

Minutes of a PUBLIC MEETING of
The Brick Township Municipal Utilities Authority Held on
March 18, 2013 beginning at 7:40 p.m.

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

2. OPENING STATEMENT

Chairman Cartine called the meeting to order and asked Ms. Sylvester to read the Opening Statement.

Ms. Sylvester read the opening statement as follows: *"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, 2013 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

Present:

George Cevasco
James Fozman
Joseph M. Veni, PE
Patrick L. Bottazzi
John Ciocco
Edward J. McBride
Allan E. Cartine

Also Present

James F. Lacey, CPWM
Stephen T. Specht, PE
Joseph Maggio, PE
Frank Pannucci
Frank Planko
Marie Sylvester
Frank Holman
Jerry Dasti, Esq.
Chris Dasti, Esq.
John Truhan, PE

Following Roll Call Ms. Sylvester advised Chairman Cartine that a quorum is present in order to conduct the meeting.

5. EXEMPT SESSION

(Personnel, Contracts & Potential Litigation Only)

Chairman Cartine advised, "At this time we need a motion to go into Exempt Session."

Counselor Dasti advised, "With the understanding that the minutes of the meeting will be held confidential until the need for confidentiality no longer exists. In closed session we are going to discuss contract negotiations, personnel and potential litigation matters."

Motion by Comm. Veni. Seconded by Comm. Bottazzi

ROLL CALL:

AYES: Commissioners Cevalasco, Fozman, Bottazzi, Veni, Cartine
NAYS: None
ABSTAIN: None

Chairman Cartine stated, "I just want to warn our guests that this may be a long exempt session."

Mrs. Briggs responded, "Goodnight. Thank you for not raising the rates as well."

On motion duly made and seconded and a unanimous vote, the Board entered exempt session at 7:40 p.m.

On motion duly made and seconded and a unanimous vote, the Board returned to open session at 8:50 p.m.

Redistribution of Central Services Duties

Counselor Dasti advised, "Mr. Chairman can I frame a motion to resolve what was just discussed in closed session and then you can vote on it? Based upon what we discussed in closed session."

Chairman Cartine advised, "Well I don't see where it would fit in so let's do it now. OK."

Counselor Dasti stated, "Carrying forward what we discussed in closed session is for the commissioners to determine whether you want to formally approve the recommendation made by the Executive Director in his report of February which reallocated responsibilities that used to be in Central Services to the various directors. And that is in his report for February. I don't have all the specifics but it is there and you need to have a motion on that."

Comm. Veni made a motion. Seconded by Comm. Bottazzi

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

*Prior to his vote Comm. Cevalasco stated, "As that listing was provided to me by the Executive Director I vote No."

6. Directors' Reports

a. James F. Lacey, CPWM, Executive Director

Director Lacey advised, "I have pretty much covered everything either in closed session or I have it later on in authorized expenditures so my report is submitted."

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

Director Specht advised, "We did submit our grant applications for the Section 404 Hazardous Mitigation Grant Program. Six projects were submitted before the deadline of March 22nd. We submitted on March 8th totaling approximately almost \$8 million worth of work that we could potentially get funding for."

c. Frank Planko, Chief Financial Officer

Director Planko advised, "Just a few things. I do have a resolution on the agenda for renewal of our vision coverage with NVA. I discussed that with the Finance Committee. It is a four year extension with no cost increase. The Finance Committee agrees and I will be bringing that resolution before the full board."

Comm. Veni asked, "Frank are we adding any benefits? Are we losing any benefits?"

Director Planko replied, "No benefits have been added but they just added an additional one about two months ago which is the coverage of dependents up to age 26. That will carry over into our new coverage. I did do a cost investigation several years ago and even the costs back then were more than NVA so in effect I didn't do a cost analysis. Customer Service has been satisfactory with them and all in all I think it is a good idea to move forward. I would recommend to the Board that we pass that when the time comes. I also was going to talk about the five year capital plan review that I did with the Finance Committee. But I pretty much summed that up when I did the Rate Presentation. Perhaps Comm. Fozman might want to add more when we talk about the Committees. I also have the two resolutions for the budgets. I sent an email to the entire Board. Our budgets were approved by the State with no inquiries. I discussed this with Mr. Dasti and he recommends we pass these resolutions and then after we put all our information together we do an amendment to the budget. I will be asking the Board to pass those two resolutions as well."

Counselor Dasti advised "We think that you should amend the budget after you approve it tonight because now we know there is going to be that much less revenue because the original budget anticipated 2.5% increase. So the amended budget should reflect that there is going to be less revenue and presumably less expenditures so we have to do it in steps."

Chairman Cartine asked, "Are you saying two resolutions?"

Counselor Dasti, "Well you have the resolutions this evening to approve the budgets."

Chairman Cartine added, "As amended."

Counselor Dasti advised, "No. As they stand and were approved originally because now he has to go back to the drawing board and he is going to have to show another budget showing the decrease revenue."

Director Planko advised, "I will work with Mr. Holman and the Finance Committee to draw up an amended budget and then we will go back for approval from DLGS."

d. Joseph Maggio, PE, Director of Water Quality

Director Maggio advised, "In addition to several of the items to authorizations to expend approved funds, we did have a couple of other items. We participated in a study of our source water to investigate emergency contaminants that may be present in our watershed. We are in addition to five other utilities in the state. We co-authored an article. One of our staff members in particular, our Supervisor of Operations and Maintenance which was published in the AWWA pipeline. It was attached to the end of the Water Quality Department monthly report. Exciting stuff of us getting involved in the industry and we were found to have significantly almost lowered to almost negligible amounts the contaminants that we were looking for so that is good news about our watershed. Also later on under New Business we will be talking about the consumer confidence report. This year actually just as of late January DEP has let us know that instead of sending out mailers to every single one of our customers which you probably see the CCR, these cost us about \$10,000 a year to send out between printing and postage costs. This year they will allow us to distribute the CCR primarily via internet. During this new business I would just like to ask the Board if they would want us to continue with the paper distribution of our CCR or instead take advantage of this benefit of posting it on the internet which would save us a significant amount of money in mailing costs. We could do either. It is up to the Board."

Comm. Fozman asked, "Can we put that in their bills?"

Director Maggio advised, "We have to send out a hard copy notice to every customer of the web address where the CCR will be posted. Sending it out in the bills are something that is an option and if the Board were to recommend we do it this way I will start coordinating with Director Pannucci to see if our billing cycle will be able to accomplish that. It could really be just something as simple as a note somewhere on the bill saying to see our Consumer Confidence Report go to WWW.brickccr or whatever the website it. We would have to provide hard copies if someone requested them, but we wouldn't have to mail out 30,000. It is a big cost savings."

Director Maggio replied, "I think that is fine for me too I was just curious."

Comm. Bottazzi asked, "What is the cost savings?"

Director Maggio replied, "Right now it costs us just about \$10,000 on the nose between Parkway and Brick. Including postage and printing. We could cut that more than in half and I am being very conservative when I say that it could be significantly less than half. That would all be determined on whether or not we have to send out post cards or if it is just a matter of being able to send out the information via our bills."

Comm. Bottazzi stated, "When we designed that bill Frank you haven't changed it have you ? We left space so we could put messages on there?"

Director Pannucci advised, "Whenever we need we always change messages on there. If it only about notifying customers that it is on the website that is an easy one. We can handle that."

Comm. Ciocco asked, "Rather than print them can we just have it where you just print it on demand?"

Director Maggio replied, "Because we do have a very professional presentation I would recommend if we can do it in house. This is our consumer confidence report that shows our water quality test results for the year."

Chairman Cartine stated, "I think the way to do it is to note it on the bill at minimal cost."

Comm. Fozman added, "And put it on the website too and they can go there and look at it too. If they want a hard copy they can come in and get it."

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

Director Pannucci advised, "I just have one authorization to expend approved funds from out IT for 40 Microsoft Office licenses to upgrade the computers. That is partial, the other 60 we will do next year if the Board approves that tonight. A vote one last minute brief policy change to amend what we had a few months ago. I just gave the commissioners a brief memo based on my discussions with Mr. Dasti on Friday. Permission to go out to bid for meters and appurtenances and tomorrow is finally tax sale so my office can calm down just a little bit. We are down to 1677 accounts and \$42,000. We are down to 337 accounts and \$143,000 and the ladies up front did a heck of a job they really did."

Comm. Fozman stated, "I have one question for you. I have an email from a customer and I don't know if anybody, we are going to run into this quite often. I spoke about it and said I would bring it up at the meeting. Catherine Collacci and she spoke to Frank and she had an outrageous bill from the storm. Frank adjusted it to his protocol and it came out to \$915. She said my bill is normally \$8.00 so I don't know what the normal protocol for the town is. How do we handle this?"

Director Pannucci advised, "We gave her a credit. Basically her bill came out to \$1,900. We adjusted it in half. She was a little mistaken. The lowest anybody's bill can be on the mainland is \$112.95 that is the flat rate without usage. Nobody has ever had an \$8.00 bill. I did discuss briefly with Mr. Dasti on Friday. The Board can do whatever the Board decides, but the issue is where do you draw the line? If somebody's hot water heater broke on Herbertsville Road, they would get issued a credit just like we would give anybody else, same formula, same amount. Now you are going to have, and this isn't going to be the only one because of the storm a wave came in and broke the pipes in my crawlspace. I shouldn't have to pay any of it. That wasn't your fault either and neither was it the fault of the guy on Herbertsville Road with the broken hot water heater. So it is a very fine line. I mean what do you do? I only have jurisdiction to do so much and I keep everything even, same credit for everybody. I use the same formula. That is all that I am empowered to do."

Comm Fozman asked, "D you bring it in front of the commissioners every time that you have a couple of outstanding ones every month? Do you do that? We could basically see like this lady who pays \$112 a month and she doesn't even live there. The house is destroyed."

Director Pannucci replied, "This house isn't destroyed. She actually lives in Florida and she is looking to sell it. She just doesn't like the fact that she has and rightly so that her..."

Comm. Cevalasco asked, "Mr. Pannucci you talked to this customer? Was she home at the time that the problem happened?"

Director Pannucci advised, "Yes I did speak to her and she was not at home."

Comm. Cevalasco asked, "The house is not occupied?"

Director Pannucci replied, "Correct. She had tenants in there and now they are looking to sell it. The issue lies then if the formula is set universally. The Board can pass any policy they want and I will gladly comply with that, but the problem though is where do you draw that line? In other words now everyone is going to say well my pipe in my crawlspace on the other side of town that wasn't due to the storm but that wasn't my fault either or with the hot water heater. It is a bit of a delicate issue. I just want to stay consistent, but again we can do whatever the Board wants."

Comm. Bottazzi stated, "I think in my opinion, and some people are active business men, and I have had people working for me. I had a staff of 40 something people, you give them responsibility and they are working for your company and you give them guidelines and follow them. And they follow them with concern and that is what Mr. Pannucci is doing right now. We have given him the terms. We have an individual says you have to pay us for this and this is what I follow. I don't know. I don't like to have to take correctness away from someone if he is following the orders and rules and regulations that we have given him. I mean he gets these calls saying hey my meter is broke and he looks at it and says yeah who broke it? Someone whacked it with a hammer. Oh well I was trying to loosen it or something. Well he charges him for it. He doesn't say well don't worry about it I'll take care of it and he throws it in the pile with the other ones and gives the guy a new one for nothing. He charges him for it because that is what he saw. We have to be careful when we give him guidelines and then start changing them."

Director Pannucci stated, "And it is a delicate situation because of Hurricane Sandy everybody is on edge and nobody just wants to say no. Keep in mind we did adjust it 50%, but I just don't have the power to adjust it any more than that."

Chairman Cartine stated, "I have just two ideas and to explore. Right now basically we are going to take them one at a time as the claims come up, the credit comes up basically as we normally do we will review it."

Director Pannucci asked, "You want those people who we tell this is the policy I can't give you any more, you want to do those case by case?"

Chairman Cartine stated, "Hear me out. It occurs to me that possibly you and counsel sit down and write up some current rules and regulations which will govern any credits due because of the Sandy Storm. I think we do have to formulize it and we have to be consistent. We can't give for one and not the other so I think we have to compile some intelligent Solomon like decisions on how we are going to proceed on this because it is not going to be a one time situation. It's going to be many many claims thrown at us. So the two of you gentlemen get together and draft something that you can present to the Commissioners next month."

Comm. Fozman stated, "Since this is storm related maybe you can collect 75% or whatever her bill was. Her bill is \$112 for the quarter. Take that off the \$1900 and have her pay her regular bill and

the \$1900 maybe the rest of it we can get 75% from FEMA since it is storm related. What do you think if we kept track of all that? Is that possible?"

Chairman Cartine replied, "No."

Counselor Dasti advised, "I don't know about that Commissioner since Director Pannucci has cut the bill in half already. He is waiving \$1,000 and frankly the rest of it could be reimbursed, I don't know for sure with FEMA but the rest of it could be reimbursable as a Sandy related loss. I don't know. I think you have to think about this and this is why we do have to adopt a consistent policy. If you give it to somebody whose house was affected by Sandy are you going to give the same credit to somebody whose furnace just blew up? Not Sandy related. Where does it end?"

Comm. Fozman stated, "Well I believe we give back for people's water heaters. I've seen bills like that already where someone's water heater broke under the crawlspace and they weren't there."

Director Pannucci stated, "That is what Mr. Dasti is alluding to. It is the same formula. We are still giving them the same amount we would normally give them regardless of what the situation was."

Counselor Dasti advised, "This person as I understand it wants all \$1,900 waived. Director Pannucci has already given them a \$1,000 waiver so to speak."

Comm. Fozman stated, "But if nobody was in the house and it's only as Mr. Pannucci said it's usually \$112 for the quarter."

Director Pannucci stated, "I understand but it's the same thing though if you weren't home on the other side of town and your hot water heater broke. We'd still be giving you the same credit whether you were there or not we are still going to do something for you if something went wrong in your house. Call it a life gets in the way policy. what Mr. Dasti is stating, and if I am putting words in your mouth please stop me, he is saying this is a unique situation because they are blaming it on the storm and rightly so, but how is that any different fault wise from the guy whose hot water blew on the other side of town or pipes broke in the crawlspace while he was on vacation and Sandy had nothing to do with. That is the dangerous part. Where is that fine line? Because once they find out you are doing that they are going to want it to. This it is a Board decision. We could craft something if you want but there is that dangerous line of not being consistent."

Comm. Fozman asked, "Could we go case by case here?"

Counselor Dasti stated, "It's up to you but you are going to be discussing in public 500 cases."

Comm. Fozman replied, "Well you are saying if it is storm related. I don't see why we can't collect from FEMA the 75% that is storm related."

Comm. Veni stated, "It's not our property."

Counselor Dasti stated, "I misunderstood what you are saying. We won't be able to collect that lost revenue. I was suggesting that maybe the homeowner would be able to collect for that loss but we wouldn't be able to get that lost revenue."

Mr. Holman stated, "You have to be consistent with your revenue before the storm and after the storm. You can't create a new revenue account category and take it as a loss, but I think Mr. Chairman you are on the right track here. The commissioners are the only ones who can spend money here and when you provide credits to customers you are in effect spending Authority money so I think you are on the right track with a study here and come back to the commissioners with a proposal. The one you authorize to do that for you is staying this looks a little bit different to me so let's be clear about it. Only the commissioners can reduce those bills or authorize someone to do it."

Counselor Dasti advised, "Frank and I will get back to you in writing with something for you to consider in time for the next meeting. In the mean time we can hold off on this right now."

Comm. Cevasco asked, "Mr. Pannucci did I hear you correctly that you said the house was rented?"

Director Pannucci replied, "They had tenants in it. Right now they are looking to sell it. They have been living in Florida for the last few years."

Comm. Cevasco asked, "But it was occupied?"

Director Pannucci replied, "At the time, they are saying it was not. They have had tenants over the years. They are not permanent Brick residents. When I was on the phone with them they were saying there were no tenants at the time. They were already gone."

Comm. Cevasco asked, "So how do they know when the pipe broke or whatever broke?"

Director Pannucci replied, "Because our meter reading picked it up."

Comm. Fozman asked, "Did they owe anything from before the storm?"

Director Pannucci advised, "Off the top of my head I couldn't tell you."

Comm. Fozman asked, "Is that part of the bill on that?"

Director Pannucci advised, "No that would be a separate water charge."

Comm. Cevasco stated, "I think there is too much ambiguity here."

Chairman Cartine asked that we move the discussion along due to the late hour.

7. Commissioner Committee Reports

a. Construction, Buildings & Grounds Committee & Alternate Water Source/Energy – Comm. Veni

Chairman Cartine stated, "Comm. Veni can we have the Construction Report please."

Comm. Veni advised, "I turned that over to my junior partner Jim Fozman and he will do the Construction and I will do the second part Water Source Energy."

Comm. Fozman stated, "We are equal. I did my report. Did you do yours? You're going to have to do it next time. I'll do my chairman part. I'm chairman of the Finance Committee I have that. This here I just read off the minutes. You are doing the Church of Visitation and the Hess?"

Comm. Veni advised, "I am doing the Water Source Energy."

Comm. Fozman stated, "Church of Visitation on Drum Point Road. Jim Allen recommended a proposed 6 inch water main be upgraded to 8 inch and the possibility of additional hydrants which will be determined by the Bureau of Fire Safety. The Hess Gas station on Route 88. Jim Allen presented the plan for the proposed Hess Express. They are going to make the station larger. Jim Allen advised this is an existing station is to be demolished and the Hess Express construction on the same property. The property will use the existing sanitary sewer connection, but will require a new inch and a half water main service off on the side street. The applicant will be required to cut and cap the existing $\frac{3}{4}$ water main. Active Capital Improvement Projects. ASR Well No. 15, well number 15 additional development commenced on 3-4-13. Primary project analyst and feasibility study for a wind energy system at the WTP and Reservoir. That study cost us altogether \$31,000. Replacement of Flocculators and drives and Sedimentation Basin No. 1 and 2. Bid Schedule advertised on 2/11/13. Prebid meeting held on 3/7/13. Bid accepted on 4/4/13. No award later than 5/20/13. Emergency contract on Tilton Road Water Main Replacement, Water Main Installation Wet Tap completed on 2/7/13. Service connections to be performed the week of 3/11. There is no report on that it says. Redevelopment of Well No. 12. Redevelopment completed on 2/27 and pump test performed. We have no report on the pump test. Knoll Crest Avenue Water Main connection – final report received but we have no report on it. Reconstruction of Route 35 New Jersey DOT will be reconstructing Route 35 from Point Pleasant to Island Beach State Park and the project has been fast paced and to be completed in 18 months time frame. NJDOT will be completing sanitary sewer pipe conflicts and repairs during the project. Storm Sandy immediate upgrades on Breton Road, Vanada Woods, Mantoloking, Fifth Street, Easton Lane and Laurelton, Eagle Point and Island Drive Ejector stations. Super Storm Sandy immediate replacement of Power Cable for the Generator Building. Agreements have been forwarded to Sodon's the people replacing it. Under miscellaneous we have repair of Finished Water Pump No. 2. We spoke about that we got the report on that. The pump that broke down you gave a report on that. The brand new pump is a little over \$3,000 than to repair the old pump and I believe your recommendation is to buy the new pump in stead of getting the new pump repaired. The new pump was \$20,540 and the repair of the pump was \$17,360. TCPA Permit renewal is \$8,101.78. This is an annual TCPA permit renewal. The permit is required because we store chlorine in quantities as much as five tons. Anthracite Filter media. Joe advised that the anthracite used in the filters and that every spring they remove approximately two inches of anthracite and replace it in the 8 sand filters. This work is done in house and the cost is about \$5,696. We have three Chevy purchases. One 1500 Chevy van that needs to be replaced. One 2500 Chevy van for a total of four vans at \$66,000 from Mall Chevrolet. All the old vehicles will go on Gov.com. We have an International Single Axel Vac Sewer Cleaning truck. The old one can't be repaired and is in disrepair and we need a new one. The parts are hard to get. The old truck they gave us a trade in of \$32,000 so the new truck will cost us \$294,806.00. It says Dan Reilley advised that he could no longer get parts for the Sterling Jet Vac truck that was being traded in and the vehicle is 13 years old. That is about all I have."

Comm. Veni stated, "I am going to do the Alternate Water Source Energy Report. As you all heard that Director Maggio said that he belongs to a certain group that are looking at contaminants and one of the things they are looking for in a couple of years is salt water infiltration into our clean water system. With that knowledge, I would like to present the fact that we should get another feasibility study on the desalination of water for the safety of our public and our business. I also talked to a former commissioner who was really involved in this and that is former Comm. Sal Petoia. I talked to Sal and he is willing to come back at no charge and work with Joe Maggio and his team to come up with some reasonable ways to save the water. I guess at the time that we do resolutions we will bring that up again."

Chairman Cartine stated, "We don't have a resolution on that."

Comm. Veni replied, "Well we can make it."

Comm. Bottazzi asked, "Do we have time to think about it because I know Sal Petoia. I served on this Board with him and that is all he ever talked about and I'm against it. I don't think we need salt water"

Comm. Fozman asked, "What is the cost?"

Comm. Veni replied, "Well this is what we are having the meeting for."

Chairman Cartine stated, "I need some advice here counselor. What we are looking for and I don't know it calls for a resolution or not to bring an outside person in free of charge to offer his engineering advice whatever it is. He's an engineer to our water quality people with regards to a continuing study of a desalinization plant possibility. Would we need a resolution for that or could we just go ahead and do it."

Counselor Dasti stated, "Well I think you should hear from Director Maggio. Does he want that or not. If he would like that assistance then maybe you should just vote on it and that way he can be here and help out the Director. If Director Maggio feels he doesn't need it then so be it."

Chairman Cartine asked Joe Maggio, "How do you feel about it Director Maggio?"

Director Maggio replied, "Right now we are studying the likelihood of when in the future there is a possibility that saltwater could overtake our intake. We are looking at it and this interest in looking at it was prompted by 2010 when we had a drought. As I have reported to the Board on a number of occasions the location of salt in relation to our intake and there were several times when it overtook our intake and really drove our water operations during the summer. In house we are coordinating with the Barnegat Bay National Estuary Program because they are doing some hydraulic modeling of the Barnegat Bay. I personally feel this is going to be driven more by global warming than anything else and sea level rises. As the ocean levels raise that will push saltwater upstream. I am hoping as I said at the Construction Committee Meeting that this is something that does not happen in the lifetime of anybody here but I don't know that is a guess. 2010 was a pretty rough year."

Chairman Cartine advised, "That is not what we asked you Joe. We asked if you would go along with this project."

Director Maggio replied, "Right now we are focusing on whether salt water and when it will reach our intake. We are not really looking at technologies, but if the Board desires us to look at technologies I am willing to accept any support and any help would be fine."

Chairman Cartine asked, "It is a suggestion of the Alternate Water & Energy that we enter into some discussion or work and we were looking for your input whether or not you could work with someone from the outside."

Director Maggio replied, "Absolutely."

Chairman Cartine asked, "Let me ask the other commissioners your advice on this."

Comm. Cevalco stated, "I just have a question. We were discussing at one point in time upgrading the sand filters to membrane."

Director Maggio replied, "At the capitals discussion. Yes."

Comm. Cevalco continued, "At the capitals discussion. Would the membrane filters be able to filter out salt intrusion?"

Director Maggio replied, "No you would need reverse osmosis. Membrane filters I'm not completely familiar with reverse osmosis, but it is my understanding that it generally has prefiltration before you go to the RO units and that pretreatment would normally be an ultra filtration or a microfiltration membrane. So membranes would probably be part of the process but they would not be the solution. You would need reverse osmosis."

Chairman Cartine asked, "What do you think? You think we can enter into something like this?"

Comm. Cevalco stated, "I think it is a little premature."

Chairman Cartine stated, "There is no money involved in this."

Comm. Cevalco stated, "Oh I understand that it just occupies time."

Chairman Cartine stated, "You know they said the Reservoir was premature too ten years ago as well and it turned out not to be premature."

Comm. Bottazzi stated, "That is one of the reasons for the Reservoir. Is when the water comes up past Route 70 where the diner is that is our line and we shut down the intake and we draw from the Reservoir."

Chairman Cartine stated, "We know that but the Reservoir is not going to be sufficient if we totally lose the Metedeconk Watershed to salt intrusion. The Reservoir is not going to handle our water needs in years to come. We are not saying we are going to convert anything or we are going to do anything. We are just looking into the feasibility so that when this occurs we will be prepared. Just like when we built the Reservoir there were people who had vision who looked into it and said you know what we may need- a Reservoir at some time so let's build one. We don't know where we are going with this salt intrusion and climate warming and we are looking to investigate what our options would be

through somebody who has a personal interest and has become you might say his driving motivation in his retirement to look at desalinization for the Jersey Shore communities. That is all we are saying. I see nothing wrong with looking at the future from that perspective.”

Comm. Bottazzi stated, “Mr. Chairman it would require a whole complete separate building they don’t go together.”

Chairman Cartine stated, “We are not talking about building anything Commissioner. We are talking about the potential and to investigate what our options would be in the future. We are not anywhere near that point. We are not talking about building anything in my lifetime anyway.”

Comm. Fozman asked, “If you want maybe he can come in and give us a presentation here, everybody? If that will satisfy everybody’s curiosity, and the cost effectiveness how much it would be to do this and give a presentation to everybody so everybody is on the same page. Instead of just working with Joe I think he should come and give a presentation. Maybe that would be a lot better. I would like to see it too. That will satisfy all our curiosity and we’ll see how much it costs and everything.”

Chairman Cartine stated, “Well like I said and I have to explain this again. We are not talking about building anything. We are looking at the feasibility and the problematic situation that down the line somewhere we may have to go to a reverse osmosis production for water.”

Counselor Dasti asked, “Can I help out. The suggestion is do you want some free advice from former Commissioner Sal Petoia which you can throw in the garbage can if you don’t want it. It is hard to understand how this is...”

Comm. Cevasco asked, “The ASR wells isn’t that part of mitigating salt water intrusion? Don’t they help in that respect once we put the ASR 15A in service won’t that help?”

Director Maggio advised, “The ultimate problem is if salt water creeps up the Metedeconk to an extent where it goes beyond for either a long period of time or permanently at our intake. Once it goes beyond our intake our current treatment process is useless. We wouldn’t be able to put the water in an ASR well or fill the Reservoir. That is the big picture problem that I think Comm. Veni is looking at. Not immediate short term issues like we had in 2010.”

Chairman Cartine asked, “To cut the conversation short we will bring in Sal Petoia to the next meeting. We will set some time aside. Joe you will call him and bring him in and tell him he has ten minutes to give us a presentation. He is very knowledgeable in that area.”

Director Maggio advised, “And I welcome any help he can offer.”

b. Finance Committee – Comm. Fozman

Comm. Fozman stated, “Finance Committee, March 18th that is today meeting agenda. One five year capital plan. Mr. Planko went over that with the Committee. Finance Committee had two meetings with the Director and each department head and reviewed the request for the five year plan. Commissioner Cevasco and myself and Frank Planko went line by line. After reviewing the five year capital plan we managed to save \$2 million without compromising the integrity of the water quality and looking towards the 20th Century. So we managed to save quite a bit. All we did was go line by line and

get everybody's department down. It was fantastic I thought. Deferred Compensation Annual Renewal. Mr. Holman explained that employees can opt to contribute to this plan in addition to what is already contributed to the State pension. He advised this review must be performed every year and a full audit is not required which keeps costs in line. The fee to perform the service is the same as it was last year and the Committee agreed as recommended. Renewal of Vision Coverage with NVA. The NVA stands for National Vision Administrators. The contract provides there will be no increase in cost for four years. Mr. Planko had prepared prices for five other vendors prior to 2007, 2008 contract. The renewal rates have been provided with no increase in the rates. These renewal rates are guaranteed for a period of four years effective May 1, 2013. The monthly renewal rates are \$675 for an employee and \$15.52 for an employee with one or more. Other items that were discussed were the Reservoir Sponsorship funds. We agreed to use the funds for operating, flowers, mulch and stuff like that and capital expenses related to the site. So the money that is there in that fund we are going to use for that site. Escrow accounts, Mr. Planko advised that they are related to engineering. He explained that Developer Escrow is sent to them periodically. Copies are requested and will be provided by Mr. Planko. Mr. Holman advised the Finance Committee oversees the audit process and noted that the Warehouse inventory will be performed first so they will do an audit of that department. I got to go over with Mr. Planko later I got the whole escrow here and I'm not fully understanding it. We are going to go over the figures because there is quite a bit of money there and that is in my report."

Director Planko stated, "As Comm. Fozman explained about the Deferred Compensation plan that is an annual function of the Auditor and if it is ok with the Board I would like to sign that agreement so Frank Holman can prepare to move forward if that is ok with the Board."

Chairman Cartine stated, "I don't see that as a problem."

Counselor Dasti stated, "I think you need to vote on that to authorize that it be done because it will be an additional expenditure to Mr. Holman so I think you need to vote on that formally Mr. Chairman."

Comm. Bottazzi made a motion. Seconded by Comm. Cevalasco.

AYES: Commissioners Cevalasco, Fozman, Bottazzi, Veni, Cartine
NAYS: None
ABSTAIN: None

c. Rate Committee – *Comm. Cevalasco*

Comm. Cevalasco advised, "It was like trying to hurt cats to get a committee scheduled, but it didn't happen which it will. Next month we will try to get one scheduled. That is all I have to day. We didn't have one."

Comm. Cartine stated, "We have already been through it so I didn't expect you to have anything."

Comm. Cevalasco stated, "We did a really great job Frank. We kept the rate flat at zero. We did a great job as a Rate Committee."

d. Reservoir Committee – *Comm. Bottazzi*

Comm. Bottazzi stated, "Well the dogs are doing fine. No one got bit. The ducks are behaving. There has been no thefts, accidents no problems and everything is going fine Mr. Chairman."

e. Watershed Committee – *Chairman Cartine*

Chairman Cartine advised, "The only thing I am going to say about Watershed is we received an award at the AEA Conference last Weds. Director Specht and I were there. Those are the WAVE Awards that we received and one was for the Watershed Project. Thanks to Joe and the other WAVE Award was because of our performance for Sandy so we are going to be displaying them when we build a case out front. On Thursday night we received a proclamation from the Township of Brick along with the key to the city with regards to our performance with Sandy. It was a huge affair Councilman and Commissioner Fozman attended and it was quite some turnout. That is my report."

f. Hazmat & Security Committee – *Chairman Cartine*

Chairman Cartine stated, "Hazmat Security you already heard about and we'll move on to the approval minutes."

8. APPROVAL OF MINUTES

The minutes of the following meetings were distributed previously:

February 25, 2013

Comm. Cevalco made a motion to adopt the minutes. Seconded by Comm. Veni.

AYES: Commissioners Cevalco, Fozman, Veni, Cartine
NAYS: None
ABSTAIN: Bottazzi

9. CORRESPONDENCE

Chairman Cartine advised, "We have a thank you note here from Mike Messemmer. I am not going to read it but he thanked us for honoring him for his 35 years of service."

10. APPROVAL OF BILL RESOLUTION

Comm. Bottazzi read the Bill Resolution Dated March 18, 2013 in the total amount of \$1,600,025.65 as follows:

Total Operating Vouchers:	\$	427,380.13
Total Payroll:		918,038.83
Total Capital Vouchers:		240,651.91
Escrow:		13,954.78
Total Bill Resolution	\$	1,600,025.65

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

AYES: Comm. Cevalco, Fozman, Bottazzi, Veni, Cartine
NAYES: None
ABSTAIN: None

11. TREASURER'S REPORT

Comm. Fozman read the Treasurer's Report balances for the month ending February 28, 2013 as follows:

Unrestricted Funds:

Total Revenue Funds:	\$	11,508,687.02
Total General Funds:		2,462,357.81
Total Unrestricted Funds:		13,971,044.83

Restricted Funds:

Rate Projection Maintenance Fund:	3,062,344.00
Future Capital Requirements Fund:	-0-
Working Capital Fund:	1,121,464.21
NJEIT Processing Fund:	3,546,698.82
Total Bond Funds:	9,497,007.30
Total Other Restricted Funds:	1,836,740.24
Total Restricted Funds	19,064,254.57
Total of All Fund Accounts:	33,035,299.40

Comm. Cevalco made a motion to adopt the Treasurer's Report. Seconded by Comm. Veni

AYES: Comm. Cevalco, Fozman, Bottazzi, Veni, Cartine
NAYES: None
ABSTAIN: None

12. DEVELOPER APPLICATIONS - None

11.1 Preliminary Applications - No Further Action Required

11.2 Other Applications

2121 Diocese of Trenton Church of Visitation, Major Site Plan & Minor Subdivision or Mausoleum & Cemetery/Chapel, Faith Formation Center & Gymnasium – Drum Point Road, Laurel Avenue, Aaron's Way & East End Avenue, Preliminary, 2 Commercial

Director Speccht advised, "As discussed by Commissioner Fozman during his report on the Construction Committee we have two applications. 212 which is Diocese of Trenton Church of Visitation, Major Site Plan & Minor Subdivision or Mausoleum & Cemetery/Chapel, Faith Formation

Center & Gymnasium – Drum Point Road, Laurel Avenue, Aaron's Way & East End Avenue. It is a Preliminary with 2 Commercial units and they will come back to the board upon approval.”

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

AYES: Comm. Cevasco, Fozman, Bottazzi, Veni, Cartine
NAYES: None
ABSTAIN: None

2131 Hess Service Station, Route 88, Major Site Plan, 1672 Route 88, Preliminary & Final, 1 Commercial

Director Specht advised, “This is for Hess Service Station, Route 88, Major Site Plan, 1672 Route 88 Preliminary & Final, 1 Commercial and I recommend approval.”

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

AYES: Comm. Cevasco, Fozman, Bottazzi, Veni, Cartine
NAYES: None
ABSTAIN: None

11.3 Release of Performance Bonds - None

12. UNANTICIPATED/EMERGENCY CAPITAL EXPENDITURES - NONE

13. CUSTOMER ACCOUNTS RECONCILIATIONS - NONE

14. CONTRACT CLOSE-OUTS - NONE

15. AUTHORIZATION TO EXPEND APPROVED FUNDS

a. Repair of Finished Water Pump #2

Amount: \$20,540.00

Vendor: Municipal Maintenance

Funding Source: Acct. #799008

Director Maggio advised, “On Item A we are requesting authorization to expend approved funds for the repair and replacement of finished water pump #2. The amount is \$20,540.00. The vendor is Municipal Maintenance and the Funding Source is Account No. 799008. This is happening because of a failure of the pump where a coupling on the shaft sheered. The pump has been in service for quite awhile and after discussions with the Construction Committee we have decided to recommend replacing the pump.”

Comm. Veni stated, “I would like to make a motion to move on this but I would also like to change the word repair to replace since we are not repairing this pump. We are replacing it as was discussed earlier.”

Seconded by Comm. Bottazzi.

AYES: Comm. Cevasco, Fozman, Bottazzi, Veni, Cartine
NAYES: None
ABSTAIN: None

- b. Purchase of 18.2 Tons Anthracite**
Amount: \$5,696.00
Vendor: Carbonite Filter Corp.
Funding Source Account # 701-8013

Director Maggio stated, "Authorization to expend approved funds for the purchase of 18.2 tons of Anthracite. The amount is \$5,696.00. The vendor is Carbonite Filter Corporation and the funding source is Account 701-8013. This is an annual maintenance activity that we do to perform on our sand filters and they are a critical part of our process."

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

AYES: Comm. Cevasco, Fozman, Bottazzi, Veni, Cartine
NAYES: None
ABSTAIN: None

- c. NJDEP TCPA Permit Renewal**
Amount: \$8,101.78
Vendor: Dept. of Treasury
Funding Source Account # 700-6022 -

Director Maggio advised, "This is the NJDEP TCPA Permit Renewal. The amount is \$8,101.78 made payable to the Department of the Treasury funding source #700-6022 and this is an annual permit renewal."

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

AYES: Comm. Cevasco, Fozman, Bottazzi, Veni, Cartine
NAYES: None
ABSTAIN: None

- d. 2014 International Single Axel Vacon Sewer Cleaning Truck**
Final Price with Trade in - \$294,886.00
Vendor: Pierce Equipment
Funding Source: Capital Budget Various Transportation Items
(Also Resolution No. 30-13)

Director Lacey advised, "This is the 2014 International Single Axel Vacon Sewer Cleaning Truck with a trade in it was \$294,886.00 from Pierce Equipment. This is under Capital Budget Various Transportation Items and is also under Resolution No. 30-13 tonight as Commissioner Fozman explained it went to the Construction Committee."

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

AYES: Comm. Cevalco, Fozman, Bottazzi, Veni, Cartine
NAYES: None
ABSTAIN: None

- e. 2013 Chevy Cargo Vans (4)**
Amount: \$66,086.51 (State Contract)
Vendor: Mall Chevrolet
Funding Source: Capital Budget Various Transportation Items

Director Lacey advised, "Yes Mr. Chairman. These are Chevy Cargo Vans, 4 units on State Contract in the amount of \$66,086.51 from Mall Chevrolet. Under the Capital Budget Various Transportation Items is the funding source."

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

AYES: Comm. Cevalco, Fozman, Bottazzi, Veni, Cartine
NAYES: None
ABSTAIN: None

- f. 40 Microsoft Office Licenses**
Amount: \$9,995.00
Vendor: Microsoft Corporation
Funding Source: Acct. No. 90059-8702

Director Pannucci advised, "Per the memo from Janice Zelnock I put in your packets, 40 Microsoft Office Licenses. Last time we did this was 2003, \$9,995.00 three priced Account No. 90059-8702 budgeted for and the other 60 we plan on doing next year."

Comm. Veni asked, "Did she give you what we paid ten years ago?"

Director Pannucci replied, "No. She did not."

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

AYES: Comm. Cevalco, Fozman, Bottazzi, Veni, Cartine
NAYES: None
ABSTAIN: None

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

- a. Annual Bid for Meters & Appurtenances**

Director Pannucci advised, "Request to go out to bid for meters and appurtenances."

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

AYES: Comm. Cevalco, Fozman, Bottazzi, Veni, Cartine

NAYES: None
ABSTAIN: None

17. ADOPTION OF REPORTS

Comm. Bottazzi made a motion to adopt the reports. Seconded by Comm. Cevalasco.

AYES: Comm. Cevalasco, Fozman, Bottazzi, Veni, Cartine
NAYES: None
ABSTAIN: None

18. ADOPTION OF PERSONNEL ACTIONS

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

AYES: Comm. Cevalasco, Fozman, Bottazzi, Veni, Cartine
NAYES: None
ABSTAIN: None

Comm. Cevalasco stated, "Mr. Chairman under Adoption of Personnel Actions I would like to make a motion at this time to remove the stipend from the Emergency Management/Hazmat Coordinator because all of the things he is being given stipends for are in his job specification."

Seconded by Comm. Fozman.

AYES: Comm. Cevalasco, Fozman, Bottazzi
NAYES: Comm. Veni, Cartine
ABSTAIN: None

19. OLD BUSINESS

19.1 Update on Bargaining Group Negotiations – R. Greitz - Exempt

This matter was discussed in exempt session.

20. NEW BUSINESS

Chairman Cartine stated, "I also have some new business. Very quickly I was informed by our Auditor Frank Holman that we have new parameters for FEMA funds and I am requesting that all parties and all directors meet with Frank Planko and Mr. Holman to discuss the opportunities that we may have for additional FEMA funds as noted."

Director Pannucci stated, "On that memo I gave the Board before. I know it is last minute but I just want to change it to two quarters to stop the minimum billings for those that were displaced by Sandy and make it until usage resumes because we are getting up to that point and they are going to forget that they were supposed to request an extension that they were still out of the house when the minimum bill resumes. I just want to try to stop them from coming here when they get a new bill."

Counselor Dasti advised, "As Director Pannucci said it is going to be almost six months believe it or not since Sandy, and people can't get in their houses yet because they were destroyed on the barrier island so they are not going to ask for an extension and he is going to have to put them on the books and start billing them and a thousand people are going to call and ask why we started billing them now. That is what the policy talks about and the fact that he used the wrong NO for the last line of this report. That is what he is looking for which I fully understand. Just extend it again because if not you are going to get all these people who can't get in their houses and are getting bills and calling here asking why we are now billing them."

Comm. Veni stated, "I will make that motion."

Chairman Cartine asked, "What is the motion now?"

Counselor Dasti advised, "To adopt a policy not to send bills out to the people on the Barrier Island until usage resumes."

Seconded by Comm. Fozman.

Comm. Cevasco asked, "I just have one question on the motion just for clarification, how would you know service resumes when they call?"

Director Pannucci advised, "Regardless of whether you are in your house or not if you are coded for Sandy we have a special code SO1 that we put in the billing system. No matter what even if you are coded SO1 when your meter comes up for a normal read during its normal route for its normal billing cycle we are still going to go out there and see that anyway. So even if you decided not to tell us that your usage is not on we are still going to see the meter spinning. Kind of a fail safe."

AYES: Comm. Cevasco, Fozman, Bottazzi, Veni, Cartine
NAYES: None
ABSTAIN: None

20.1 Requests to Utilize Reservoir

- a. Sunday May, 5, 2013 Walk Run Event with your pets or alone to help support animals in need. Event to run from 10:00 a.m. to 2:00 p.m. Approximately 75 participants expected. Application made by All About Animals NJ, Barbara Austin. This is the first time for this group.

Director Lacey advised, "Mr. Chairman there is a request to use the Reservoir on Sunday May 5, 2013 Walk Run Event with your pets or alone to help support animals in need. The event is to run from 10:00 a.m. to 2:00 p.m. approximately 75 participants expected. Application is made by All About Animals NJ Barbara Austin. This is the first time this group has applied. I think the last time we had animals up there was the Girl Scouts in 2012."

Comm. Cevasco asked, "What about the Pit Bulls?"

Comm. Veni asked, "Do you have to have extra personnel up there for clean up?"

Director Lacey advised, "They are supposed to clean up after themselves that is why we have the dog bags."

Chairman Cartine asked, "Well my question is are we going to monitor it?"

Director Lacey advised, "With our staff that is there. We always have staff when we are open."

Chairman Cartine stated, "Because it has been a problem as you know."

Comm. Veni asked, Ms. Sylvester, "Are you a member of this group."

Ms. Sylvester replied, "No, But I do know of them."

Comm. Fozman asked, "The staff that is up there do they know what to do?"

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

AYES: Comm. Cevalasco, Fozman, Bottazzi, Veni, Cartine
NAYES: None
ABSTAIN: None

20.2 Review of Security Camera Bid – Exempt

This item was discussed during Exempt Session.

20.3 Consumer Confidence Report 2012

This item was previously discussed earlier in the meeting.

21. RESOLUTIONS

25-13 A Resolution Awarding the Contract for the Security Camera System

Director Pannucci advised, "Based on Mr. Brando's presentation earlier a Resolution to award a contract for security camera systems."

Comm. Fozman asked, "Mr. Planko on this right here on the five year plan there is a Campus CCTV system. It is \$80,000. Is that for this?"

Director Planko replied, "I believe there are two different ones. This one is \$72,000 and I believe the campus one is a separate one isn't it Frank?"

Comm. Cevalasco advised, "The \$99,000 line item is for the future."

Director Planko reviewed the documents and advised, "Yes that is the one."

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

AYES: Comm. Cevasco, Fozman, Bottazzi, Veni, Cartine
NAYES: None
ABSTAIN: None

27-13 2013/2014 Adopted Budget Resolution - WATER
Fiscal Year: From April 1, 2013 to March 31, 2014

Director Planko advised, "Both 27-13 and 28-13 are for the adoption of our water and sewer budgets. I am recommending we adopt these resolutions and subsequently I will work with the Finance Committee and Executive Director Lacey and Frank Holman to start reviewing our revised budget and a subsequent amendment to the State."

Comm. Cevasco made a motion to approve Res. No. 27-13. Seconded by Comm. Veni.

AYES: Comm. Cevasco, Fozman, Bottazzi, Veni, Cartine
NAYES: None
ABSTAIN: None

28-13 2013/2014 Adopted Budget Resolution - SEWER
Fiscal Year: From April 1, 2013 to March 31, 2014

Comm. Cevasco made a motion to approve Res. No. 28-13. Seconded by Comm. Bottazzi.

AYES: Comm. Cevasco, Fozman, Bottazzi, Veni, Cartine
NAYES: None
ABSTAIN: None

29-13 A Resolution Authorizing Renewal of the Authority's Vision Coverage
with National Vision Administrators, LLC

Director Planko advised, "This is the Resolution to renew our agreement with NVA as discussed by Comm. Fozman and myself."

Comm. Fozman made a motion to approve Res. No. 29-13. Seconded by Comm. Cevasco.

AYES: Comm. Cevasco, Fozman, Bottazzi, Veni, Cartine
NAYES: None
ABSTAIN: None

30-13 Award of Bid 2014 International Single Axel Vacon Sewer Cleaning Truck

Director Lacey advised, "Award of bid for a 2014 International Single Axel Vacon Sewer Cleaning Truck."

Comm. Cevasco made a motion to approve Res. No. 30-13. Seconded by Comm. Bottazzi.

AYES: Comm. Cevasco, Fozman, Bottazzi, Veni, Cartine
NAYES: None

ABSTAIN: None

31-13 A Resolution memorializing the execution of an employment contract for Frank Planko, Chief Financial Officer

Director Lacey advised, "Resolution memorializing the execution of an employment contract for Frank Planko, Chief Financial Officer."

Comm. Cevalasco made a motion to approve Res. No. 27-13. Seconded by Comm. Fozman.

AYES: Comm. Cevalasco, Fozman, Bottazzi, Veni, Cartine

NAYES: None

ABSTAIN: None

22. PUBLIC DISCUSSION

Chairman Cartine advised there were no members of the public present.

23. COMMENTS FROM COMMISSIONERS, PROFESSIONALS & STAFF

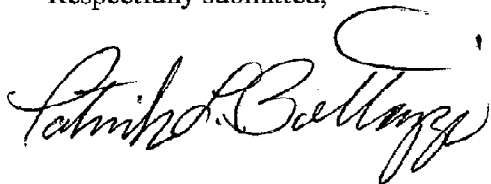
24. CLOSING STATEMENT

Ms. Sylvester read the Closing statement as follows: "The next Public Meeting of the Authority will occur on Monday, April 22, 2013. All regular public meetings take place in the Main Conference Room of the Authority's Administration Building located at 1551 Highway 88 West."

25. ADJOURNMENT

There being no further business to discuss and on motion duly made and seconded the group adjourned at 10:07 p.m.

Respectfully submitted,



Patrick L. Bottazzi, Authority Secretary

PLB/mas