

**Minutes of a Meeting of
The Brick Township Municipal Utilities Authority
July 28, 2014**

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

Following the Salute to the Flag, Chairman Cevasco asked Ms. Sylvester to read the opening statement.

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 12, 2014 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

Members Present

James Fozman
Tom Curtis
Allan E. Cartine
James Bayard
Ed McBride
George Cevasco

Also Present

James F. Lacey, CPWM, Exec. Dir
Stephen T. Specht, PE, Dep ED/Dir Engr/Ops
Frank Planko, CFO
Joseph Maggio, PE, Dir. Water Quality
Gary Vaccaro, Dir. Compliance, Safety & GIS
Marie Sylvester, Exec. Supervisor
Ben Montenegro, Esq., Authority Counsel
Chris Theodos, PE, Consulting Engineer
Christopher Dasti, Esq.

Members Absent

Stacy Olsen

Chairman Cevasco stated, "Before we go into exempt session we have a guest- Mr. Maurillo, he is our insurance person."

Joe Maurillo stated, "I am Joe Maurillo. I am your insurance broker. We have been your broker for the last seven years. We did a full analysis on your renewal for August 1st. I am going to bring Tom Ucko up and he will go over all those particular numbers. Just a quick overview. If you compare your rates versus the State Health Benefits plans over the last two years we are over \$500,000 lower than the State Health Benefits plans which is a good benchmark that everybody uses throughout government is the State Health Benefits Plans rates. So Tom is going to come up and go over all the numbers."

Tom Ucko stated, "Thank you. I am Tom Ucko. I think you all received copies of our report so I will just go over some of the highlights. This was not an easy renewal process largely because your

claims experience over the last twelve months has been relatively high. You are looking at 94% loss ratio which means Horizon has paid out 90 cents in claims for every dollar in premium. Insurance Companies look at that to be about 85% to allow them to pay for their overhead as well as pay the claims. So that was not a good number for Horizon to respond to plus a year ago it was 69.2% loss ratio so there have been some unhealthy employees over the last year. So with that as a background, Horizon's initial renewal proposal was for 22.9% composite rate increase. That was comprised of a 23.8% medical piece and a 19.9% increase in prescription cost. We went out to all the commercial carriers who compete in the public sector market. We went out to Aetna, Amara Health, Cigna and Oxford United Healthcare. As Joe mentioned we also looked at the State Health Benefits Plan as an option. We also looked at obtaining an independent prescription company so we went for Select Solutions, Benecard, Max to try to get a standalone prescription card company in place of the Horizon Program. Because of your claims experience we only got one response from a medical carrier and that was from Aetna and that was for a 28.2% increase. So it was even higher than Horizon was quoting. So we looked at the State Plan. We initially assumed the State would have a 13% increase, but it turns out when their actual numbers were published it was only an 8.3% increase, but even with that lower assumption the State rates were equivalent to a 20.5% increase in your rates. So and the State Plan is not equal or better than your current plan. They no longer have a traditional plan and their NJ Direct Plan is not as good as your Direct Access Plan. We did get one competitive quote from a prescription carrier and that was Benecard who came in with a proposal for a no rate increase to your current prescription rates. The problem is if Horizon were to lose the prescription plan they would raise their medical rates by 2% because they believe there is a synergy and they also have a golden handcuff they like to keep everything together and they feel they have the leverage to be able to do that. So all that we were able to negotiate and go back to Horizon and get them to take their 22.9% increase down to a 13% increase which works out to a 14.35% increase in medical and 8.5 increase in prescription drug costs. As Joe mentioned or alluded to that is still \$199,000 for the upcoming year less than the State Rates and for the current year you save \$330,000 versus the state rates. So for the current year that just ending and the year that is about to begin we project you are saving over a half a million dollars versus the State plan. We know that a 13% increase is not a piece of good news to get. It is uncomfortable financially. I am sure it is not good for your planning. It is not out of line with the market right now and you have to keep in mind that out of that 13% increase four to six percent of it is probably due to the Affordable Care Act. Things like benefit mandates, premium taxes that the government is using for things like research that add about 4 to 6% to the cost of your plan. The 13% increase is within the budget projection range we gave to Frank last October which was 10 – 14% at that time your claims were running much better so we were really happy to be able to hold it into that budget range even though your claims got worse since we made that projection. Attached to the report are a couple of charts that you might find interesting. It shows trailing 12 months loss ratio for your group. Monthly Claims for Subscriber and total monthly head count. That is really the highlights. Any questions?"

Director Planko stated, "Just a couple of comments. The 13% increase when you think about it in these terms this is probably the worst loss ratio we have had in the 17 or 18 years that I have been working on the budget. It was 90.9% loss ratio. I also want to note that we have the Opt out program that saves the authority an additional \$172,000 per year on our benefit costs. Finally we also have the Traditional plan which I believe the State plan does not have and with the 7 people we have participating they actually cost us an additional \$27,000 a year versus if they were in the Direct Access Plan. "

Chairman Cevasco asked, "In layman's term what is the actual difference between Direct Access and the Traditional Plan?"

Mr. Ucko replied, "The Direct Access plan has more incentives to go to network providers. There is more coverage in network than out of network, and the Direct Access discounts are better than the traditional plan so it a managed care plan because they are trying to direct employees towards participating providers and those are lower cost than if you go to any provider you want to."

Director Planko advised, "There used to be a significant difference. At one time you had to have referrals for the Direct Access and that turned a lot of people off and that is why they went to the Traditional but that is no longer the case. There is quite a significant difference in cost between the Traditional and the Direct Access."

Tom Ucko added, "And even within your group there were more people in the Traditional plan when you left the State Health Benefits Plan six or seven years ago than there are now so some people have migrated, but as Frank mentioned there are still seven people who are in the Traditional Plan."

Director Planko advised, "A lot of employees have migrated because now they are paying a share of the costs and it is a lot more expensive."

Tom Ucko added, "And we have also implemented an ambitious plan, the EPO Plan which as Chapter 78 contributions become higher we think you will see some employees start to join that EPO plan. That is exclusive provider organization that is a less expensive plan. It is just network benefits but it is less expensive in terms of premiums which mean it saves you money if employees join that and also saves employees money under Chapter 78 costs."

Chairman Cevasco asked, "Are there more doctors that participate in the Traditional vs. Direct Access?"

Mr. Ucko replied, "That gap has closed too. There used to be a significant gap between those two networks, but that has now narrowed and it really started to narrow when the State Plan eliminated the Traditional plan. That told the providers that if they want to keep their patients they better join the Director Access network because the State Health Benefits plan is a very large plan in New Jersey, many participants so the fact that the State Plan eliminated Traditional drove a lot of providers to join Direct Access."

Comm. Cartine asked, "How do doctors pay on each of the plans here? Is there one plan that pays the doctor better than the other? The Direct 10 versus the Traditional?"

Mr. Ucko responded, "In Traditional, doctors can pretty much charge what they want. In Direct Access they have a contract with Horizon or Signa or whoever where they agree that if a person goes to them as a participant provider they have a contractual fee."

Comm. Cartine stated, "Well they have a contract with Blue Cross even under the Traditional Plan. I have been told that by a physician because I am one of those people that have the Traditional Plan. I will tell you this much, I get billed 20%. My benefits pay me 80% and I am responsible for 20% of the cost which is more than the deductible in the Direct 10. So what I am saying too is you are getting paid more from the insurance company and you are getting paid more directly from me and that to me constitutes a plan which is kind of unfair as far as the patient is concerned. It think it is a disadvantage, the doctor is taking advantage or the billing department is taking advantage. Now I was

told this by their billing department which is Meridian that by contract they have to charge me that 20%."

Mr. Ucko replied, "Well the way it could work too and I'll make up numbers. Let's say the doctor wanted to charge \$100 for a given service, and let's say you are in the Traditional plan. Let's say Horizon's usual and customary fee for that procedure is \$80.00. What should happen is Horizon will pay 80% of that \$80.00 and you will pay 20% of that \$80.00, but the doctor could also balance bill you for the difference between 80 and 100. Not all doctors do that as well as you paying the 20% of the 80."

Comm. Cartine stated, "Well that is not what my EOB tells me because my EOB tells me this is what I owe. This is the subscriber's responsibility. In some cases where I am billed there is no subscriber responsibility depending upon the reason for the treatment. I am not getting this. I am not getting the fact why we are being charged more for a Traditional Plan when in essence it doesn't seem to be anymore services under the Traditional Plan over the Director 10. I looked at the doctor's roster and there is absolutely no difference in the doctor. I also have been told that I can't go to New York because for instance the hospital of Special Surgery or Lenox Hill Orthopedics won't accept NJ Blue Cross Blue Shield Traditional Plan. I was always under the impression that you could go anywhere out of network and these doctors and hospitals will accept your plan. They don't."

Mr. Ucko advised, "Well they will accept the plan but you might not get full 100% coverage."

Comm. Cartine stated, "No they won't accept it. They tell me outright they won't accept it. I have called several surgeons in New York and they have told me and I don't want to get this into a personal thing, but they have told me no they won't take my insurance. You have to take it out of pocket and then try to claim it directly with the insurance company."

Mr. Ucko stated, "Right but Horizon will pay 80% of the usual and customary..."

Comm. Cartine stated, "Right, but I still have to lay thousands of dollars out of my pocket before I can submit a bill. So what I am saying to you is I am probably going to get out of this plan because I don't see any advantage to it except that it costs me more money."

Mr. Ucko stated, "There has been a huge turn around when I started in the New Jersey Public Sector in the mid 90's typical public sector plan was 90% Traditional and 10% something else, now it has almost gone the reverse or less."

Comm. Cartine asked, "Just yes or no. Do the doctors prefer the traditional plan versus the Direct 10?"

Mr. Ucko replied, "Not as much as they used to. They are going where the patients are. The demand is coming from managed care plans."

Comm. Cartine asked, "So you are saying it doesn't really make a difference to them in the long run."

Mr. Maurillo shouted out, "You are going to get the same care. Is that what you are saying?"

Comm. Cartine stated, "Well sometimes I suspect that you don't get the same care."

Mr. Ucko advised, "There are a few doctors that don't participate in any insurance. They just hold out and don't take any, but there is a 95% overlap between the managed care Horizon network and the non-managed care or Traditional network. It is a much narrower gap than it used to be."

Comm. Cartine stated, "Well thank you for the answers I have been waiting for the last couple of years."

Mr. Maurillo stated, "If you ever want to email us your EOB's feel free. That is part of what we do."

Comm. Cartine stated, "I can manage them and Blue Cross is very good resolving some problems where doctors overbill which I have seen happen, double billing, but Blue Cross is very good at that. I will give you an example. We have a wellness exam that is 100% paid with nothing out of pocket. My wife and I have been billed independently from that billing service because Meridian would not recognize this as a wellness visit where you get a heart checkup EKG they claim that the EKG was caused because I walked in with heart pain and that is why they gave it to me and they charged me \$300 when that was part to my wellness plan and that was Meridian. It wasn't the doctor, but their coding and their billing and I had a fight with BC/BS and they resolved it with Meridian. Not because of anything, I did but because I was up against a wall with those people."

Mr. Ucko replied, "The irony is if you go in for your annual physical and you say "Doc I got this pain in my hip" suddenly it is no longer an annual physical it becomes a sick visit and you can lose coverage that way."

Director Planko stated, "I just want to mention the difference in cost to give the Board an idea. For example the family coverage on the Direct Access is about \$2,400 and the same coverage for Traditional is \$3,100... over \$700.00 a month."

Comm. Fozman asked, "How many people are on the Traditional Plan?"

Director Planko replied, "Seven"

Comm. Fozman asked, "So if those 7 people left we would be saving how much?"

Director Planko advised, "\$27,000 for the year if they went to the Direct Access Plan."

Mr. Ucko advised, "Of those seven two of them are employees and five are retirees."

Comm. Fozman asked, "Could we ask them to switch to the Direct Access because it is so close now it has changed so much? We'd save \$27,000 a year if they would go to it. Can we ask them? Are we allowed to?"

Mr. Ucho asked, "The first question I would have is are there any Union issues?"

Comm. Fozman stated, "And we have a new director for safety so I am hoping our accidents will go down in the future."

Comm. Cartine asked, "Frank this is a question for you we were at a ratio of what 90 some percent loss ratio and what was it a year ago?"

Mr. Ucko replied, "69."

Comm. Cartine continued, "And where was the additional costs? What did we have that was extraordinary? What events?"

Mr. Ucko stated, "There were a few sick employees. Your group is relatively small by insurance company standards and what happens is if you get one or two sick people of course that distorts the number. One premature baby, one transplant that will throw everything out of whack."

Dir. Planko stated, "As I mentioned that is the highest loss ratio we have ever had."

Comm. Cartine stated, "This could be something of an anomaly. It is not something we have to look forward to year after year."

Director Planko replied, "Well I am hoping it goes down next year and then there will be less of a rate increase hopefully."

Mr. Ucko stated, "We see all of our groups go through fluctuations so this was a bad year."

Director Lacey stated, "This is not to be confused with Workman's comp as you all know."

Mr. Ucko stated, "Your worker's comp claims do not show up in your medical numbers."

4. EXEMPT SESSION

(Personnel, Contracts & Potential Litigation Only)

Chairman Cevalco called for a motion to go into exempt session.

Counselor Montenegro advised, "At this point in the meeting of the Brick Township Municipal Utilities Authority on July 28, 2014, for purposes of discussing personnel items, contracts and litigation - Whereas Section 8 of the Open Public Meetings Act, New Jersey State Statute 10:14-12 permits the exclusion of the public from a meeting in certain circumstances, and whereas this public body is of the opinion that such circumstances exist. Now therefore be it resolved by the Brick Township Municipal Utilities Authority, in the County of Ocean, State of New Jersey as follows the public shall be excluded from discussion of any actions upon the hereinafter specified subject matters, contract and litigation and it is anticipated at this time that the subject matters will be made public if and when confidentiality is no longer needed. Action may be taken. This resolution shall become effective immediately."

Comm. Cartine made a motion to go into exempt session. Seconded by Comm. Fozman.

AYES: Comm. Fozman, Curtis, Cartine, Bayard, Cevalco

NAYS: None

ABSTAIN: None

At this point in the meeting, 7:20 p.m. the group entered exempt session

On motion duly made and seconded the group returned to open session at 7:45 p.m.

5. Adoption of Directors' Reports

Comm. Fozman made a motion to adopt the Directors' reports. Seconded by Comm. Bayard.

AYES: Comm. Fozman, Curtis, Cartine, Bayard, Cevalasco
NAYS: None
ABSTAIN: None

6. APPROVAL OF MINUTES

June 23, 2014

Comm. Cartine made a motion to adopt the minutes of the June 23, 2014 meeting. Seconded by Comm. Fozman

AYES: Comm. Fozman, Curtis, Cartine, Bayard, Cevalasco
NAYS: None
ABSTAIN: None

7. CORRESPONDENCE - NONE

8. APPROVAL OF BILL RESOLUTION – Comm. Bayard

Comm. Curtis read the Bill Resolution dated July 28, 2014 in the total amount of \$2,154,689.58 as follows:

Total Operating Vouchers:	\$	709,085.14
Total Payroll:		944,791.12
Total Capital Vouchers:		486,909.98
Escrow:		13,903.34
Total Bill Resolution	\$	2,154,689.58

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

AYES: Comm. Fozman, Curtis, Cartine, Bayard, Cevalasco
NAYES: None
ABSTAIN: None

9. TREASURER'S REPORT – Commissioner Cartine

Comm. Cartine read the Treasurer's Report balances for the month ending June 30, 2014 as follows:

Unrestricted Funds:

Total Revenue Funds:	\$	9,504,711.10
Total General Funds:		2,624,244.62
Total Unrestricted Funds:		12,128,955.72

Restricted Funds:

Rate Projection Maintenance Fund:	3,276,160.62
Working Capital Fund:	462,854.21
NJEIT Processing Fund:	3,135,677.82
Total Bond Funds:	14,253,040.14
Total Other Restricted Funds:	1,656,565.57
Total Restricted Funds	26,892,531.96
Total of All Fund Accounts:	39,021,487.68

Comm. Cartine made a motion to approve the Treasurer's Report. Seconded by Comm. Fozman

AYES: Comm. Fozman, Curtis, Cartine, Bayard, Cevalasco
NAYS: None
ABSTAIN: None

10. DEVELOPER APPLICATIONS -NONE

11. UNANTICIPATED/EMERGENCY CAPITAL EXPENDITURES - NONE

12. CUSTOMER ACCOUNTS RECONCILIATIONS

Director Planko presented the following customer accounts reconciliations for the Board's approval.

ONE TIME WATER/SEWER CREDITS

- a. Account 5643201-0, 86 Long Point Dr., Rose Preziosi. A one-time credit is recommended in the amount of \$ 1717.68 due to a leak in the toilet. The quarter in question rose to 274,000 gallons while the average usage is 2,000 gallons. All repairs have been made and verified and the meter is in proper working order.
- b. Account 10941606-0, 9 Rose Manor Ct., Mary Alcott. A one-time credit is recommended in the amount of \$442.05 due to a leak in the toilet. The quarter in question rose to 78,000 gallons while the average usage is 9,000 gallons. All repairs have been made and verified and the meter is in proper working order.

SEWER CREDIT

- a. Account 2375003, 325 Cove Dr. Peter Marrocco. A sewer credit is recommended in the amount of \$1208.25 due to leaks caused after Storm Sandy. The quarter in question rose to 197,000 gallons while the average usage is 18,000

gallons. There are no leaks at the present time and we have verified the system is in working order.

Comm. Cartine stated, "I have a question on the sewer credit. I thought we stopped giving Sandy Credits. We are still giving credit for Sandy problems? That's two years away already."

Dr. Planko replied, "Well this isn't directly based on a Sandy credit. This is a leak for water that did not go into the sewer. It is not directly related Sandy."

Comm. Cartine stated, "But it says leaks by the Storm Sandy."

Director Planko replied, "Well it was caused by Sandy but it was leaks that did not go into the sewer but it has nothing to do with Sandy."

Comm. Cartine asked, "Then why do we have Sandy there?"

Director Planko replied, "Well Sandy caused the damage to the leak and they paid for the water, but the water didn't go down into the sewer system so we don't get charged for it."

Comm. Cartine asked, "Yeah but why is it two years after that. I don't understand. Are these people living in the house? Have they been living in the house?"

Director Planko replied, "Yes."

Comm. Cartine stated, "Well I don't get it."

Director Planko replied, "This customer is legally blind. There was damage. It was turned off by NJ American Water. It was repaired. It was a leak but it did not go into the sewer system."

Comm. Cartine stated, "If we keep this up we will be five years down the line and we will still be paying for Sandy leaks."

Director Planko advised, "Actually we are activating all the accounts that were inactive for the period that was approved by the Board. We are now reactivating any of the Sandy accounts that we reprieved from paying the fixed charge. We are in that process now."

Comm. Cartine stated, "Could you repeat that in English please I didn't get it."

Director Lacey advised, "We are turning the system back on over in the barrier island."

Director Planko added, "In other words they were not paying their fixed charge because of the Storm and we are now commencing to charge them the fixed charge."

Comm. Fozman made a motion to approve the Customer Accounts Reconciliations. Seconded by Comm. Cartine

AYES: Comm. Fozman, Curtis, Cartine, Bayard, Cevalco
NAYS: None

ABSTAIN: None

13. CONTRACT CLOSE-OUTS - NONE

14. AUTHORIZATION TO EXPEND APPROVED FUNDS

- a. Removal of the Existing 4' Fence and Installation of a Replacement 8' Fence at the Raw Water Pump Station
Vendor: D's Welding and Industrial Services
Amount: \$5,631.47
Funding Source: Capital Project No. 601001 – Fence Improvements Water/Sewer Facilities

Director Specht advised, "The first item is the removal of the existing four foot fence and installation of a replacement 8' fence at the Raw Water Pump Station at the intake. I put a photograph in my report to show you where the fence is located. This is directly at the intake structure itself. It was built in 1990 and we have three quotes to replace that fence. This was discussed at the Security Committee meeting. I guess probably back in June and we received three quotes and we are looking to get approval on that tonight. Our lowest quote was from D's Welding Industrial Services for \$5,631.47. And we will utilize capital project numbers 601001 Fence Improvements Water and Sewer Facilities. And there is funding available in that account."

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

AYES: Comm. Fozman, Curtis, Cartine, Bayard, Cevalasco
NAYS: None
ABSTAIN: None

- b. Purchase of Sanitary Sewer Grouting Chemical for the CCTV/Grout Truck for the 2014 Season – Session No. 2
Vendor: Avanti International
Amount: \$5,726.00
Funding Source: Operating Account No. 80003-8070; Repairs – Sewer Mains

Director Specht advised, "Item 14b is for the purchase of sewer grouting chemical for the CCTV Grout Truck for the 2014 Grouting Season Session No. 2 from the sole source of Avanti International for \$5,726.00. This is out of the Operating Account 80003-8070 Repairs to sewer mains. We were very successful in our session no. 1 and we figure we have eliminated approximately over the course of the year about 6.8 million gallons of groundwater infiltration to our sewer system which saves us approximately \$26,000 of OCUA treatment costs. We want to continue that through the summer and the grouting season typically starts late spring and ends in November. It is temperature dependent when you can use it so I want to get some more grouting done this year and hopefully see some more savings by the time Session No. 2 is complete."

Comm. Bayard made a motion to approve this action. Seconded by Comm. Curtis

AYES: Comm. Fozman, Curtis, Cartine, Bayard, Cevalasco
NAYS: None

ABSTAIN: None

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

- a. Authorization to Proceed with a Three Price Quote for a Tractor for the Reservoir/Grounds Division

Director Specht advised, "This is the authorization to proceed with a three price quote for a tractor for the Reservoir/Grounds Division. The existing tractor is approximately 20 years old and has reached the end of its useful life. We are recommending a Kubota B Series style tractor and I put a photo of that in my report. Again it was a three quote. We have \$30,000 budgeted in the capital budget this year under capital project No. 914009. It is the LM3 Reservoir Wheel horse Tractor. I would recommend that we go out for the three price quote."

Chairman Cevalco asked, "Where is the existing one housed?"

Director Specht advised, "It is generally at the Reservoir but we shuffle it back and forth. Mostly used at the Reservoir. It is either in two places. It is either in the Operations Building or we have some Connex boxes out there we may store it out there. I couldn't tell you exactly where it is stored, but it floats between those two areas up at the Reservoir."

Comm. Cartine asked, "What are we going to do with that tractor?"

Director Specht advised, "We will surplus it at our next sale."

Comm. Cartine asked, "Can the town use it?"

Director Specht replied, "We will obviously give the list to the town when we go through our next surplus. Obviously we just had one last month so we will offer that up to the Township for use if they would need it."

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

AYES: Comm. Fozman, Curtis, Cartine, Bayard, Cevalco
NAYS: None
ABSTAIN: None

16. ADOPTION OF PERSONNEL ACTIONS

Comm. Fozman made a motion to approve the Personnel Actions as indicated in Director Lacey's Monthly Report. Seconded by Comm. Cartine

AYES: Comm. Fozman, Curtis, Cartine, Bayard, Cevalco
NAYS: None
ABSTAIN: None

17. OLD BUSINESS

17.1 Bollard Style Light Fixtures at the Entrance to the Main Complex

Director Specht advised, "That was approved at the April 28th Board meeting for about approximately \$5,000.00. Then at the June construction Committee Meeting we first brought it up on the agenda and I added it to the formal agenda at our July 9th Construction Comm meeting to bring it up to the Board that at this time it is no longer needed at the entrance. So we are looking to not purchase those lights but I need Board approval for deleting that purchase since you approved it before."

Chairman Cevalco stated, "So we need a resolution rescinding the approval of the following."

Comm. Bayard made a motion to approve rescinding the purchase of the bollard style lights at the front entrance. Seconded by Comm. Curtis

AYES: Comm. Fozman, Curtis, Cartine, Bayard, Cevalco
NAYS: None
ABSTAIN: None

17.2 Kentwood Litigation – Exempt

Director Planko advised, "That is pretty much what we summed up in closed session and that will be Resolution 78-14 later in the agenda."

18. NEW BUSINESS

18.1 Requests to Utilize Reservoir

- a. **The Visitation Conference, St Vincent de Paul Society,**
Church of the Visitation
Walk for the Poor
Sunday, September 21, 2014 from 2:00 p.m. to 4:00 p.m.
Number of Participants: 25
Performed every year since 2009

Director Specht advised, "We have one request at this time for a permit of use was submitted for the Visitation Conference St. Vincent de Paul Society associated with the Visitation Church for the Walk for the Poor on Sunday, September 21, 2014 from 2:00 p.m. to 4:00 p.m. They anticipate about 25 participants and they have performed this every year since 2009 and I would recommend approval."

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

AYES: Comm. Fozman, Curtis, Cartine, Bayard, Cevalco
NAYS: None
ABSTAIN: None

18.2 Brick Reservoir 10th Anniversary Celebration

Director Specht advised, "This was discussed. We brought this up at the Reservoir Committee meeting with Comm. Cartine and McBride. Ms. Sylvester was also at the meeting where she generated a listing of possible items of discussion. There was a date that was discussed. I think it was a Saturday,

September 27th, but we wanted to bring it up to the full board and see how they wanted to proceed with this. We also generated an invitee list on that and there are some logistics we want to get straightened out like where we want to have it. When we had the Reservoir Filling Dedication we had it on the observation fishing piers. We just need to select where we want to have that and how big we want to have it. Do we want to get tents? Do we want to get chairs? It can range from small to big so it is up to the Board to let me know how you want to proceed. I believe our Dedication was September 29th 2004 so that is why the September 27th date was selected. That is approximately 10 years from when we dedicated the Reservoir. We would like to get some feedback from the Board on how you would like to proceed with this and what magnitude of anniversary celebration you want to have."

Comm. Fozman stated, "I was wondering the neighboring mayors such as Wall, Lakewood, Point Beach, Point Borough because we sell them water and I think getting them there would be a good idea. Now I don't know if this is, could we have little plaques to commemorate maybe to give to each of the townships? Maybe something like that so they can bring it back to put in their township. I am just throwing ideas out there."

Comm. Cartine stated, "I thought you know when we discussed this. We went down the invitation list and I had suggested that anybody that had anything to do with the building of the Reservoir be invited. You saw that on the notes that were provided to you. I think this is a Brick event really and they didn't foot the bill for this Reservoir, but I'll acquiesce to what everyone wants to do, but I think this should be a Brick event and it is a celebratory event as well for us."

Comm. Bayard suggested, "Maybe we can have commemorative glasses made up that we can give out with the logo on it."

Comm. Cartine stated, "We suggested anything from also inviting the high school band to perform and make it a gala if you will, lasting about an hour or so. The important thing is to honor the people who actually helped build this Reservoir and the commissioners who made the effort to put this Reservoir together and that transcends politics. It is all inclusive."

Director Lacey advised, "The date that is picked is a Saturday though you should know."

Comm. Cartine stated, "Glasses, mugs etc. we could do. Let's do it."

Chairman Cevasco asked, "You don't like the idea of the Wall mayor because part of it is in Wall?"

Comm. Cartine stated, "I would because it is partially in Wall I would say it would be the protocol to have the Wall mayor there. Did we have the pastor of the church too right?"

Director Specht advised, "We looked at the original dedication brochure that we had and we kind of followed that Mr. Chairman. We had opening remarks by the Chairman, Cevasco, speakers proposed still need to be confirmed. Pastor Lenny was there giving a dedication prayer, Jim Holzapfel, but we had Senator Ciesla when he was the senator at the time, and Council President Lydecker we would recommend as well as Mayor Ducey. This kind of follows the program we had last time and then we would have closing remarks by the Chairman."

Chairman Cevasco asked, "You think Andy would come?"

Comm. Cartine replied, "You know he used to be the executive director here. I think he would be honored to come. Yeah I think he would be honored."

Director Specht advised, "Well who would you like to speak? Do you want the former Senator or the current one?"

Director Lacey stated, "I thought the intent was to bring in anyone that had something to do with it in the past so whether they were in any official capacity we were going to invite them."

Comm. Cevalasco stated, "I think Andy should be invited. He was here he was the executive director."

Director Lacey asked, "You want a tent? You want food, donuts? What? Refreshments? We need some guidelines."

Comm. Cartine stated, "We had decided the refreshments is not open to the public. They can stop by and walk in but the event is on invitation. We have a tent in case it rains, ribboned off and it is all for the invited guests. If people want to join in and somebody wants to snatch a donut or whatever they can do that."

Director Specht advised , "We have it kicking off at 9:30 and the ceremony starts at 10:00. We will update the listing of attendees and we will get it out to you for one more look."

19. RESOLUTIONS

73-14 Authorizing Change Order No. 1 for an Increase in the Contract Amount of \$5,029.60 to Forte Excavating LLC for Contract No. 813002G; Super Storm Sandy Sanitary Sewer Replacement West Marion Street Developer

Director Specht advised, "This is Change Order No. 1 for an Increase in the Contract Amount of \$5,029.60 to Forte Excavating LLC for Contract No. 813002G; Super Storm Sandy Sanitary Sewer Replacement West Marion Street Drive. This area was severely impacted by Super Storm Sandy. The whole sewer was wiped out. There was a lot of debris that got into the existing trench. We received a claim that was submitted by Forte Excavating totaling about \$12,000. We had a detailed discussion at the Construction Committee meeting. I didn't have the number finalized at the time and through negotiations we determined that we would only pay for debris removal. Metal material we weren't going to pay for because it was debris removal. They moved some big debris. We removed a concrete slab off of one of the bungalows out there that was probably 20x20. It was a big piece of concrete that was sitting in the trench. The original number was like \$12,000 and we got them down to \$5,000. I would recommend approval on that. We will also look for reimbursement from FEMA on this and if they do grant us the reimbursement they would pay 90% of the \$5,000.00."

Comm. Bayard made a motion to approve Resolution No. 73-14. Seconded by Comm. Fozman

AYES: Comm. Fozman, Curtis, Cartine, Bayard, Cevalasco
NAYS: None

ABSTAIN: None

74-14 Authorizing Change Order No. 2 for an Increase in the Contract Amount of \$16,187.40 to Municipal Maintenance Company for Contract No. 799008A;Replacement of the Flocculator Equipment in Sedimentation Basins Nos. 1 and 2

Director Specht advised, "This is for Change Order No. 2 for an Increase in the Contract Amount of \$16,187.40 to Municipal Maintenance Company for Contract No. 799008A;Replacement of the Flocculator Equipment in Sedimentation Basins Nos. 1 and 2. What this entails is we had a unit price and a unit quantity for concrete repair on the existing sedimentation basin walkways. When we started doing the concrete I think we had 300 square feet in our bid and when we started to do the demolition work on the existing concrete obviously we came into more damage than we anticipated. Additional 345 square feet and we utilized the unit price that was in the bid. So I would recommend approval on this. This is the second change order. I think the total change order amount for this contract is now about \$24,000 and the total contract bid amount was \$302,000 so we are way below our 20% probably at 8%."

Comm. Bayard made a motion to approve Resolution No. 74-14. Seconded by Comm. Fozman

AYES: Comm. Fozman, Curtis, Cartine, Bayard, Cevalasco
NAYS: None
ABSTAIN: None

75-14 A Resolution Renewing IMAC Insurance Agency as Broker of Record and Accepting the Horizon Blue Cross/Blue Shield Rates Presented by IMAC

Director Planko advised, "This is for the renewal of our Horizon Blue Cross Blue Shield rates effective August 1, 2014 through July 31,2015 as discussed by Tom Ucko and myself prior to closed session."

Comm. Cartine made a motion to approve Resolution No. 75-14. Seconded by Comm. Curtis

AYES: Comm. Fozman, Curtis, Cartine, Bayard, Cevalasco
NAYS: None
ABSTAIN: None

76-14 Authorizing the Donation of Two (2) 1999 Dodge Ram 3500 Mason Dump Trucks Owned by the Authority and Previously Declared as Surplus to the Township of Brick

Director Specht advised, "As requested by the Board, we surplussed a number of pieces of equipment last month and we presented that list to the Township to see if they were interested in any of our surplus equipment. Mr. Chairman and Commissioner Fozman and me met with the Mayor and the Administrator Joanne Bergin to discuss some of this surplus and they indicated to us they would like to have the two 1999 Dodge Ram Mason Dump trucks and I recommend we donate them to the Township at no cost."

Comm. Curtis made a motion to approve Resolution No. 76-14. Seconded by Comm. Cartine

AYES: Comm. Curtis, Cartine, Bayard, Cevalasco

NAYS: None

ABSTAIN: Comm. Fozman

77-14 Rejecting all Bids for the Purchases of Two (2) 2015 Low Pro Cab Chassis Trucks
With Utility Body

Director Specht advised, "This is the rejection of all bids for the purchase of two 2015 Low Cab Chassis Trucks with Utility Bodies. The combined bid amount exceeded our budgeted amount so I am looking to reject all three bids and get approval from the Board to modify our specifications slightly and rebid this project."

Comm. Cartine asked, "Question through the Chair, with a new bid are we going to be able to find a vendor who is going to meet our specs or are we going to cut our specs back somewhat?"

Director Specht advised, "There aren't too many vendors out there. I would say we would probably get the same and maybe another couple. We will trim it back a bit and hopefully the bids will come in better."

Comm. Cartine asked, "How much over budget were the bids?"

Director Specht advised, "The low bid was \$232,000. The budgeted amount was \$230,000, but we were concerned about the product they were going to provide us for the body that was going to go back on the Utility Body. The high bidder had the body style that we were looking to get so I would recommend that we move ahead on that and proceed with the rebid."

Comm. Bayard asked, "Have we looked to the County Coop for vehicles?"

Director Specht advised, "We have in the past and we have also obviously looked on State contract and there is nothing on state contract. But we will check that out. I don't know if we looked at the County Coop this time."

Comm. Cartine asked, "They were \$2,000 on average over our projected estimate is that correct?"

Director Specht advised, "That is correct. We had \$230,000 in the budget and they are \$232,000."

Comm. Cartine asked, "How bad do you need these trucks?"

Director Specht advised, "The existing trucks I have right now are still running so I can hold onto them for another, probably it will take six months to get these trucks. These aren't just roll them off the lot and deliver them. There is quite a bit of utility body work that has to be done on them."

Comm. Cartine asked, "Is there any money in the budget to exceed the estimated amount Mr. Planko?"

Director Planko replied, "Well we could probably cover it, but I think what Director Specht is saying is that the highest bidder really had the specifications of what we prefer to have so we prefer to rebid it."

Chairman Cevasco asked, "Are we taking existing bodies and putting them on existing chassis? Is that what we are doing?"

Director Specht replied, "No we are getting all new bodies. All new trucks, all new bodies all new cranes that we have off the back of them. We have compressors on them. We have a generator on them so it is ... "

Chairman Cevasco asked, "There was something on the low bidder that you said wasn't to your liking?"

Director Specht replied, "That is correct. It was the body style. The style that they were going to provide us I think DeJiana was that body style for the low bidder of Schwartz and their style was different from what we wanted. I need to tighten up the specs so we have the slope style with more storage inside. We would word our specs a little differently and probably put a sketch in there of what we want. We have to live with these trucks for the next ten years I would rather get what we need."

Comm. Cartine made a motion to approve Resolution No. 77-14. Seconded by Comm. Curtis

AYES: Comm. Fozman, Curtis, Cartine, Bayard, Cevasco
NAYS: None
ABSTAIN: None

78-14 Resolution Settling Litigation with Kentwood Construction Co., Inc., *et als.*

Director Planko advised, "This is a resolution settling the litigation with Kentwood Construction which has been going on for over three years now. We have come to terms with the plaintiffs as well as the EPA and the results of this settlement is very favorable to the Authority and I recommend we pass this resolution this evening."

Comm. Cartine made a motion to approve Resolution No. 78-14. Seconded by Comm. Bayard

AYES: Comm. Fozman, Curtis, Cartine, Bayard, Cevasco
NAYS: None
ABSTAIN: None

79-14 Resolution Authorizing Maser Consulting, PA to provide consulting engineering Services to assist the Authority in the implementation of a GIS Based Asset Management System

Director Vaccaro stated, "This is a resolution authorizing Maser Consulting to provide consulting engineering services to assist the Authority in the implementation of a GIS Asset Management System. As I discussed with the Construction Committee and the Finance Committee we have identified that Maser has expertise in assisting public as well private sector clients in

implementation of asset management systems. In addition they have a partnering agreement with Vucworks software which has an asset management program. We met with Maser on a couple of occasions and they have demonstrated software. We have spoken to their clients and we were very happy with their performance as well as speaking with the Vucworks vendor. So we think it is a great advantage for us to use our on board consultant to assist us with this. They have gone ahead and given us a cost estimate to do an initial needs assessment which will identify what modules we will need as well as costs involving integrating some of our old programs into the asset management system and that is at a not to exceed cost of \$6,800.00."

Comm. Cartine asked, "That is their fee \$6,800?"

Director Vaccaro stated, "That is for the needs assessment. Once they are done with that we will have a better idea of what the cost is going to be for Vucworks as well as their help in implementing the program into our system as well as the iPad so it looks like it is a really good fit. We have talked to the clients that have used them and they are happy with them too."

Comm. Bayard made a motion to approve Resolution No. 79-14. Seconded by Comm. Cartine

AYES: Comm. Fozman, Curtis, Cartine, Bayard, Cevasco

NAYS: None

ABSTAIN: None

80-14 A Resolution Authorizing Maser Consulting PA to provide Professional Services for the Development of a Model Stormwater Management/Low Impact Development Ordinance For the Metedeconk Watershed

Director Maggio advised, "This resolution authorizes us to assign to our consulting engineer Maser Consulting professional services for the development of model stormwater management low impact development ordinance in the Metedeconk River Watershed plan. This specific project was one of the highest rated projects for effectiveness for water quality improvement in the watershed. Essentially we are going to be forming a stakeholder committee or tap our stakeholder committee to work together to come up with an ordinance that we will present to all watershed towns with the hopes and encouragement to adopt the ordinance or at least portions of the ordinance to tighten up development requirements within the Metedeconk Watershed to enhance stormwater protection. This project is funded by our stormwater grant."

Chairman Cevasco asked, "Maser will develop an actual ordinance?"

Director Maggio replied, "They will develop the ordinance working alongside our stakeholder group. This will be a combined effort."

Chairman Cevasco continued, "All of the communities involved in the watershed would be asked to adopt this ordinance."

Director Maggio replied, "That is correct. There is no obligation that they adopt it but we really encourage them and it is aimed toward getting them to adopt it. Facilitating the adoption is one of the reasons why we want to encourage this to be a stakeholder effort. Maser will be providing the technical and engineering expertise in the development of this ordinance."

Comm. Cartine asked, "Will they be representing us before the various township councils and other agencies that they have to attend."

Director Maggio advised, " That is part of the scope of work."

Comm. Bayard made a motion to approve Resolution No. 80-14. Seconded by Comm. Fozman

AYES: Comm. Fozman, Curtis, Cartine, Bayard, Cevasco

NAYS: None

ABSTAIN: None

81-14 A Resolution Authorizing a Shared Services Agreement with the County of Ocean For the Transite Water Main Replacement associated with Garden State Parkway Interchange 91 Project

At this point in the meeting, Director Lacey asked to be excused from the meeting and left the room.

Director Specht advised, "Back at the June 23rd Board meeting I approached the Board about possibly replacing the transite water main that was impacted by Interchange 91 and that the County was proceeding with the final design. I met with the Ocean County Engineering Department, Frank Scarantino and his staff on the 24th and they were amicable in allowing us to include our design plans and specification with their contract when they want to bid out. We had a short time and my staff was able to get the specs together. We were able to get preliminary specs down to the County by the 29th. We worked hard at it. I must commend Jim Allen, Dave Guetzlaff and my assistant Mellissa Mason for putting these specs together. It was a big undertaking to basically design a \$1.9 job and they were able to do it. Spent many hours here but we were able to get it done. At this point they included in their advertisement the project is out on the street. There is a mandatory pre-bid meeting which I will be attending with Mr. Allen tomorrow at 1:00 p.m. and they are looking to accept their bids next Tuesday August 5th. The only missing piece was for us to enter into a shared services agreement with the County and we are at that stage right now and that is what this resolution authorizes Brick Utilities to do is enter into a shared services agreement. What that will entail is I have listed it and put an estimate together in the amount of \$1.9 million for the water main replacement. We will provide the inspection with our staffing and we will be responsible for quantities. Obviously the contractor will have an agreement with the County and we will reimburse the County for that work. I would recommend we move ahead with this. I sent an agreement to the County right after I met with Frank on the 24th. They took a look at it and Frank sent us another rendition of that agreement. Last Wednesday I forwarded it over to Nick and Ben and they took a look at it. We had some comments that I received late Friday night and I was able to get them back to Frank Scarantino this morning. They had some comments back so we are just fine tuning the agreement right now. I have it right here but with this resolution it will authorize us based on final review from the attorney, similar to what we did with the NJDOT contract for the stormwater pump station. It allows us to have our attorney review it and final approval and then we can sign the agreement. The County is on a tight schedule to get this agreement done. I asked Frank if we could have waited until our August board meeting but they need to get this resolved right now because of the process that it takes to get everything approved so I would recommend that we move ahead with this resolution tonight."

Chairman Cevalco asked Counselor Montenegro, "Are there any comments from your office?"

Ben Montenegro stated, "Yeah the resolution reflects that it will be subject to final review and approval. Quite frankly we are down to just a couple of last contract issues that being our request to be named as an additional insured by both the Contractor and the County on the insurance policy that is in effect on the project and also a mutual indemnification clause, us to the County, and the County to use should there be any problems."

Chairman Cevalco asked, "And us being added to the insurance - what does that mean?"

Ben Montenegro replied, "Meaning that if there was a problem on the project and the policy in effect for either the contractor or the County depending on whose responsibility the problem lies with. We would be named as an addition insured on there. It would provide us extra protection."

Chairman Cevalco asked, "If I understand us correctly is it would insure the \$2 million investment that we have is that what we are doing?"

Counselor Montenegro replied, "Or if there is litigation brought against the Authority depending on what would happen, that their policies would protect us as well."

Director Specht added, "We do have in the contract that the contractor has to submit to us a labor material and performance bond and when the contract is completed they will give us a two year maintenance bond. This is more the liability insurance that it is about."

Chairman Cevalco stated, "The County is actually doing the work for us and we are refunding the County so if I understand what Mr. Montenegro is saying is that if we were named as a co name on the policy or whatever then it would protect our investment?"

Counselor Montenegro replied, "Not so much to protect our investment but protect the Authority against lawsuits."

Director Specht replied, "It's more liability like say someone hits a fire hydrant that wasn't put in the right place because the contractor didn't put it in the right place."

Counselor Montenegro added, "And the same thing with the mutual indemnification clause for the County. If it was our negligence we would have to indemnify to the County, and vice versa."

Comm. Cartine made a motion to approve Resolution No. 81-14. Seconded by Comm. Fozman

AYES: Comm. Fozman, Curtis, Cartine, Bayard, Cevalco
NAYS: None
ABSTAIN: None

At this point in the meeting, Director Lacey returned to the room.

20. 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.

21. COMMENTS FROM COMMISSIONERS, PROFESSIONALS & STAFF

Director Vaccaro stated, "Since we are talking about insurance costs and trying to keep the health costs down, I just want to let you know our department is sponsoring a healthy eating seminar that two doctors are giving on August 7th for our employees. You are welcome to attend Thursday, August 7th 8:45 and 9 to 10."

Chris Theodor stated, "I just want to let you know that I am working with Director Vaccaro on the GIS Tax map reviews with his staff in an effort to get these maps certified as the official maps of the Township."

Chairman Cevasco asked, "How are we coming with the maps as far as the Surveyor is concerned?"

Mr. Theodos replied, "They are under review and we are going back and forth with getting information from your staff."

Chairman Cevasco stated, "It has been quite a while. I think this whole process started what 11 years ago? And then the guy from the State died and we had to start all over again."

Director Planko had nothing further to report.

Chuck Fallon stated, "We are in the process of performing the Audit on the Authority and up to this point your staff has been very cooperative and courteous. Thank you."

Comm. Curtis had no additional comments

Comm. Cartine had no additional comments.

Director Maggio stated, "We do have two big projects that have started just recently. One of them was we started investigatory work for the Watershed project at the Moses Milch Basin in Howell. Our consulting engineer was out last week, French & Parrello are doing some preliminary work so that project is moving ahead. Also last week we did start work on the new access control system installation, being the swipe card system to get in and out so the contractors have been on site and we expect it to be about six to eight week project."

Chairman Cevasco asked, "Have they started the replacement of any of the readers?"

Director Maggio replied, "I don't think any of the readers have been replaced. They have been focusing on setting up the software, but I do know buildings and grounds personnel have been out late last week and then today doing some of the work that was on our end which was running some wiring in the new locations."

Chairman Cevalco asked, "When is the trenching for the intake going to start?"

Director Maggio replied, "I don't know what the schedule is.."

Director Specht advised, "We have an existing conduit in there so we won't have to do that."

Director Specht had nothing additional to report.

Counselor Montenegro had nothing additional to report.

Ms. Sylvester had nothing additional to report.

Director Lacey had nothing additional to report.

Comm. Bayard had nothing additional to report.

Comm. Fozman stated, "I would just like to say thanks to all the commissioners for donating the trucks to the Brick Township DPW. Mr. Specht I talked to him about escrow accounts. We are cleaning up some of them and it was brought to Montenegro's office, Kristy Shay so whatever has to be done the MUA will do their job whatever they have to do and they will take the escrow money and whatever is left over so we will start cleaning up the escrow accounts and then work on more after we get that done. There were two carts that were going to come to the Reservoir and they were gas powered and I asked about the electric and I made a couple of phone calls. I just want to get the specs on how long the batteries are good for and what the solar panels, does it need, do we just plug it in. I just want to know the differences on it that is why it is a little bit held up."

Director Specht advised, "I am working on getting on that information. I will have it for the construction committee in August and then to the full board after that and we will discuss it."

Chairman Cevalco stated, "I was up at Vic Gerard golf carts getting some pieces for my nephew's golf cart and he told me that there wasn't much difference between the gas and/or the electric. Because I know he had one that the charge was 30 hours. They are built in and 5 years on the batteries and they will carry 1,000 pounds."

Director Specht advised, "I am looking at that right now. They have the capability out there."

Comm. Fozman continued, "Maybe we could get a little bit green here and start looking into a little bit in the electric field. A little here, a little there that would help out a little bit and maybe it will work out better in the long run. Mr. Reilley did have decals on the bill resolution and I noticed they were done before we had our shared service with the Township. The Township is capable of doing the logos I checked with them again."

Director Specht advised and Mr. Reilley also checked with them today and they are on board with anything we need. They just have to buy the material and we will reimburse them for that.

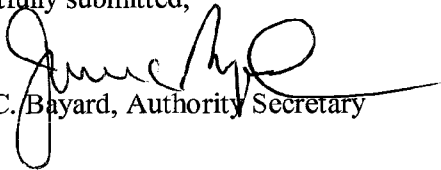
22. CLOSING STATEMENT

The next Regular Public Meeting will occur on Monday, August 25, 2014. All regular public meetings begin at 7:00 p.m. in the Main Conference Room of the Authority's Administration Building located at 1551 Highway 88 West.

23. ADJOURNMENT

On motion duly made and seconded and there being no further business to discuss the meeting adjourned at 8:37 p.m.

Respectfully submitted,


James C. Bayard, Authority Secretary