

Minutes of a PUBLIC MEETING of
The Brick Township Municipal Utilities Authority Held on
July 25, 2011 beginning at 6:00 p.m.

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

2. CHAIRMAN'S OPENING STATEMENT

Chairman Veni 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 3, 2011 in the Asbury Park Press. 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

| | |
|-------------------------|--------------------------------|
| Joseph Buttacavoli, DMD | Present |
| Allan E. Cartine | Present |
| John A. Catalano | Present |
| Patrick L. Bottazzi | Present |
| John Ciocco | Present |
| Edward J. McBride | Present (arrived at 6:05 p.m.) |
| Joseph M. Veni, PE | Present |

Staff & Consultants Present

James F. Lacey, CPWM, Executive Director
Frank Planko, CFO
Frank Pannucci, Jr., Director of Customer Accounts
Joseph Maggio, PE, Director of Water Quality
Scott Bundy, Director of Central Services
Marie Sylvester, Executive Supervisor
Greg McGuckin, Esq., Authority General Counsel
John S. Truhan, PE, Authority Consulting Engineer
Frank B. Holman, Authority Auditor

4. Directors' Reports

a. **James F. Lacey, CPWM, Executive Director**

Director Lacey advised, "As submitted the important thing to mention is that Trinity Parking lot, the church has approved it and we are waiting to hear back from their attorney on that."

Counselor Dasti stated, "I received the lease agreement today at my office which I left there. It is fully executed and I will get it here in a day or so."

Director Lacey continued, "The other important matters such as the ASR, of course will be discussed in closed session. Failure of Well 11 which everyone is aware of, Well 11 had a catastrophic failure. It broke a coupling. We thought we were going to be able to fix it quickly and get it back into service, but we were not able to do that so through the Construction Committee, and through Steve Specht in his report the suggestion is that we redevelop it because it is due soon anyway and also go to bid at that time and do Parkway Well 1A and get a bid to redevelop that well. We don't think that has been done in about thirty years. We are looking at our phones and we are still getting prices on that. I think Director Bundy will cover that. Other than that it's been hot and we've been moving a lot of water and we've been meeting the demand."

b. Stephen T. Specht, PE, Director of Engineering/Operations

In Director Specht's absence Director Lacey advised, "The main items that Steve wanted me to discuss was we have, Fort Street. The town is going to be replacing the 15 inch storm drain and we only have a two inch service there so working alongside the town it would be prudent for us to replace our pipe laterals and water services that are there while the town is putting the larger pipe in. We figure it would be about \$110,000 and they would be the lead on it. The newest item in that was the engineering portion. The Alaimo Group will be working on it. That would be about \$10,000, but we are going to do the inspection in house so we will be down to about \$7,000 which was discussed through the Construction Committee. It is good planning to do it with the Township rather than have them repave the street and then in a few years we go in and open it up again because of the very old and small pipe."

Comm. Catalano asked if we have to share in any of the paving costs.

Director Lacey replied, "The town will be doing that on their own. We do not have to share in that."

Comm. Cartine asked, "I just missed it, did you say we are going to replace the water main? Will that improve the water service to the surrounding area?"

Director Lacey replied, "It could, but not only that but it will provide for better fire protection and allow us to get better flow and volume."

Comm. Cartine asked, "It doesn't increase the pressure just the volume of water that we can push through?"

Director Lacey replied, "If there is a tremendous demand on a two inch main it could drop the water pressure so this would improve it if that was an issue."

Comm. Cartine asked, "How large of a service area are we talking about?"

Director Lacey advised, "I think there were sixty homes on it."

c. Frank Planko, Chief Financial Officer

Director Planko advised, "Just a few items, first of all our health benefits are due for renewal on August 1st so we have Tom Ucko from IMAC with us this evening. He will give a very short presentation to the Board on our new rates. We have resolution 52-11 for the Board to approve those rates if they agree. These rates are very important for our benefits naturally, but for the upcoming budget season. I start the 2012/2013 budget cycle. Series 2002 Bond funds I mentioned in my monthly report. Those funds were exhausted with the last payment on the June Bill Resolution. So now we are utilizing our future capital requirements account for our capital funding which was in our budget and in our capital plan. For me to close that account with TD Bank I need to pass Resolution No. 50-11 so I can close that account that has a zero balance now. Also now as we usually do in July we have the adoption of the Audit which will be Resolution 53-11. Frank Holman will be talking about that. Although we've seen some cost increases between the two years, both our costs and our revenues have positive variances to budget and that is what we like to see. Those are items that we have on the agenda this evening. All three of these items were discussed at the Finance Comm. Meeting I believe on July 15th. Also all three of the items in section 15 of the agenda that the directors will talk about are appropriately funded in the budget."

Chairman Veni asked, "In reference to the insurance rates that Toms is going to talk about, next year if they are due August 1st can we discuss it in June?"

Tom Ucko advised, "That won't be a problem. We begin negotiations in June. We could probably start looking at it in early June and get on your agenda We will shoot for that next year."

Chairman Veni stated, "The reason for that is to give us time to think. Later on when we get to Director Pannucci we are going to talk about the Edmunds system."

d. Joseph Maggio, PE, Director of Water Quality

Director Maggio stated, "July posed the normal challenges for the Water Quality Department as it does every year including dry and hot weather which increases customer demand and needed production from the plant. This year those challenges were compounded by the loss of some of our larger source water producing wells. Well 11 as Director Lacey mentioned, as well as a couple of weeks ago the short term loss of the use of Well 12. In both instances Water Quality Staff arranged to have contractors on site in an expedited manner to effect whatever repairs could be made. As was the case with Well No. 11 it was determined that a repair would not be able to be made in short order and we will be requesting authorization to go with the redevelopment of the well which is a larger project that is due on a time schedule that we implemented. During the month I just can't say how pleased I am with the water quality operation and maintenance staff managing what could have been very very serious issues at the plant. As usual our customers do not see any change in water quality or quantity. We manage all these difficulties very well."

e. Scott Bundy, Director of Central Services

Director Bundy stated, "I have several items on the agenda for tonight. One thing that we took off, but since Jim mentioned it, we are looking at replacing the phone system. We have it narrowed down to the type system and the manufacturer. It looks like we are going to come in under \$50,000 which is significantly under what we budgeted, and I will present it next month. Forge Pond monitoring contract we have on the agenda. This is a requirement of our water allocation permit from the State when we started taking larger quantity of water from the River. At the time you awarded the first contract we weren't allowed to go more years, and we always knew we had to expend it for six months so we are asking you to do that tonight. SCADA parts – you will see that there are two items on the agenda. I broke them into two contracts. One is for spare parts and one is specific replacement that is why we did that. We needed a resolution on the higher number because of the pay to play laws. Reservoir Inspection Contract, as you know every two years we have to do an inspection of the Reservoir. Because we have a leak in the chamber downstairs we have added a look at that in the same contract. We went over that with the Reservoir Committee and I think the Construction Committee has talked about it. So I am recommending award of that contract tonight also. I am giving you plenty of time on the JIF Renewal. Our policy is up January 1st with the JIF. Currently we have our property, auto, workers comp, public official's liability & employment practices and environmental liability with the JIF. Our 2011 premium was \$460,000. Of that amount the total for just property, auto, and workers comp is \$416,000. So if you are going to find an area that you could possibly save on you might want to go out take a look at those areas. We filed the renewal papers with the JIF because you have to give them six months notice if you are intending to renew, if we back out we can always do that. If the Board is going to look at it they need to start looking at it now."

Chairman Veni stated, "Well you are going to make the phone calls and get the presentations in and talk to us about it right?"

Director Bundy replied, "Not unless the Board says that we want to go out and shop then we have to get a broker of record for our insurance and that would really be the Board's prerogative."

Chairman Veni stated we will talk more about that in exempt.

Comm. Bottazzi asked, "When is the due date on all this?"

Director Bundy advised that our policy expires December 31st

Chairman Veni stated, "Well if it was six months then we should have done this in June."

Comm. Bottazzi stated, "I know there is a recommendation that some of the programs would be cancelled, such as traditional insurance and so forth."

Director Bundy replied, "I am not talking about anything to do with Health Insurance. This is all of our liability, auto things like that. As you may know and I put in my report OCUA had a rate increase that goes into effect January 1st. It is significant. If we were to take this past year's flows it would be about a \$200,000 increase of what we would be paying them. And we just have two requests to utilize the Reservoir which I have reviewed with the Reservoir Committee."

5. Commissioner Committee Reports

Director Pannucci advised, "Under Customer Accounts I have three items in Section 13 and I also have an authorization to go out to bid for water meters and appurtenances. Usually we do this in December but we are going to do it earlier now. The last three years we cleared out the warehouse of older meters and now it is time to start beefing up again. We are pretty much empty. We are going to buy all new IPRO meters as we have been buying and they are working great."

Chairman Veni stated, "Here's the question I had. I have talked to Director Planko and Director Pannucci several months ago. I had asked how we are with the Edmunds system project and the only thing I knew at that time was that you had to bridge something." Director Planko advised that is correct.

Director Pannucci advised, "What it was, obviously when you are dealing with software companies they don't work with each other. Finance is using Solomon and we use Edmunds. Most towns and utilities authorities use Edmunds. What Edmunds was able to accomplish for Finance and Customer Accounts was to build a bridge so instead of extrapolating reports and trying to make sense out of them, Edmunds is now made to connect to Solomon just like our previous system. The program to connect the old AS400 system to Solomon was done in house a long time ago. We had to do the same thing with Edmunds. Now it is just a learning curve for Finance, just as it was for Customer Accounts when we first started working with the program. It's done. It's working and that's where we are."

Chairman Veni asked Director Planko how he felt about it.

Director Planko replied, "As Frank says we finished the bridge. That bridge was actually done on June 3. Basically what the Dynamics bridge is - it used to be called Solomon now it is a Microsoft product called Dynamics SL. The Bridge basically takes the revenue information from Edmunds to Dynamics, as well as all the information on receivables and other revenues. What Frank is mentioning now is there is some reports we need to fine tune that are non revenue related. For instance gallons billed and customers billed. We want to fine tune those reports. I am working with Frank and Edmunds to fine tune those reports."

Chairman Veni asked when that would be complete.

Director Planko stated "I think Frank was just in touch with him today."

Director Pannucci stated "For Customer Accounts purposes, all the reports that I need for gallons billed and gallons out are perfect. For Finance obviously the need is a little different so they are already working on some creative ways to make it easier for them to read it. In other words Edmunds has their own financial package that we don't use. That is exactly what it is."

Chairman Veni asked, "Question I had and I talked to you earlier about it, how many ways can a customer pay their bill?"

Director Pannucci replied, "In person, check, cash or money order and on line through E-check or debit credit card. Right now there is a service charge from Data Trace which does our payments through Whip and Edmunds, but at the end of the year, barring any programming issues; people will be able to sign up free of charge for direct withdrawal. You will just get your bill emailed to you and you will be able to sign up once and be done."

Chairman Veni asked, "What if someone came in with a credit card?"

Director Pannucci replied, "No we don't have that."

Chairman Veni asked, "Are we going to look into that?"

Director Pannucci replied, "We could but what we decided was because WHIP has only been around two years, and all of their clients throughout New Jersey are all using WHIP that Edmunds uses. WHIP is just an Acronym for the actual site. It didn't make sense because it was only the same year that we switched over to Edmunds. So in stead of having another company swipe our cards like CitiNet and pull their reports in, it didn't make sense and we didn't want to overwhelm anyone so we just stuck with the online payments until everything was working right."

Chairman Veni asked, "On line payments, there are two ways of paying. Go through our website or go through another bank. They can't go through their bank and pay us?"

Director Pannucci replied, "That is not the same thing if they go through their bank. For instance if I go on my on line Bill Pay and I type in I am going to send Brick MUA \$300. That is not actually paying. What that actually does is authorize the bank from a processing center maybe in Oklahoma to send out a physical bank and that goes out in the mail. It is an actual check. It is just not coming from your personal check book. It is coming from a processing center from whatever bank you use and it still takes time to get to us."

Chairman Veni stated, "Let's go back to our website. They go on and there is a financial charge you said. How much is that?"

Director Pannucci advised, "If you are using an e-Check it is \$1.05 flat fee regardless of your bill. If you are using a debit credit card it is 2.95% of your bill. We don't get a dollar back from that at all. That is actually charged to run DataTrace which is the same company that the IRS uses. We don't get any part of these fees. We are not running it at all. It is hands off."

Chairman Veni asked, "So if they went through their own bank to send a check..."

Director Pannucci advised, "That is no different than them writing a check from their check book. We get it in the mail just like if they signed it themselves."

Chairman Veni asked, "How does that work? Is it computerized? Is it automatic?"

Director Pannucci stated, "No it is a physical check. It is no different than if you took a check out of your checkbook and signed it."

Chairman Veni asked, "So what do you have to do then?"

Director Pannucci replied, "Treat it just like a regular check."

Chairman Veni asked, "And how is that?"

Director Pannucci advised, "The check comes in, we match it to the account, make a batch and it goes through. A lot of people get confused by that. We have customers that call up and say 'well I just paid you on line.' They think it is instantaneous. They don't realize that check still needs to be mailed to us."

Chairman Veni advised, "That is what I was getting at because I got two phone calls on that."

Director Pannucci stated, "A lot of people don't realize that. They think it is instant when it is really just like having someone else make out a check for you and mail it."

Chairman Veni asked, "Is there any way we can make it more efficient for them?"

Director Pannucci advised, "No not in regards to that because it is coming right from their bank. It is a common misconception. People think it is instantaneous, but it's not. It's still coming from their own personal bank."

Counselor Dasti stated, "If you pay bills on line there is a column that says the date of delivery. They tell you that when you order it on say Tuesday that it will go out on Weds, but whoever it is is going to get it whenever. They tell you the delivery date."

Director Pannucci stated, "Just so you know since January 11 just of this year we have had 6,665 on line payments totaling \$1,265,824.10. And those are payments through our website - people logging onto Brickmua.com and paying."

Chairman Veni asked, "With you getting these checks is there any backlog as far as people getting notified that their water is going to be shut off or anything like that?"

Director Pannucci replied, "It all depends when it comes in. It is no different than a normal payment. You can send us your check by mail but when it gets here it is up to the post office, of course just paying any bill you have there is going to be overlaps."

Chairman Veni asked Director Planko, "Is there any way to tell the banks that instead of mailing them to us that we would like them computerized?"

Director Planko replied, "I would say why don't we check into wire transmission?"

Director Pannucci replied, "There is no way to find that out because wire transmission will go right to the bank and then the Finance Department would have to flip through and say all these payments don't match up to a normal monthly payment. They would have to dissect hundreds of payments and try to figure out where to apply the payments go. Customer Accounts wouldn't know about that until Finance does their monthly reconciliations."

Director Planko advised that wire transfers are quite expensive for the average customer.

Chairman Veni asked, "Is there any way we can say that we won't accept the checks?"

Director Pannucci stated, "We have to accept them. It is just like a check. It's very popular. We get more of those than regular signed checks."

Comm. Buttacavoli asked, "You said that if someone goes on line to our website they can pay with a credit debit card or with their checking account routing number, do we get hit with a service charge? If we used a credit card we would have to pick up the cost and pass it on."

Director Pannucci stated, "Edmunds uses for all their clients DataTrace which used to be linked to GOV, a national company, the IRS uses them, government entities all over use them. What happens is the WHIP, which is the acronym for the interface. They log onto Brick MUA.com into their account, they click in continue to pay their bill and it takes them to the payment screen. They put in their credit card information and it says this is your service charge, continue, continue after that it is out of our hands it is all done through Edmunds and DataTrace and all we do is upload it in the morning. Done."

Chairman Veni asked, "Do they realize they are paying almost three times the amount of a stamp?"

Comm. Cartine stated, "It is the convenience of doing it."

Director Planko stated, "Actually it allows them to put it on their credit card and pay for it later in the future. Actually it is helpful to us because it helps our cash flow and increases our receivables because people use their credit cards to put on and pay at a later date but they are paying us sooner."

Director Pannucci stated, "And when we go to the automatic withdrawals which will be free of charge that is the big thing now."

Chairman Veni asked, "What is that?"

Director Pannucci replied, "You just give us your checking account number and your routing number and whenever your bill is due we automatically take the money out. You don't have to do anything."

a. Construction, Buildings & Grounds Committee

Comm. Buttacavoli advised, "The Construction Committee met and really covered what Director Specht, Maggio and Bundy just mentioned with the ASR Well 15 & 11. Also the SCADA parts, authorization to proceed with the redevelopment of well 11 and the phone systems and things like that that were mentioned by Director Bundy. Also we have two projects. One from AHG Land Holding and another from Stavola which we will get into during the reports on those matters."

b. Finance Committee

Comm. Catalano stated, "We had a finance meeting on July 15th and we spoke about the 2010 Audit. We spoke with IMAC insurance about our health premiums and we talked about closing out the 2002 bonds. I don't know if you want the gentleman to speak now or wait until the resolutions. It was a

good meeting and the thing that stuck out for me was I've seen lots of audits, especially when I was at Bamberger's Department store, but Mr. Holman's firm, what a clear concise and professional draft they sent us. Well done. The back page was the best because it showed how well this company is run. One other thing that we talked about very briefly was the JIF and whether or not we thought it was essential to go out to bid. We thought yes and we thought no and the consensus was that we really didn't think we were going to get better rates than what the JIF provides but let's look."

c. Rate Committee

There was no Rate Committee Meeting.

d. Reservoir Committee

Comm. Bottazzi stated, "We met on a Saturday, I believe the 16th of July at Rainbow Diner. we discussed the Reservoir as to dogs, and Director Bundy and his staff are going to have a discussion and we will have recommendations. One other thing was about signs regarding the dogs and so forth. We are going to do our utmost since there are so many dog lovers in our Township and people who enjoy the Reservoir. We have a few people who think they are the only ones out there walking with four our five dogs and we are going to stop that. We will get back to you about the changes we want to make. We are moving along."

e. Watershed Committee

Comm. Cartine stated, "We held a meeting with our stakeholders last week and there are approximately 25-30 people that attended. The majority were stakeholders. They all have an interest in the Metedeconk Watershed. Some of them don't have an interest in preserving our water; they have other agenda which was some of the problems we discussed ten days ago. There are people that attend the meeting who believe that our agenda should be saving birds, turtles and grass and the Barnegat Bay and they have become less focused than they should be in regards to what our mission is for the Watershed Committee. Interestingly enough and I was very gratified to see that we had two members of the DEP to provide oversight to committee. They were there. They took notes and I spoke with them afterwards to basically get these groups to focus on our true mission. I will have to say that Joe, Rob Karl, Steve Specht and I were there from our company, along with those people from other townships and various environmental agencies. The meeting was very long. I would say it got a little gritty. We sat through an extensive power point presentation with regards to establishing the goals and the future implementation of those goals. That is where we are right now Phase II. We are getting into the implementation which is the nitty gritty of why we are there. There has been a great deal of money expended to grant from DEP as you all know. We are trying to administer this to the best of our ability. It has been a terrific job. The engineers and our consultants have done a bang up job. They have proven to me that they are up to the task and we are moving ahead. That is the report on Watershed. Any questions?"

f. Alternate Water Source/Energy Committee

Comm. Cartine advised, "That is the windmill. I have to apologize because I did leave a lot of my notes home because I did come in from the golf course, but basically we did have a meeting. I have reports basically that were produced by T&M Associates. I am doing this from memory with regards to feasibility with windmills up at the Reservoir site. We are now into specific areas where they are

suggesting that we test the site for the actual wind velocity. I am going to leave it there because that is where the engineering has taken us to They have given us specs on various options from one turbine to two turbines and the size, the height. We have a lot of different specs. They have really not made a recommendation at this point because they say that we have to technically measure the actual wind velocity for sixty to ninety days. We also expect some other issues to come up which are sort of socio-political issues about site location. There has been some bad press recently. We know that one of the blades flew off in Lacey Township. There is some reasonable doubt among the public and whether or not we are going to move forward with this project. We can expect that to happen if we develop the site we can move on with the project.”

g. Hazmat Liaison/Committee

Director Cartine stated, “Hazmat Committee basically did not meet but I did talk to Joe Maggio who keeps me abreast of what is actually happening. We had no emergency incidences last month. We have no equipment issues at this time. We have continued our Hazmat training program. We have had people attend various Hazmat courses this month and actually in September Steve Czaplinski who is on our Hazmat team will be attending a course to further get himself acclimated to all the Hazmat technicalities that he needs to be aware of. We had a surprise DEP inspection on July 20th, and I don’t know how we faired on that DPCC inspection.”

Director Maggio replied, “DPCC inspection was the inspection of our chemical storage to make sure we were in compliance with our chemical storage volume requirements. 20,000 gallons is our limit and I spoke to Gary Vaccaro, Regulatory Compliance Officer who was not there for the surprise inspection but it has to go forward even though the right person isn’t there. Domenick Brando, Emergency Response Coordinator accompanied the inspector and we did very well. We have no compliance issues with our DPCC chemical storage.”

h. Security Committee

Chairman Veni stated, “We are active. We have come up with a lot of plans. Unfortunately, I cannot provide specifics in open session, but we are active. With that I will ask Counselor Dasti to take us into closed session.”

6. EXEMPT SESSION

(Personnel, Contracts & Potential Litigation Only)

Counselor Dasti stated, “The Authority should consider adopting a resolution to go into closed session to discuss personnel, potential litigation and contract negotiations. The minutes of the meeting for the closed session will be kept confidential until the need for confidentiality no longer exists.”

Comm. Catalano made a motion. Seconded by Comm. Buttacavoli.

AYES: Comm. Buttacavoli, Cartine, Catalano, Bottazzi, Veni
NAYS: None
ABSTAIN: None

On motion duly made and seconded the group entered exempt session at 6:40 p.m. All public was asked to leave the room and were advised that they would be invited back in when the Board returned to open session.”

On motion duly made and seconded the group returned to open session at 7:20 p.m.

7. APPROVAL OF MINUTES

Comm. Catalano made a motion to accept the minutes of the June 27, 2011 meeting. Seconded by Comm. Bottazzi

AYES: Commissioners Buttacavoli, Cartine, Catalano, Bottazzi, Veni
NAYS: None
ABSTAIN: None

8. CORRESPONDENCE

Letter from Debbie Row, 2nd Street complimenting Lisa Lau on her helpfulness with The Reservoir Sponsorship Program

Director Bundy advised, “You all received in your package a copy of a card that was sent to Lisa Lau. I just wanted to point out that we sell a lot of pavers and sponsorship items at the Reservoir. A lot of the people that call for those items are at a time in their life where something bad has happened and they are memorializing someone. Helen Martineau handled this before Lisa. I’ve sat there and listened to them dealing with the folks when they call up, and I just want to say they do a very good job. They are very compassionate with the people.”

9. APPROVAL OF BILL RESOLUTION

Comm. Bottazzi read the Bill Resolution dated July 25, 2011 in the total amount of \$1,501,622.56 broken down as follows:

| | |
|---------------------------|--------------|
| Total Operating Vouchers: | \$402,402.34 |
| Total Payroll: | 925,845.99 |
| Total Capital Vouchers: | 172,874.23 |
| Escrow: | 500.00 |

Comm. Bottazzi made a motion to approve the Bill Resolution. Seconded by Comm. Buttacavoli

AYES: Commissioners Buttacavoli, Cartine, Catalano, Bottazzi, Veni
NAYS: None
ABSTAIN: None

10. TREASURER'S REPORT

Comm. Cartine read the Treasurer's Report balances for the month ending June 30, 2011 as follows:

Unrestricted Funds:

| | |
|---------------------------|-----------------|
| Total Revenue Funds: | \$11,189,792.27 |
| Total General Funds: | 252,698.78 |
| Total Unrestricted Funds: | 11,442,761.05 |

Restricted Funds:

| | |
|-----------------------------------|---------------|
| Rate Projection Maintenance Fund: | 3,591,000.00 |
| Future Capital Requirements Fund: | 2,406,696.69 |
| Working Capital Fund: | 1,621,464.21 |
| NJEIT Processing Fund: | 2,292,813.82 |
| Total Bond Funds: | 12,431,143.20 |
| Total Other Restricted Funds: | 1,825,163.83 |
| Total Restricted Funds | 24,168,281.75 |
| Total of All Fund Accounts: | 35,611,042.80 |

Comm Cartine made a motion to approve the Treasurer's Report. Seconded by Comm. Buttacavoli

AYES: Commissioners Buttacavoli, Cartine, Catalano, Bottazzi, Chairman Veni
 NAYS: None
 ABSTAIN: None

11. DEVELOPER APPLICATIONS

11.1 Preliminary Applications - No Further Action Required - NONE

11.2 Other Applications

2098 AHG Land Holdings of Brick, LLC, Edward Abramson, Major Site Plan – Roy Rogers Restaurant & Retail Center, Brick Blvd. & Molly Lane, Preliminary, 4 Commercial

Comm. Buttacavoli advised, "This is an application by AHG Land Holdings for a major site plan on Brick Blvd. and Molly Lane which is at the Pavilion Office Complex. It is a 3,038 square foot addition for Roy Rogers and a proposed 3,000 sf retail center. There are two new four inch diameter sanitary sewer lines. Laterals are proposed to be extended from the existing sanitary sewer main and one proposed two inch diameter water service to be extended form the existing 8 inch diameter water main from the Pavilion Professional Center to provide domestic water service to Roy Rogers Restaurant. The developer will be responsible for providing Brick Township with appropriate blanket utilities easement for the existing eight inch diameter water main."

Comm. Buttacavoli made a motion to accept this developer application. Seconded by Comm. Catalanalo

AYES: Commissioners Buttacavoli, Cartine, Catalano, Bottazzi, Chairman Veni
NAYS: None
ABSTAIN: None

2100 Mr. Thomas P. Branch, PE, Stavola Asphalt Co., Proposed Water Main Extension with Hydrant, Chambers Bridge Road, Preliminary, 1 Commercial Unit

Comm. Buttacavoli advised, "The second one which we also went over at the Construction Committee meeting was number 2100 by Stavola Asphalt Co. It is a proposed water main extension with at fire hydrant on Chambers Bridge Road. This water service plan is a 350 linear foot six inch diameter water main which is to be extended from the existing end of the six inch diameter water main on Chambers Bridge in a North Direction to Stavola Asphalt plant. This will also include a fire hydrant being installed and a gate valve on site. It also indicated that a one inch diameter water service is proposed to install a water meter pit to provide water service to the existing scale house and office building."

Comm. Buttacavoli made a motion to accept Developer Application 2100. Seconded by Comm. Catalano

AYES: Commissioners Buttacavoli, Cartine, Catalano, Bottazzi, Chairman Veni
NAYS: None
ABSTAIN: None

11.3 Release of Performance Bonds - NONE

12. UNANTICIPATED/EMERGENCY CAPITAL EXPENDITURES

a. Failure of Well No. 11

Director Maggio advised, "On the morning of June 30th flow at the water treatment dropped dramatically. After investigation by our operations and maintenance staff it was found that Well 11 was not pumping any water. It had been in continuous operation since Memorial Day. We turned off the motor and made adjustments to our source water and worked diligently with Executive Director Lacey and Chairman Veni to get a contractor out to the site. You have to pull the pump which is 350 feet down in the ground out to find out what the problem was. Initial indications were that the shaft, which is a 350 foot long stainless steel rod had broken. This was consistent with that diagnosis. The well driller was Stothoff, they were the low bidder, they did come on the site, pulled the equipment and found a lot of damage to the column pipe, which is the pipe that is used to send the water up to the well. This shaft goes down the center of the well. It was decided by Director Specht and Director Lacey and I that this was not going to be a very easy repair and would not be done in a matter of days. It would require a great deal of replacement if not who replacement of the column pipe, possibly a new pump and definitely a new shaft. We decided to stop the repair efforts and turn this into another effort which was to go forward with redeveloping the well. Redeveloping the well is basically a process where you clean the well screens, pipes and inspecting the well pipe and system. You are doing your best to bring this well that is 1900 feet in the ground to as good as new as possible within reason. It's a maintenance

exercise that we try to do every five or six years for our deep wells. Well 11 in this case was a year or two overdue on the five year schedule. Our five year schedule is very conservative and diligent so we knew we were doing it anyway. I believe there is a resolution coming up later on the agenda to do that work but that is basically the status of well 11. It is not 100% clear what caused the break to the shaft. The well drillers did find some brass bushings in this column pipe that had basically disintegrated and their theory is that these brass bushing may have broke and you had chunks of metal that went down into the pump and seized up the impeller. What happens is you have this 200 horsepower motor 300 feet up spinning the shaft, and 300 feet down something is stopping it from turning so it probably takes a matter of seconds to stop the shaft. The motor is very powerful and that probably resulted in the break of the shaft. When the shaft broke you now have this 200 foot piece of stainless steel rattling around in there for a little while until you actually get the motor turned off and that damages bearings and things inside the column pipe.”

Chairman Veni asked, “What was the final cost for them to remove it?”

Director Maggio replied, “The final cost that Stothoff gave us was a \$13,300 quote that was to pull the pump, take the pump to their shop and diagnose what was wrong and then come back and reinstall it. Any actual repairs would have been above and beyond that. We will not be having them do the reinstall and repair. We have not finalized the cost for the work done, but based on the quote I believe it was probably in the \$6,000 to \$7,000 range which is the pulling part of it. We would just abandon the other part. There is no need for them to reinstall it since we are going to redevelop it.”

Comm. Bottazzi asked, “Is this where you called and got verbal approval from all the commissioners?”

Director Lacey replied affirmatively.

Comm. Buttacavoli stated, “I think we mentioned at the Construction Committee meeting, a question was asked about being able to have an automatic shut off so that the motor doesn’t continue to run when there is no water being pumped because that was part of the problem.”

Director Lacey replied, “Yes that would be a mechanical shut off and will have a flapper inside so if the water is not flowing it will turn off immediately.”

Director Maggio replied, “Yes we talked about a mechanical shut off. I talked to my operations and maintenance staff and they think each pump has a flow meter and they actually think it may be simpler to have when the flow meter goes below 20% of the expected flow there will be a cut off. But either way there will be a cut off which will be easier to install. It would turn off the motor so we would not have that little bit of time where the broken shaft is rattling around.”

Chairman Veni stated, “With my emergency generators I have redundancy. So add something to that besides the flow meter.”

Director Maggio replied, “We could do that. It is pretty important to do that we. We could have possibly been able to repair it and get it back in quicker if we had a shut off system.”

Chairman Veni stated, “We already approved by straw vote for this amount of money.”

Counselor Dasti advised that it should also be done on the record and in the minutes of the meeting.

Comm. Catalano made a motion. Seconded by Comm. Cartine.

AYES: Commissioners Buttacavoli, Cartine, Catalano, Bottazzi, Chairman Veni
NAYS: None
ABSTAIN: None

Mr. Holman asked, "I'm sorry that was to not exceed the \$13,000 or the \$6,000?"

Chairman Veni advised, "\$13,300 that was what we approved."

Director Maggio advised, "The approved PR was for \$13,3000 but the actual cost will be less than that not to exceed."

Comm. Catalano asked, "So the excess then was to reinstall it if they were going to do that?"

Director Maggio replied, "Yes it was to put everything back but there is no need to go forward with that."

13. CUSTOMER ACCOUNTS RECONCILIATIONS

Director Pannucci read the Customer Accounts Reconciliations as follows:

- a. Account 651207-0, 266 Circle Drive, Jonathan Bryer. A one-time water/sewer credit is recommended due to a running toilet in the amount of \$596.70. This is in Greenbriar Village. The average usage is 27,000 gallons and the quarter in question rose to 130,000 gallons. All repairs have been made and verified and the meter is in proper working order.
- b. Account 14820808-0, 663 Harbor Road, 663 Harbor LLC. A sewer credit is recommended in the amount of \$615.24 due to broken pipes in the garage. The average usage is 0 and the quarter in question rose to 108,000 gallons. All repairs have been made and verified and the meter is in proper working order.
- c. Account 2019209-0, 114 7th Avenue, Mark Owen. A sewer credit is recommended in the amount of \$462.38 due to a broken pipe in the crawl space. The average usage is 2,000 gallons and the quarter in question rose to 85,000 gallons. All repairs have been made and verified and the meter is in proper working order.

Chairman Veni asked, "Question on b., what is 663 Harbor LLC?"

Director Pannucci replied, "Just who owns the house - could be anything."

Comm. Buttacavoli made a motion to approve the Customer Accounts Reconciliations. Seconded by Comm. Catalano.

AYES: Commissioners Buttacavoli, Cartine, Catalano, Bottazzi, Chairman Veni
NAYS: None
ABSTAIN: None

14. CONTRACT CLOSE-OUTS - NONE

15. AUTHORIZATION TO EXPEND APPROVED FUNDS

- a. **Forge Pond Monitoring (Water Allocation Permit)** - \$10,600.00
Six (6) month contract extension with Princeton Hydro
Funding Source: Budget Line Item 700-00-6022

Director Bundy stated, "As I discussed earlier this is the Forge Pond Monitoring. This is required for our water allocation permit. We are recommending continuing and finishing the project with Princeton Hydro. This is a six month contract which will end this monitoring and we won't have to do it anymore assuming the State accepts the report. It is for \$10,600.00 and it is budgeted under the noted account number."

Comm. Buttacavoli made a motion to approve this action. Seconded by Comm. Bottazzi.

AYES: Commissioners Buttacavoli, Cartine, Catalano, Bottazzi, Chairman Veni
NAYS: None
ABSTAIN: None

- b. **Purchase of SCADA Parts – Part II** - \$4,250.80
Three-price purchase of SCADA replacement parts for specific facilities from GCF, Inc., of Northvale, NJ
Funding Source: Project No. 604-002

Director Bundy advised, "As I discussed earlier there is a purchase of spare SCADA parts from GCS Inc., in Northvale, New Jersey. Total amount is \$4,250.80 and it is funded under project no. 604-002.

Comm. Bottazzi made a motion to approve this action. Seconded by Comm Buttacavoli.

AYES: Commissioners Buttacavoli, Cartine, Catalano, Bottazzi, Chairman Veni
NAYS: None
ABSTAIN: None

- c. **Award of Contract for Reservoir Inspection** - \$9,800.00
O'Brien & Gere Engineers
Funding Source: Account No. 70009-8660

Director Bundy advised, "This is a contract for Reservoir Inspection. As you know part of our dam permit requires a bi-annual inspection of the dam facilities. We solicited quotes from three firms, and I am sorry my monthly report said four, but it was only three firms that are on our alternate engineers list. We have evaluated qualifications first and then price and lucky for us the most qualified

firm gave us the lowest price which was O'Brien & Gere Engineers in the amount of \$9,800.00. We are also including having them take a look at the chamber leak that we have going on just to get some recommendations on how to resolve that."

Comm. Bottazzi stated, "O'Brien & Gere were part of the Reservoir Design engineering team and they worked on the pipe chase, and they were the low bidder also by a significant amount so I think it is a win win for us to name O'Brien & Gere to this as they were the engineering who designed the Reservoir. We have had some problems with the walls and leakage in the walkway going out underneath the Reservoir. It is a tube within a tube. Hopefully they will find a way to repair it. So I would make a motion to award this contract to O'Brien & Gere for \$9,800."

Seconded by Comm. Buttacavoli.

AYES: Commissioners Buttacavoli, Cartine, Catalano, Bottazzi, Chairman Veni

NAYS: None

ABSTAIN: None

16. AUTHORIZATION TO SEND OUT BIDS, RFQ'S & RFP'S

- a Authorization to Proceed with the Redevelopment of Potomac Raritan Magothy Aquifer Well No. 11 and the Redevelopment of Englishtown Aquifer Well No. 1A in the Parkway System

Director Lacey advised, "This is essentially well 11 that Director Maggio spoke about, actually going out for a bid on redevelopment as well as replacing the shaft and the column pipe and either rebuilding or purchasing a new pump. Also we thought it would be prudent, and this again went through the Construction Committee, the well 1a in the Parkway system is due for redevelopment. We don't think it has been done since it was installed and that could be twenty plus years. We thought we could combine the two and take advantage of a better price for the quantity.

Comm. Veni asked, "When you put this spec together is it two items or one item?"

Director Maggio replied, "Engineering will be putting the specifications together but I believe the individual specifications for the scope of work to be done would be identical because redevelopment is a pretty standard operation. It would probably give the specifications for Well 1A the depth and type of material as well as the location. I believe Director Specht said that we would look for alternate prices. Meaning a price for 11 and 1A and a price for combined. We would have flexibility and maybe we will choose two different contractors."

Comm. Buttacavoli made a motion to move forward with this action. Seconded by Comm. Bottazzi.

AYES: Commissioners Buttacavoli, Cartine, Catalano, Bottazzi, Chairman Veni

NAYS: None

ABSTAIN: None

b. Bid for Water Meters and Appurtenances

Director Pannucci stated, "As I explained earlier this is our annual bid for water meters and appurtenances. Instead of doing it in December we are going to do it now and that is really it. It comes out of Capital 61006 and it is budgeted."

Chairman Veni asked how much we will be spending.

Director Pannucci replied, "About \$45,000."

Comm. Cartine made a motion to approve this expenditure. Seconded by Comm. Catalano.

AYES: Commissioners Buttacavoli, Cartine, Catalano, Bottazzi, Chairman Veni
NAYS: None
ABSTAIN: None

17. ADOPTION OF REPORTS

Comm. Catalano made a motion to accept all of the Directors' Reports. Seconded by Comm. Cartine.

AYES: Commissioners Buttacavoli, Cartine, Catalano, Bottazzi, Chairman Veni
NAYS: None
ABSTAIN: None

18. ADOPTION OF PERSONNEL ACTIONS

Comm. Buttacavoli made a motion to adopt the Personnel Actions. Seconded by Comm. Catalano.

AYES: Commissioners Buttacavoli, Cartine, Catalano, Bottazzi, Chairman Veni
NAYS: None
ABSTAIN: None

19. OLD BUSINESS

19.1 ASR Well No. 15, Task Order No. 3 CH2M Hill

Director Lacey advised, "That is the ASR Well 15. This would be a change order to CH2m Hill for approximately \$55,000 for the engineering services for the abandonment and second permit for Well 15A."

Comm. Catalano made a motion to approve this change order. Seconded by Comm. Buttacavoli.

AYES: Commissioners Buttacavoli, Cartine, Catalano, Bottazzi, Chairman Veni
NAYS: None
ABSTAIN: None

20. NEW BUSINESS

20.1 Requests to Utilize the Reservoir

Director Bundy presented the following requests to utilize the reservoir.

- a. Baby's Baptism Ceremony – Michelle Lachance. Saturday, August 13th at 11:15 a.m., lasting about ½ hour, with 20 - 25 participants.

Comm. Bottazzi made a motion to approve this request to utilize the Reservoir. Seconded by Comm. Catalano.

AYES: Commissioners Buttacavoli, Cartine, Catalano, Bottazzi, Chairman Veni
NAYS: None
ABSTAIN: None

- b. The Special Children's Center – Reservoir Run –Moshe Serebrowski of The Special Children's Center in Lakewood. He is requesting use of the reservoir site for a run (two times around the site) to raise funds for the Center, to take place on Sunday, September 4th, between 2:00 – 4:30 p.m., anticipating 150 participants.

Director Bundy advised that we did look into this organization and determine that they are a legitimate organization.

Comm. Bottazzi stated, "I think we are being good neighbors and I make a motion that we approve this." Seconded by Comm. Buttacavoli.

AYES: Commissioners Buttacavoli, Cartine, Catalano, Bottazzi, Chairman Veni
NAYS: None
ABSTAIN: None

Fort Street Shared Service Agreement

Director Lacey stated, "I have one other item for New Business. I am asking for authorization from the Board to enter into a shared services agreement with the Township of Brick for the water main replacement on Fort Street. It would be for \$7,000 for design and construction and management. We will do the inspections and that is to replace 1,100 linear feet of 2 inch pipe with 6 inch ductile iron pipe at a cost of \$110,000. I am asking for the \$7,000 to enter into the local service agreement with the Township of Brick."

Motion to accept by Comm. Cartine. Seconded Catalano.

AYES: Commissioners Buttacavoli, Cartine, Catalano, Bottazzi, Chairman Veni
NAYS: None
ABSTAIN: None

21. RESOLUTIONS

50-11 Resolution Authorizing the Closing of the Series 2002 Bond Fund Account

Director Planko advised, "This is the resolution to close the Series 2002 Bond Fund Account. I am asking the Board to pass this resolution so I can conduct business with TD Bank and close the account accordingly."

Comm. Buttacavoli made a motion to approve this Resolution. Seconded by Comm. Catalano.

AYES: Commissioners Buttacavoli, Cartine, Catalano, Bottazzi, Chairman Veni
NAYS: None
ABSTAIN: None

51-11 Resolution Authorizing the Purchase of SCADA PLC Upgrade parts from GCF, Inc. in excess of the Pay to Play Threshold of \$17,500

Director Planko advised, "As Director Bundy mentioned earlier on this one here was over the pay to play threshold of \$17,500 so I drafted a Resolution for this particular purchase. Director Bundy did get three quotes for it, but three quotes is not considered fair and open process so we treated it as nonfair and open. I also drafted this resolution to be used as a template for when QPA Bob Bowers takes over he will have more or less a template type for when he does any pay to play resolutions and purchases."

Director Bundy added that the total amount of the purchase is \$27,756.00 from GCF, Inc.

Comm. Cartine made a motion to approve this resolution. Seconded by Comm. Catalano.

AYES: Commissioners Buttacavoli, Cartine, Catalano, Bottazzi, Chairman Veni
NAYS: None
ABSTAIN: None

52-11 A Resolution Renewing IMAC Insurance Agency as Broker of Record and Accepting The Horizon Blue Cross Blue Shield Rates Presented by IMAC

Director Planko advised, "This is for the approval of our benefit rates. We have Tom Ucko with us this evening as we do every year. He does a great job of preparing his proposal versus the state plans so I would like to ask Tom to step forward and talk briefly to the Board about his presentation."

Tom Ucko stated, "I think the commissioner might all have a copy of the report. To start with I want to acknowledge the Chairman's comment. I think we missed your meeting by a week in June. The problem we deal with in Health Insurance is that under State law they don't have to give us renewal information until 60 days before the renewal date. That theorized could give us to June 1st. We will try to get it to you a little earlier next year to get it to you the first week in June. We will do our best next year. When we start this process the most important thing to look at is how your plan is running in terms of claims. Unfortunately this year has been a difficult year for claims in your group. Your group loss ratio for the last

twelve months we started this year with a loss ration of 94%. That means for the twelve months when Horizon starts setting rates they paid out 94% in claims for every dollar in premiums they collected. Insurance companies like to see that at 85%. We are running higher than that which leads us to believe this might be a difficult year for renewal negotiations. And sure enough their initial proposal was for a 16.6% rate increase which worked out to be 22.5 for medical and no increase for prescription. We did then as we do every year market it to all the major carriers. We went to AmeraHealth, Cigna, Oxford and a regional health insurance like the JIF. We also look at as we do every year at the State plan. In addition, as we did last year we looked at freestanding our prescription plan. Right now your prescription plan is combined with the medical plan at Horizon. Sometimes it makes sense to look at breaking that away from your medical and we went to GS Card, Benecard and Prescription Corporation of America. In the medical area everyone declined to quote. No one could compete with Horizon's renewal rate. In the prescription area we were able to get some competitive quotes. Unfortunately, Horizon has a policy that we weren't able to crack yet that if they have the medical and RX and if you want to take the RX away from them they will bump up your medical rates. They argue there is some savings in having them combined. The penalty for doing that would have wiped out any of your prescription savings. We looked at the State plan which was kind of our last hope to find some competition and have some leverage with Horizon. We had to make an assumption because we know what the 2011 rates are for the State, but we don't know what the 2012 rates are so we projected a guesstimate that the State rates will go up a composite of 11% next year. We don't know that for sure yet. Making that assumption that meant the state would be the equivalent of a 12.8 rate increase over your current rates. We were able to use that leverage to negotiate Horizon down to the 12.03% rate increase you see in the renewal proposal. I know that is a big number and nobody wants to see rate increases like that. We do think that is a relatively good number in today's market place especially given how your claims were for the last year. I know you probably don't like it that in the current market place and with your experience it is probably a good quote. We met with your Finance Committee a week ago and discussed this all with them in somewhat more detail. I would be happy to answer any questions you may have but that's just the way it works."

Director Planko stated, "Just a couple of comments for the Board before you act on this resolution. Earlier commissioner Bottazzi did make mention of the traditional plan. The state plan and I believe even the Township doesn't offer the traditional plan which is quite expensive. In what we have in comparing the State plan to what we are getting from Blue Cross/Blue Shield on an indepent basis we are saving about \$17,000 a year, but the traditional plan is costing us an additional \$30,000. If we did not have the Traditional Plan we'd be saving an additional \$30,000 a year or \$47,000 per year. Another point I want to mention is I usually do the budget in October months before I get together with Tom and he has estimates at close to \$2.6 million and that is what we have in the budget as well. I don't anticipate any budget overrun even though we didn't have a very favorable claims loss ratio and even though our costs went up, we accounted for it in the budget. The last items I also want to mention is the Board approved this opt out program several years ago so if someone opts out of benefits we pay them \$5,000 a year and that is saving us \$9,000 year on benefits."

Comm. Catalano asked, "I know we talked about the traditional plan and maybe doing away with it."

Director Planko stated, "Well I am giving the number as to what we would save so the board knows what that number would be. At one time the direct access and direct 10 plan required referrals and for a lot of people that became a hassle and a burden. That has been eliminated now so that differential between the traditional and direct access and direct 10 is not much longer there. Especially compared to the additional cost that we have to pay for that coverage."

Tom Ucko added, "There used to be a big difference in the size of the provider networks when you compare the traditional plan versus Direct Access. That changed once the state got rid of the traditional plan. You now see the Direct Access is a lot bigger and there may be only seven or eight or nine percent difference in the number of doctors that are in direct access."

Comm. Bottazzi asked, "Why are they charging so much more for it if it is so compatible with everything else? What is missing?"

Mr. Ucko replied, "The discounts to providers are greater than the Direct access. The doctors who participate in Direct Access accept a lower fee and that is where the savings come from. There are no referrals. The only down side is that if you do go out of network to a non-participating doctor, I am going to oversimplify now. In the traditional plan the coverage is 80% and direct access it is 70%. There is less coverage out of network with Direct Access. But most people stay in network so for most people the out of pocket costs are lower than Direct Access than in the traditional plan."

Comm. Bottazzi asked, "Can you mail us a comparison. I would like that."

Director Planko stated, "With Direct Access if you go to anybody within the plan you only have a ten dollar co-payment and you don't need the referrals anymore. I think most people that are in the Direct Access are happy. I haven't heard any complaints with the Direct access."

Commissioner Bottazzi asked, "Is that also for retirees?"

Director Planko advised, "Retirees are offered the traditional as well in our plan."

Commissioner Bottazzi asked "And what if we don't have it and they retire with traditional?"

Director Planko replied, "Right now there are about three or four retirees that have it and eight active so if we transitioned them all over to the Direct Access we'd save about \$30,000 a year."

Comm. Bottazzi asked, "So they wouldn't have a choice? There would be no argument with us about changing it?"

Director Planko stated that if it became the policy then they would have to be switched over.

Mr. Holman advised, "You provide both now."

Comm. Cartine made a motion to adopt Resolution 52-11. Seconded by Comm. Buttacavoli.

AYES: Commissioners Buttacavoli, Cartine, Catalano, Bottazzi, Chairman Veni
NAYS: None
ABSTAIN: None

53-11 A Resolution Adopting the 2010/2011 Annual Audit

Director Planko stated, "This resolution is the usual adoption that we have in July for the annual audit. We reviewed it in detail with the Finance Committee. Again as I mentioned earlier I think the very positive thing that overall revenues were favorable with the budget and all our expenses were favorable but I think I will hand it over to Frank (Holman) and he will talk about more of the specifics."

Mr. Holman stated, "Jerry Conaty is here tonight. He was the manager on your audit and this will be filed with the state of New Jersey by the end of the month. We also filed a report with your Township Clerk and it will be available here also. As Mr. Catalano mentioned, we went over the report in detail at the Finance Committee meeting with Dr. Buttacavoli. Financially, I think this year was a real surprise in that performance wise you improved your operational income quite a bit as compared to last year. This year's operation income was \$3.4 million compared to \$1.2 million last year. This is without connection fees that we know for the last four or five years our connection fees are probably 10% of what they were. Revenues were up about 10% and your operation expenses were up only about 2% so that is a combination that you will take anytime. That really only came from your bulk service charges last year were higher and your lawn watering was higher. Connection fees continue to be very low. You ended up with a net loss after you provide for depreciation expense, after you pay your interest expense. The operation income numbers are the ones you want to look at and there you made money. You made \$3.4 million. Then you gave \$1 million to the town, then you took care of your debt service and you didn't have anything left but good results compared to last year. The biggest compliance factor is that you came in under budget. Once the commissioners approve the budget your revenues were higher than what you budgeted and your expenses were less. We have one recommendation having to do with the 48 hour deposit rule. That is a state statute that you must make a bank deposit within 48 hours. We did do a test and we did see where some miscellaneous income was not deposited on time. So that was one recommendation that we had that we need to make sure that we cure that. I think in this case it was for a Reservoir fee. It wasn't a lot of money but sometimes this gets stuck in a drawers where they need to get deposited right away. All our other testing you have a single audit done as well. That is because of the grant money we get with our special bonding and we had no problems with your grant compliance there. Your internal controls are good. You have a good tight shop here. Things are in good shape."

Comm. Catalano asked, "What procedure have we implemented to do away with that miscellaneous ..."

Mr. Holman replied, "Mr. Planko is going to prepare a corrective action plan that the commissioners will vote on next month."

Director Planko stated, "One issue that we had was with the deposits from the vending machine and it was a matter of the timing that they put on the invoice and who the check was going to. And because Dan Reilly initially set up with the vendors the check was going to him and we have now changed that procedure and the check is going to come directly to me with the proper date on it. The second issue that we had was a deposit for one of the Reservoir pavers. Usually that comes into Central Services to Lisa Lau and it comes to us. It came in from Central Services on a timely basis. It came in on November the 30th at that time it was a very busy time for us and the person responsible for depositing was helping me and it kind of got pushed aside for a couple of days. So it is just a matter of being more careful to make sure that doesn't happen again. It was one deposit. It was \$40.00. It wasn't

any of our customer deposits. It was for a Reservoir paver.”

Comm. Bottazzi asked, “With the OCUA, how did we make out with them? We budgeted a lot of gallons, 1.876 billion gallons.”

Director Planko replied, “We budgeted 1.876 billion gallons and in the end they ended up charging us based on the reads for over 2 billion. That is the one line item that we had the most significant cost variance. However the fortunate thing is that compared to all our expense we still came out favorable with the budget.”

Mr. Holman added, “The OCUA your expenses were up 3% compared to the year before because of the OCUA. Without out that the expenses that you control were only up about 2% so that brought us up to 3 which is pretty good but the OCUA is a big line item.”

Comm. Bottazzi asked if we are looking for an adjustment from them?

Director Planko advised, “Well actually we had to pay them additional monies because of additional gallons. We already made that adjustment for additional gallons.”

Comm. Buttacavoli stated, “To expand upon what they were talking about the vendor invoice what Frank found out was that it wasn’t really that we were delayed in depositing as much as the vendor for the machines had all the invoices dated on the 7th of the month whether it came on the 14th or the 21st so it looked like a week or two dealy in making the deposit when we weren’t. They were pre-dated and we got after them and told them we want it on the day they come in.”

Director Planko advised “What happened was the auditors did the sampling and they pulled various invoices from the vendor and based on their sampling all the dates looked like we were making the deposits late. Then I just got a new invoice from the vendor and it was dated the 7th and I got it on the 14th. I put it together and realized looking at all the dates that they sampled and all were dated the 7th. In essence we weren’t really getting them the date of the invoice. “

Mr. Holman stated, “Thank you very much. Your professional staff here is cooperative and we will file the report once you approve it.”

Director Planko added, “On the Customer Accounts side, Frank did a great job. All customer deposits were made on a timely basis within 48 hours.”

Comm. Buttacavoli made a motion to adopt Resolution 53-11. Seconded by Comm. Catalano.

AYES: Commissioners Buttacavoli, Cartine, Catalano, Bottazzi, Chairman Veni
NAYS: None
ABSTAIN: None

22. PUBLIC DISCUSSION

At this point in the meeting Chairman Veni opened the meeting up to public discussion and read the following statement: *“In order to provide all necessary information to the Authority and to provide*

sufficient time for members of the public to speak, each member of the public will be limited to five minutes and must provide their name and address."

Ms. Melanie Briggs stated, "Melanie Briggs, Brick, New Jersey , I am wondering with this Seaward Development...."

Chairman Veni stated, "What about your address?"

Ms. Briggs continued, "Seward Village, whatever it is has the..."

Chairman Veni interrupted, "One second, in March you gave us your address 652 Summit Avenue."

Ms. Briggs stated, "And at the July meeting I said I was never giving you my address again."

Chairman Veni stated, "Well we have to compromise somewhere along the line."

Ms. Briggs continued, "With this Seward Water gas problem have they contacted the BTMUA to do a water testing?"

Chairman Veni asked, "Are you asking a question?"

Mrs. Briggs replied, "Yes."

Chairman Veni asked, "And you are going to refuse to give us your address?"

Mrs. Briggs replied, "Yes."

Chairman Veni stated, "I am going to close the meeting. I am looking for adjournment. Motion Please?"

Mrs. Briggs replied, "Then you will answer it in the press."

Comm. Bottazzi asked, "You want a motion to adjourn?"

Chairman Veni replied, "Yes."

Comm. Bottazzi stated "OK."

Chairman Veni asked for a second.

Comm. Bottazzi asked, "Why are we doing this?"

Chairman Veni replied, "I want to close the meeting."

Comm. Veni made the second on the motion to close the meeting and asked for a roll call.

AYES: Chairman Veni

NAYS: Comm. Cartine, Catalano, Bottazzi
ABSTAIN: Comm. Buttacavoli

Chairman Veni advised Comm. Buttacavoli that if he abstains he must give a reason why he is abstaining.

Comm. Buttacavoli stated, "Because I don't think we should close the meeting."

Chairman Veni asked Counselor Dasti what we do.

Counselor Dasti replied, "Well the meeting is not closed. The meeting is still open."

Comm. Cartine stated, "Mr. Chairman if I may. I think that the commissioners are reluctant to close the meeting because they feel that as long as we have a representative from the public here wanting to speak or ask a question that that person should be allowed to speak regardless of whether or not we agree with the procedure which has been set forth in a resolution. I think many of us have thought a little bit better about it. I think that is why the commissioners will not close the meeting because they feel that they want to hear Mrs. Briggs. She is the only person here who wants to speak tonight and I think the commissioners do want to hear her speak and that is why we haven't closed the meeting, in my opinion. It is your call commissioner."

Chairman Veni replied, "Well obviously you voted to not close the meeting. I have asked Mrs. Briggs if there is a compromise and she said no. What I don't understand is how somebody can disagree with what we want to do and all the commissioners say well let's let her speak anyway. Why did we even pass a ruling?"

Comm. Bottazzi stated, "Well I think Mr. Chairman the fact that we know Mrs. Briggs. We have her address and she has been coming here for years and she's got a problem with giving her address, and you have a problem that you want to hear her address. I think you two should sit down privately somewhere and work out your difficulties in the future and we can move one."

Chairman Veni stated, "Well I think I asked that Commissioner Bottazzi what compromise we can make and she said there is none."

Mrs. Briggs asked, "Well what compromise would you make?"

Chairman Veni stated, "I am asking you first."

Mrs. Briggs replied, "My compromise is not a compromise, I said I am not giving my address. I live in Brick, New Jersey. It is a compromise when you give a little and I give a little. Me giving up everything is not a compromise and it will NEVER HAPPEN, I want that in bold letters in the minutes."

Comm. Bottazzi stated, "How about if you just give your street?"

Mrs. Briggs stated, "I don't want my street number. He has already given it in the minutes so when some derelict comes in and says I want a copy of the minutes they've got it. I don't have to give it again. He thinks he's cute and I don't and for the reason I will never ever give my address here. I told

you last month I was never giving it. You made a point to say you gave it in March and it was 652 Summit Avenue.”

Chairman Veni stated, “Oh there you go.”

Comm. Bottazzi stated, “She said it.”

Chairman Veni said, “Ok now ask your question?”

Mrs. Briggs asked, “When do the commissioners get reappointed?”

Chairman Veni advised, “February 1st, 2012.”

Mrs. Briggs stated, “Well you better start attending council meetings because I will bring up commissioners at every meeting. Just like I did another person that worked here at one time and that seat is replaced. You think it’s funny, you think it’s cute.”

Chairman Veni asked, “Do I look like I’m laughing at this?”

Mrs. Briggs replied, “I think you are despicable.”

Chairman Veni replied, “Well fine. Will you ask your questions? You are on timer?”

Mrs. Briggs asked, “How much did that cost?”

Chairman Veni replied, “Next question?”

Mrs. Briggs replied, “I will ask it at a Council Meeting in public where it will be on television and they say HUH? I have shown this board respect for six years now never again. Now close your meeting so I can leave.”

Comm. Cartine stated, “Mrs. Briggs you did have a question that you started to ask. Do you still want to ask it?”

Mrs. Briggs replied, “Oh I know I did. I will ask it at a council meeting. My premise is the billions of dollars that are invested here. I would like to know that is being used by the Township so when I ask it in public and they go no we didn’t then I’m going to wonder why this commission is allowed to spend money willy nilly. All you had to do was answer one simple question. War.”

Chairman Veni asked for a motion to adjourn the meeting.

Comm. Cartine made a motion to adjourn the meeting. Seconded by Comm. Buttacavoli.

AYES: Commissioners Buttacavoli, Cartine, Catalano, Chairman Veni
NAYS: Comm. Bottazzi
ABSTAIN: None


23. CHAIRMAN'S CLOSING STATEMENT

Chairman Veni read the following statement: *"The next meeting of the Authority will be a Public Meeting on Monday, August 22., 2011 at 6:00 p.m. All regular public meetings take place in the Main Conference Room of the Authority's Administration Building located at 1551 Highway 88 West.*

24. ADJOURNMENT

There being no further business to discuss, and on motion duly made and seconded the meeting adjourned at 8:28 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Patrick L. Bottazzi". The signature is written in a cursive style with a large, sweeping flourish at the end.

Patrick L. Bottazzi, Secretary