

Minutes of a PUBLIC MEETING of
The Brick Township Municipal Utilities Authority Held on
November 25, 2013 beginning at 7:00 p.m.

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

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
John Ciocco
Patrick L. Bottazzi
Joseph M. Veni
Edward McBride
George Cevalco

Absent:

Allan E. Cartine

Also Present

James F. Lacey, CPWM
Joseph Maggio, PE
Frank Planko
Frank Pannucci
Marie Sylvester
Jerry Dasti, Esq.
Frank Holman
Joe Mallison, PE (For Truhan)
Christopher Dasti, Esq.

Following roll call Ms. Sylvester advised the Chairman that there is a quorum to conduct the meeting and the alternate vote this evening in Chairman Cartine's place is Comm. Ciocco.

Vice Chairman Veni stated, "Before we go into exempt session we have several guests here tonight and I am going to have the first one speak before we go into the exempt session and that is Ms. Noreen White."

Ms. White stated, "Thank you commissioners. I am here tonight to present the outline of what is being proposed for the financing of some of the capital projects for the MUA. There is a memo that should have been in your board packet that outlines the considerations that we went through in terms of looking at the financing for the capital projects that you are planning over the course of the next years. Over the last few months we have met a few times with the Finance Committee as well as with your Chief Financial Officer and Executive Director and what we have essentially outlined in the capital plan

is a two step process in terms of borrowing for the monies that you are going to need. Because there does seem to be some concern that we are not sure what the timing of when you are going to need the monies what we have proposed is a two stage process where you would borrow some bond anticipation notes in an amount that you feel that you would need for the next few months and that would necessitate you adopting a resolution to give an application to the Local Finance Board who must approve these types of projects and in that application we would ask for permission for a not to exceed amount of capital projects that we would propose to issue in two note transactions. The benefit of that would be that you would not be borrowing monies before you need them, and if you do need monies later on you would get the authorization from the Local Finance Board to proceed at a later date which we are expecting would be some time in the summer. To the extent that you did need those monies or you needed them sooner you would have the ability to borrow sooner and we would make that second series of notes come due at the same time as the first series of notes so that you could refinance them on a long term basis at that time. So that is what we have looked at with the Finance Committee. We put some of this together in a memo and that is just a brief summary of what we are recommending to the Authority. On your list of agenda items there is a resolution authorizing you to submit an application to the Local Finance Board for these projects. I will pause here and if there are any questions about what I've just gone over or the memorandum that was include in your packet I would be happy to answer those now."

Comm. Bottazzi asked, "I guess you have gone over this with our finance man here?"

Ms. White replied, "Yes we have spent a lot of time together, Frank and I."

Comm. Bottazzi asked, "Mr. Holman what is your opinion on all of this?"

Mr. Planko stated, "Just to expand a little bit on what Noreen just said - We are planning on going for \$7.4 million on the first draw. That will cover our reimbursements and what we used out of our own kitty that will cover our encumbrances and the rest of the money we expect to spend through March of 2014."

Mr. Holman stated, "The upside I think to approaching it this way is there is a low interest rate on notes. The danger of course is the notes floating up and then you try to lock in a permanent rate later on may be a bit higher, but I think that environment is pretty steady these days and we haven't demonstrated that we can spend our capital project funding as fast as we would like. The delays in the past have caused us not to spend it."

Comm. Bottazzi stated "It is something that has always bothered me, and I'm sure some of the other commissioners too is that the loss of revenue through homes that were damaged and are not using our water and sewerage and so forth in Brick Township. Is that being covered and taken care of? The fact that we may not have as much revenue coming in?"

Director Planko replied, "Well the reduction of revenues can be reflected in the 14/15 budget. This borrowing is separate and apart from our revenue. This strictly has to do with the capital spending that we are going to need over the next two year period."

Mr. Holman added, "For revenue loss on the CDL Loan that FEMA has already approved. So Frank is going to have a report in the next couple of months to show how much of a loss of revenue we have had and to possibly draw down against that CDL that has been approved. We are hopeful there that

eventually they will convert that into a grant so we are covered that way but this is a separate basket that is being talked about now as Frank just said this is for capital projects only and not revenue loss.”

Comm. Bottazzi stated, “I am fine with that. We have new commissioners that may have questions and so forth. I only have two more meetings and I won’t be able to loan you any money after that.” (laughter.)

Comm. Cevasco stated, “I only have a question for Mr. Planko, is this total \$7.4 is that inching up from what and where we left off at the last meeting?”

Director Planko replied, “In the Finance meeting we talked roughly in the areas of \$6 to \$7 million, \$7.4 million would carry us right to the end of March 31st based on the capital report that we talked about plus all our reimbursement for the Reimbursement Resolution which is 44-12. So it does have a portion of the reimbursement resolution in there as well.”

Comm. Veni asked, “You said March 31st of which year?”

Director Planko replied, “2014. The first draw down and then the second draw down if and when we decide to go for should take us to the end of March 2015.”

Comm. Fozman asked, “If I am correct the second draw down, if we don’t need it we are not going to use it.”

Director Planko added, “or if we need less we will take less.”

Comm. Fozman stated, “Yes if we need less, we will take less, but we are asking for X amount. So if we need less we are going to take less.”

Director Planko added, “That is why when we go to the Local Finance Board with the application we go for a higher amount. If we don’t need it we won’t draw down on it.”

Ms. White stated, “And I think what you are doing with the Local Finance Board is going to be perceived as being very prudent because what you are doing is saying you have an expectation that we have capital needs of approximately \$13.8 million. However depending on what happens we are only going to borrow that amount which we know we are definitely going to need now and if anything changes either you need less or revenue with the first draw when we go to do that first draw we can always down size that so what you are approving is a not to exceed for two borrowings to take place during this next year and if at the end of that year you haven’t used both of those when this note comes due you would then need to go back to the local Finance Board for approval to either roll that note over which I believe can be done just by letter if you are just doing a rollover of an existing note. Or if you were going to then determine that you wanted to permanently finance that long term you then have to submit a new application to the Local Finance Board and lay out the terms of that. So I think there is some good protections in here for the Authority. You are approving a not to exceed amount and you still have time to make a decision as to what the amount is of the first borrowing and then needless to say as the year unfolds if you need that additional money you know sometime during 2014 you can certainly borrow it if not then you don’t have to borrow it and you are not borrowing money and having it sit idle.”

Mr. Holman stated, "Noreen the rates for temporary financing now are they still in the 1's?"

Ms. White replied, "They are like at a half percent and bond is about 3.5% is what we modeled here. So it is substantial particularly because there is some uncertainty with the capital program. I think that was a large factor that the Finance Committee weighed in terms of some of the uncertainties with the timing of some of those projects. There is nothing to say that in a year from now when we issue these in February of 2014 when we go to refinance these if for some reason we want to roll these over again as notes we certainly have the ability to do that if we don't like where long term rates are or if we are still thinking that we may need to borrow some additional monies. I think you are getting a lot of flexibility with this plan of Finance and able to keep your costs as low as possible with it."

Director Planko stated, "Getting back to Comm. Cevasco's point, we are estimating \$7.4 right now, but as we get closer depending on the spending level we might adjust that accordingly getting back to your question."

Vice Chairman Veni asked, "Is there any other questions or comments. If not I thank you Ms. White."

Ms. White stated, "I want to thank you all and have a happy Thanksgiving."

4. EXEMPT SESSION

(Personnel, Contracts & Potential Litigation Only)

Vice Chairman Cartine stated, "At this point we need a motion to go into closed session."

Counselor Dasti advised, "~~We need a motion to go into exempt session to discuss personnel,~~ litigation and contractual litigation matters and the minutes of which will be kept confidential until the need for confidentiality no longer exists."

Comm. Cevasco made a motion to go into closed session. Seconded by Comm. Bottazzi.

Ayes:	Commissioners Cevasco, Fozman, Bottazzi, Veni, Ciocco
Nays:	None
Abstain:	None

At this time, 7:15 p.m. the Board entered exempt session.

On motion duly made and seconded during closed meeting the group returned to open session at 8:03 p.m.

Vice Chairman Veni stated, "I would like to bring up our next guest John Truhan."

Mr. Truhan stated, "Thank you Mr. Chairman. I would like to give a brief summary of the highlights of the annual report that we submitted to the commissioners. As everybody knows the biggest event last year was Super Storm Sandy and it did have quite an impact on our facilities. About 26 wastewater pump stations were flooded and temporary systems were installed to keep them running for the two week time period but the staff did accomplish what they had to do to keep the wastewater

flowing at that time. As far as potable water, our big saving grace during the storm was the Reservoir. We did not have to use the Metedeconk River and as a matter of fact one of the power cables to the pumping system went down and needed to be replaced. The water during the time period all came from the Reservoir which flowed by gravity down to the water treatment plant. That put the Authority in a very good position at that point in time. The payments to the Ocean County Utilities Authority always amounts to a significant expense. Some years there are credits, some years there is payments due to the Authority. This year or the year 2012 \$706,000 was credited to the Authority from the Ocean County Utilities Authority. As far as litigation, Pine View Estates litigation was completed and that resulted in a \$600,000 payment to Pine View. There is also an ongoing Kentwood Construction Company litigation. As stated previously we have a water allocation permit of \$15.4 million gallons per day. As Mr. Maggio stated at various meetings a study was performed using aluminum chlorhydrate in lieu of aluminum sulfate and that turned out to be a very significant savings in chemicals and we have to thank Mr. Maggio for that. There is work being continued on well No. 15a. That was the well as you remember had somewhat of a failure last year and a new well has been drilled. The Authority purchased awhile ago the Parkway Water Company which serves the Ramtown Section of Howell Township and two wells are being improved there. Well No. 1A and also Well NO. 11. The watershed monitoring and management program that has been discussed by Mr. Cartine and Mr. Maggio at several meetings. Our firm in conjunction with Camp, Dresser, and McKee are working on that project for the past two years. The Authority if you remember received an initial grant of \$466,000 and the Authority was also awarded another grant of \$700,00 or the next phase of that program which is turning out to be a very excellent program as far as improvements to the Metedeconk River Watershed. Customer Accounts, we have 39,000 water accounts and 34,000 sewer accounts. They weren't severely impacted in 2012 but they certainly will be impacted in 2013. We are going to see a significant reduction in water accounts and also revenue. I think that is one of the biggest concerns is the continuation of the reduction in our water and sewer accounts. The economy has had a significant effect on that over the past couple of years and Super Storm Sandy has had a major impact on that and we'll be seeing that in the coming year. That is my report Mr. Chairman."

Vice Chairman Veni asked if there were any questions from the board.

Being none Vice Chairman Veni thanked Mr. Truhan and asked wished him a happy Thanksgiving.

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

Vice Chairman Veni stated, "We are continuing with the meeting and asked are there any questions about the Directors Reports? Hearing none I will ask for a motion to adopt them."

Motion by Comm. Cevasco. Seconded by Comm. Ciocco.

Ayes: Commissioners Cevasco, Fozman, Bottazzi, Ciocco, Veni

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 Construction Committee dated November 12, 2013.

Comm. Cevalasco stated, "On Alternate Energy, something that came up, I don't know if you read the Asbury Park Press but Duke Energy is being sued for killing birds with the windmills in three different locations. One in Michigan, but there are three of them. The Alternate Energy the two BPU seminars that I went to were interesting and they actually gave me some ideas and one of the things I would like to do is to get Ed Mercer down here. He said he would come down if you could set that up for us Mr. Lacey. Hopefully next week because he said he would come down after Thanksgiving. There were quite a few ideas especially with respect to the replacement of the emergency generators and that is about it."

Vice Chairman Veni stated, "Jim when you set that up can you make it for like 4:00 in the afternoon. George is that ok with you."

- b. Finance Committee – *Comm. Fozman*

Comm. Fozman summarized the minutes of the Finance Committee Meeting of

Director Planko added, "Just a couple of comments, Noreen and I already talked about the capital financing and we have resolution 76-13 which is giving us permission to make application to the Local Finance Board for that borrowing. Long term disability, our policy expires on December 31st. As we always do we go out looking at alternative costs. Lincoln Financial continues to be the best financial alternative for two years they are leaving the rate the same at .27 cents per \$100 of payroll. I am recommending we pass Resolution 71-13 this evening. As far as electric our current agreement with Hess expires in February of 2014. It was about two years ago we had a discussion with Town Hall about the solar farm and there has been no further discussions or agreements so if it is ok with the Board I will go out for an additional electric bids. I was thinking along the terms of two years if it is ok with the board. As far as Raftelis is concerned. They did supply all the information, this is a combination between the Finance Committee and the Rate Committee. They have been given all of the information they need. I am working with Director Pannucci as they need some information on usage level, for each of our customer classes. I know Director Pannucci is working with Edmunds on that. Once they get that information I am going to have a conference call with Raftelis and I will probably invite the Finance Committee and commissioners to join me as well on that. I think that sums it up."

- c. Rate Committee – *Comm. Cevalasco*

Comm. Cevalasco stated, "Everything has already been covered."

d. Reservoir Committee – *Comm. Bottazzi*

Comm. Bottazzi stated, “Reservoir is doing fine. The geese are leaving and heading south and that’s about it. The water level is high. I took a drive by.”

c. Watershed Committee – *Chairman Cartine*

Director Maggio advised, “We didn’t have a meeting this month but work is progressing on the Metedeconk Watershed Protection Plan. We submitted the Scope of Work for Phase II of the plan to DEP for approval. It includes a number of projects that we propose doing with the \$466,000 in remaining grant funding so we are awaiting authorization and then we can move forward with bringing our team on board to accomplish the work.”

f. Hazmat & Security Committee – *Chairman Cartine*

Vice Chairman Veni asked, “Will you also take care of the Hazmat? Were you at that last meeting that was here?”

Director Maggio replied, “Yes we had a very brief meeting and the Hazmat trailer is all fully functional and operational. We have started implementing our SOP where depending on the expected wind direction we move the trailer around the compound and it is outfitted and ready to go.”

Vice Chairman Veni asked, “Is that done on a daily basis?”

Director Maggio replied, “Yes pretty regular because the purpose of having our equipment be mobile was to lessen the potential for us to be cut off from the equipment in the event we needed it. It’s daily. If something dramatic happened we would move it at some point during the day, but also we do a chlorine drill. We bring our equipment closer to the location just in the event of an occurrence or an issue.”

Vice Chairman Veni asked Director Pannucci to take care of security.

Director Pannucci replied, “Sure we presented the first round of plans to Commissioner McBride and Cartine for the Security Committee. Revised a few things and we are going to come back in December and if those plans are acceptable, we are going to ask for permission to go out to bid at the end of December. We are also going to present plans that are just about finalized in December for our swipe card access system for all of our gates and buildings for permission to go out to bid also at the end of December. Hopefully approval for both projects in January and then February we go.”

7. APPROVAL OF MINUTES

October 28, 2013

Motion to approve the minutes by Comm. Ciocco. Seconded by Comm. Cevasco.

AYES: Commissioners Cevasco, Fozman, Bottazzi, Ciocco, Veni
NAYS: None
ABSTAIN: None

8. CORRESPONDENCE - None

10. APPROVAL OF BILL RESOLUTION

Comm. Bottazzi read the Bill Resolution Dated November 25, 2013 in the total amount of \$3,345,037.06 5 as follows:

Total Operating Vouchers:	\$	2,225,137.51
Total Payroll:		930,260.97
Total Capital Vouchers:		184,530.25
Escrow:		5,108.33
Total Bill Resolution	\$	3,345,037.06

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

Comm. Cevasco corrected the amount of \$3,345,037.06 which was read into the record incorrectly.

AYES: Comm. Cevasco, Fozman, McBride, Ciocco, Veni
NAYS: None
ABSTAIN: None

11. TREASURER'S REPORT - Commissioner Fozman

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

Unrestricted Funds:

Total Revenue Funds:	\$	10,955,825.46
Total General Funds:		3,203,145.84
Total Unrestricted Funds:		14,158,971.30

Restricted Funds:

Rate Projection Maintenance Fund:	1,679,052.00
Working Capital Fund:	462,855.21
NJEIT Processing Fund:	3,515,022.82
Total Bond Funds:	14,064,436.38
Total Other Restricted Funds:	1,498,238.38
Total Restricted Funds	21,219,603.79
Total of All Fund Accounts:	35,378,575.09

Comm Bottazzi corrected the amount of the Total Restricted Funds that was read into the record incorrectly.

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

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

11. DEVELOPER APPLICATIONS

11.1 Preliminary Applications - No Further Action Required

2137 Mr. John R. O'Brien, Triple O, LLC, Minor Site Plan – Second Caretaker's Residential Unit at O'Brien Funeral Home, Burnt Tavern Road & Spiral Drive, Preliminary, NFA, 1 Residential

Director Specht advised, "This is for Mr. John O'Brien, Triple O LLC, minor site plan for a second caretaker's residential unit at O'Brien Funeral Home located at Burnt Tavern Road and Spiral Drive, Preliminary with no further action with one residential. New Services will be installed and a water service as well as sewer lateral will be installed off Spiral Drive. I would recommend approval of this application."

Comm. Bottazzi made a motion to approve application No. 2137. Seconded by Comm. Cevasco.

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

2139 Mr. Kevin Young & Mrs. Margarie Young, Major Site Plan – 498 Route 35 North, Deauville Drive, Georgian Drive & Route 35 Northbound, Preliminary, NFA, 2 Commercial

Director Specht advised, "The second one is 2139. This is on the barrier island. It is for Mr. Kevin Young and Ms. Marjorie Young. It is a major site plan at 498 Route 35 North Deauville Drive and Georgian Drive. It is a preliminary no further action. Two Commercial. It is two separate buildings. One is for a residence with a lawyer's office. The second one is a yoga studio. This is just for sanitary sewer since water is provided by New Jersey American Water Company. One new sewer lateral will come off Georgian Drive and the existing sewer lateral will be used off the bill for the house. I would also recommend approval on that."

Comm. Cevasco made a motion to approve application No. 2139. Seconded by Comm. Bottazzi.

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

2140 Mr. William Frank & Mr. Kenneth Avon, Minor Subdivision – Tilford Blvd. & Laurelton Street, Preliminary NFA, 2 Residential

Director Specht advised, “The last application is Mr. William Frank and Mr. Kenneth Avon, Minor Subdivision Tilford Blvd and Laurelton Street. Again preliminary no further action for two residential lots and existing lot that will be subdivided. An existing home will be demolished and two new residences are proposed. The existing services will be utilized for one resident and a new service will be installed off Tilford Blvd. for the second residence and I recommend approval.”

Comm. Cevasco made a motion to approve application No. 2140. Seconded by Comm. Bottazzi.

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

11.2 Other Applications - NONE

11.3 Release of Performance Bonds - NONE

12. UNANTICIPATED/EMERGENCY CAPITAL EXPENDITURES - NONE

13. CUSTOMER ACCOUNTS RECONCILIATIONS - NONE

14. CONTRACT CLOSE OUTS

15. AUTHORIZATION TO EXPEND APPROVED FUNDS

- a. Mueller Hydrant Purchase
Amount: \$13,410.96
Vendor: Water Works Supply
Funding: Replenish Water Service Stock, Account #1420

Director Planko advised, “15a is for inventory replenishment and I have to come before the Board on that because it is over \$5,000. This is a request from Field Operations for six hydrants in preparation for winter and as with all inventory, when we purchase this it will be placed in inventory and it will be expensed as utilized.”

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

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

- b. Atomic Absorption Instrument
Amount: \$29,640.00 – State Contract #32741
Vendor: Perkin Elmer
Funding Source: Account Number 710036

Director Maggio advised, “Our existing atomic absorption spectrophotometer is over 15 years old and is no longer supported by the manufacturer meaning the next time something goes wrong with it will fail. So we are looking to replace it prior to failure because it is a heavily used instrument and between client and our own samples we do an excess of \$16,000.00 a year in samples on this instrument. The vendor is Perkin Elmer and the Account No is 710036 and this is state contract, however, we did go out for two other prices and this was still the lowest price.”

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

Comm. Fozman asked, “How long is the warranty on this equipment? Is it an extended warranty?”

Director Maggio replied, “This would have a manufacturer’s one year warranty and then after that we would purchase a service agreement.”

Comm. Fozman asked, “You don’t purchase an extended warranty at the time you are buying the equipment?”

Director Maggio replied, “No this is something that you would enter into a contract every year.”

Vice Chairman Veni asked, “Joe tell me something if we vote on this tonight how long will it take before you get this one?”

Director Maggio replied, “We would expect to get it early next year or before the end of this year because part of that price is we are getting a trade in credit for our existing unit and that expires at the end of the year so we would look to expedite receiving this.”

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

- c. Repair of the Elevators at the Riverside Drive, Drum Point Road and Bay Harbor Blvd. Wastewater Pump Stations
Amount: \$15,900.00
Vendor: Atlas Elevator, Inc.
Funding Source: Super storm Sandy Account No. 1280

Director Specht advised, “This is for the repair of the elevators at Riverside Drive, Drum Point Road and Bay Harbor Blvd. Wastewater Pump stations. During Super Storm Sandy when the dry wells flooded the elevators became submerged and we need to perform repairs on them. We received three quotes and Atlas Elevator came in with the lowest bid of \$15,900.00 and I would recommend we move ahead with this.”

Comm. Fozman stated, “On the elevators, I read in there that we are just replacing the wiring

and transformers because the elevators are still fine.”

Director Specht added, “That is correct, based on Atlas’ evaluation no other mechanical equipment needed to be replaced.”

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

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

- d. Riser Rings to Replenish Inventory for Twp. Paving Project
Amount: \$7,920.00
Vendor: Highway Supply, Inc.
Funding Source: Sourced from the Revenue account #6015 and expensed to the appropriate account / project when utilized from inventory

Director Planko advised, “This is riser rings. Again this is an inventory replenishment over \$5,000 another request from Field Operations. Basically these riser rings prevent manholes from being paved over during paving projects and they will be used for various projects throughout the Township. Again they are inventory, they are stocked and they are expensed as utilized.”

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

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

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

- a. Authorization to Proceed with the Design and Bidding Phases for the Replacement of the 8” Sanitary Sewer Main on West Marion Street on the Barrier Island

Director Specht advised, “I am looking for the authorization to proceed with the design and bidding phases for the replacement of the 8” sanitary sewer main on west Marion Street on the barrier island. During Super Storm Sandy Camp Osborn was devastated. At the time we could not get in and evaluate our sanitary sewer system in this area. Recently upon the removal of existing homes we were able to use our Engineering and Collections Division to evaluate about 220’ feet on West Marion Drive which is on the westbound side of Route 35 South. We determined that the pipe is not repairable and must be replaced. I have been in contact with the FEMA representatives and we are looking to get reimbursement on this from FEMA. The design and bidding will be performed in house with my engineering staff so I would want authorization to proceed with this at this time.”

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

Comm. Bottazzi stated he had a question on the motion and asked, “What kind of cost is this?”

Director Specht replied, “I would say it is about \$100,000.”

Comm. Bottazzi asked, "And we have no insurance on it? Are we looking at FEMA and so forth?"

Director Specht replied, "That is correct, 90% reimbursement from FEMA."

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

17. ADOPTION OF PERSONNEL ACTIONS

Comm. Cevalco made a motion to adopt the Personnel Actions as outlined in Director's Lacey's November Monthly Report to the Commissioners. Seconded by Comm. Fozman.

AYES: Comm. Cevalco, Fozman, Bottazzi, Ciocco, Veni*
NAYS: *Vice Chairman Veni
ABSTAIN: None

* Comm. Veni stated, "Yes with the exception of the Customer Accounts person."

18. OLD BUSINESS

18.1 Emergency Generator Upgrades at the WTP Complex

Vice Chairman Veni stated that this will be handled under resolutions.

18.2 Labor Attorney Update on Negotiations -- Exempt

Vice Chairman advised that we will skip 18.2 because that was discussed in exempt.

18.3 State of New Jersey Hazard Mitigation Grant Program -- Energy Allocation Initiative

Director Specht stated, "As we discussed at our October 28th meeting the State of New Jersey has awarded to the Authority a hazardous mitigation grant program energy allocation initiative for \$142,080. Mr. Lacey and I attended two mandatory meetings to assure that we would get financing for this grant and I have a deadline of December 15th to submit a spend plan to the New Jersey Office of Emergency Management. Based on feedback from staff, as well as discussion at the construction committee, I am recommending the following to utilize this \$142,000. Purchase of a trailer mounted 45KW diesel emergency generator estimated at \$30,000. Purchase of a trailer mounted 120kw diesel emergency generator estimated at \$70,000 and utilizing the remaining funds of approximately \$42,000 to supplement a feasibility study for micro-gridding and islanding and an additional \$35,000 of funding from Brick Utilities to complete the study but I need to submit this plan by December 15th."

Comm. Cevalco asked, "The two generators where would we use them at?"

Director Specht replied, "There are a number of facilities right now that we have out in our system that are not supported by on site emergency generators. We would use them at our booster stations if necessary as well as a number of wastewater pump stations that do not have emergency

generators. They simply have an outlet that you would plug into to hook the generators up.”

Comm. Cevalco asked, “The facilities are there to take one of these basically plug it in and turn it on?”

Director Specht replied, “That is correct. We have I believe two on hand now. One is very old. We recently purchased a new one, but again during the storm we determined that our guys were working hard at jockeying these things around. We kept everything in operation but at times it was getting pretty close and it is important that we buy a few more of these.”

Vice Chairman Veni asked, “What size belly tanks?”

Director Specht replied, “A couple of hundred gallons each that would last twenty four hours. You would probably have to fuel them once a day.”

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

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

Vice Chairman Veni asked, “Now Steve, with this approval tonight you are going to go out and meet that deadline of December 15th right?”

Director Specht advised, “That is correct. I will submit that spend plan via email to the New Jersey Office of OEM.”

Vice Chairman Veni asked, “And would you send each commissioner a copy.”

Director Specht advised “No problem.”

Comm. Bottazzi asked for it to be sent in writing too.

19. NEW BUSINESS

19.1 Requests to Utilize Reservoir - None

19.2 Electric Supply – Administration Complex

Director Planko advised, “19.2 Mr. Chairman is for electric supply, the admin complex. As I mentioned our current agreement with Hess is expiring in February 2014 and I would like to go out for a two year bid in volume. We are talking probably 6.89 to 7 million kilowatts per year. I would like to put that bid out effective either February or March 2014 meter read, which is basically authorization to go to bid.”

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

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

NAYS: None
ABSTAIN: None

20. RESOLUTIONS

Vice Chairman Veni stated, "Ok with Resolutions I am going to introduce again Resolution 71-13 the Emergency Generator project that we postponed from last month."

Comm. Bottazzi asked, "Does this have a resolution No Mr. Chairman?"

Vice Chairman Veni replied, "Yes 71-13."

Comm. Cevasco stated, "I would like to make a motion that we reject all bids." Seconded by Comm. Fozman.

Counselor Dasti advised, "And that is because they are at least \$300,000 over your budget."

Comm. Bottazzi stated, "I would like to make a motion that we approve it."

Counselor Dasti advised, "Well you have a motion on the floor right now and you would have to vote on that motion first."

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

* Comm Cevasco stated, "If we are rejecting all bids yes."

Counselor Dasti stated, "Well then you will need a motion to approve Resolution 71-13."

Comm. Bottazzi stated, "I make a motion to approve Resolution 71-13 authorizing renewal and purchase of." Seconded by Comm. Ciocco.

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

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

*Prior to announcing his vote, Commissioner Fozman stated, "I want to say something. We are authorizing money to go out and do a study and people here are accepting diesel generators and Steve is going to send that email out."

Vice Chairman Veni stated, "No that is for \$142,000."

Comm. Fozman continued, "That is for \$142,000, two portable generators and the remaining money is for a feasibility study."

Vice Chairman Veni stated, "Yeah we still need to do a feasibility study to do further things."

Counselor Dasti interrupted, "Hold on a second you are talking apples to oranges here."

Vice Chairman Veni stated, "No I agree with what Jim just said."

Comm. Cevasco stated, "Yeah you are approving something. We are going to do a study under the hazard mitigation grant program to see what alternatives are out there and now we ..."

Comm. Fozman stated, "And we are going to approve the purchase of generators. Why do a study if you are going to approve the purchase of diesel generators?"

Vice Chairman Veni stated, "Because there are other reasons to go with alternate energies. There are other things that we discussed in closed session."

Comm. Fozman stated, "Mr. Specht went to these classes, but he said there are grants available out there. I don't understand this."

Vice Chairman Veni stated, "There is a motion on the floor role call please."

Comm. Bottazzi stated, "I voted yes because I believe we have to keep moving forward. We have to keep getting new equipment to stay above being kicked around and not having the proper equipment when we need it."

Comm. Fozman stated, "But you are working in the past. That is the past equipment. There is future equipment."

Comm. Bottazzi stated, "Well we didn't do bad before you sat here working in the past. We are one of the better and higher rated Authorities."

Comm. Fozman stated, "But you are getting the same stuff you have in there. You are supposed to look to the future. There is new technology out there that can really benefit this place."

73-13 A Resolution Authorizing the Renewal of the Authority's Long Term
Disability Insurance with Lincoln Financial Group

Director Planko stated, "This is authorizing the renewal of the Long Term Disability. We are currently with Lincoln Financial at .27 cents for \$100 of payroll and they have offered to leave that rate for another two years. I have circulated a memo to the Board. I also did some comparison shopping in that memo and Lincoln Financial is the best alternative and therefore I am recommending we pass this resolution effective January 1st."

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

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

74-13 A Resolution Awarding the Contract for Laboratory Information
Management System to ATL

Director Maggio stated, "This resolution authorizes the awarding of a contract for a laboratory information management system for \$98,981.40 to Accelerated Technologies. We did go out to bid for this project and the bid from Accelerated Technology was significantly less than preliminary pricing that we did for our budget for this project. It actually included the addition of a five year warranty or service contract so they really sharpened their pencils."

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

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

75-13 A Resolution Awarding the Contract for the supply of the 2013
Compact Excavator to Garden State Bobcat, Inc. in the purchase
amount of \$50,124.00

Director Lacey advised, "This is a resolution awarding the Contract for the supply of the 2013 Compact Excavator to Garden State Bobcat, Inc. in the purchase amount of \$50,124.00. That is budgeted and it went through the Construction Committee."

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

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

76-13 Resolution of The Brick Township Municipal Utilities Authority, in the County of
Ocean, New Jersey making application to the Local Finance Board Pursuant to
N.J.S.A. 40A:5A-6

Director Planko advised, "This resolution gives Acacia and I permission to make application to the Local Finance Board for borrowing. Again we plan on going out for bank anticipation notes otherwise known as BANS. As we get closer to the date around February we will fine tune the amount of those initial notes."

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

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

77-13 A Resolution Adopting the 2012 Annual Consulting Engineer's Report
Prepared by John S. Truhan Consulting Engineers

Director Specht advised, "This is a resolution adopting the 2012 Annual Consulting Engineers Report prepared by John S. Truhan Consulting Engineers."

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

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

78-13 Resolution Approving a Shared Services Agreement with The Township of Brick Concerning Geographic Information System (GIS) Services

Director Specht advised, "This is a resolution approving a shared services agreement with the Township of Brick concerning the Geographic Information Systems services. The Township of Brick in a resolution at their Council Meeting on November 12th also approved this agreement and I would recommend award by the Board."

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

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

Comm. Fozman advised, "I believe the Township split the equipment cost am I correct on that?"

Director Specht replied, "That is correct. 50% of equipment and any labor we are involving."

Comm. Fozman stated, "So it benefits both of us. That was a good shared service there."

79-13 Award of Contract Rehabilitation of Well No. 9 (PRM Deep)

Director Specht advised, "This is the award of a contract for the rehabilitation of well No. 9. One of our PRM Deep wells received on November 14th the range of \$143,020 to \$146,785 and I would recommend award to AC Schultes Inc. for \$132,420.00."

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

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

80-13 Award of Contract Rehabilitation of Well Nos. 2, 3,4,5,6, 8 and 13 (Shallow)

Director Specht advised, "This is also for the award of a contract for the rehabilitation of Well No. 2, 3, 4, 5, 6, 8 and 13 our shallow Cohansey Wells. Bids were received on November 14th also for this project and ranged from \$109,960.00 to \$189,752.00. I would recommend awarding to the low bidder Stephen Drilling LLC for \$109,960.00."

Vice Chairman Veni asked, "Are these going to be done individually, or together, what is the pattern

for that?"

Director Specht replied, "The Cohansey wells will be done as one contract together, but they will do one at time. We want to award now so we are ready for our production season by May of 2014."

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

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

NAYS: None

ABSTAIN: None

21. PUBLIC DISCUSSION

In order to provide all necessary information to the Authority and to provide sufficient time for members of the public to speak, each member of the public will be limited to five minutes and should provide their name and address.

Ms. Sharon Eastwick, Business Representative OPEIU stated, "I have a question or clarification, my memory is slipping. I am getting old too. When I first started coming here commissioner Bottazzi was the only one present so he may know the answer to this question. In the past weren't the personnel actions when you were going to hire somebody or give somebody a raise they used to be listed on the agenda if I remember correctly. My question is how come that is not done anymore. Jerry I think you were here too maybe you remember."

Counselor Dasti stated, "Some of the personnel matters involve discipline and ..."

Ms. Eastwick stated, "No. These are for increases. Aren't I correct guys? Anybody that used to be here, they used to be listed, like Joe blow got a promotion, \$2.00/ hour increase."

Counselor Dasti stated, "Well I don't know anything about that. We could do that although the personnel report is rather lengthy so sometimes it is easier just to discuss it in closed session and adopt the report. I don't think there is anything wrong with Mr. Lacey hitting the high notes as to what, I think there was one gentlemen who resigned."

Director Lacey stated, "I think what you are speaking about Sharon is if someone gets a raise that it be listed and it is listed in my report and we have the option of either voting for it or against it."

Ms. Eastwick stated, "Sp maybe what used to happen in the past... I don't think they were after the fact because we always used to get an OPRA request to see if it went through. I was just curious as to why it stopped."

Vice Chairman Veni asked, "Well let me ask you this Sharon, if you were going to get a promotion do you want everyone in the plant to know?"

Ms. Eastwick replied, "If it was deserved absolutely why hide it? I think that makes everybody look good."

Vice Chairman Veni stated, "Personally I would want to keep it to myself because I would be deserving and I worked hard for it."

Ms. Eastwick stated, "But it comes out in the end anyway and then people become suspicious. It is public information. Maybe I look at it differently. I thought it made people happy. I mean if it was well deserving and I'm never going to tell you don't give people money. I was just curious as to why it is not listed on the agenda anymore. I guess I can't remember. You can't remember. I have to dig up some old things."

Mr. Eric Paugh stated, "I had a question as of last year Chapter 78 we all have to contribute to our benefits. Now I understand that being the Authority isn't in the State plan we still do fall into the category of paying into it, but what I was wondering very simply is where exactly does that contribution end up going? Does it go into the general fund? Does it go into a credit account for our benefits? Is it just put back into the MUA?"

Director Planko stated, "It is basically a reduction in our budget. As an example. If we had a \$5 million budget and \$200,000 contribution it would reduce our expenses thereby reducing the amount of any type of rate increase that we need for the Authority."

Mr. Paugh asked, "Is it earmarked?"

Director Planko replied, "Well it is shown in the budget book of what the amount of it is. I don't know what you mean by earmarked."

Mr. Paugh asked, "When you did the 2012 to 2013 that wasn't included in it at the time but it was graced into it halfway through."

Director Planko replied, "In that year we had to calculate the three months because we run on a fiscal year so the last three months. If you mean by earmarked there is no particular account where that money is going. It is going into the budget process as a whole relative to the revenues we get and the amount of rate increase we need. But there is no account where that money is going into."

Mr. Paugh continued, "There is no account, no specific place that you are putting it right? So it can go anywhere and this number will expedientiate over the next couple of years as it matures out. It is already into next year and we are double what your savings was for the previous. It goes up."

Director Planko replied, "It increases by a percent each year and that is basically set that is not our determination."

Mr. Paugh continued, "I understand that and depending on how our particular plan is. I know there is options to see whether these incremental savings to see if there could have been a different rate that could have been applied to us and I'm not going to get into that, but more to my question is as this is going up and going up there is a continued savings to the MUA is that correct?"

Director Planko replied, "Correct because that is purpose of it to reduce the expenses of government entities so employees have to contribute just like in any other company."

Mr. Paugh stated, "Right and I have no problem with that and no problem with contributing like any other worker. When I started here in 2008 I walked into the last year of a contract that had this at our annual income the raise thing and this is not a contract related discussion or anything. I just want to

point out something. It was like 3.5 I believe, the next argument was we went into arbitration and we end up with the 2.5% and we weren't paying any benefits. Now we are continuing to pay into our benefits which obviously is the law and is a continued savings for the MUA, but at the same time our guys are all losing pretty much a bulk of their annual gross out through this without any compensation. I understand that the policy is that we have to pay it and that your policy is that you are arguing for what our percentage will be down the line. My hope and this is what I am saying to you guys now that you look at how our pay structure actually is because it is archaic and it doesn't work with how the modern system is working because the way that it was set up it was involved with the inclusion of our benefits. So we were taking a hit one way and you guys were taking a hit another way, now we are taking all the hits. This has to be amended. This has to be updated. It is important for us. Our guys are going to continue to lose money unless this is looked at more closely."

Counselor Dasti advised, "Thank you. I would direct the commissioners since this is still a matter of negotiations with Mr. Greitz that you refrain from commenting. We have acknowledged his comments and we understand what he is saying and I think that is where it should be left."

Vice Chairman Veni asked if there was anyone else who would like to speak, being none he stated, "With that our next meeting will be occurring on December 23, 2013 and all regular meetings take place at the main conference in the Authority's administration building located at 1551 Hwy 88 at 7:00 p.m. At this time I would like to wish you all a wonderful thanksgiving and be safe."

Comm. Fozman stated, "Mr. Chairman I would like to say something. I am upset that we went for those diesel generators. It just doesn't make any sense to me. We are going for a study and..."

Vice Chairman Veni stated, "Jim you already said that."

Comm. Fozman stated, "I know you pulled it out though to vote not that first and then you went back to it. You pulled it out."

Vice Chairman Veni stated, "No. Look at it. That page says it is in exempt."

Comm. Fozman replied, "Old Business says it is exempt and we voted on this first."

Vice Chairman Veni asked for a motion to adjourn. Motion by Comm. Ciocco.

Comm. Cevasco stated, "I have a question for Director Specht before we move on. How would the release of the contract to purchase or install the generators impact the hazard mitigation grant? Because the grant says that diesel are not part of it. So are they going to approve a study after we have made the position to purchase diesels? If I were the state I would tell you take a hike and give me the money back."

Comm. Fozman stated, "And we lose \$50,000 on standby. We don't even get that money anymore. \$50,000 a year because you are going for the diesel generators at the wrong time. That is a lot of money."

Vice Chairman Veni stated, "Commissioners we are looking for alternate energy someplace in our complex. We can make it happen. I have a motion. I need a second for adjournment."

Comm. Bottazzi stated, "If you want to continue the meeting we can do that. This Board asked our engineer to look into this project. He came back and gave us the information that we could hear, digest it and vote. I don't think he cares one way or the other what we do. He is not here to sell one type of energy. He is here to do the job that he was requested to do. Then we voted and it was 3 to 2. Now I am not going to be here in two months. I tried to give you a lead if thing don't move and you want to change it that is your prerogative. I went through this almost 20 years ago with a bunch of people who were of your party who didn't want a reservoir and I had to go back and fight them all the way to the end and we have a Reservoir. Now we are a class act because we have one. And there is no other Authority who has ever had a reservoir in the last fifty years in this town or in the state. So I mean we made a decision and you don't like the votes."

Comm. Fozman stated, "I don't like it because it is the wrong decision. We should have looked into it more before we bought them."

Comm. Bottazzi asked, "What gives you the Authority or the opinion that you think you are right?"

Comm. Fozman stated, "We could have used our diesels and we could have had a back up generator in case there was a storm. A company would come out if we needed power just in case of an emergency and did a study. There is technology out there and possible grants to come through. What if we missed a \$1 million grant coming out in three months for this?"

Comm. Veni asked, "What if it happens in three years?"

Comm. Fozman stated, "That is why you do a study. You can always go back and get the diesels a year later but the study would be important. Now you've got the diesels. You've lost \$50,000 a year. For ten years that is \$500,000."

Comm. Bottazzi stated, "I would say this if it will make you happy. Why don't our engineer sit on this for awhile, get more information if he has to and we'll talk about it next month."

Vice Chairman Veni stated, "It's too late. We already approved it."

Comm. Fozman stated, "Mr. Specht said that he..."

Counselor Dasti interrupted, "Just a moment. The bid was opened about sixty days ago and it will certainly be 60 days before our December meeting. The contractor by law doesn't have to hold his bid after 60 days so if you don't approve it this evening."

Vice Chairman Veni stated, "We did approve it."

Counselor Dasti stated, "Well I just heard something about holding it. If you don't approve it this evening there is no guarantee that any of the contractors will hold their bids until the December meeting. Maybe that is ok. I don't know. It's up to you guys."

Comm. Bottazzi stated, "Well if that is the case we voted on it and it has been approved."

Comm. Fozman stated, "But Mr. Specht said himself he is no expert on generators and the technology that is out there. That is why he even recommended going to another company that does this. That is what you needed to do. We are not experts here on generators. We are going to slap in diesels and loose \$50,000 a year. That is crazy. Just to give somebody the work. I don't understand this. We are supposed to be doing the right thing for the next 20 years down the road not just to satisfy throwing in three diesels. Everybody is going to be working here 20 years and they are going to be working here and this technology is out there. We are changing all the time, everything else, Joe Maggio is getting new equipment because the technology is there He is getting better equipment so we can do water quality studies."

Vice Chairman Veni stated, "I don't think he is getting better equipment. He is getting newer equipment and he is replacing it in kind."

Comm. Fozman stated, "We do testing for other companies and that is Mr. Maggio's job to do that. To make sure the water quality and we are testing other things. Sure we are getting new equipment but I'm sure it's better equipment."

Vice Chairman Veni asked Director Maggio, "This atomic unit you are getting is it any different from the one that is used."

Director Maggio replied, "It is definitely an upgraded sort of system. It still does the same analysis."

Vice Chairman Veni asked, "Somewhat updated? What does that mean as far as technology?"

Director Maggio replied, "It's an evolution from where we were 15 years ago, but I guess you would say the basic concept is the same."

Comm. Cevasco asked, "The one that you are replacing is it analog or digital?"

Director Maggio replied, "I don't know. There is definitely an upgrade in the computer controls. It is 15 years old."

Comm. Fozman stated, "That is the point I was trying to bring out. Technology is advancing so quickly these days and as I said Mr. Specht doesn't know himself all the specs for generators and what new stuff is out there. That is why he even recommended getting somebody and I think that is the smartest way to go to see what we should have. Have the back up like we suggested just in case there is a storm and see what we got. The worst that could happen is you get three diesel generators. You are starting at the bottom instead of starting at the top and working down. That is my opinion."

Comm. Bottazzi seconded the motion to adjourn.

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

22. COMMENTS FROM COMMISSIONERS, PROFESSIONALS & STAFF

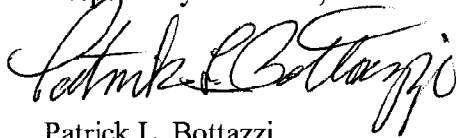
23. CLOSING STATEMENT

The next Public Meeting of the Authority will occur on Monday, December 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

On motion duly made and seconded the meeting adjourned at 9:05 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Patrick L. Bottazzi", written in a cursive style.

Patrick L. Bottazzi
Secretary

/mas