public Meeting of
The Brick Township Municipal Utilities Authority**

August 23, 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

Members Present:

Joseph Buttacavoli, DMD
Allan E. Cartine
Joseph M. Veni, P.E.
Madeline Iannarone
John Ciocco (7:15 a.m.)
Edward J. McBride
Patrick L. Bottazzi

Members Absent

Allan E. Cartine

Staff Present

James F. Lacey
Stephen T. Specht
Frank Planko
Frank Pannucci
Joseph Maggio
Scott Bundy
Marie Sylvester
John Truhan
Frank Holman
Jerry J. Dasti, Esq.

Chairman Bottazzi stated, "Before we start I would like to recognize Councilman Thulen. Thank you for coming. Also we received a letter from Commissioner Iannarone, and I would like to ask Ms. Sylvester to read the letter into the record."

Ms. Sylvester stated, "The letter is from Madeline Iannarone of 333 Hudson Drive, Brick, New Jersey, addressed to Council President Anthony Matthews. Dear Councilmembers: I am sorry to say this is my formal resignation from The Brick Township Municipal Utilities Authority. Being appointed to the Authority by the Township Council was in my mind a major achievement in my career and I have

taken the responsibility very seriously over the years. As a member of several committees I had an opportunity to meet and get to know many of the upstanding individuals that work for the Authority and to get involved with other township authorities to preserve the quality of the drinking water that flows down the Metedeconk River. I want to thank you again as I have many times in the past for the opportunity to serve the community that I grew up in and love with all my heart. It is with a sad heart that I must give up this position at this time for personal reasons. Hopefully in the future I will get the chance to serve in a similar position in or committee. Sincerely Madeline L. Iannarone.”

Chairman Bottazzi stated, “Madeline these kinds of letters are always hard to accept and sometimes they are hard to write and I know in your case it was. We will miss you and we thank you for the time you served. You were an alternate on the Personnel Committee and you were a very active member of the Watershed Committee. We appreciate all the work and effort you put forth and if at any time there is an opportunity for you to come back you would be welcome.”

4. APPROVAL OF MINUTES

Comm. Veni made a motion to accept the minutes of the meeting of July 26, 2010. Seconded by Comm. Buttacavoli.

AYES: Commissioners Iannarone, Buttacavoli, Veni, McBride, Bottazzi
NAYS: None
ABSTAIN: None

5. CORRESPONDENCE

Chairman Bottazzi advised that we received hand made thank you cards from the 4th grade class at Allenwood Elementary School for the class trip to the Reservoir on April 15, 2010.

6. APPROVAL OF BILL RESOLUTION - Commissioner Buttacavoli

Commissioner Buttacavoli read the Bill Resolution dated August 23, 2010 as follows, “Where as the attached vouchers totaling \$3,526,940.54 has been examined and certified by the members of the Brick Township Municipal Utilities Authority and found to be reasonable and necessary. Now therefore be it resolved that said vouchers are hereby approved for payment and the treasurer is authorized to make payment. Total operating vouchers \$2,322,661.87. Total payroll \$1,079,736.18. Total Capital vouchers, \$120,802.17, Escrow \$3,740.32. Total Bill Resolution, \$3,526,940.54, sufficient funds are available for payment of all vouchers.”

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

AYES: Commissioners Iannarone, Buttacavoli, Veni, McBride, Bottazzi
NAYS: None
ABSTAIN: None

7. TREASURER'S REPORT - Commissioner Cartine

In Comm. Cartine's absence, Comm. Veni read the Treasurer's report balances for the month ending July 31, 2010 as follows: Unrestricted funds total revenue funds is \$11,116,192.00, total general funds is \$253,277.62. Total unrestricted funds is \$11,369,469.62. In reference to restricted funds the total bonds funds is \$13,374,592.17. Other restricted funds \$1,819,635.09 and total restricted funds is \$27,752,243.49 for a total of all fund accounts \$39,121,733.11.

Comm. Buttacavoli made a motion to approve the Treasurer's Report, seconded by Comm. Veni.

AYES: Commissioners Iannarone, Buttacavoli, Veni, McBride, Bottazzi
NAYS: None
ABSTAIN: None

8. DEVELOPER APPLICATIONS - NONE

8.1 Preliminary Applications - No Further Action Required

8.2 Other Applications

8.3 Release of Performance Bonds

9. UNANTICIPATED/EMERGENCY CAPITAL EXPENDITURES - None

10. CUSTOMER ACCOUNTS RECONCILIATIONS

Director Pannucci reviewed the following customer account reconciliations with the board:

- a. Account 23035742, 998 Tammy Ct., Veronica Fitzpatrick. A recommended one-time water & sewer credit in the amount of \$491.40 due to a running toilet. The average usage is 12,000 gallons and the quarter in question rose to 97,000 gallons. All repairs have been made and verified and the meter is in proper working condition.
- b. Account 12059424-1, 1743 Route 88 (Laundromat), Partnership One. This is an evaluation after two years of actual usage. It is recommended to charge Partnership One an additional \$39,524.40 for their Initial Service Charge.

This has been reviewed by both myself and Director Specht. After two years of evaluation monitoring their usage, they should have been charged \$80,953.20 on 11/30/07 when they paid \$38,446.80.

Chairman Bottazzi stated, "Before you go on, that's a lot of money to hit a small business like a laundromat. You can put the guy out of business. Can't we estimate a little bit better than that or take an approach such as six months of usage."

Director Pannucci stated, "Well what we can do, if the Board so approves it is put them on a payment plan for that amount. We don't have to ask them for it all at once."

Chairman Bottazzi stated, "You know they could have sold that place and then we'd be approaching the new owner and telling them that they owe us \$40,000 more. I think you ought to give it some thought and talk to the director and come back with a suggestion. I think you ought to talk to Counsel on this also."

Comm. Veni asked, "If you put them on a payment plan is there interest charged?" Director Pannucci replied, "Yes and by law it is 18%."

Counselor Dasti stated, "I would recommend that the letter that goes out to him indicate that we would like to talk to him about a payment plan. That should be in the letter."

- c. Account 9090400-1, 515 Route 70, Costco. This is an evaluation after two years of actual usage. It is recommended to charge Costco an additional \$25,087.48 for their Initial Service Charge. This has been reviewed by both myself and Director Specht. After two years of evaluation monitoring their usage, they should have been charged \$122,355.40 on 5/29/08 when they paid \$97,267.92.

Comm. Veni made a motion to accept the Customer Accounts Reconciliations. Seconded by Comm. Buttacavoli.

AYES: Commissioners Iannarone, Buttacavoli, Veni, McBride, Bottazzi
NAYS: None
ABSTAIN: None

Chairman Bottazzi stated, "Let the record show that Commissioner Ciocco has arrived." (7:15 pm)

11. Contract Closeouts

- a. Contract Close-Out for Sanitary Sewer Replacement – Phase II; Contract

No. 89087B; Eagle Paving Inc. (Reduction in Retain age from 2% to 0%)

Director Specht stated, "We have one contract close out on the agenda. It is for Sanitary Sewer Replacement stage 2, Contract Number 89087B with Eagle Paving. We are reducing their retainer from 2% to 0%. They have submitted the appropriate documentation with the exception of the maintenance bond. This project has been in service for seven to eight years and what we have decided to do is not pay him the cost of that bond, so we will withhold a total of \$1,906.57 of which \$200 is for meter repair that that he owes us on, and the rest is for the maintenance bond. So his final payment will be \$1,506.56 and I would recommend that we move ahead with the close out on this contract."

Comm. Veni made a motion to approve the contract close-out. Seconded by Comm. Ciocco.

AYES: Commissioners Iannarone, Buttacavoli, Veni, Ciocco, Bottazzi
NAYS: None
ABSTAIN: None

12. Authorization to Expend Approved Funds - None

13. Authorization to send out Bids, RFP's & RFQ's - None

14. Reports

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

Chairman Bottazzi asked Director Lacey if he has anything to add to his report and Director Lacey replied, that he did not.

14.2 Personnel

Chairman Bottazzi stated, "If everyone has the personnel and if no one has any comment please make a motion to accept the director's report and the personnel."

Motion to accept the director's monthly report and the personnel by Comm. Buttacavoli, seconded by Comm. Iannarone.

AYES: Commissioners Iannarone, Buttacavoli, Veni, Ciocco, Bottazzi
NAYS: None
ABSTAIN: None

15. OLD BUSINESS

16. NEW BUSINESS

Pineview Estates

Chairman Bottazzi asked Counselor Dasti if he wanted to discuss the Pineview Estates litigation.

Counselor Dasti replied, "Well we can talk about part of it in public and we can talk about the other part in closed session. But as you know about two years ago now we were sued by Pineview Estates for three different reasons. One was that they believed that they were overcharged for over sizing the Alaska Avenue pump station. Another complaint was that they should be retroactively reimbursed for some connection fees that they had paid for and because they feel they have paid too much in connection fees. And the third part of it was that we had improperly held onto their performance bonds. We recently released all of their performance bonds because they finally did what they were supposed to do so that is not an issue. The Judge has decided not to rule on the over sizing issue. We are still going to have to go to trial on that. But we did win importantly the connection fee issue. They feel that they were being overcharged for the 177 units and I'm not sure about that math but the judge ruled in our favor on that. At this point we are on a good roll here."

Chairman Bottazzi stated, "I sat in the Judge's chambers and while Specht was throwing out numbers and you were keeping everyone awake, I have to compliment you. You did a great job. I feel that we had the best engineer and the best attorney in that room."

Counselor Dasti stated, "Well thank you Mr. Chairman, but it was a group effort, with Steve Specht and John Truman and the Executive Director Mr. Lacey and Jim Allen, everyone was very very helpful. Without them we wouldn't have gotten this far. Your guys did a great job. We have a ways to go yet but we are getting there."

16.1 Homes Now Refund

Director Pannucci stated, "Carol Wolfe from Homes Now, Inc., sent this office a resolution from the State Assembly which basically went into effect January 25, 2005, stating that any affordable housing project built by a not for profit or a government agency could be charged no more than the connection fee. From our research, four of them met the criteria which is 146 Pier Avenue, and AB &C, and 26265 Hooper Avenue, which were all built between March 2005 and June 2007. Total refund to Homes Now would be \$12, 992.00. I met with our legal counsel to review this matter and it has been decided that Homes Now is entitled to this refund."

Counselor Dasti advised, "I had sent a memo to everyone about two years ago. The legislature in its wisdom for COAH Affordable Housing units, you are now only allowed to charge them one half of your normal connection fee, and I think also there is a break in the usage fee. So any houses that were finished after the law went into effect, which I think was in 2005, they are due back those monies."

Counselor Dasti stated, "Well you have to treat everyone the same and the law now is for affordable housing units they get this break, so you'll have to vote on this to authorize Mr. Pannucci to make this refund."

Comm. Veni made a motion to approve the Homes Now Refund, seconded by Comm. Buttacavoli

AYES: Commissioners Iannarone, Buttacavoli, Veni, Ciocco, Bottazzi
NAYS: None
ABSTAIN: None

16.2 Banking (Exempt)

17. RESOLUTIONS

61-10 A Resolution Authorizing the expenditure for the purchase of one 2011 Ford F450 Dump Truck to Ditschman/Flemington Ford in the amount not to exceed \$44,634.00

Director Bundy stated, "This is for the purchase of a 2011 F450 Mason Dump Truck Four Wheel Drive . The base price with options is \$44,634. This is a state contract purchase from Ditschman Flemington Ford and it is budgeted."

Mr. Planko added that it is included in the budget under line item number 910012.

Comm. Veni made a motion to approve the resolution. Seconded by Comm. Buttacavoli.

AYES: Commissioners Iannarone, Buttacavoli, Veni, Ciocco, Bottazzi
NAYS: None
ABSTAIN: None

62-10 A Resolution Awarding Contract for the Annual Printing Services for Documents to PIP Printing

In regarding to the resolutions for Annual Printing contracts for Services for Documents, Director Lacey stated, "PIP Print was \$4,695 and Enterprise, LLC. was \$4,584 so there existed a \$111.00 difference. We are recommending that we go with PIP Printing in Brick because of the distance."

Chairman Bottazzi advised, "OK you and I discussed that in our meeting and I just want the board to understand, we are only going for \$111.00 because we are saving money on shipping and so forth. From PIP there would be none.

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

AYES: Commissioners Iannarone, Buttacavoli, Veni, Ciocco, Bottazzi
NAYS: None
ABSTAIN: None

63-10 A Resolution Authorizing the Acceptance and Execution of an Agreement for a Plans and Drawings Printing Contract with Craftmaster Printing, Inc.

Director Lacey advised, "These are the RFQ's to proceed for our plans and drawings, and then we have another one for documents printing and contracts. For the Plans and Drawings we had Craftmaster in Neptune City and ADS in Brick and Craftmaster was \$7,442.50 and ADS documents in Brick was \$12,321. We are recommending that we go with Craftmaster for \$12,321.00."

Chairman Bottazzi pointed out that we have a \$5,000 savings.

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

AYES: Commissioners Iannarone, Buttacavoli, Veni, Ciocco, Bottazzi
NAYS: None
ABSTAIN: None

64-10 Award of a Public Contract to Layne Christensen Company in the Amount of \$3,570,020.00 for ASR Well No. 15; Brick Utilities Contract No. 708003

Director Specht advised, "Yes Mr. Chairman this is for the award of a public contract for Layne Christianson Company for the amount of \$3,570,020.00 for ASR Well No. 15. Contract No. 708003. On August 10th we received three bids, ranging from the low bid by Layne Christianson to the high bid of Clyde and Latimer in the amount of \$3,3874,000.00 which is the total bid. We also had two alternate bid items. Alternate bid A was the temporary chemical treatment facility if we elected to go ahead with that. Alternate B was the deletion of the Chemical feed facility or treatment facility to allow direct pumping into our distribution system for a net credit of based on the bid that we received, it is recommended that we go with the total base bid which would include the water treatment facilities to allow direct pumping into our distribution system. The engineer on the job CH2M Hill, teamed up with Alaimo Associates on this project and their estimate for this work was \$4,049,220.00. At this time unless the Board has any other questions, I would recommend award."

Chairman Bottazzi asked who the second lowest bidder was. Mr. Specht replied, "AC Shultes was the second lowest bidder and his bid was \$336,500.00."

Chairman Bottazzi asked Mr. Specht if he is aware of this company. Mr. Specht replied, "Yes we have checked them out. Deep well drilling hasn't been performed much in New Jersey over the last ten years. They have done work out in Long Island in the same aquifer, and they are a nation-wide company, so it is recommended that we move ahead with Layne Christianson. We got some positive feedback not only from our engineer CH2M hill but also three other clients that have used Layne Christianson prior to this."

Chairman Bottazzi asked Director Specht what the total contract will cost. Mr. Specht advised, "The total project cost at this junction is about \$4 million. Our range was \$3.5 to \$4 million, and I left some contingency in the project of about 5% in the event we have any change orders. I don't anticipate any, but we do have that remaining in the contract. I did have to shift some line items and you can read that in Director Lacey's report to allow the shifting of approximately \$700,000 from other projects into the ASR Project."

Chairman Bottazzi stated to Director Specht, "Tell the Board how much is the total cost for our ASR and how many gallons this is going to store for us."

Director Specht replied, "What predicated the construction of the ASR is that we lost ASR Well No. 10, which originally produced between 2 and 2.5 million gallons a day. When we lost it, our pumpage went down to 1

million gallons a day that is when the Board authorized us to proceed with the design of new ASR number 15 . What this will produce is between two and a half and three million gallons per day. It is a \$2.3 million gallon design. We anticipate over the storage, which is October to I believe April we could probably store down here 100 million to 150 million gallons a year in the ASR Well. And then utilize that in our peak periods of production in the summer.”

Chairman Bottazzi stated, “This is water we process and run it through our system and then put it back down in the well.”

Director Specht added, “And the way it is designed now, if we would use Well No. 10 it would go to the head of the treatment plant, we’d have to repump it and treat it and then have it go out into the system. But the way this system is designed is we will pull this water directly out of the well, hit it with a little chlorine and some ph adjustment, and send it right out into our distributing system so we can by pass our bottle neck at the treatment plant which is our filters.”

Comm. Veni made a motion to approve Resolution No. 64-10.
Seconded by Comm. Buttacavoli.

AYES: Commissioners Iannarone, Buttacavoli, Veni, Ciocco, Bottazzi
NAYS: None
ABSTAIN: None

18. PUBLIC DISCUSSION

Chairman Bottazzi asked if there was anyone from the public that has anything they would like to say or comment on. There being none the public portion of the meeting was closed.

Chairman Bottazzi stated, “We have one or two items to discuss in closed session. We are going to take a five minute break.”

Counselor Dasti stated, “You need to adopt a resolution to go into closed session for personnel, contractual and litigation matters and the record will reflect that the minutes will be held confidential until the need for confidentiality no longer exists.”

All board members were in favor.

(The following minutes were supplied by Counselor Dasti to be included in the regular meeting minutes.)

At this point in the meeting, 7:30 p.m. the group entered exempt session and all staff and consultants were dismissed with the exception of Director Specht, Director Planko and Counselor Dasti.

A motion was made by Vice Chairman Veni, seconded by Dr. Buttacavoli, to end the closed session meeting and return to open session.

In open session a motion was made by Commissioner Veni, seconded by Dr. Buttacavoli, to move most all of the Authority accounts from TD Bank to Crown Bank, subject to receipt of a letter from Crown Bank confirming that no fees will be charged for normal services. Director Planko was directed to take the necessary steps to move the Authority accounts to Crown Bank after receipt of a letter from Crown Bank confirming that no fees would be charged. The motion was unanimously carried, but Chairman Bottazzi abstained from this vote.

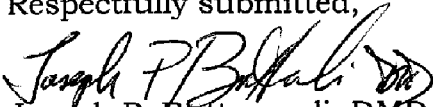
19. CHAIRMAN'S CLOSING STATEMENT

Chairman Bottazzi advised, "The next regular meeting of the Authority will be a Public Meeting on Monday, September 27, 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."

20. ADJOURNMENT

Thereafter a motion was made by Vice Chairman Veni, seconded by Dr. Buttacavoli, to adjourn the meeting. The motion was unanimously carried and the meeting was adjourned at 7:50 p.m.

Respectfully submitted,


Joseph P. Buttacavoli, DMD
Authority Secretary