

Minutes of a PUBLIC MEETING of
The Brick Township Municipal Utilities Authority Held on
January 23, 2012 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 October 29, 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 P. Buttacavoli, DMD	Present
Allan E. Cartine	Present
John Catalano	Present
Patrick L. Bottazzi	Present
Edward McBride	Present
John Ciocco	Present
Joseph M. Veni, PE	Present

Members Absent: None

Staff & Consultants Present

James F. Lacey, CPWM, Executive Director
Frank Planko, CFO
Joseph Maggio, PE, Director of Water Quality
Steve Specht, PE, Director Engineering/Operations
Scott Bundy, Director of Central Services
Frank Pannucci, Director of Customer Accounts
Marie Sylvester, Executive Supervisor
Chris Koutsouris, Esq. Authority General Counsel
John S. Truhan, PE, Authority Consulting Engineer
Frank Holman, CPA, Authority Auditor

4. Directors' Reports

a. James F. Lacey, CPWM, Executive Director

Director Lacey advised, "I just want to bring everyone up to speed. We have some things for exempt session. We have health benefits and we have a finance report and arbitrage calculations that we had gone over with Mr. Holman and Mr. Planko. Our Reorganization Meeting, I just want to remind everyone is the first of February at 9:30 a.m. in this room. On the 19th the RFQ's that were advertised, we received them and had them opened and reviewed by our attorney and Marie and we are putting that all together for you in a listing. The mission statement - I know Mr. Chairman you have worked on and some other miscellaneous items. I think the big thing there here is the fact that Layne Christianson is back on site and Mr. Specht is going to want to touch base on that, but the 30 inch casing that is about 140 feet down is in the ground and Layne Christianson has moved the rigs back in. We are waiting for the 20 inch casing pipe to come in and they have pretty much set up in the back. I think that this weekend the drills will be turning again."

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

Director Specht advised, "I have a few items on the agenda tonight. One of them is the replacement of the water main on Hoffman Street. January 9th we discussed it at the Construction Committee Meeting that the Township is undergoing a road reconstruction project in the Laurelton Park area and it is prudent at this time to replace the 2 inch cast iron water main with an upsized within the regulations six inch water main. I have reached out to the Township and their contractor and the price to install this main is approximately \$68,000 based on the unit prices that they have for Fort Street. They held their prices for that so I am going to recommend to the Board that we move ahead with that. That would be an amendment to the shared services agreement we have with the Township. Also on the agenda I am looking for authorization to proceed with the Phase II Utility Easement clearing project. Phase I is in the process of being wrapped up. It is a three year venture that it takes to get these easements cleared. We generally do them during the winter when we have men available and again I look to proceed with Phase II at this time and the only other item is to possibly talk about in exempt task order with our consulting engineer on the well. As Mr. Lacey eluded to, the well drilling should commence this week. All of the equipment is on site so we are again moving ahead with that project. Our two redevelopments are essentially complete. Well 11 I believe they finished swapping everything this week. Well 1A out in the Parkway System is complete. It is just a matter of reassembling the wells and they will be in service by the spring. So that is a good thing and that should do it Mr. Chairman."

Chairman Veni asked, "The question I have is the PBA road traffic road traffic replenishment account do you know how much we spent this year?"

Director Specht advised, "I don't have those tallies but I'm sure it was quite a bit."

Chairman Veni advised, "It was \$26,144.00."

Director Specht advised, "I would have thought it would be more than that, but yeah that's about right. We have to pay the rate the Township charges which is \$76.00 an hour."

Chairman Veni continued, "Now all this work that they did was for us?"

Director Specht replied, "That is correct. If you are on a side street we use our own traffic control, but if you are on a county road, where you have to fix a water service you generally have to have a police officer there. The ancillary roads not too much. If it's down Bay Wood or something like

that, but on a state highway and the county roads and the major Brick Township Roads you need police officers out there.”

Chairman Veni replied, “Ok the question I have is when you’re doing a state road who do you use?”

Director Specht replied, “Brick Township Police.”

Chairman Veni asked “And if you do a county road?”

Director Specht replied, “Brick, Township Police.”

c. Frank Planko, Chief Financial Officer

Director Planko advised, “There are a couple of items I want to talk about. The first is the budget. I have Resolutions No. 1 and 2 on the agenda this evening for the adoption of the budget. In mid-December the finance Committee met and reviewed the budget. Also on January the 13th the Rate Committee met and discussed it as well. I circulated my budget memo to all of the commissioners. In summary our budget is balanced in 2012 and 2013 at 37.6 million and we have a capital budget coming up of \$5.5 million. I will be asking the Board to adopt those resolutions later on when we get to that section of the agenda. We also have the arbitrage calculations. As the Board knows we asked the Auditor to perform an arbitrage calculation for us. Briefly what that does is it compares interest earned on a bond series versus the interest paid out and our auditor Frank Holman will be talking about that later I believe under old business and that is all I have for right now Mr. Chairman.”

d. Joseph Maggio, PE, Director of Water Quality

Director Maggio advised, “We have a number of items on the agenda including our chemical bid opening, the refurbishment of a variable frequency drive for one of our transfer pump number 2 and also a discussion of a draft resolution supporting Brick MUA’s participation in working with local educational organizations in small watershed projects. In addition to that we have become aware there is a development in Jackson that has been around for quite awhile, development plans that is. It is the Mitch Leigh development and over time it has received a lot of opposition in Jackson and we have participated in some of that opposition historically and the scope of that project has been reduced dramatically and it appears that it may be found approvable by Jackson. We are going to be requesting copies of the plans as an interested party making comments to the Jackson Planning Board on those plans. And our watershed management plan is progressing. We recently completed a survey of the various priorities for selection of DOT practices in the watershed. Laboratory invoicing for the year 2011 we were just shy of \$100,000.00 which was significantly increased over our billings for the previous year and exceeded our expectations. We are doing very well in terms of marketing our laboratory services.”

Chairman Veni asked, “When you get a chance can you give me the net value with all the shipping and anything else we had to pay for.”

Comm. Catalano asked, “Joe can you tell everyone what is our interest in the Jackson project.”

Director Maggio replied, "It is a very large development project near the headwaters of the Metedeconk River so it is really from a watershed protection standpoint our interest. As I said the scope of the project in terms of the number of units to be built and how they will be built has been reduced dramatically. There will be a lot less impervious surface and a lot more of the natural habitat will be preserved which is all beneficial to watershed protection."

e. Scott Bundy, Director of Central Services

Director Bundy advised, "Resolution 05-12 on the agenda, I need to have it pulled because we did not get bids on that project so we will be re-advertising. This is the vehicle we had talked about. I also am going to re-bid SCADA parts because we had a conflict with the date that we had originally bid it. It was a holiday that we don't celebrate and you can't accept a bid the day after a holiday. Also I am going to ask the Board's approval tonight to go out to bid for our Security Access System which we have just been advised by counsel we cannot go out to one of our electrical contractors. Just to let the Board know we are in the middle of our annual uniform purchase. I think the Chairman has become aware of that through some purchase requests. We had no Reservoir Committee meeting because there was nothing happening up there but we do have a meeting with the Security Committee.

f. Frank Pannucci, Jr., Director of Customer Accounts

Director Pannucci advised, "I have four recommendations that I will go into detail on when we are ready to vote on them. Outside of that just to let the board know that our annual tax sale, that we are mandated to go into with the Township every year we are in the middle of that and it is taking up the majority of our time but so far so good."

5. Commissioner Committee Reports

a. Construction, Buildings & Grounds Committee

Commissioner Buttacavoli advised, "We had our meeting of the Building and grounds Construction Committee meeting on January 10th and much of what our directors spoke about as far as the orders and purchase of chemicals by Director Maggio were mentioned at that meeting. so there is nothing more I have to put to that. We have two applicants which I will get into during that session of the meeting where we get into those which don't seem to be a problem. All in all it was a very short meeting that went very smoothly."

b. Finance Committee

Comm. Catalano stated, "If I could I would like to incorporate Finance and Rate Committee into one report. We met a couple of weeks ago and spoke a little bit about the arbitrage calculations which Mr. Holman will talk about. We talked about the budget. We talked about our rates for this coming year. Frank do you want to talk about that now?"

Director Planko advised, "I briefly went over it and if there are any specific questions in the package I can address them. I can tell you that we have a 3.9% increase and most of it has to do with some of the expenses that we usually see increase. The OCUA had an increase January 1st of 2012. We have seen our wages go up by the amount of the contract. Our health expenses went up a little bit. The day to day expenses that the directors need to run the Authority went up. You have your chemicals and

grounds care and so forth - those expenses went up as well. This was the first year I had to build into the budget consumption based rates for all rate classes. As we recall last April we made all our classes consumption based, but that wasn't built into the budget until this year so that was something additional I had to put in. I also factored in that Marathon Heath Care closed back on July 1st so there was a number of issues that I had to take into consideration. The Board will also recall that back in October we did a \$16 million refunding that saves us about \$55,000 a year in debt service. I built that into the budget as well. We did quite well."

Comm. Cartine stated, "Frank you say that our rate increase this year is going to be 3.9%. I think it is about time that this body thinks seriously about capping our increases as we are capping our property taxes at 2%. We are capping salary increases at 2%. I think that not for this year, but for our next year's budget, we should keep that in consideration as that basically if we have to trim our budget to accommodate that 2% increase and we are only talking about at 1.9% difference in what it is today it may sound like a lot of money it may not be but the fact is I think we are going to have to tow the line and start to be lean and mean with regards to how we run our operation. Therefore I am going to request formally that for next year that we voluntarily, we are not by law committed to do this, but voluntarily to uniformly along with the Township and other venues that we limit our rate increases if we need to increase our rates to 2% and cap it at 2%. That is my gauntlet and that is what I throw down to you as a challenge to you next year Director."

Director Planko stated, "I would just like to comment on that for everyone's information. When we talked about the budget cap for municipalities at 2% compared to our 3.9%, we are not comparing likewise numbers. Municipal budgets and Authority budgets are prepared differently. When you prepare a municipal budget there are numbers that are called inside and outside the cap and that 2% number only includes numbers inside the cap, not outside. That would include debt service, pensions, health care, fuel, utilities, our 3.9% is all inclusive from nuts to bolts. It includes everything so comparing the 3.9% to the 2% isn't really comparable."

Comm. Cartine continued, "And my comment Mr. Holman please take note of this is if that is the case then if we need to deliver an increase next year can we show what is inside and outside the cap as compared to what we do at the local municipal level? In other words let's take those dollars and cents and let's separate them and show that for instance our increase would really only be 1.9% underneath the cap in what we are allowed to outside the cap assuming that we are going to voluntarily install a cap on ourselves that we can show the difference between what is inside and what is outside so that if we have to come in a with a 3.9% increase the following year we can possibly show that in essence we are operating under a 2% operations cut, and not including or excluding the salaries, contracts and everything else that is excluded outside the cap. Can we do that Mr. Holman? Can we show that?"

Mr. Holman replied, "Absolutely."

Director Planko advised, "Commissioner Cartine your suggestion is a good one and as a matter of fact I have already done that. I have a worksheet taking the 3.9% and if we excluded the same items that the Township does under the inside/ outside cap methodology, OCUA expenses, healthcare, pensions, fuel, utilities ours came in just a hair over 2% on a comparable basis. I already have a worksheet on that. "

Comm. Cartine stated, "If this is the case Mr. Chairman I think we should publicize that. If we are going to have a rate increase next year to our rate payers - a notice. Do we do that? Do we notice our rate payers? We actually spell it out in a letter comparing what we've done, basically telling them that we are in that 2% voluntary cap and do that letter when we introduce the new rates."

Comm. Bottazzi stated, "I agree with Commissioner Cartine. I think it's time that we have to look at all our expenses. All our new hires, all our different departments and see if we can cut down below the 2% . I know we can do it."

c. Rate Committee

d. Reservoir Committee

Comm. Bottazzi stated, "in talking with the director and I have been out of town but everything has been running very smoothly at the Reservoir there hasn't been any need for anything happening or corrections or outstand problems. Is that correct? So the report is we are well ok."

e. Watershed Committee

Comm. Cartine advised, "The stakeholder meeting took place on November 29th and we are on schedule to proceed with completing tasks 4 and 5. This is a very complex committee that I serve on because basically there is so much that is involved in guarding our watershed and in restoring it to where we would like to have it. At this time I am going to ask Director Maggio to bring your assistant Rob Karl to our next meeting in February and give us an update on the progress of the watershed and where it is going. How we are spending the money and how much money we have spent and give us a five minute presentation as to what has been done. There is so much that has been done and there is so much that I am unaware of or actually is above me because it really is in the purview of engineering. I find it sometimes difficult to explain what we are doing, but I understand the concept. Along with that and with the question that comm. Catalano asked about the development of our watershed, I must point out that it was either the Sunday Star Ledger a week ago, or the Asbury Park Press I don't remember which, did a story once again on Lakewood and the growth of Lakewood. What it means and they pointed to us the Brick township MUA's watershed, and the impact that it will have besides the Jackson development that Commissioner Catalano talked about. I think it is incumbent upon us to be proactive. I had a small conversation with Director Lacey last Friday about basically we have to be concerned about this and we have to really now look long and hard because this is an area that may adversely affect the quality and drinking water of our Township and our customers that we are developing and selling now outside of Brick Township. So again, when I say pro active it means politically proactive and it means vocally proactive. It means getting that Watershed Committee involved in protecting that watershed in a positive way. One of the things that I have not seen as yet is any development of a political policy with the regards to the development of the watershed. There are many people here sitting at this table who might say well you are not going to prevent progress or development and I agree with that... It is going to happen but it can happen smartly and in tune with the needs of our watershed and our utilities authority. So again I ask you now to be aware of what is happening. You are reading the newspapers, I know you are and it is a regional problem and it is going to exacerbate in the immediate future unless we do more to protect our resources."

f. Alternate Water Source/Energy Committee

Comm. Cartine advised, "No that is energy and Director Specht and our committee have not met on that. There is nothing going on at this point."

g. Hazmat Liaison/Committee

Comm. McBride advised, "I did contact Director Maggio and we have nothing to report for this month."

Comm. Catalano directed a question to Director Specht and asked, "Where are we on the windmill study up at the Reservoir with the wind?"

Director Specht replied, "The Phase II study is complete. I've got to generate a memo to Commissioner Cartine and the Alternate Energy Committee to determine how we want to proceed on this. Now that the Township is moving ahead with their solar project at French's landfill I don't know if it would behoove them to partner with us on a larger windmill to take care of the public works projects. I want to present that to the committee and then we can take it from there. I think we can probably downsize to a 50kw windmill in lieu of a 900kw windmill so it will come down substantially not only in cost but also power generation."

Comm. Catalano stated, "And I know you are trying to contact that gentleman I told you about?"

Director Specht replied, "Avionics USA, yes I am."

Comm. Cartine stated, "Have we finalized the actual testing?"

Director Specht advised, "We have not. That will be part of phase III."

Comm. Buttacavoli asked, "Has there been any communication with the Township as far as the windmill they have up at the Drum Point sports complex? How that is working out?"

Director Specht advised, "I am on the Mayor's MACRE, the mayors committee on renewable energy and we discussed that at our last committee meeting this past month it is in service and they are getting a lot of compliments about it. They actually said the Board of Ed is getting a lot of positive feedback because people thought it was a Board of Ed project, but it is a smaller windmill. It is 1 kw. It is supplementing the lighting over there so it seems like it is an early success right now."

Comm. Cartine asked if there is a lot of noise generated by the turbine.

Comm. Buttacavoli stated, "I don't hear it unless I am right up next to it. I have walked the whole perimeter around there with the dog and there is a path that goes right next to it and that is really the only time that I can hear anything. It is really not that loud at all. This one is very quiet."

h. Security Committee - Exempt

Chairman Veni advised that because it is security we will discuss it in exempt session.

6. EXEMPT SESSION (Personnel, Contracts & Potential Litigation Only)

Counselor Koutsouris advised, "At this point in the meeting, the Board should consider adopting a resolution to enter into exempt session to discuss matters of personnel, contracts, as well as any pending litigation. The minutes of that session should remain private until the need for such confidentiality no longer exists."

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

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

The group entered exempt session at 6:30 p.m.

On motion duly made and seconded the group returned to open session at 7:50 p.m.

On the public's return to open session Mrs. Briggs stated, "I am leaving, but I would like to say I am so insulted that you would take an hour and twenty minutes for an exempt meeting while public is here. I expect a letter of apology from you and this whole commission. This is the most disgusting thing I have ever seen. The last time I was waiting an hour when you had Mr. Bruno here and he was ranting and raving. If you had that much business to take care of you should have had a special meeting. This is the end of the year. You shouldn't have had that much business. You are going to reorganize next week. What did you have that was so important?"

Chairman Veni advised, "That is why it is called closed session."

Mrs. Briggs continued, "Well you shouldn't have had to take place at the end of the year like this which leads me to believe that there is a little bit of shadiness going on that you had to take care of at the end of the year."

7. APPROVAL OF MINUTES

The minutes of the following meeting were distributed previously:

December 19, 2011
August 22, 2011 – Exempt Portion
September 26, 2011 – Exempt Portion
November 21, 2011 – Exempt Portion

Comm. Bottazzi made a motion to adopt the meeting minutes. Seconded by Comm. Buttacavoli.

AYES: Comm. Buttacavoli, Cartine, Catalano, Bottazzi, Veni
NAYS: None
ABSTAIN: Comm. Cartine (Dec. 19, 2011, August 22, 2011)
 Comm. Catalano (Nov. 21, 2011)

8. CORRESPONDENCE

1-6-12 Letter from Burnt Tavern Manor Condominium Association expressing thanks for the recent assistance provided them by Director Pannucci

Director Lacey advised, "Burnt Tavern Manor had an issue where we essentially switched to consumption based and it affected them. Essentially what they had to do is explain to their membership in their community that while we lowered their quarterly rate sixty dollars let's say because we went to consumption based, they have a common meter. Since they still had the meter they had to make up the excess charge. They didn't like the idea that we were billing them less individually, but they had to go back to their common charge per unit and make the difference up. There was a lot of back and forth and it was our way that we could help them and it basically came to the fact that there was nothing that we really could do. Director Pannucci went to their meeting and explained the situation how the billing works and it was very extensive and acceptable. Mr. Paul Hayes who is the manager there sent a very nice letter thanking the board for Mr. Pannucci's abilities."

9. APPROVAL OF BILL RESOLUTION

Comm. Bottazzi read the Bill Resolution Dated January 23, 2012 in the total amount of \$2,747,911.85 as follows:

Total Operating Vouchers:	\$	1,343,245.47
Total Payroll:		1,246,907.06
Total Capital Vouchers:		156,759.32
Total Bill Resolution	\$	2,747,911.85

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

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

10. TREASURER'S REPORT

Comm. Cartineread the Treasurer's Report balances for the month ending December 31, 2011 as follows:

Unrestricted Funds:

Total Revenue Funds:	\$12,682,007.24
Total General Funds:	252,009.78
Total Unrestricted Funds:	12,934,017.02

Restricted Funds:

Rate Projection Maintenance Fund:	3,591,000.00
Future Capital Requirements Fund:	1,904,321.72
Working Capital Fund:	1,121,464.21
NJEIT Processing Fund:	1,789,724.82
Total Bond Funds:	7,983,413.75

Total Other Restricted Funds:	1,781,540.81
Total Restricted Funds	18,171,465.31
Total of All Fund Accounts:	31,105,482.33

Comm. Cartine made a motion to accept the Treasurer’s Report. Seconded by Comm. Catalano

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

11. DEVELOPER APPLICATIONS – NONE

11.1 Preliminary Applications - No Further Action Required

2111 Mr. Steve Zavodnick, American Construction Management, Buffalo Wild Wings Construction Fit-Out for Existing Retail Space – Suite #5, Hooper Avenue, Preliminary, NFA, 1 Commercial

Comm. Buttacavoli advised, “This is for American Construction Management for a Buffalo Wild Wings to be constructed in the formerly unoccupied Block Buster store. They are planning to utilize the existing diameter sewer lateral and appropriate grease traps will be installed to the approval of the Township Plumbing Department. A six diameter fire protection water service will be extended from the existing 8 inch diameter one to two diameter domestic waters service will be extended to the 8 inch diameter water main service. This is a preliminary no further action required and I will make a motion to recommend this approval.”

Seconded by Comm. Catalano.

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

11.2 Other Applications –

2107 R.T. Man Properties, Inc., Major Site Plan – Nationwide Imaging Services, Industrial Parkway, Final, 1 Commercial

Comm. Buttacavoli advised, “This is RT Man Properties. This is a major site plan proposed for 1111 Industrial Parkway Properties. It is a two story warehouse office building of 14, 448 square feet of warehouse space with a second floor with 3605 square feet of office space. The existing building located on the property is also to remain. They are extending a four inch diameter sanitary sewer lateral service that is within the property. Proposed six inch diameter fire protection service to be extended from the existing 8 inch diameter water main in Industrial Park and proposed 1.5 inch cooper water service lines to be extended from the existing 8” diameter water line in the industrial park. I make a motion to approve this application.

Seconded by Comm. Bottazzi.

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

12. UNANTICIPATED/EMERGENCY CAPITAL EXPENDITURES - NONE

13. CUSTOMER ACCOUNTS RECONCILIATIONS

Director Pannucci reviewed the customer accounts reconciliations as follows:

- a. Account 1033607-29, 1930 Route 88, Brick Fitness. A sewer credit is recommended in the amount of \$806.00 due to a leak in their pool. Average usage is 123,000 gallons and the quarter in question rose to 247,000 gallons. All repairs have been made and verified and the meter is in proper working order.
- b. Account 99994068-0, 19 Orchard Ct., JV Kantor. A one time water credit is recommended in the amount of \$549.02 due to a toilet leak. The average usage is 7,000 gallons and the quarter in question rose to 202,000 gallons. All repairs have been made and verified and the meter is in proper working order.
- c. Account 4772007-0, 14 W Coral Drive, Anna Gregg. A one time water/sewer credit is recommended in the amount of \$875.52 due to a toilet leak. The average usage is 16,000 gallons and the quarter in question rose to 160,000 gallons. All repairs have been made and verified and the meter is in proper working order.
- d. Account 9852802-2, 319 Brick Blvd., Planet Fitness. A refund from their ISC escrow in the amount of \$1,263.32 is recommended after a two year evaluation of actual usage. This has been reviewed by both Director Specht and myself.

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

Seconded by Comm. Bottazzi.

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

Chairman Veni asked Director Pannucci, "Are we the only water company that does this?"

Director Pannucci replied, "In this area that I know of yes. About two years ago we did a survey. I know Point Beach doesn't do it. Point Borough doesn't do it. United Water out on the Barrier Island, actually that is New Jersey American, they do it on their water end, but outside of that I can't think of anyone in the state that does it."

Chairman Veni asked, "What would we have to do to stop this?"

Director Pannucci advised, "It would be a board decision."

14. CONTRACT CLOSE-OUTS

15. AUTHORIZATION TO EXPEND APPROVED FUNDS

- a. Refurbish Variable Frequency Drive for Transfer Pump #2 in the amount of \$6,085.64
Vendor: Applied Analytics
Funding Source: Account 799008

Director Maggio stated, "We are requesting authorization to expend approved funds to refurbish the variable frequency drive (VFD) for transfer pump No. 2. The cost of this refurbishment is \$6,085.64 and the vendor is Applied Analytics from Account 799008. This will essentially bring the unit up to factory specs. The work will be done by a factory representative and the unit should operate as new and will include a one year factory warranty when the work is done."

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

AYES: Comm. Buttacavoli, Cartine, Catalano, Bottazzi, Veni

NAYS: None

ABSTAIN: None

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

16.1 Security Access System

Director Bundy advised, "I would like to request permission to go out to bid for our Security Access system and also permission to rebid a vehicle purchase for which we received no bids on and also we might as well do the SCADA at the same time."

Director Lacey stated, "Mr. Chairman I just want to point out when we put out the bid for the vehicle I believe 11 vendors either picked up or were notified and no one returned them."

Chairman Veni stated, "Just for the record I made a call and it seems it was put on someone's desk and they forgot all about it."

Comm. Cartine asked, "Why is that?"

Director Lacey replied, "I think they are looking for fleet sales now between the bid bond and the couple of bucks they make on a car they really are not interested."

Chairman Veni stated, "Just so you know my understanding is that if you put it out for a second bid and we get no takers we are then allowed to go and negotiate so that is what we are pushing. I need a recommendation to approve these three public bids."

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

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

17. ADOPTION OF REPORTS

Comm. Catalano made a motion to adopt the Directors' Reports. Seconded by Comm. Buttacavoli.

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

18. ADOPTION OF PERSONNEL ACTIONS

Chairman Veni asked Counselor Koutsouris, "Do you want to say something or do you just want to accept what we talked about?"

Counselor Koutsouris replied, "You can accept what we talked about except I think there are two items that will require formal action so they should be handled as separate resolutions."

Comm. Bottazzi asked, "What about the Rice Letter?"

Counselor Koutsouris advised, "That will be included in the Personnel actions."

Chairman Veni asked, "Do you want to say the resolutions and make them up now?"

Counselor Koutsouris advised, "Well I think there are two contract issues that I think we can handle with Resolutions and and if you are adopting the Personnel action that adopts everything we discussed in personnel."

Comm. Buttacavoli made a motion to approve the personnel actions. Seconded by Comm. Bottazzi.

AYES: Comm. Buttacavoli, Cartine*, Catalano, Bottazzi, Veni
NAYS: None
ABSTAIN: *Comm. Cartine (See comment below)

Comm. Cartine asked, "Can we bifurcate our vote on this because there are several issues here under personnel?"

Counselor Koutsouris advised, "Yeah I don't see why you couldn't."

Comm. Cartine stated, "Well there are several issues. I am going to vote yes on the two contracts that we discussed and the other issue I am going to abstain on."

19. OLD BUSINESS

19.1 Arbitrage Calculations

Mr. Holman advised, "Mr. Chairman the Board requested that we perform calculations. You may recall the IRS every five years after a bond issue they ask for an accounting of interest that you have earned on money you haven't spent from that bond issue. We compared those numbers. We looked at two bond issues for you. One was the 1998 issue for ten years of calculations. We went over this in detail with the Finance Committee. Kind of remarkably the dollars for 1998 came out to be within \$15.00 of what we would be required to file a return with the IRS. Our proposal talked about if we were close we would continue the computations, but because it was that close we went into the next five year period. So 1998 we did ten years and when we got to 2008 we ended up with a negative \$28,000 in arbitrage. So that is a good thing you have a cushion in there. These issues are outstanding typically for thirty years so this ten year you kind of have a credit going in and for 1998. The 2002 issue you have a credit of \$2 million. We did through 2010 and there is a heck of credit there. All this has to do with the arbitrage yield at the time you went out for the bonds and the interest earned since then. So the 2002 issue has an arbitrage yield of 5% and we haven't earned close to that since 2002. So there is a big credit on 2002. You don't owe anything to the IRS. The Finance Committee, Comm. Catalano requested that we prepare a proposal and instead of getting behind on this where we are doing ten years at once let's stay on top of it. We did do a proposal for you to do this annually and that would involve three issues. One more issue comes into play now and that is the 2006, but we will spell that out next month. The good news is you don't owe the IRS anything, and you have a credit on that one issue. I was just talking to Mr. Planko and just as an aside we have been going out for bids for CD's and we are not even getting responses from the bank, kind of like the truck purchase thing. I don't expect your returns are going to threaten that credit you have on that in the near term. I don't ever recall a bank not interested in CD's. They are just not coming back with any quotes."

Comm. Buttacavoli made a motion to adopt this matter. Seconded by Comm. Catalano.

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

19.2 Authorization to Proceed with the Phase II Utility Easement Clearing

Director Specht advised, "Yes Mr. Chairman I sent to the Board last week a report put together by my staff for the proposed Phase II Clearing of Utility easements. Phase II will involve Azay Drive, Beaverson Blvd, Burnt Bridge Drive, Essex Place, Montclair Drive, North Lake Shore Drive, Virginia Drive and Sally Ike Road. In order to gain proper access into our utilities in these easements we have to maintain them. We kind of fell behind on this maintenance about ten years ago and we are catching up to it now so I would recommend that we move ahead with the Phase II. In a couple of years from now I will probably present Phase III. We will send out the proper notices to any resident that is impacted and anyone adjacent to the clearing. We also need to get permits from the Township of Brick to remove trees."

Comm. Cartine asked, "How many easement groups do we have? I remember looking at Phase I last year and Phase II now, how many total easements do we have?"

Director Specht replied, "I would say we are probably going to have two more phases after this

one. Each one is about nine easements in a group so we probably have about forty easements to be maintained.”

Comm. Cartine asked, “My second question, when an easement goes through private property which in some cases it does, is the property owner responsible to maintain that easement or is it still upon us to maintain it?”

Director Specht replied, “We will maintain the easement if it is in an unimproved area, but if it is a grass area they will cut the grass on the easement. But if it is unimproved areas where trees have grown up we go back in there and knock that stuff down because we need to get into our utilities. We have easement language that specifically states that.”

Comm. Cartine asked, “On private property are our easements are mapped on personal property deeds?”

Director Specht replied, “Generally there is a deed restriction on a survey. It will show on the plot.”

Comm. Ciocco asked, “In some of the pictures there are fences. Aren’t these blocking access to the easement?”

Director Specht advised, “Fences do block access but again it is up to the property owner. If we had to get in there we will remove that fence or tell them to remove it especially if it is an emergency and they will have to reinstall it. We specifically have language in our easement documents that you can’t block our access to get in. If it is blocking, obviously the easements have access from both ends we would attack it from the other end so we don’t have to pull it down if necessary. If not we will take the fence down. We will minimize any inconvenience to the property owner.”

Director Lacey advised, “Sometimes also when we clear an easement there is always concern that people will start using it as a cut through.”

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

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

19.3 Authorization to Proceed with the Water Main Replacement/Upgrade on Hoffman Street between Route 88 West and Harvard Avenue

Director Specht advised, “This is also Resolution 09-12 maybe we can discuss that when we discuss resolutions.”

20. NEW BUSINESS

20.1 Draft Resolution Authorizing Participation in and support of Watershed Protection Education and Outreach Efforts – RESOLUTION NO. 13-12

Director Maggio advised, "We periodically get requests from non-profit organizations to participate in and support in watershed protection education and other efforts. Some times the support of those projects would require us to commit a minor amount of resources including possibly some staff time, occasionally some laboratory analyses. I have discussed this with the Watershed Committee and in my monthly report I prepared a draft resolution for the Board to discuss that would empower Executive Director Lacey to authorize us as these requests come to give us authorization to participate in these minor projects. Recent ones that came up were the MATES with OCBTS. They had some science projects that were water quality related and they had asked us if we could do a couple of lab analyses for them. Also they had asked us if we could accept some interns that might work along side our staff to see what the water industry is all about. They were actually very small projects. I would just suggest that the Board consider empowering Executive Director Lacey to authorize these requests as they come along."

Comm. Bottazzi stated, "Have you discussed this with Commissioner Cartine who is Chairman of that Committee?"

Comm. Cartine advised, "Last week I emailed director Maggio my congrats that I wholeheartedly endorse the program and fully support it."

Comm. Bottazzi stated, "I make a motion that we allow the commissioner and director to do as he is requesting to participate. We are not allowed by law to donate cash or give anything to anyone, but if we go there with your staff and we are educating people to go there it is a win win."

Director Maggio replied, "Exactly and that is the intention in supporting projects like this. This also consistent with the education and outreach segments of our watershed management plan."

Seconded by Comm. Buttacavoli.

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

21. RESOLUTIONS

01-12 2012/2013 Authority Water Budget Resolution for Fiscal Year
From April 1, 2012 to March 31, 2013

Director Planko stated, "As I mentioned earlier I sent out complete budget packages to the Finance and Rate Committee and reviewed that and sent out a package to all the commissioners and talked about it briefly tonight. These resolutions correlate to those documents that were sent out. Upon approval tonight these resolutions will go out tomorrow along with the required certification to the Department of Local Government Services for their review and approval as well. This is both Resolutions 01-12 for the water budget, and 02-12 for the Sewer budget."

Comm. Catalano made a motion to adopt Resolution No. 01-12. Seconded by Comm. Bottazzi.

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

02-12 2012/2013 Authority Sewer Budget Resolution for Fiscal Year
From April 1, 2012 to March 31, 2013

Comm. Catalano made a motion to adopt Resolution No. 02-12. Seconded by Comm. Bottazzi.

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

07-12 Adoption of Official Mission Statement

Chairman Veni advised, "This is the official mission statement. Marie can you please read this for the record."

Comm. Ciocco advised that after Ms. Sylvester reads it there is one small change he would like to recommend.

Ms. Sylvester read the draft mission statement as follows, "Mission Statement of the Brick Utilities. It is the goal of the Brick Township Municipal Utilities Authority to provide excellent customer service and to consistently deliver clean, safe potable water and reliable sewage collection services to our customers through our dedication to constant water quality testing, the protection of our watershed and the maintenance of our infrastructure."

Comm. Ciocco stated, "Where it says "constant water quality testing" I thought through our dedication to ongoing water quality testing. I don't know if that makes it sound better or makes it sound..."

Comm. Cartine suggested that we use continuing and made a motion to adopt the mission statement as amended using the word continuing rather than constant. Seconded by Comm. Bottazzi.

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

08-12 Award of Chemical Bid – FY 2012-2013 Chemical Bids

Director Maggio advised, "On January 10, 2012 we opened up bids for water treatment process chemicals for fiscal year 2012/2013. The low bid packages were reviewed and appear satisfactory and we provided it to our attorney also. The total amount of all the bids was \$742,281.00. As in the past we have a chemical budget of \$600,000 and our chief financial officer has done a certification of funds and

we have made a notation in the resolution that if we go above the \$600,000 funds will be taken from other operating accounts. Generally we do operate below the total cost of the chemical bids. We did request two year prices for Alum and Sodium Chlorite and the prices for both of those chemicals appear to be favorable. We recommend that we award a two year contract for the supply of those two chemicals as well.”

Comm. Catalano asked if that was included in \$742,281.00.

Director Maggio advised, “That would just be the current fiscal year cost. The second year does not include that cost.”

Comm. Catalano asked Director Planko, “Moving that \$100,000 around is not a problem?”

Director Planko advised, “This is the way Director Maggio talked about this last year as well. He mentioned the \$742,281 is really the maximum bid. We don’t anticipate hitting that but if we get to that point then we will look at some numbers in order to compensate for the difference.”

Comm. Catalano made a motion to adopt Resolution No. 08-12. Seconded by Comm. Buttacavoli.

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

09-12 A Resolution to Amend the Shared Service Agreement between the Township of Brick and The Brick Township Municipal Utilities Authority entered on April 19, 2011 and amended on August 16, 2011 in Association with the Township of Brick’s 2010 Roadway Program to Include Water Main Improvements on Hoffman Street in the amount of \$68,898.53.

Director Specht advised, “This has to do with as I spoke previously the replacement of the water main on Hoffman Street which is right down the road here for \$68,098.53. We need to amend our shared services agreement with the Township of Brick. We will be utilizing the Township of Brick’s contractor Earle Asphalt to perform this work. Similar to the work that Earle was performing on Fort Street under the same contract. I would recommend that we move ahead with this at this time so we can get this water main replaced prior to the Township paving that road.

Comm. Buttacavoli made a motion to adopt Resolution No. 09-12. Seconded by Comm. Bottazzi.

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

10-12 A Resolution Authorizing the Authority to enter into an employment agreement With Frank Pannucci, Director of Customer Accounts

Counselor Koutsouris advised, "That would be a resolution authorizing the Authority to enter into a five year employment agreement with Director Pannucci which will commence on January 1, 2013.

Comm. Cartine made a motion to adopt Resolution No. 10-12. Seconded by Comm. Buttacavoli

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

11-12 A Resolution Appointing Director Stephen T. Specht Deputy Executive Director

Counselor Koutsouris advised, "That would be a resolution to appoint Director Specht the title of Deputy Executive Director effective January 1, 2012 and that term would continue through the end of his current employment contract."

Commissioner Bottazzi made a motion to adopt Resolution No. 11-12. Seconded by Comm. Cartine.

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

Director Specht stated, "Thank you commissioners. I appreciate that."

12-12 Amending the Authority's Administrative Code regarding purchases over \$400.

Counselor Koutsouris stated, "This would be a resolution to amend the Administrative Code of the Authority to require it be three price quote system for all purchases which exceeds \$300 per purchase as opposed to the existing \$400."

Commissioner Bottazzi made a motion to adopt Resolution No. 12-12. Seconded by Comm. Buttacavoli.

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

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 should provide their name and address.*"

There were no members of the public present.

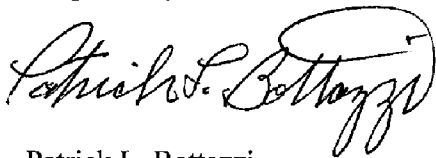
23. CHAIRMAN'S CLOSING STATEMENT

Chairman Veni read the following statement: *"The next meeting of the Authority will be the Annual Reorganization Meeting on Wednesday, February 1, 2012 at 9:30 a.m. The next Public Meeting of the Authority will be on Monday, February 27, 2012 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 8:18 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, looping initial "P".

Patrick L. Bottazzi
Secretary