

Minutes of a PUBLIC MEETING of
The Brick Township Municipal Utilities Authority Held on
October 22, 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 February 9, 2012 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

Patrick L. Bottazzi	Present
Allan E. Cartine	Present
George Cevasco	Present
Joseph P. Buttacavoli	Present
John Ciocco	Present
Joseph M. Veni	Present

Absent:

Edward McBride

Staff & Consultants Present

James F. Lacey, CPWM, Executive Director
Steve Specht, PE, Director Engineering/Operations
Scott Bundy, Director of Central Services
Marie Sylvester, Executive Supervisor
Jerry Dasti, Esq. Authority General Counsel
Chris Dasti
John S. Truhan, PE, Authority Consulting Engineer
Frank Holman, Authority Auditor
John Mercun, Labor Counsel

4. Directors' Reports

a. James F. Lacey, CPWM, Executive Director

Director Lacey advised, "We don't have a real lot to report on. As you know the big items will be the ASR Well and we are scheduling through Steve Specht to get them back on site. Abandoning of the other well. We have had some issues with some main breaks over the weekend as many of you might have heard about. We did have a Finance Meeting and it was very timely that we were discussing the need to pay attention to the capital needs of some of the infrastructure as it starts to age and this weekend we had a couple of issues. That is pretty much it. We really don't have anything for personnel. That is all I have."

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

Director Specht advised, "I have a couple of items on the agenda. One is for an upgrade or repair to a pump at the Drum Point wastewater pump station. I also have two resolutions. One resolution is for the Annual Consulting Engineers inspection report put together by John Truhan and his staff that is for calendar year 2011. I also have a change order I am looking to get approved by the Board for additional fees that we will be receiving from the Borough of Bay Head for work that we performed for them for the design and construction management services for the Lake Avenue Sanitary Sewer Rehabilitation Project that we did for them. That is about it."

c. Frank Planko, Chief Financial Officer

Director Planko advised, "I just want to give a brief update on our electrical bid which I spoke with the Finance Committee about. In Director Pannucci's absence I will also cover his agenda items when we get to that. With the electric bid that was approved by the Board last month I sent out a bid this is for the admin complex only. We are talking about an annual use of maybe 7 million kilowatts. This bid is due to be returned on November 1st, but the issue that we have with this bid is the electric costs are directly correlated to Natural Gas prices and those prices and market conditions fluctuate on a regular basis. At that bid opening what we are going to need to do is notify the winner rather quickly so the we can lock into their purchase. We discussed this at the Finance Committee Meeting and one suggestion we had was to have our attorney at the opening on 11/1 to review the winners bid for compliance and then we would be able to contact the winner so they could go out and make their purchases on the market and then finally approve the bid at the 26th meeting. This is something we talked about at the Finance Committee meeting and I just wanted to bring it up to the Board for Frank and Jerry if they have any further suggestions on that."

Chairman Veni asked, "And that is all legal?"

Director Planko advised, "Well that is why I bring it up. I want to make sure with Jerry and Frank that they would be ok with that."

Chairman Veni advised, "Ok there will be more discussion further on in the meeting."

Director Lacey added, "If you remember we did a reverse bid once before and once the Board authorized us to go right ahead with that. We were able to purchase at the time because this is very sensitive, you either go with the lowest bid or you can't say let me get back to you. The Board is going to have to make that decision. We have done it in the past and I don't know what the professionals want us to do or how to handle that. If it comes in low we are are going to have to move on that and we are going to have to do that on the first of November."

Director Planko added, "We did it at the reverse bid when Director Lacey and I were in Toms River and we did our last bid also with Con Ed Solutions?"

Chairman Veni asked, "Now you are talking about November 1st. How do we vote on that?"

Counselor Dasti advised, "Just authorize them to go with the lowest bid presuming it complies with all of the requirements and I will review the requirements so I'm sure it will be fine."

Director Planko added, "The reason we can't wait with the bid opening from the first to the 26th the market conditions can change drastically at which point they wouldn't be able to meet the price they quoted us so that is the reason we would have to hook into that day. They have to make their purchases for quantities."

Comm. Cartine stated, "It is still just a bet. You are just betting that you will get the lowest price."

Director Planko replied, "It is a bet but if it is not done immediately there is more hedging and they have to deal with that hedging impacting the price which we would have to pay for."

Comm. Cartine stated, "Yes so my point is that price can come down also. So what you are doing is making a bet right now and that is all it is."

Counselor Dasti advised "Well it can always go lower Commissioner, but the point is whatever the bid is that day that is going to be lower than what you are paying now. We only know what we are paying now per kilowatt."

Director Planko replied, "And what will happen is this is based on the market and the market moves. I don't expect to get those bids back probably until mid day. They will send it to me Fed Ex that day. There is a small margin between when they send me the bid and who the winner is so they can secure their purchase."

Counselor Dasti explained, "We have been involved in energy aggregation for different municipalities on a town wide basis for the residents they are going to save 15% per year on their electric."

Chairman Veni asked, "So you are going to get everything Fed Ex on Tuesday, Nov. 1st?"

Director Planko reviewed, "I would expect more companies. So far I have three or four. I am expecting four more bids Fed Ex just before that bid opening at 3:00 p.m. on November 1st. I would like to open them and the lowest one I would like to have general counsel review the bid for compliance and then notify the winner that they have the lowest price."

Chairman Veni stated, "And if you open up say by 3:00 and 330 you will be able to talk to Jerry."

Counselor Dasti advised, "I will be up here and then we can email you late in the afternoon and tell you what happened so you can go from there. I would suggest that because of these reasons that you should authorize us now to go with the low bid."

Chairman Veni stated, "I have no problem with that I just want everything on the table so that everyone understands."

Frank Holman stated, "Mr. Chairman so that will be your price because you aren't going to be able to wait until that day because there will be a number but it will be a fixed price. And Comm. Cartine if you thought natural gas prices were going to go down then you could place your bet that way and you could do a variable rate. Of course it went up on a variable and you get burned the other way so what we are doing is we are picking. We want the lowest price at that day, but it will be lower than what you are paying now."

Counselor Dasti stated, "My suggestion would be that you authorize us on your behalf to accept the lowest bid presumably it complies with all of the bid requirements and after November 1st I will type up a resolution in writing for you."

Comm. Cartine asked, "Is it proper to go ahead and make that motion?"

Comm. Bottazzi stated, "Go ahead and I will second it."

Comm. Cevasco asked Director Planko, "Do you know what you are paying for it right now?"

Director Planko replied, "We have been free floating the past five months. It has been ranging between 5.1 cents to about 7.6 cents. Right now for all other accounts. We have 41 other meters and for those 41 of the meters we need to go through the State Coop which is called the SEM and for all other meters we are paying 7.5 cents. These are for Reservoir, lift stations, and pump stations."

Comm. Cevasco asked, "While we are talking about electricity. What do we buy from Hess?"

Director Planko replied, "Hess won the bid through the SEM that I just mentioned so they are taking care of all of our small FP (fixed price) accounts. All of our other 41 meters plus we have an interruption agreement that gives us about \$120,000 a year on our electric."

Mr. Holman added, "Natural gas is trending up the last four or five months. This time last year they were below the Mendoza line. They were about \$2.00. Now they are at \$3.60 so the turned is going up and most of your electric generation is natural gas powered."

Dir. Planko stated, "Hess is one of the companies I spoke to today. I spoke to Champion Energy which is huge also. They are based out of Dallas. I spoke to Veridian and Con Ed Solutions who was a supplier of ours one other time as well so I expect to hear from several suppliers."

Comm. Cartine made a motion to give authorization to our staff to make that purchase as suggested by our CFO and our attorney. Seconded by Comm. Bottazzi.

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

d. Joseph Maggio, PE, Director of Water Quality

Director Maggio advised, "I have one item for discussion on the agenda and that is a discussion of the renewal of our shared services agreement with the Passaic Valley Water Commission for Laboratory Services which is coming to an end. We have had some preliminary discussions with them and I will let the Board know what we have been talking about in terms of terms for the contract. So far everything has been very favorable for us in terms of what we have proposed for the contract and our prices. We are proposing an increase of 15% for our laboratory services. So that is very positive. Six months ago we started our full scale chemical process changes and as I have been reporting we have been getting consistent cost savings. I'll be honest it far exceeded my expectations. I thought we were conservative in our expectations. We discussed it with the Construction Committee and we took a look back over those six months and we are doing a detailed study of water quality and the specific costs for the various chemicals. But preliminarily it seems that we have saved in excess of \$160,000 on chemicals for the treatment process over that six month period. A lot of that is attributed to the elimination of the use of carbon dioxide in the treatment process. Also a significant reduction in lime usage and some significant reduction in caustic usage. The biggest surprise was we were expecting the new coagulant to be dosed at approximately half of what we dose alum at and the cost for ACH was about twice what Alum was so we thought it would be a wash, but we are actually dosing about a quarter of what we were dosing alum at so even with the coagulant which is the place where we thought we'd break even we are still coming out significantly ahead. It is all good news and none of it has had any impact on water quality. We still put out the same levels of turbidity that we always have and ease of operation. We put out pretty much some of the best turbidity levels so it would be tough to get better. So we are really not willing to sacrifice water quality and we haven't had to. There is going to be a longer discussion in the Watershed Committee but we have finalized our Metedeconk Watershed Restoration Plan that has been submitted to DEP and on November 2nd there will be a dog and pony show that DEP has requested for some of their departments' hire ups because they are very proud of the progress we have made on the Watershed Management Plan. Last but not least we did have our bi annual laboratory audit from the NJ DEP. This is always a very stressful time in the lab. We have not received the formal feedback letter - they always find something wrong, you didn't dot this I you didn't cross this T, but preliminary feedback that we got from the auditors which was very unusual was they were very very proud and happy with the performance of our lab. We are waiting for the letter, but I want to report back to the Board that preliminarily they were very happy with the way our lab manages itself."

Chairman Veni stated, "Very good. You should be very proud."

Comm. Cartine stated, "Mr. Chairman just to comment. I happened to be in the building that day and I witnessed Joe's staff coming in from one of the outbuildings to this conference room. I thought I was at Brick Hospital. They all had white coats on and they all looked like physicians and surgeons and I did make a remark with regards to what I saw. I am very proud of what they do out there. We are very well thought of around the state. I know this personally and they also know within the Ocean County Utilities Authority Association. Thanks to our staff and Joe and his people we should be proud."

e. Scott Bundy, Director of Central Services

Director Bundy stated, "I have three items on the agenda tonight. Two of them are purchases. One is a trailer mounted generator and the other is a snow blower. We are also seeking permission to take bids for the jet vac as we talked about at the Construction Meeting and I just want to let you all know that the paved path at the Reservoir has been solved."

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

Director Pannucci was not present at the meeting.

5. Commissioner Committee Reports

a. Construction, Buildings & Grounds Committee – Commissioner Buttacavoli

Chairman Veni stated, "Comm. Buttacavoli was not in attendance at the meeting so perhaps Director Specht can fill us in on what was discussed."

Director Specht advised, "We have six developer applications on the agenda that I will go through once we get to that item on the agenda. We also discussed the major items that we are seeking approval on the agenda tonight and two resolutions. One resolution is for pump number three at the wastewater pump station and a couple of Scott's items, the jet vac as well as the emergency generator and the Bob Cat attachment. Also with regard to ASR Well No. 15a, a change order was approved by the Board October 9th and fully executed. The check was forwarded to Layne by Mr. Dasti and hopefully we will have Layne mobilize in the very near future to get that job wrapped up."

b. Finance Committee – Commissioner Buttacavoli/Bottazzi

Comm. Buttacavoli stated, "We had a Finance Committee meeting last Friday. We had a conference call with a representative from Bruno Associates which was like every other discussion with Bruno Associates - they are working on something."

Director Planko stated, "That is the Environmental Education Grant that they mentioned in the past. They are working on that."

Chairman Veni asked, "When they say they are working on it how long does it take to put some paper together and some notes and send it in?"

Director Planko replied, "That is the same question I had in my mind also Mr. Chairman."

Comm. Buttacavoli stated, "He said that the woman who was handling it was out but she had some questions to go over with Director Bundy. We also went through a brief summary of the budget and we also spoke about the electric bids."

Director Planko stated, "We talked about the five year capital plan and all the department heads did a nice job on putting that together and when they did that they included additional needs so Steve Specht put in some additional needs he will have for water main included and ASR well and so forth. As

I mentioned to the Finance Committee it would be a good idea for certain members of the Board whether it be the Construction Committee or Finance Committee to look at the line by line items on the capital plan so we can more or less fine tune it. I could come to finalization and include that in my budget rates and five year planning so we are just sort of waiting for further direction on what kind of details you want to review Mr. Chairman. Would you like to have a further review at the next Construction Meeting or whatever you think is best?"

Comm. Buttacavoli stated, "I also was very pleased that Steve added that in with the number of breaks that we have to plan for the future to be able to repair these things and it is good that they are included in the five year plan."

Comm. Cartine stated, "Just as a matter of information, I recently had read in the local newspaper the situation that Stafford Township is now having. As you know the Stafford Township government took over and merged their MUA into their government. As it stands right now they are running without any capital money and they are about to assess their people with some of the improvements that they have to make by taxation. That just speaks to the fact that if you don't take care of the infrastructure, they raided the treasury of the MUA when they took it over and that is what you get when you get these mergers. You get no money and you have water that doesn't flow properly through your Township without breaking down."

Director Planko stated, "I gave a little summary on some of the increases Steve put in about another \$5 million for water mains, \$1.3 for the ASR Well that would be at Parkway service territory. Director Maggio put some additional funding in for water treatment plant modifications and repairs. I will get a lined copy out to everyone so when you have your Construction Committee meeting you will have that at your fingertips."

c. **Rate Committee – Commissioner Bottazzi/Ciocco**

Comm. Ciocco advised, "We did not have a Rate Committee meeting. Once Director Planko finalized his budget preparation we are going to convene a rate committee meeting."

d. **Reservoir Committee – Commissioner Bottazzi**

Comm. Ciocco advised, "There were no pressing issues so we did not have a meeting."

e. **Watershed Committee – Commissioner Cartine**

Comm. Cartine stated, "Yes on the watershed. You all received a copy of Joe Maggie's report about the watershed. There are some interesting items in here that our visiting public doesn't really know about and just for the record some of the issues that we deal with which you wouldn't think we would have to deal with because if you think of our watershed as being right here. We don't think that it goes into Lakewood, Howell and Jackson and Millstone and all those other communities that affect the watershed. Some of the items that come up, some are somewhat comical others are very serious. We have of course in Lakewood a religious burial along some sites on our watershed that could jeopardize our water sources and it is a religious thing and it is now in the process of being cleaned up as I understand and another site has been provided that is off the watershed area and it won't adversely impact us. But these are the things that we have to deal with on a day to day basis. The watershed protection and restoration grant which is something that we are very proud of has received \$149,000

for its efforts. Continuous meetings are going on in Lakewood and Howell particularly to identify additional sites for restoration. That is a continuous project. I have to say once again the DEP is very proud of what we do here and how we are performing and it may mean possibly more grants for us in the future. Joe is shaking his head yes so that is proof that I speak the truth. We have something I have to ask Joe about and we have this grant possibility. It is called a PFC study. I didn't know what PFC stood for so I had to ask Joe and it means perflouranated compound, PFC. what we may be funded for is the test wells will be drilled on our sites throughout the watershed to identify ground water pollution. This is an additional study which will bring together not only NJDEP but other areas such as the areas and the office of staff of DEP and the NJ Geological Survey will participate in this test. Great news because once again we can identify where we might be getting polluted areas into our watershed. Finally you can tell us how well we did in October with the Barnegat Bay blitz."

Director Maggio advised, "It wasn't our normal effort where we bring in outside organizations in to do a watershed clean up with our source water team. We did do a small clean up in conjunction with the Barnegat Bay blitz which is a DEP Barnegat Bay Clean up effort with thousands of volunteers throughout the watershed, not just our watershed but the Barnegat Bay Watershed. I went out on a canoe and I went upstream with one of our staff members and we came back with a couple of garbage bags full of cans, shoe, bottles and all sorts of stuff. It's an aesthetic thing. These are things that don't degrade our water quality from a treatment process, but it is definitely an aesthetic thing. Something like this really helps to give people an awareness of watershed protection which does benefit us in the long run because it does work to maintain the quality of our water that we rely on."

Comm. Buttacavoli stated, "Now Joe these grants that we are getting are totally done in house and not through any outside source?"

Director Maggio advised, "The PFC study that is actually, I wasn't very clear, that is a grand study that we have received and we have been working on it. It's \$100,000 and we have been collecting samples and this was done in house and we have not hired any consultants. We have been collecting samples for these compounds and actually found that it is an unregulated compound. There is no limits on them, but we did have pretty high level of limits in the Metedeconk and we have at this point narrowed down the source of those high levels to a matter of about three or four hundred feet of shoreline in the Metedeconk River. We met with DEP . They have steered us to the NJ Geologic Survey where NJ Geologic survey has graciously offered to help us with some portable well drilling equipment and they are going to drill some ground water wells to collect some groundwater samples. Because so far everything has been surface water samples. So we are making great progress on that. I am trying to find what the source of these unregulated compounds are so we can eliminate them. As far as the watershed grant that is right now at \$666,000 grant. This is the first phase. \$200,000 of that grant was for the preparation of the plan. We were very involved in the preparation of that plan. We have had a number of meetings. I know Commissioners Cartine and Cevalasco have been to a number of them, Comm. Bottazzi was at the kick off meeting. We did hire a consultant to help us prepare that plan. It was beyond our abilities and that was CDM Smith has prepared that plan along with John Truhan. The second phase which was \$466,000 is to actually build some of the improvement strategies that are identified in the plan. That would also require our heavy involvement, but the actual design and construction will be done by engineers and contractors doing the design. This is unofficial, but we understand that we are supposed to get an additional \$700,000 from DEP for additional work to put more of these items identified in the watershed plan into action. Again that money would go towards contractors."

Director Lacey asked, "Joe these actual dollars are for what we are applying for ourselves? We are not getting help from anyone outside? We are doing the grant applications in house?"

Director Maggio replied, "This is us. This is all a result of our strong relationship with DEP. They really count on us for this type of work."

f. Alternate Water Source/Energy Committee – Commissioner Cartine

Comm. Cartine advised, "Steve is now working on exploring solar energy. I haven't really anything to discuss at this time. We are looking into it and you will hear more about it as time goes on."

g. Hazmat Liaison/Committee – Commissioner Cartine/Cevasco

Comm. Cartine advised, "Hazmat didn't meet."

Chairman Veni stated, "I would like to say something about Hazmat. Silverton Fire Department had two Saturdays ago a fair and I met with John Rouse and he was there. He is also a member of Berkeley Hazmat and he gave me a nice little tour of all the equipment they have. I told him I guess maybe we should get some of that equipment here and he said he would be more than happy to put it together."

Director Maggio advised, "It is very expensive."

Chairman Veni replied, "Yes he told me some of the prices but hey if we need it we might as well get it. As far as the Security Meeting

h. Security Committee – Exempt – Chairman Veni

Chairman Veni advised, "I am not looking for any comments from commissioner Cartine or Cevasco, but I did want to say that we have designated Dominick Brando to prepare the specifications and plans for the Security System that we are looking at. Domenick was instructed to supply me at least two to three sheets every time he completes something and I haven't received anything in two weeks. I make the assumption that the specs are done. I still haven't seen the plans he is working on, but in any event being I have not had any contact for the last two weeks I am going to ask our Director Lacey to have Dominick write a status report and get it to me by Friday at 9:00 a.m. The good news is tonight we don't have an exempt session so we are going to continue."

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

There was no exempt session this month.

7. APPROVAL OF MINUTES

The minutes of the following meetings were distributed previously:

September 24, 2012

Comm. Cevasco made a motion to approve the minutes. Seconded by Comm. Buttacavoli.

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

8. CORRESPONDENCE - None

9. APPROVAL OF BILL RESOLUTION

Comm. Bottazzi read the Bill Resolution Dated October 22, 2012 in the total amount of \$1,590,513.86 as follows:

Total Operating Vouchers:	\$	253,176.13
Total Payroll:		959,299.57
Total Capital Vouchers:		373,264.06
Escrow:		4,774.10
Total Bill Resolution	\$	1,590,513.86

Comm. Bottazzi made a motion to adopt the Bill Resolution. Seconded by Comm. Cartine.

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

10. TREASURER'S REPORT

Comm. Cartine read the Treasurer's Report balances for the month ending September 30, 2012 as follows:

Unrestricted Funds:

Total Revenue Funds:	\$ 9,588,529.25
Total General Funds:	253,192.20
Total Unrestricted Funds:	9,841,721.45

Restricted Funds:

Rate Projection Maintenance Fund:	3,385,652.00
Future Capital Requirements Fund:	0
Working Capital Fund:	1,121,464.21
NJEIT Processing Fund:	2,886,261.32
Total Bond Funds:	15,054,967.17
Total Other Restricted Funds:	1,826,343.91
Total Restricted Funds	24,274,688.61
Total of All Fund Accounts:	34,116,410.06

Comm. Cartine made a motion to adopt the Treasurer's Report. Seconded by Comm. Cevasco.

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

11. DEVELOPER APPLICATIONS - NONE

11.1 Preliminary Applications - No Further Action Required

2119 DeSapio Real Estate Dev, LCC, Major Site Plan – STS Tire & Auto Center
Brick Blvd., Preliminary, NFA, 1 Commercial

Director Specht advised, “Application 2119 DeSapio Real Estate, Major Site Plan, STS Tire & Auto Center on Brick Blvd. It is a preliminary no further action for one commercial unit. This application supersedes developer Application 2041 which was recently approved by the Board for a proposed 11,000 sq foot day care building and 12,000 square foot commercial building. The STS Tire & Auto Center is approximately 5,600 square feet. What the applicant has requested in lieu of extending the sewer main which would be very expensive, they have requested the use of a septic system which would require approval from the Ocean County Board of Health. There is no sewer extension in that area. It would probably be at least 1,000 feet to get in front of the property and there are six other commercial businesses on Brick Blvd that also have septic systems at this time. I would recommend that if they get approval from the Ocean County Health Department that they be allowed to install that septic system. In the event in the future if they look to upgrade that property and install additional commercial building then it would be required as a stipulation to extend the sewer main. With regards to the water service there is a ductile iron water main right on Brick Blvd and they will run service into the building for that so that is acceptable.”

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

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

2122 Mr. Paul Kane, PMK Family Trust II, LLC, Minor Subdivision – 479 Brick Blvd.
& Block 547, Lot 22, Brick Blvd., Preliminary, NFA, 0 Commercial

Director Specht advised, “Application 2122 is for Paul Kane, PMK Family Trust II, minor subdivision at 479 Brick Blvd. and Block 547, Lot 22 also on Brick Blvd. This is a preliminary no further action, zero commercial. This is a lot line adjustment. There are no upgrades or changes to our water and sewer service to this property so I recommend approval.”

Comm. Bottazzi made a motion to approve this application. Seconded by Cevasco.

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

2125 Mr. & Mrs. Vincent LoPiccolo, Amended Minor Subdivision – 657 & 659 Princeton Avenue, Princeton Avenue, Preliminary, NFA, 2 Residential

Director Specht advised, “This is for Mr. & Mrs. Vincent LoPiccolo, amended minor subdivision at 657 and 659 Princeton Avenue, preliminary, no further action, 2 residential lots. What this entails is Block 934, Lot 11 on one and Block 934, Lot 12 are to be consolidated into one common property as part of the proposed subdivision on the property. An existing residential home on 659 Princeton Avenue will be demolished and a new building is proposed. If the services have to be upsized to service the new building the developer will have to do that so I recommend approval on this one also.”

Comm. Bottazzi asked, “You said services increased oversize, our services?”

Director Specht replied, “Our services are now we have a ¾ inch water service which may not be large enough. If they are going to put a larger house on that property they might have to upgrade that water service. The water main is right in front of their house so it would just be a matter of upsizing the tap.”

Comm Bottazzi made a motion to approve, Seconded by Comm. Cevasco.

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

11.2 Other Applications

2114 Mr. Mark Fusari, Charmajule, LLC, Mantoloking Commons – Major Site Plan, Mantoloking Road, Final, 7 total – 4 Residential & 3 Commercial

Director Specht advised, “2114 is Mr. Mark Fusari, Charmajule, LLC, and Mantoloking Commons. It is a major site plan on Mantoloking Road. It is a final 7 total units, that should be changed it is three residential and four commercial. This was previously approved as a preliminary by the Board on June 25th of this year. What this entails it is the total square footage of the building is approximately 9,000 square feet with four commercial units on the bottom and on the top three residential units. There is a proposed six inch diameter water main extension approximately 200 lineal feet into the property of which there will be several proposed one inch water services to each unit. There is also a 119 linear foot sewer main extension that is required and there will be two new four inch sanitary sewer laterals to the property and I would recommend approval by the Board.”

Comm. Buttacavoli made a motion to approve this application. Seconded by Comm. Cevasco.

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

2120 Assoc. in Foot & Ankle Surgery Allen J. Atheras, Major Site Plan Doctor’s Office Building, Route 88, Preliminary, 1 Commercial

Director Specht advised, "2120 is a preliminary application for the association in Foot and Ankle Surgery, Allen J. Atheras, Major Site Plan. It is a doctor's office building on Route 88. A preliminary. It is one commercial. Currently there is no water main in front of this property so as per our rules and regulations the developer will be required to extend a 12" water main of approximately 200 linear feet in front of the proposed upgrade to this site. There is also an existing H main that dumps into the back end of the property. It is the water main that comes into the back end that was installed previously by a previous developer. We will require the developer of this property to interconnect with this existing 8" diameter main to create a loop in this area so that is also required. That is about 115' feet of water main and finally there is an existing sewer main at the back end of the property that the applicant will tie in with a four inch sanitary sewer lateral. We have not received architectural plans to this property and I don't know that will be required under the final review. Again this is just the preliminary application and I recommend approval by the Board."

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

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

2124 Federal Realty Investment Trust, Major Site Plan – Joe's Crab Shack, Cedar Bridge Avenue, Preliminary, 1 Commercial

Director Specht advised, "Federal Realty Investment Trust. It is s a major site plant or Joe's Crab Shack on Cedar Bridge Avenue. It is a preliminary application and will be required to come before the Board for a Final application. It is for one commercial Unit. Joe's Crab Shack will be installed in the location of the existing Kinko's Fed Ex store which will be demolished and they will install a new building on that site. It requires a new six inch PVC sewer lateral as well upgrades to the water services to the site. I recommend that preliminary approval at this time and then they will come back to us with the final."

Comm. Cartine made a motion to approve this application. Seconded by Comm. Cevalco.

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

11.3 Release of Performance Bonds - NONE

12. UNANTICIPATED/EMERGENCY CAPITAL EXPENDITURES - NONE

13. CUSTOMER ACCOUNTS RECONCILIATIONS

In Director Pannucci's absence Director Planko read the customer accounts reconciliations as follows:

- a. Account 7878712-0, 116 Brick Blvd., Wawa. A refund of \$2,281.40 is recommended from the customer's escrow account after a two year evaluation of actual usage from the Initial Service Charge. This has been reviewed by both Customer Accounts and Engineering.

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

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

- b. Account 465604-0, 33 Princeton Avenue, Ari-Val, LLC. A one-time water/sewer credit is recommended in the amount of \$808.32 due to leaking toilets. Average usage is 3,000 gallons and the quarter in question rose to 132,000 gallons. All repairs have been made and verified and the meter is in proper working order.

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

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

- c. Account 12596099-0, 147 Bonnie Lane, Andrew Petrovich. A sewer credit is recommended in the amount of \$616.75 due to a broken sprinkler line. The average usage is 5,000 gallons and the quarter in question rose to 106,000 gallons. All repairs have been made and verified and the meter is in proper working order.

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

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

14. CONTRACT CLOSE-OUTS

15. AUTHORIZATION TO EXPEND APPROVED FUNDS

- a. **Repair of Pump No. 3 at the Drum Point Road Wastewater Pump Station**
Vendor: Xylem Water Solutions
Amount: \$7,697.00
Funding Source: Account 810005; Pump Stations

Director Specht advised, "This is for the repair of Pump No. 3 at the Drum Point Road Wastewater Pump Station by Xylem Water Solutions for \$7,697.00. Funding is from Capital Account No. 8100005 our pump station line item. The pump is approximately ten years old and requires a new high chrome propeller. We requested quotes from five vendors. Xylem is the only authorized representative for a pump of this size. So I recommend we approve this pump. Previously we upgraded pumps No. 1 and Pump No. 2. Pump No. 1 was upgraded for \$7,084.00 in 2009. Pump No. 2 was upgraded for \$7,290 in 2010 so it is similar to what the other pumps cost to upgrade."

Chairman Veni asked, "Was it the same contractor that did all three?"

Director Specht replied, "That is correct."

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

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

b. Purchase of Snow Blower Attachment for Bobcat

Vendor: Garden State Bobcat

Amount: \$7,589.00

Funding Source: Capital Equipment Line Item – 912003

Director Bundy advised, "We are looking for permission to purchase a snow blower attachment for our Bob Cat that we have had for a few years. The purchase is through Garden State Bobcat in the amount of \$7,589.00 and it is budgeted under Line Item No. 912003. We received three quotes and this is the lowest quote."

Comm. Cartine made a motion to approve this action. Seconded by Comm., Cevalasco.

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

c. Purchase of Trailer Mounted Generator

Vendor: Trico Equipment

Amount: \$30,005.00

Funding Source: Capital Project No. 605004

Director Bundy advised, "This is for authorization to purchase a trailer mounted generator from Trico Equipment in the amount of \$30,005.00 and is budgeted fewer than 605004. This was a three quotes and this was the lowest bidder."

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

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

d. Purchase a new “folder/insertter” for Customer Invoices

Vendor: Neopost

Amount: \$14,781.00

Funding Source: Capital Project No. 904004

Director Planko advised, “This is for the purchase of a new folder insertter. Director Pannucci explained the need for this equipment at the August meeting and he requested authorization to go out for three quotes. He reached out to IMS , accompany known as Innovative Mailing and Shipping Systems. We received a quote from them for \$21,095.00. He reached out to Hasker for a quote of \$18,241.68 and finally he reached out to a company called Neopost for a price of \$14,781.00. In my discussions with Director Pannucci he is asking the Board to authorize this purchase from Neopost at the cost of \$14,781.00.”

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

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

NAYS: None

ABSTAIN: None

e. New Copiers/Faxes along with Service Contracts

Vendor: Kyocera Document Solutions

Amount: To be determined after discussion

Funding Source: 904003

Chairman Veni stated, “The next item 15c we have to make a decision and we have parts A and B. Option A is to purchase this directly and B is to lease this equipment and so at this time Director Planko will give us an explanation of what the dollars are and such.”

Director Planko advised, “Director Pannucci prepared a memo to the Board and what he did is compare the lease versus buy costs on a 63 month period. The reason it was done on a 63 month period is because that was the term of the lease. We wanted to compare the purchase cost for the same time frame so we are comparing apples to apples. In Summary of his memo, what it turns out to be - by the way this is for the replacmenet of six new machines and they would be dual function, they would be both fax and copying machines. From the lease end including maintenance over this six month horizon the total cost came to \$49,259.70. Now to purchase the same equipment and have a maintenance agreement over the same amount of time the purchase cost would be \$42,990.00. The difference between the purchase versus lease is \$6,269.78 with the purchase alternative being the cheaper alternative. Just to make mention to the Board, if you are considering the lease option there are certain accounting standards on treating leased equipment, especially when the lease cost exceeds the purchase costs. In many cases when that happens according to what is called Basbe 13 (?) this is something I would have to discuss with Frank Holman but it would still be treated like a capitalized lease. In other words we would have to carry it as capital on the books and depreciate it just like we purchased it. In my discussions with Director Pannucci last week him and I sat down to chat about this and we both felt the purchase end is not only cheaper by \$\$6,269.00, but at some point whether that be at the end of the 63 months or sooner that equipment we own and we could get further value on it by declaring it surplus and selling it on Gov.Deals. Even if it is in working order or not we can still get some money for it. I think the purchasing advantage is two fold. Number one the cost is lower and number two if we lease the

equipment we still might have to treat it like a capitalized lease, and number three if we purchase them we have the salvage value.”

Comm. Bottazzi asked, “Director we have all learned a long time ago about service contracts. How does this work with these being purchased or leasing?”

Director Planko replied, “Actually Commissioner the cost of the maintenance is the same at \$130 a month. Whether we lease it or buy it we still have the responsibility to buy the maintenance contract at the same cost. Actually the maintenance cost doesn’t come into play. We have to do it either way.”

Comm. Ciocco asked, “Also the additional savings from the machines that we are giving up because we have maintenance contracts on multiple fax machines and copiers. That is not included in that \$6,000 savings.”

Director Planko advised, “What is going to happen is there is some lease costs involved that we are currently obligated to and as Director Pannucci mentions in his memo, the company we are working with will absorb the costs of those leases. The machines that we currently own which we are having a lot of problems with, once we get the new ones we will have that on the declaration list and I will go and sell them on Govdeals.”

Comm. Cartine asked, “What is the term of the lease?”

Director Planko advised, “63 months. Naturally if you purchase it say we keep the equipment for four years and we decide because we have that flexibility to sell the machines and go out and purchase new ones and sell the other ones on govdeals. So that purchase also gives us more flexibility for if we want to replace those machines.”

Mr. Holman added, “Technology could change and you would want that flexibility if that happens. But Frank is correct you do end up having to capitalize a lease with a dollar at the end because it is regarded as a purchase anyway. This is really two purchases accounting wise.”

Comm. Cartine stated, “My concern basically when you say the term of the lease is 63 months and my concern is the change in technology and how quickly many of these big machines become obsolete because of the change of technology. We purchase and we are stuck with the purchase but under our lease provision I think you may be able to work a deal where you can upgrade your machines during the term of the lease. I think in essence you just brought in a financial note that I was not aware of and I don’t think the Chairman was aware of that either, but the point is my concern is basically that we don’t wind up with what we have now – a hodge podge of machines which are ten to twelve years or whatever and all different and we are jumping through hoops to fix them if they are even repairable. And then again I am concerned about the technology. What flexibility would we have? Would we have either less or more flexibility under a lease versus a purchase program?”

Director Planko replied, “I think under a 63 month term, and this is my interpretation that we would have more flexibility with the purchase because they are our machines and it would be our decision to get rid of them. Say in three years there is better technology out there we would be able to get rid of the purchase machines by selling them and getting some money back on Gov.deals and go out and purchase a new machine just like we did here. If we lock into a 63 month lease I would assume, I haven’t talked to Frank about the specifics, but that we would be locked in having those machines for 63

months. This particular deal gives us another benefit to purchasing based on if new technology comes out.”

Chairman Veni stated “In the past we have purchased cars and other things and we have used the full life and we then sold them and got back money to purchase a new piece of equipment so it still works that way.”

Director Planko stated, “Yes or in some cases, like with a vehicle we do a trade in which again saves us money.”

Chairman Veni asked Mr. Holman, “Do you favor lease or purchase?”

Mr. Holman replied, “Purchase. I think Comm. Cartine brings a point up where sometimes you can get out of the lease and roll into the next deal, but I do think purchase gives you a lot more flexibility.”

Director Planko added, “Just one more note Mr. Chairman, to the Board on this, when I was talking to Frank a couple of weeks ago we did take this into consideration in the new five year capital plan that the Construction Committee is going to review next month.”

Chairman Veni stated, “At this time I am going to ask for a positive motion for purchasing the equipment.”

Comm. Cevasco stated, “I just have a couple of questions. I don’t have a problem with purchasing, but if we purchase it how many years would we have to depreciate?”

Mr. Holman replied, “Probably a five year depreciation.”

Comm. Cevasco continued, “The maintenance agreement. I have a problem with 63 months unless we have a track record we don’t know what we are going to get.”

Director Planko replied, “The thing we have to remember is the purchase price, if we capitalize and depreciate the maintenance portion will be considered a part of our operating expenses. If you are locked in to lease the equipment I would assume you would be locked in with the maintenance agreement.”

Comm. Cevasco stated, “I am assuming we are going to purchase it because that would make more sense but my problem is with the length of the service contract as being 63 months.”

Chairman Veni stated, “If you purchased it right it’s just like buying a car. You can buy several different types of contracts 50,000, 75,000 warranty bumper to bumper. I guess they are saying take the 63 months because we feel that we will have a piece of equipment more than five years. Like that copier over there how old is that one?”

Comm. Cevasco stated, “I don’t have a problem with the service contract. I just have a problem with the length of the contract. On service agreements I like to see one year because if something happens, if we lock into a 63 month service agreement some service contractors have a tendency to become lackadaisical because they have you for 63 months.”

Chairman Veni asked, "Do we pay on a monthly basis?"

Director Planko advised, "The payment will be on a monthly basis, but if we purchase what is going to basically happen is this; the actual purchase price of the equipment is \$34,800.00. The 63 lease price is \$8,190.00, but getting to Comm. Cevasco's question I believe we could sign a maintenance agreement for the equipment on a one year basis. I don't think they are going to commit us to five years. I can think we can purchase and buy on an annual basis just in case in three years we want to get rid of the equipment we can sever the maintenance agreement and go out for the new equipment."

Comm. Bottazzi stated, "I agree with Comm. Cevasco. I think we should go for the one year. Suppose it takes a week for them to get over here and fix it."

Director Planko stated, "That is what I think also and I think we should talk to Frank about that."

Chairman Veni stated, "If it is their property we may not be able to get a third party maintenance agreement."

Comm. Bottazzi stated, "But at the same time why provide years? Why not take it for one year at a time?"

Director Planko advised, "That is what we would do Comm. Bottazzi. If we purchase the equipment and require one year maintenance agreements."

Chairman Veni stated, "Comm. Buttacavoli brought up something I was trying to relay to you all is that you can buy a five year three month warranty you probably get it cheaper than years. Just putting that out there. Let me ask you this. Do you want to vote on this tonight or you want them to come back next month."

Comm. Cartine stated, "I don't think we are desperate and let's do this right. I think it was a good point as far as the maintenance agreement term what we can get and what we want to do. It is probably safe to say that basically if you can get a discount and most of them do offer discounts based on how many years your maintenance contract is with them. At least my GE appliances work that way. They will discount by the year and we know we are going to keep these machines at least three years. Three years for me is like that is almost like a lock. I would be looking at a three year maintenance agreement rather than one if it is discounted. I wouldn't go for 63 months."

Chairman Veni stated, "Ok how about we do this. We table it for now. Director Planko will talk to Director Pannucci tomorrow and they can email us all the information that we just asked for and then maybe if everyone agrees on what they like we will take a straw poll via email."

Comm. Cevasco asked, "Can we have this amount line filled in? The amount? It says to be determined after discussion?"

Director Planko stated, "That amount depends on the purchase versus buy. The two prices are \$49,259 or \$42,990 over a 63 month period, but based on our discussions now the chairman asked us to look at the different options we have for the maintenance agreements."

Director Lacey clarified, "So what you want us to do is get the price on purchase and find out one year, three year or five year on the service agreement?"

Comm. Cevasco stated, "I don't really care about renewal they can be first for renewal but hold them to a one year contract that makes them a little more receptive to our phone calls if it comes to that."

Director Planko stated, "I will sit down with Director Pannucci and we will look at the maintenance options that we have."

Comm. Cartine asked, "What brand of machines are we looking at? Oh it is here Kyocera."

Chairman Veni stated, "So we will table it tonight and you will get all the information from Frank Pannucci, poll the commissioners and maybe we can..."

Director Planko stated, "I did ask Frank about these machines and he said they have the durability and capabilities of producing the number of copies that these machines produce."

Comm. Cevasco asked, "How many copiers do we have total?"

Director Planko advised, "I think we are replacing six and they will be dual copier and fax and they will be networked."

16. AUTHORIZATION TO SEND OUT BIDS, RFQ'S & RFP'S - NONE

a. Permission to Solicit Bids: Jet Vac Truck

Director Bundy advised, "As discussed at the Construction Committee Meeting, we would like permission to solicit bids for a new jet vac truck which is budgeted. We plan on probably having specs done in November and awarding probably in January."

Director Lacey advised, "I think Mr. Bundy should mention what this price would be approximately."

Director Bundy advised. "We are looking at about \$300,000."

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

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

NAYS: None

ABSTAIN: None

17. ADOPTION OF REPORTS

Comm. Cartine made a motion to adopt the director's reports. Seconded by Comm. Buttacavoli.

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

NAYS: None
ABSTAIN: None

18. ADOPTION OF PERSONNEL ACTIONS

John Mercun stated, "Good evening Chairman and Commissioners. We have some personnel matters to discuss. My name is John Mercun with the law firm of Citta, Holzapfel & Zabarsky. We are your labor counsel. I understand in my discussions with Mr. Lacey we have four contracts coming up for renewal; One Union and three bargaining units which will end December 31st. We have reached out for all four entities and asked them to submit to us any proposals they may have. I believe we have received two. We are trying to arrange for the initial meeting with all four groups on the same day tentatively scheduled for the 19th. We also have three director contractors coming due on December 31st of this year. Those are Directors Bundy, Maggio and Planko. Mr. Lacey I understand will be contacting each one of these gentlemen at the close of this meeting and start scheduling some time to sit down with them to discuss the possibility of a future relationship starting in 2013. However, in my review of these three contracts I noted that it contains the language as follows: "Should either party wish not to renew this agreement for a successive term a 60 day notice of intention not to renew prior to the expiration of the contract is required." We would be remiss in not recommending the issuance of a notice not to renew. Because if we don't and for some reason we don't reach an agreement by December 31st there is a lot of legal issues that could arise as to whether or not there is an implied contract so the safest course would be to issue the standard 60 day notice of intention not to renew. It has been done here before."

Chairman Veni stated, "At this time I am going to request a motion on sending the standard 60 day notice to the directors.

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

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

19. OLD BUSINESS

20. NEW BUSINESS

20.1 Passaic Valley Lab Shared Services Agreement

Director Maggio replied, "Our shared services agreement with Passaic Valley Commission is coming to an end. We have been corresponding back and forth with our contacts there regarding modifications to a renewal agreement. For the most part the modifications are in our favor. We have sent them a revised price list which included approximately 15% increases in our prices. We think that is a positive for us. We have also included some terms that really tighten up the performance of Passaic Valley for us. I know they are very happy with our work and have reached out to us to continue our relationship. As an example one of the items I know that the Chairman has been concerned about is the shipping costs back and forth. When we entered into this agreement we do pay the shipping which is not an unusual relationship between a lab and its client. We did anticipate certain charges in our initial proposal although the shipping charges have been high and raised concern from the Chairman they have been below our original estimates. Actually the second year of the contract has been significantly lower

than the first. So we have really done a good job of tightening that up. However, contractually we will tighten it up where they give us a schedule at the beginning of each month on samples and then we will collect samples for the month and there will be no more than two shipments. I know that was something you were concerned about. There were also some other items most of them things where Passaic Valley sends us samples or asks for a retest because they don't agree with the results we get that they will be paying for the retest if none of them indicates any mistakes on our part. These are all positives for us."

Chairman Veni stated, "How many times have they said they didn't like our results? I mean how could you say that? You do the test you get the results? What do they expect us to change them?"

Director Maggio replied, "Over the course of the contract every time they get a result that is higher than their limit they ask us to resample. It doesn't happen very often. We did actually bill them for 2012 and it came to \$300 or so. But it is not a great deal of money but it is something that we cleaned. We have been going back and forth. Our attorney Mr. Dasti has reviewed the terms of the contract and had no objections or concerns. If the Board, if you have no objections we would like to on MUA letterhead say that the price list and terms we have sent you are formal request for a contract."

Comm. Cevasco made a motion to approve this action. Seconded by Comm. Cartine.

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

Comm. Cevasco stated, "Just before we move on, I have taken my grand kids up to the Reservoir on several occasions over the past month and I noticed that the monument for Senator Ciesla is in place. Will that be dedicated at some point?"

Chairman Veni advised, "No. We sent a letter to former Senator and know that he visited it and asked him if he wanted to have something there and he said in his usual manner no. If you would like to have one just to have we can do that."

Comm. Cevasco stated, "Whatever the Senator wants. I have always admired the Senator so whatever his pleasure is."

21. RESOLUTIONS

64-12 A Resolution Authorizing Change Order No. 1 Between the Brick Township Municipal Utilities Authority and the Borough of Bay Head for an Increase in the Contract Amount by \$5,256.09 for Additional Design and Construction Management Services for the 2010 Sanitary Sewer Rehabilitation Project – Lake Avenue

Director Specht advised, "Resolution 64-12 is authorizing Change Order No. 1 between the Authority and the Borough of Bay Head for an increase in the contract by \$5,256.09 for additional design and construction management services performed by Brick Utilities for the 2010 Sanitary Rehabilitation Project at Lake Avenue."

Comm. Buttacavoli made a motion to approve Resolution No. 64-12. Seconded by Comm.

Cevasco.

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

NAYS: None

ABSTAIN: None

65-12 A Resolution Adopting the 2011 Annual Consulting
Engineer's Report

Director Specht advised, "This is a resolution adopting the 2011 Annual Consulting Engineers Report put together by John Truhan and his staff. At this time I would like to turn it over to John to give us a little summary of his report."

Comm. Bottazzi stated, "If I may say so through the Board Mr. Engineer you did a great job as you always do. I appreciate a copy of it and reading it."

Mr. Truhan replied, "Thank you Commissioner. In compliance with the bonding resolution requirements of the Authority we have prepared the annual report for 2011. What I will do is give a very brief overview of the executive summary since you have all received copies of the report. First of all 30% of our operating budget as I'm sure you know goes towards the Ocean County Utilities Authority for the wastewater collection of our system. This year we received a credit of \$583,000 which is probably one of the highest amounts we have received since 1988. There were only three years where we received a higher credit than that. And as you also know Central Services Department is the department that is responsible for negotiating the credits and amounts that go to the OCUA and this year that amount was significant. In August 29, 2007 Pine View Estates has initiated litigation against the Authority. That is on going and I believe a resolution to that litigation is forthcoming. As you have heard from Director Maggio our Authority is complying with the water quality requirements of the state and in most instances exceeding that requirements and it appears we will continue to do so. Mr. Maggio also mentioned an alternative coagulant study that was initiated back in 2011. We have been getting favorable responses from that study as reported by Mr. Maggio. An Aquifer Storage and Recovery well No. 15 was initiated back on March 21, 2011. As you know there was a failure that occurred with that well. There were claims issued by the contractor and as you have heard in previous meetings it appears that a settlement appears to be reached with reference to that potential litigation. The Authority did purchase the Parkway Water Company back in December 2008 and I believe one of the wells was redeveloped in 2011. The Brick Reservoir we have had many discussions about the Reservoir and it continues to be a significant asset to the Authority and has been a great venue for the public to attend not only to mention that aspect of it but also as an alternate supply of water. October 3rd and 4th of 2011 Echo System Consulting Service did an inspection of the Brick Reservoir and found that there were no significant structural qualities or deficiencies at that time. In July 2009 the Watershed Management Study was initiated and Mr. Maggio reported that Camp Dresser & McKee are a part of that study. Comm. Cartine and Director Maggio report every month to the Authority on the progress and everything with reference to that study seems to proceeding well. With reference to the Reservoir and I'm mentioning the access to the public. There has been such a tremendous response that the Authority reached an agreement with the Trinity Bible Church for additional parking and Director Bundy has been reporting on that. We have had sanitary sewer rehabilitation work proceeding for phases four and five and phases six during this time period. Our review revealed that appropriations for capital improvements and operations maintenance are adequately funded for the 2010/2011 time period. As far as customer accounts are concerned we have 39,500 water accounts and 35,000 sewer accounts that are being billed

four times a year. On line payments are in effect and I believe the option of having their bills emailed to them are either being initiated or about to be. As far as our connection growth for the Authority. The economy still continues to be sluggish and growth is not a word that we have experienced in any phase over the past few years. And the other aspect is that the security of the Authority also continues to continue to improve in compliance with the previous report that was performed.”

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

22. PUBLIC DISCUSSION

Chairman Veni opened the meeting up to the public and advised the following: *“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.”*

Mrs. Briggs stated, “I have a question on the copier and fax service contract. When you purchase these things they don’t come with any kind of warranty?”

Chairman Veni stated, “Usually 90 days. That is my understanding.”

Mrs. Briggs commented, “90 days? When you buy a car you get 36,000 miles and three years so 90 days on this?”

Chairman Veni replied, “Well I don’t know for fact. What I am saying is I just purchased a printer copier and the term was 90 days but that is not commercial.”

Mrs. Briggs stated, “I don’t know if you are buying something and you have to buy there service contract the minute you buy it I don’t think I trust that. I would think they should give you at least a 12 month warranty.”

Director Planko stated, “Why don’t I talk to Director Pannucci tomorrow on maintenance costs I will clarify that issue as well.”

Counselor Dasti advised, “There is a difference between maintenance costs and a warranty. You might get a warranty but you have to continue to maintain it. I think that might be the issue here. Sort of like you have to go get your car oil changes even though you have a 100,000 mile guarantee.”

Comm. Buttacavoli stated, “And when you are talking rather than your personal copier it is getting used a lot more.”

Mrs. Briggs advised, “Well I understand that but it just doesn’t seem from a personal aspect that you have to buy a service contract the minute you buy the item.”

Comm. Cartine stated, “I don’t think you have to buy a service contract that is optional, but ...”

Mrs. Briggs stated, "I understand that but if you are saying you are selling a product that you believe in and you think it is going to last you five years .."

Comm. Cartine stated, "I would direct the CFO and Director Pannucci to look into when does that service contract begin. Sometimes what happens and I am talking about appliances that we buy, residential appliances and I am talking about my own personal experience. You will get your first year or two years whatever it is service and for the first year. But then for instance in my case GE they offer you a continuing maintenance contract after the warranty is up. I would ask you to look into that. I don't know if that is applied to commercial copy equipment. I have no idea. I mean frankly we are talking six copy machines at approximately \$8,000 a piece. I don't know if it has gold in it or what but I'm sure that's what these things go for. There has got to be some sort of a warranty. Mrs. Briggs is right. She has a point that we have to look into. Maybe that is not the case, but if it isn't the case then maybe this vendor is not the proper vendor we should be dealing with. Maybe we can find a vendor that does offer up a service contract for an initial period of time and look into that. I don't know how we choose this particular brand, whether it was based on price or whether it was based on serviceability or whatever."

Director Lacey advised, "It was State Contract."

Comm. Cartine stated, "State contract doesn't mean... Are there any other brands on State contract or is this the only one?"

Counselor Dasti advised, "I don't know but Director Pannucci can obviously answer those questions."

Comm. Cartine continued, "I just throw it out there because we did tonight throw a lot of questions out there. We didn't jump into anything at this point and I think Mrs. Briggs' comments should be looked at as well as the rest of the comments that we made here tonight."

Director Planko stated, "I will talk to Frank tomorrow but again a warranty is if the machine breaks down. Maintenance we have high volume copiers and they still have to be cleaned and rollers have to be changed and so forth. I think that is the basic difference but I will talk to Director Pannucci about that."

Chairman Veni asked, "Before you ask the question, Scott you normally buy that stuff what do we usually get 90 days one year or what?"

Director Bundy advised, "I have nothing to do with this. I have never bought a copier."

Comm. Ciocco stated, "I have not bought a copier but there have been instances where I have purchased machines and you get a one year warranty and then you purchase the service contract after it but I have never purchased a copier."

Director Lacey advised, "We will find this out. We don't need to do this tonight."

Chairman Veni stated, "No we don't but I was just wondering who normally buys the copiers? Marie? What is the answer?"

Ms. Sylvester advised, "It is usually 90 days when I was dealing with them and you can buy maintenance agreements on a year to year basis."

Comm. Cartine stated, "I can understand maintenance because it's not like my home copy machine. This thing is going 8 hours a day and it is burning electric. It's high volume, high speed and they have to be tweaked and maintained on a regular basis. I can understand that but we gave you something to look at."

Mrs. Briggs stated, "I just think if a company wants your business for that number of copiers they should give you a little bit more than 90 days."

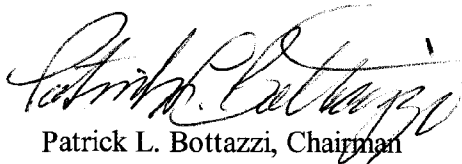
23. CHAIRMAN'S CLOSING STATEMENT

Chairman Veni read the following closing statement: *The next Public Meeting of the Authority will be on Monday, November 26, 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 the meeting adjourned at 7:37 p.m.

Respectfully submitted,



Patrick L. Bottazzi, Chairman