

Minutes of a PUBLIC MEETING of
The Brick Township Municipal Utilities Authority Held on
August 26, 2013 beginning at 7:00 p.m.

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

Comm. Cartine asked Comm. Cevasco to lead the group in the Pledge of Allegiance.

2. 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:

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

Also Present

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

Following roll call Ms. Sylvester advised the Chairman that there is a quorum to conduct the meeting.

Chairman Cartine stated, "At this time before we go into executive session I am going to ask all the commissioners and professionals if they would please come into the conference room across the hall. We are going to demonstrate our security system and would you please join us in the Conference Room and Domenick Brando will fill you in on the security system."

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

Chairman Cartine stated, "At this time just so our visitors know we are glad to have you, but at this time we go into exempt session which means that everyone must leave the room when we go into exempt session."

Counselor Dasti advised, "We need a motion to go into exempt or closed session to discuss litigation and potential contract and personnel matters. The minutes of the meeting will be held confidential until the need for confidentiality no longer exists."

Comm. Veni made a motion to go into closed session. Seconded by Comm. Cevalasco

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

At this time, 7:24 p.m. the Board entered exempt session.

On motion duly made and seconded during closed meeting the group returned to open session at 8:05 p.m.

5. Directors' Reports Review/ Adoption of Reports

- a. James F. Lacey, CPWM, Executive Director
- b. Stephen T. Specht, PE, Director of Engineering/Operations
- c. Frank Planko, Chief Financial Officer
- d. Joseph Maggio, PE, Director of Water Quality
- e. Frank Pannucci, Jr., Director of Customer Accounts

Chairman Cartine stated, "I assume that every commissioner has read the reports. Do you have any questions on those reports? Anybody with a question?"

Comm. Fozman stated, "I have something on the Finance what we discussed. I would like to talk about this a little about our meeting and the capital."

Chairman Cartine stated, "Well this has nothing to do with the reports. Just report on that during your committee reports. This is any questions on any of the directors' reports. Hearing none I will entertain that all the director reports be accepted. Can I have a motion?"

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

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

6. Commissioner Committee Reports

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

Comm. Fozman read the minutes of the August 13th Construction Committee as follows: "New Red Robin Restaurant is coming to the Cedar Plaza and they will be connecting it to our sewer and water main between Joe's Crab Shack and Smashburger. Investors bank release of performance bonds and Joe's Crab Shack will also be receiving a performance bond back of \$5,000. We have a change work order for approval that is on the agenda tonight. That is for sanitary sewer rehabilitation for the National Water Main Cleaning Company. Rehabilitation of eight pump houses damaged by Super Storm Sandy. We discussed number 15 well that it was tested and different pump designs possibly to help the well out. Also miscellaneous was to replace the fence around Drum Point Pump Station and put a new fence around them. We discussed the variable frequency drives for the finished work pumps because they were getting up in age and Mr. Maggio suggested that they be redone now. We also have Alternate Energy Source Committee - We talked about the micro turbines. They came in from Cap Stone Turbine and they gave a presentation on the use of turbines here and they gave a demonstration that we can either use natural gas for the turbines and they could actually run the whole facility. It is cheaper than electric. I asked Mr. Specht to look into what the cost of the natural gas is compared to the diesel turbines."

Chairman Cartine stated, "I have one question on the report. Commissioner Fozman mentioned the ASR 15 well. When is that coming on line?"

Director Lacey replied, "Well they just finished the redevelopment of it and at any time they will be back on site. Steve is working on them now to mobilize. They are going to put the pilings in and start building the building on top of it so that is the next phase of it. I haven't gotten a start date as to when they are going to mobilize but it should be..."

Chairman Cartine asked, "Do we have an estimated time that it is to be finished?"

Director Lacey replied, "By next summer. There is some piping that has to be done, the building has to be built."

b. Finance Committee – *Comm. Fozman*

Comm. Fozman stated, "The agenda on the Finance Committee included the capital plan and pipe fitting resolution and that is on for tonight, and also the proposal for a checking service, but I wanted to actually discuss the capital plan. In the past years, just to give a for instance - in 08/09 we went out for \$7.2 million and we only spent \$3.6. And in 09/10 we went out for \$8.8 million, but we only spent \$1.4. The point is in 11/12 we got 7.2 million and we only spent 3.1 million. We are going out for a lot of money that we don't need to. So with all these percentages in the past years what we want to do is go out for \$6 million on the capital budget. We figured we are lucky if we even spend that money for the year. We are going out for money but we are not doing any of the projects that is the problem. So I want to ask the rest of the Commissioners - for September I would like to put down the capital budget to \$6 million. Mr. Lacey can go over it with the directors and they can go through what will be necessary for the rest of the year. There is only six months left out of the year so you have six months left with six million dollars so that is about \$1.2 million a month to spend"

Director Planko stated, "If I can just give the Board a brief update on this. Right now where we stand we are at \$9.4 million for this year but we spent a little over \$1 million. Next year we stand at \$12.7 million. I don't think we are talking about deleting projects that the department heads put in for but I think we have a timing issue. First to achieve the spending levels between now and March of 2015

we would have to spend at a rate of over \$1 million a month. I don't think it is so much of an issue that we need to delete, but we need to look more at the timing of those projects. And that is important for two reasons. Number one we are working on an amended budget for this year. Before we know it we are going to be in the budget season for next year. Number two we had with Acacia back in December where we really want to fine tune our spending levels and the timing of that spending because very soon we need to go out for borrowing for these capital projects because right now I am just using our internal funding. I think we have to look at the timing of those projects. It is really a matter of timing of those projects and not necessarily telling department heads they need to delete those projects."

Chairman Cartine stated, "Just for all the commissioners knowledge. I have asked all of the Directors to look at their projects realistically and to spend what is needed. I am not going to curtail any particular project that a Director feels is absolutely necessary. We know some of these projects can be completed in the time we would like to see them complete. They get extended sometimes. How long has this well been under construction. It seems like ever since I came on as a commissioner. So understand one thing - we are borrowing based on a particular project which may not be completed in that particular fiscal year. So I am asking all the commissioners to keep that in mind but on the same token I have asked every one of our Directors to tighten their belts, look at these projects realistically and look at the timing. Mr. Fozman is absolutely correct and you are as well when you say it is not about cutting the projects, it is about the timing of the borrowing. I also want to assure the commissioners that our borrowing power is in terrific shape. We have reduced our debt. We are below this debt level that we had in the past and we certainly can incur new debt without destroying or running down our company. So that debt that we incur is going to empower and improve the infrastructure of this Authority. I am not going to stand for the impediment. I am going to ask that we borrow the money and we get the projects done. Many of these projects that I have seen that are on line or proposed are projects that will improve the infrastructure and in our five year planning program this infrastructure needs to be financed and if it means borrowing we will borrow. I am not going to jeopardize the health and our public water system because we refuse to borrow the money that we need to borrow because someone says well we shouldn't borrow it because we are borrowing too much. We are not borrowing too much. We are not going to limit ourselves based on the dollar figure itself but on the project and on the time that project can be completed."

Comm. Fozman stated, "Mr. Chairman I have one more thing to say. The last six years the average was \$7 million budgeted and the average spending was \$2.7 million per year. We are borrowing more money than we actually need to complete the project."

Chairman Cartine stated, "And that is history. What you are doing is implying that history is today's reality and I'm here to tell you that I won't stand for the over borrowing but we will borrow based on our needs and not by a number that you and the Finance Committee has come up because of the averages of the past five years. If mistakes were made five years ago, or two years ago, or three years ago that is something that we will deal with as we move forward."

Comm. Cevalasco stated, "Mr. Chairman if I might just add to that, it was never the intent because I am on the Finance Committee, it was never our intent to cut projects but it was to prioritize projects. We have roughly 128 capital projects and we asked the Director to prioritize their projects with 1,2,3 and they came back with lists. We went over their lists, out of the 128 projects we have 68 that are labeled priority 1. We then asked that those priority one projects be reprioritized and meaning that we can't do 68 priority projects in one particular year but which ones are the most critical, which ones need

to be done now, which ones can we do tomorrow. Just so you are aware we have outstanding loans that are ten years old on projects. I think ten years is a long time for a project.”

Chairman Cartine asked, “How long has that well been under construction?”

Director Lacey advised, “I think three years.”

Chairman Cartine asked, “Did we anticipate at the time that it would take three years and you are telling me another year or so before it comes on line. Did we anticipate that time?”

Director Lacey advised, “Well we did have a problem with the well collapse and we couldn’t have anticipated that. I think what Commissioner Cevalasco is talking about is the NJEIT loans where we do infrastructure.”

Comm. Cevalasco stated, “Yeah those are the oldest and some of them have minimal amounts of money which you can probably go out and buy a shovel and put a shovel in the ground and expend it.”

Director Lacey stated, “I think Mr. Specht had explained some of those and I can’t speak to the one that is ten years old, but some of them, contractors have gone bust...”

Chairman Cartine stated, “When was the NJEIT Loan made? I can tell you but you tell me?”

Director Lacey stated, “2001.”

Chairman Cartine stated, “Who was running the MUA in 2001? Ok. I wasn’t here and I wasn’t the Chairman and I had nothing to do with expending that kind of money, but I am here to tell you right now that I am going to watch it very closely. I don’t need a history lesson. I don’t need batting averages here of how much we spent in the past, and much we did not spend. Certainly there was some carelessness going on here at the time that money was borrowed. I will not stand for it. I will not put up with it, but I have asked the directors. I will repeat myself, and Frank Planko and the Finance Committee to come to some kind of compromise here because I have directors here that tell me they need this and that and they are not willing basically they don’t feel that the cuts that you want to make on the projects that you want to move out should be moved out. So you’ve got to cut down and you did get a concession and you want more of a concession.”

Comm. Cevalasco stated, “You have misinterpreted everything that we have done. That is not the case. We have cut no projects. None.”

Chairman Cartine stated, “No but you postponed projects.”

Comm. Cevalasco stated, “We didn’t postpone anything. We just asked for priority. 15A is a priority I would assume. I am not the director that is responsible for that well. You want to go back to the NJEIT loans, I don’t know of any reason why in 12 years that particular project couldn’t have been closed out. I don’t care what the reason was. And that was my question. Those are the questions that we asked. Why does it take so long? 15A we had a problem with. 15 we had a problem with. Whatever your construction you are going to have problems because nobody has sight to see the future. I don’t have a problem with that. I just have a problem with the amount of time that it takes to ... If I had projects assigned to me and they took as long as they did when I worked in the private sector I wouldn’t

have worked there very long. They gave me a time line and a budget and they didn't want to hear *well you know we had a problem with the contractor - he quit*. Well there are other contractors out there. Have we rebid? Have we looked at..."

Chairman Cartine stated, "You know commissioner you keep comparing the company that you worked for with the company."

Comm. Cevalasco stated, "No I don't."

Chairman Cartine stated, "Yes you certainly do. You bring up JCP&L all the time. The point is this is not JCP&L. This is a quasi government agency which has to comply with certain regulations which you and the private sector never had to comply with and that is paperwork upon paperwork and that is one of the problems that we have here because there is a bureaucracy of paperwork. I just have to go onto the DEP. The Paperwork DEP demands never ends. You need to hire people just to do the paperwork here to even start the project for that matter particularly when it pertains to the environment. I am saying to you that yes there have been some lapses in the past and I would think that in the future whether I am the chairman, or you are the chairman that we will stop that. We will expedite these projects. I agree with you there but I also am looking at let's say I am going to point out Director Specht's projects because I read through the capital plan and I read through the excel sheets and I am seeing all these 1's and all these 2's and all these 3's. I don't know how they have been prioritized and then if I have ten 1's under Stephen Specht I don't know until he tells me that he can spend all that money this year or next year or whenever, but apparently he thinks he can. But you think he cannot spend that money. I am only using this as you know an example and I have to rely on my professionals as to whether or not they can spend that money and whether or not that money is necessary or that project is even necessary to be completed now or next year or years after. You tell me where to draw the line. You have done a great job along with Comm. Fozman looking at this, but I need you to basically hammer the directors and find out how much more you can solicit from them in order to cut back. I won't use the word cut back, but put off the projects to subsequent years. You need to come to an agreement with the directors who have these capital programs in the capital budget and I am going to ask you to continue to do that."

Comm. Cevalasco stated, "But there are some of these projects that cross boundaries between directors and I think it is up to those people not me, those people to make a decision as to which one has priority – do we put water in the pitcher or ice in the pitcher first? We both need ice water. That is what I am asking when I say to have the directors prioritize because they know what project interfaces with whatever Director Specht may be doing out there in the yard somewhere may affect Director Maggio, may affect Director Pannucci in some respect. I don't know this."

Chairman Cartine asked, "Have you met with all the Directors?"

Comm. Cevalasco stated, "Not yet we have been trying to.."

Director Planko advised, "We met with them a while back."

Chairman Cartine asked, "Did you meet with all the directors together or one on one?"

Director Planko advised, "One at a time to talk about their projects."

Chairman Cartine stated, "Now what I am going to suggest that you do is that you bring all the directors in a room and let them fight it out. Let them figure out who and what projects have priority and if we can meet the financial that the Finance Committee is looking for fine. If we can't we will come to some sort of compromise and conclusion, but you are going to have to put them all in a room with Director Lacey there and hammer this out and that is what I suggest that you do."

Director Lacey added, "Mr. Chairman not to beat a dead horse to death, but since 15A came up just to give you an example, I know that it collapsed and no one is prepared for that, but after the collapse we went to get the permit to drill the same well and the DEP wouldn't give it to us after they had given us the first permit. They held us up for months and months after they gave us the first permit they wouldn't give us the second one and we had to ask them all different questions and we had to go through different engineering and add to it. Why they did that I don't know, but they held us up for months."

Chairman Cartine asked, "How much did we bond for that well?"

Director Lacey advised, "Three million I think. Frank do you have that number in front of you?"

Director Planko replied, "We paid about that but that money is not bonded. That is going to be part of our borrowing that we put into the five year plan. Just to update the commissioners, we did have a staff meeting today and we talked specifically about this five year plan and the timing issue. So by the February 9th Finance Meeting we will get together as you suggested Mr. Chairman and talk more about the financing and hopefully by February 9th come up with a more compatible plan that we can hopefully finalize next month and start our borrowing process."

Comm. Cevasco asked, "February?"

Director Planko corrected stating, "I am sorry September."

Chairman Cartine stated, "What I am looking for is a consensus and I think we can come to that ..."

Director Lacey stated, "Mr. Specht will be back Thursday and I will get together with him and Director Maggio. I think it is a little aggressive what we are trying to do and I think we need to look at it."

Chairman Cartine stated, "You will look at it and again I want the Directors on board."

Comm. Fozman stated, "Mr. Chairman this has been going on since last year in October that is why we should have a final date in September is the next meeting and get this completed capital budget in there. It has been dragging on. Going by this historical spending, you appointed us in these positions and we are finding different things out. We didn't know that money from 2003 was like that. We found it there. We didn't know what was going on. I'm new this year. Whatever we are finding we are trying to straighten out and this money went back over the years. We are figuring out what is going on here and the best thing to do is to borrow the six million dollars for this year next year. That is my opinion. You put me on as chair and that is what I am recommending."

Chairman Cartine stated, "And I thank you for your diligence and what happens is maybe some people may disagree with that and that is why I need to have a consensus. I think we have shot that one down already so let's move on."

c. Rate Committee – *Comm. Cevalasco*

Comm. Cevalasco advised that to his knowledge the Rate Committee has not met yet.

Director Planko stated, "Can I just update the Board on rates because we happen to be looking at rate design consultants. We just had the last rate consultant in and I intend to write a summary and a recommendation memo this month on that."

Chairman Cartine asked, "Are you about to choose a consultant?"

Director Planko stated, "Yes I will put together a recommendation memo. We interviewed 4."

d. Reservoir Committee – *Comm. Bottazzi*

Comm. Bottazzi advised, "There wasn't a meeting of the Reservoir Committee but I can report that we have not had any requests for the use of the Reservoir and that everything seems to be operating fine."

Chairman Cartine stated, "I had an opportunity to tour the Reservoir a couple of weeks ago with Director Lacey and Domenick Brando and I would have to say if any of you people in the room work at the Reservoir you do one hell of a job up there. That place was spotless. You can be proud. We can be proud of that facility."

Director Lacey advised, "Dan Reilley has told me that we are averaging about 1,800 visitors a day, seven days a week."

Comm. Bottazzi stated, "It's a good thing we built the Reservoir."

Chairman Cartine stated, "You know you say it is a good thing we built the Reservoir. I was reading through Director Maggio's reports how basically we had to once again go into the Reservoir and pump water and use the Reservoir for our drinking water through the months of July and August. We had quite a bit of rain that muddied up the river, browned the river out so to speak and we were forced to close the intake and pump water down from the Reservoir. I understand it has dropped below a foot to its average but we are back to normal now and we are pumping water back into the Reservoir is that it?"

Director Maggio replied, "We are very carefully managing the filling the Reservoir. We have used it a lot more this year than we have in years past."

Chairman Cartine continued, "And once again you know we got the Reservoir and that has bailed us out again so thanks for the work that you guys have done in keeping our drinking water going ok?"

e. Watershed Committee – *Chairman Cartine*

Chairman Cartine stated, "As far as the water committee that is my report and it is simple that we are now in Phase II of the grant money that was given to us by the DEP. What we are doing now is implementing or beginning to implement the projects that we have identified in Phase I. I don't have my notes in front of me but I believe we received up to \$700,000 for Phase I and we are actually now about Phase II correct me if I am wrong about \$466,000."

Director Maggio replied, "We got a total for Phase I of \$666,000 and we spent \$200,000 on Phase I. We have \$466,000 for Phase II and I believe we have an additional grant for \$702,000 so we have about \$1.2 million going into Phase II."

Chairman Cartine stated, "Ok and the projects are moving along. Can you tell me which particular projects we have identified that we are going to work on right away?"

Director Maggio replied, "We have prioritized that. We have done conceptual designs for it. Actually John Truhan has teamed up with CDM to work on those conceptual designs. We have not firmly nailed down which ones we are going to move on because we want to try to make the most of the money that we have and that will not pay for all of the top four projects but there is definitely a project that is high on the list at Brick Plaza and I know you have been out there. The basin in Howell which is another priority and I know the Watershed Committee has been out there as well. There is work in Lakewood that is high priority along Lake Carasajo. We may not get all three of those done but they are definitely on the list and just last week we met with the County to coordinate possibly teaming up on some items to get even more projects done and become more efficient."

Mr. Truhan stated, "Mr. Chairman we just submitted to Rob Karl and Mr. Maggio budgets for looking at the detention basin on Moscs Mill Drive in Howell so that is part of the review that we are doing."

Chairman Cartine stated, "I was out there on that. I saw that one. Ok the last one is Hazmat and Security Committee. We have the hazmat trailer stationed out there. The only thing that needs to be done is it needs to be fitted with equipment and we are going to be putting a decal on that trailer. It is not only serves our campus but the needs of any emergency spill that we have in Brick Township where we may be called out to help out. We certainly do have some people that have been trained that may even be in this room tonight in Hazmat handling. It is a project that we can be proud of. The Security Committee has now just about virtually completed the cameras that have been installed on the campus for security measures. Every nook and cranny on our campus and this building is now under the watchful eye of high definition cameras. Once again we have been identified by Homeland Security that the reservoirs and water companies are soft targets. Soft targets are targets that can be destroyed by the enemy - by terrorists and therefore we have begun to equip ourselves in handling any of this. Our next Phase II will be putting brand new cameras up at the Reservoir. Right now we have cameras that face inside the Reservoir and adorn the walkway and pathway. Well we have no cameras facing the fence line and if we are going to have an intruder or somebody who wants to come in they would come in through the fence so we are going to be installing and working on Phase II of installing more cameras up there. Also that we will be equipped any kind of security that we need."

f. Hazmat & Security Committee – *Chairman Cartine*

7. APPROVAL OF MINUTES

Chairman Cartine called for a motion to adopt the minutes of the July 22, 2013 regular meeting.

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

AYES: Comm. Fozman, Bottazzi, Cartine,

NAYS: None

ABSTAIN: Comm. Cevasco, Veni

8. CORRESPONDENCE

10. APPROVAL OF BILL RESOLUTION

Comm. Bottazzi read the Bill Resolution Dated August 26, 2013 in the total amount of \$3,586,316.19 as follows:

| | | |
|---------------------------|----|--------------|
| Total Operating Vouchers: | \$ | 2,404,407.37 |
| Total Payroll: | | 951,758.82 |
| Total Capital Vouchers: | | 229,150.00 |
| Escrow: | | 1,000.00 |
| Total Bill Resolution | \$ | 3,586,316.19 |

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

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

NAYS: None

ABSTAIN: None

11. TREASURER'S REPORT - Commissioner Fozman

Comm. Fozman read the Treasurer's Report balances for the month ending July 31, 2013 as follows:

Unrestricted Funds:

| | | |
|---------------------------|----|---------------|
| Total Revenue Funds: | \$ | 9,980,319.91 |
| Total General Funds: | | 913,283.33 |
| Total Unrestricted Funds: | | 10,893,603.24 |

Restricted Funds:

| | |
|-----------------------------------|---------------|
| Rate Projection Maintenance Fund: | 2,292,963.00 |
| Working Capital Fund: | 462,854.21 |
| NJEIT Processing Fund: | 3,509,162.82 |
| Total Bond Funds: | 15,340,430.09 |
| Total Other Restricted Funds: | 1,595,655.33 |
| Total Restricted Funds | 23,201,065.45 |

Total of All Fund Accounts:

34,094,668.69

Comm. Fozman made a motion to adopt the Treasurer's Report. Seconded by Comm. Bottazzi

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

NAYS: None

ABSTAIN: None

11. DEVELOPER APPLICATIONS

11.1 Preliminary Applications - No Further Action Required

11.2 Other Applications

Director Lacey reviewed the Developer Applications as follows:

2135 Mr. David T. Joss, Federal Realty Investment Trust, Major Site Plan – Red Robin Restaurant, Cedar Bridge Avenue, Preliminary, 1 Commercial

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

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

NAYS: None

ABSTAIN: None

11.3 Release of Performance Bonds

Director Lacey reviewed the Release of Performance Bonds as follows:

2097 SMZ Corp. c/o Jon Mandelbaum, Mandelbaum & Mandelbaum, Investors' Bank, Brick Blvd. & Hooper Avenue

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

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

NAYS: None

ABSTAIN: None

2124 Crab Addison, Inc., dba Joe's Crab Shack, Joe's Crab Shack Restaurant, 1048 Cedar Bridge Avenue

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

AYES: Comm. Cevalco, Fozman, Veni, Cartine

NAYS: None

ABSTAIN: Comm. Bottazzi

12. UNANTICIPATED/EMERGENCY CAPITAL EXPENDITURES - NONE

13. CUSTOMER ACCOUNTS RECONCILIATIONS - NONE

14. CONTRACT CLOSE-OUTS - NONE

15. AUTHORIZATION TO EXPEND APPROVED FUNDS

a. Transfer Line Turbidity Meter

Amount: \$5,574.24

Vendor: Hach

Funding Source: Account 799008

Director Maggio advised, "We are requesting authorization to expend approved funds to replace our transfer line turbidity meter. The amount is \$5,574.24. The vendor is Hach and the funding source is account 799008. Our existing turbidity meter is not operating reliably and due to its age which is about nine years old it is not repairable so we are recommending that we replace it."

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

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

NAYS: None

ABSTAIN: None

b. Variable Frequency Drives for Finished Water Pumps 1 & 2 -

Amount: \$26,191.00

Vendor: Applied Analytics

Funding Source: Account 799008

Director Maggio, "This is the replacement of our variable frequency drives for finished water pumps 1&2. The amount is \$26,191. The vendor is Applied Analytics and the funding source is 799008. Our existing variable frequency drives are 15 years old and well past their useful life. To economize on this purchase we will actually be modifying the existing VFD cabinets to install the new VFD's."

Comm. Veni asked, "Are the accounts the same?"

Director Maggio replied, "Yes these are both our water treatment plant building accounts."

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

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

NAYS: None

ABSTAIN: None

c. Global Care Service Contract for SCADA System

Amount: \$31,127.82

Vendor: GE Intelligent Platforms

Funding Source: Account 9178703

Director Maggio stated, "The next item is the renewal of our global care service contract for our SCADA system. The amount is \$31,127.82. And the vendor is GE Intelligent Platforms and the account number is 9178703 and this is our renewal of our current contract which is expiring."

Comm. Veni asked, "Can you tell us what last year's contract amount was?"

Director Maggio advised, "The last contract amount which was for the duration from 8/1/10 to 7/31/13 was \$25,165. So there was a price increase."

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

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

d. Drum Point Road Pump Station Fence Replacement –
3 Price Quote
Vendor: Missing Link Fence
Amount: \$10,333.00
Funding Source: Acct. No. 601001

Director Lacey advised, "Mr. Chairman this is Drum Point Road Fence Replacement. We three priced this. The vendor is Missing Link Fence and the amount is \$10,333 and the funding source is Account No. 601001."

Chairman Cartine stated, "It is nice to have a local guy doing this job."

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

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

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

17. 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
NAYS: None
ABSTAIN: None

18. OLD BUSINESS

18.1 Super Storm Sandy Credit Policy Extension

Director Pannucci stated, "Back in November of 2012, because of the influx of breaks and

credits from the Super Storm Sandy the Board voted to extend to August 2013 any credits over \$400 up to a \$4,000 minimum. While they are starting to dwindle down that ended this month. It is just the Board's prerogative if we want to have them back on the agenda or extend it until the end of the year."

Comm. Veni and Comm. Bottazzi stated that they concur with Director Pannucci's suggestion.

Chairman Cartine asked Counselor Dasti if the Board needs to vote on this.

Counselor Dasti replied, "No just continue the same policy you have in place."

Chairman Cartine stated, "OK then we will extend the policy."

19. NEW BUSINESS

19.1 Requests to Utilize Reservoir - NONE

19.2 Employee Assistance Program Renewal

Director Lacey advised, "Mr. Chairman this is the employee assistance program. They are breaking from the Franklin Group. This is now available to our employees at \$1.22 a pay period. Dupont is willing to drop it to .85 per employee if we sign by the end of August. I did check with Director Planko during the break and he did say that we need this because the regular health care does not provide other than long term care so it would be consistent with what we have now and we will save 25% and it is good for 5 years."

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

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

NAYS: None

ABSTAIN: None

19.3 Developer's Escrow Account

Director Planko advised, "I had a discussion with the Finance Committee regarding our developer escrow account which is now with Wells Fargo. This account has kind of been bounced around. It started with First Fidelity and went over to First Union and then Wachovia and now Wells Fargo sort of inherited the account. As Commissioner Fozman mentioned, we have about \$592,000 in this account. There is about 180 sub-accounts. The system we use with Wells Fargo is an online system that we use for a variety of things. We use it for tracking information and creating new accounts, closing accounts, transferring money and so forth. The issue that we have with Wells Fargo is not really a monetary issue. It costs us less than \$2,000 annually for this account, but it is more maybe customer service on line banking issues. Their system is more or less kind of cumbersome to use. I mentioned to the Finance Committee I would really like to go out and look at other banks to see what they have to offer both price wise and on line system wise to see what they have. The Finance Committee was good with it and I just wanted to check with the full board to see if they are ok with that. If so I will put together a banking request. I will run it past the auditor and Gerry and I will send it out to a number of banks that we deal with."

Comm. Veni stated, "Wells Fargo didn't they take over one of those banks?"

Director Planko stated, "Yeah it went from Wachovia and Wells Fargo took them over so before Wells Fargo Wachovia had our developers escrow. So over the years it really went through four banks. And I want to do some shopping. There is really not a lot of money to be saved but I'd really like to get a better on line system."

Chairman Cartine asked if we needed a motion.

Counselor Dasti advised, "NO I think he is just informing you that he is going to go out and come back to you."

Chairman Cartine stated, "Ok go ahead, and get prices."

19.4 Reservoir Cell Tower Lease Agreements

Chairman Cartine asked, "Since this has to do with agreements should this be in exempt?"

Counselor Dasti advised, "Yes sir. Director Maggio has circulated a memo I believe indicating that we are discussing an extension and modification of one of the cellular lease agreements. We will get back to you with some suggestions. We are going to have some initial correspondence with the carrier since we believe this merits opening up the lease agreements and negotiation as to what they are paying us and we will get back to you with more specifics."

Comm. Veni advised, "That was brought up through the Construction Committee."

20. RESOLUTIONS

61-13 Change Order No. 2 for an Increase in the Contract Amount by \$12,080.00 to National Water Main Cleaning Company, Inc. for Contract No. 897087L – Sanitary Sewer Rehabilitation – Phase VII; N.J. Environmental Infrastructure Financing Program Project No. S340448-06; Contract 4A

Director Lacey presented Resolution 61-13 to the Board for their review.

Comm. Bottazzi made a motion to adopt Resolution 61-13. Seconded by Comm. Cevalco.

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

62-13 Superstorm Sandy – Immediate Upgrades of Six (6) Wastewater Pump Stations and Two (2) Ejector Stations Flooded by Super Storm Sandy – Breton Road, Vanada Woods, Mantoloking Road, Fifth Street, Eastern Lane and Laurelton Wastewater Pump Stations and Eagle Point and Island Drive Ejector Stations; Task Order No. 2 for T&M Associates for a total increase of \$7,500.00

Director Lacey presented Resolution 62-13 to the Board for their review.

Comm. Veni made a motion to adopt Resolution 62-13. Seconded by Comm. Cevasco.

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

63-13 A Resolution Awarding the Contract for the supply of the 2014
Combination Sewer Cleaner Truck to Mid-Atlantic Truck Centre, Inc.,
in the net bid amount of \$348,996.00

Director Lacey presented Resolution 63-13 to the Board for their review.

Comm. Veni made a motion to adopt Resolution 63-13. Seconded by Comm. Cevasco.

Comm. Bottazzi asked, "What truck is this?"

Director Lacey advised, "This is one of our vac trucks. The tandem. This will be the second."

Comm. Bottazzi asked, "And we had how many bids?"

Director Lacey stated, "The first bid we had two and the second one the Board decided to go out again because they were not happy with the price. The second bid we only had one come in and he was \$10,000 lower than the lowest price on the first time."

Comm. Bottazzi asked, "The other one was \$358,000 is what you are saying?"

Director Lacey replied, "Well it was \$405,000 less the trade in value. The trade in value was only \$39,000 and now the trade in value came in at \$48,000 which reduced the price."

Comm. Bottazzi asked, "Do we know what we paid for our last one?"

Director Lacey advised, "Probably a lot less than \$400,000. They are very expensive."

Comm. Fozman stated, "That was my question. Mr. Lacey answered it. I was curious about the price."

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

64-13 Rejection of Bid for Pipe & Appurtenance or Rescinding of Resolution #58-13
Bid for Award of Pipe & Appurtenance

Director Planko advised, "Last month we passed a pipe and appurtenance bid. It was resolution 58-13 and it was only for two items with Atlantic Plumbing. The total value of that resolution was only about \$2,400 but it turned out those two items turned out to be exceptions. In other words substitutions of parts. When I talked to Engineering particularly Andy Koenig, he said that wasn't acceptable so we

put together this resolution to reject Resolution 58-13 and since we bid out twice we are now eligible to go out for these two parts and three price it on an as needed basis when we need it for inventory.”

Comm. Veni asked, “Who is Andy?”

Director Planko advised, “Andy Koenig. Rich Evan’s replacement.

Comm. Cevasco made a motion to adopt Resolution 64-13. Seconded by Comm. Fozman

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

Chairman Cartine stated, “At this time I would like to recognize Council President Moore who is with us tonight. Thanks for coming out.”

21. PUBLIC DISCUSSION

At this point in the meeting Chairman Cartine opened up the meeting to the public and stated, “I assume we have some spokesman here who would like to get up. State who you are and where you are from.”

Sharon Eastwick addressed the Board as follows: “I am Sharon Eastwick, the Business Manager of OPEIU, Local 32. We represent the field staff. I appreciate the opportunity. We are not here to make a comment. You are all aware that the members of the contract turned down the offer. I think we are just here in the past when we had problems to start attending the meetings to see what is going on and how the money is spent and the operations because the members are dissatisfied. They feel they have been very loyal to the Authority, especially during the storm. They come out, they work and we are just looking to be treated equally and fair”

Chairman Cartine asked, “Is there anything that we can do that we haven’t served you with? Are there any documentation that you are looking for or is there anything that we can help you out with.”

Ms. Eastwick stated, “We will be requesting some especially after tonight’s meeting yes. And it’s in the process. This isn’t the place to negotiate. I don’t want to put anyone on the spot but I’m sure you are all aware of the progress and where we are and we are moving forward. But you know I hear and I read things about... I have always thought this Authority does great business here, the Reservoir. I was here when the concept was designed, but it seemed a long time to be built and I see some familiar faces. I was going to say Chairman Bottazzi, and I just felt that there seems to be something missing. Not to criticize or attack any of you gentlemen that are sitting there, but there seems to be some type of disconnect from the running of the Authority and management to the people who are out there everyday working and making the Authority look as good as you do. Maybe that is why I came around to find out what happened? What’s wrong?”

Chairman Cartine stated, “I would like to answer that comment and I have been chairman just this year and I will have to tell you I have nothing but the utmost respect for not only your Union but all the other bargaining agents in this complex. I know that the people here do an excellent job. Every time I have an opportunity to congratulate or even award or give something out and I think some of these

people in this room understand that I will let them know and I have let them know my appreciation. My appreciation is not just from me, but it is from the entire Board of Commissioners as well as the bosses here, the people that run the show. Someone who has worked with Unions for so many years you have people sitting out here that I know personally. I have worked with them. I have worked with Unions before and certainly from time to time we are going to have as you call it a disconnect. I hope it is not that. It is about what we can bargain for in today's economy and that is all I can say about it. If I can just help in any way to reconnect if you will with your bargaining unit I would love to do it. Just tell me how to do it and you can't tell me it has to be more money. I just can't do that at this point. You know where that is at but anything else that I can afford to you I certainly will and I know that all my commissioners feel that way and feel grateful for the job that our people have done."

Ms. Eastwick replied, "I appreciate that and with that said I may after meeting the men I may send a letter to you and to the commissioners to expand on that thought."

Comm. Bottazzi stated, "I know almost everybody here and I think highly of them. I have known them, I wave at them when I go by and I have been here for 20 years. That guy over that is falling asleep he's been here many years. There's a couple here I have played Dirty Santa with but the only problem is they play dirty and I'm looking at them right there. But anyway the Chairman is speaking for all of us. We have the highest regard and respect for our people. We are proud of our people out there who are meeting the customers and making us look good and whatever we can do besides giving out raises we are very happy to do.. That's a joke guys take it easy. But sincerely I am very happy to see you in here. I got a little worried. I walked in here and I saw everyone sitting here and I thought uh oh I was hoping he was getting lynching and not me. The truth is all you fellows are ... we have the highest regard for you and at any time that you have a personal problem and speak to the Chairman or Director you can come to us we'd be happy to hear it."

Ms. Eastwick replied, "We appreciate that and..."

Comm. Bottazzi continued, "I'm glad you see what is going on here. We get a little ruffled up with each other. We have issues that we have to decide and this is a big operation and you know what this operation would be nothing without you guys."

Ms. Eastwick responded, "Thank you and Director Lacey has always had an open door for us. He has always made himself available. We don't always agree on things but things do get resolved and I do appreciate that."

Comm. Bottazzi asked, "Can I ask you a favor though because I got 18 stints in my heart and I get a little nervous, next time you are going to come over can you let us know? What's with this all of a sudden I see a mob when I walk in.:"

Ms. Eastwick stated, "Well this is the next meeting. I was on vacation so I didn't have time to put out a phone call."

Chairman Cartine stated, "Its ok. I appreciate you all turning out and everything I have said is very sincere and that is all we can talk about on the issue so thank you for coming and we are going to continue on with our meeting with comments from our professionals and staff."

22. COMMENTS FROM COMMISSIONERS, PROFESSIONALS & STAFF

Chairman Cartine stated, "We are going to move over to comments and I am going to move around to the professionals and we will begin with Frank Holman."

Mr. Holman stated, "Thank you Mr. Chairman. I just wanted to share Frank Planko's package and some of you may have seen that and it is kind of startling that the number for billings for water consumption compared to last year. I think that what may be happening is the effects of the storm are taking this long to show up. The month of July, July year to date we are about 9.2% off in gallons consumed but the month of July we were 22% off this year compared to last year and just about every category. The most striking variances are I guess to be expected. Point Pleasant Beach and Point Pleasant Borough. The bulk water consumption. But I think that is the first full month of season users to compare to last year, but it is kind of dramatic so I think those discussions earlier about conservative approaches in our spending are certainly warranted. It will be very interesting to see what happens in August, but 22% off reduced consumption compared to the year before is kind of alarming. It is not a trend yet but we will certainly pay attention to that. Frank has just remarked over the months how history is no longer. We can't go by the numbers that we did before so I just want to raise that point."

Director Planko stated, "Just to expand on what our auditor just mentioned, as the Board probably realizes we are in a process of amended budget. We need the amended budget with the Division of Local Government services because we had the change during our rate hearing not to increase the rates. Along with that adjusted our budget for the same reasons that Frank has mentioned because we are going to have more storm impact. We have had some changes in expenses and I just discussed it with Frank today. We hope to have that amended budget ready for resolution approval next month."

Mr. Holman stated, "Mr. Chairman the CDL loan that Commissioners acted on months ago that is going to be the cushion because we watched these reduced consumption numbers. That hasn't been formally approved."

Director Planko added, "When I prepared the amended budget I carefully correlated the numbers to the CDL Loans so if they look the numbers are compatible."

Mr. Truhan stated, "We are continuing working with Director Maggio and Mr. Karl making recommendations on what projects to implement for Phase II of the Watershed Management Project."

Director Pannucci advised he had nothing additional to bring forward.

Chairman Cartine stated, "You should talk about your new purchase over there. This projection system which you are so proud of."

Director Pannucci advised, "It is just a smart board. I can show anybody how to work it whenever they want."

Director Planko advised, "I will be using it Mr. Chairman."

Chairman Cartine stated, "I have to tell you just so you know we had an old system here a projector that was over ten years old and the light bulb blew out and these are very expensive light bulbs and it cost \$500. Director Pannucci found this thing here and it cost us \$2,000 and that was our

investment and we are now in the 21st Century with a projection screen that is really terrific because you can write on that board and erase it. It is really something to see. Frank is going to demo it next month. A decade ago the old machine cost \$15,000 so there you go."

Comm. Veni advised, "You also have a USB port that you can plug your camera on too."

Director Maggio stated, "I just want to let the Board know that on or about September 15th we will be flushing our distribution system. Last time we flushed was last Spring and everything went very smoothly. We tentatively expect this to last about four or potentially five weeks depending on weather and we will be advertising the fact that we are flushing consistent with the last time. We have a PSA on WOBN and put out a press release to APP and some of the other local papers."

Comm. Veni asked, "Are we going to do mailings again too?"

Director Maggio replied, "We never mailed anything out to the customers. This will just be in the newspaper that we notified."

Chairman Cartine asked, "Do you want to make any comments about the Green Fair?"

Director Maggio advised, "Yes the Green Fair is I believe September 7th and there will be a lot of environmentally friendly booths set up. It is not a Brick Authority, it is Brick Township set up and we have participated in every one that they have had. We will also have a booth set up to talk about the watershed and also talking about water quality with our customers and people that attend."

Comm. Veni asked, "Do you have any giveaways?"

Director Maggio replied, "No. I don't think we will be doing any giveaways. We do have the watershed model that we purchased where we show pollution transport within a watershed environment and kids really get a kick out of that."

Comm. Veni stated, "We can get them real quick. We did mugs last time. Order mugs."

Chairman Cartine advised, "Buy 500 water mugs with our name on it and hand them out."

Counselor Dasti advised he had nothing further to report.

Ms. Sylvester advised she had nothing to report.

Director Lacey advised he had nothing further to report.

Comm. Bruni advised he had nothing further to report.

Comm. Cevaseo advised he had nothing further to report.

Comm. Bottazzi had nothing further to report.

Comm. Fozman stated, "Yes I believe the Chair should follow the recommendations of the Finance Committee on the amount of money that is being spent. You asked us to do something and we are doing it. We are doing our job."

Comm. Veni stated, "I really have nothing but I hope to see you guys at our picnic on Friday, September 20th."

Chairman Cartine advised, "BTMUA Day is Friday, September 20th out there by the maintenance garage. I will be there and I hope to see you there that day."

Comm. Veni stated, "And hopefully you guys will light a candle so it is Sunny this time..."

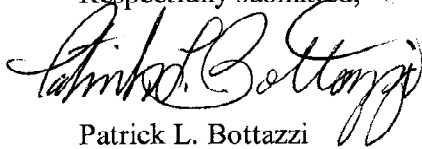
23. CLOSING STATEMENT

The next Public Meeting of the Authority will occur on Monday, September 23, 2013. 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 8:58 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Patrick L. Bottazzi", written over a horizontal line.

Patrick L. Bottazzi
Authority Secretary

/mas