

**Minutes of a Meeting of
The Brick Township Municipal Utilities Authority
October 27, 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
Allan E. Cartine

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
Nick Montenegro, Esq., Authority Counsel
Chris Theodos, PE, Consulting Engineer
Chuck Fallon, Authority Auditor

Members Absent

Stacey Olsen

Chairman Cevasco stated, "Before we go into exempt session I would like to skip down to Item 17.1 and have a presentation by PS&S on the distribution generating system and combined heat and power sy system feasibility study. Director Specht."

Director Specht advised, "Thank you very much. I know Helene and David appreciate you moving it to the front of the agenda. Back in late last year the Board authorized us to proceed with the construction of three 1,000 KW generators that project was put on hold so we could do a feasibility study of a combined heat and power for distributed generation system. The Board authorized the RFP back in February of 2014. We awarded the contract to Paulus, Sokolowski & Sartos, also known as PS&S in May of 2014. The draft was completed back in July of 2014 and they just wrapped up the final

report which I have forwarded to the Board of Commissioners. I will now kick it over to our consultant. First we have Dave Applegate who I guess is our client representative for PS&S, and our senior project engineer on the project Helene Ferm and she will go through the report and summarize it all for us."

Ms. Ferm stated, "Thanks and thank you as Steve said I am Helene and I am a mechanical engineer by background and oversee the energy services area at PS&S. Our main focus here tonight is to give you an overview of our report. I wanted to start with a little quick background on PS&S. Besides our experience with municipal utilities and energy services, we are a full service engineering company with over 250 staff, mostly in New Jersey. We have a Monmouth County location in Wall and besides engineering we also have architecture, environmental services and really the full range of engineering departments. Our study was looking into distributed generation and combined heat and power and the feasibility of that for the MUA. I just wanted to start with a little bit of general background about what we are talking about here. Distributed generation or DG is the concept of when you generate electricity locally in-site instead of purchasing it from a central utility plant. There are different technologies, combined heat and power is a very common distributed generation technology and that is the concept where you generate electricity, but you also have the ability to use the excess heat that is generated as part of the electricity generation to provide thermal energy to the site as well as the electricity. That is what we looked at here for the MUA. We also looked at fuel cell technology. Fuel cells is a different technology than generated electricity where you have an energy source and it is a chemical process instead of a combustion process, but in all cases here we are looking at using natural gas as the energy supply to produce electricity. The reason people do this is because often it is more efficient to generate electricity locally than purchasing it from a utility and it provides a local back up power source if you have a loss of power. It is kind of a combination of those. Now, we here at the MUA we have looked at this and the efficiency does not end up being there for this site so we did not actually end up with a recommendation to proceed with one of these technologies and that is what we are going to talk about here and explain the reasons for that. As far as CHP, combined heat and power, at the MUA there is no year round beneficial use of the thermal energy from the CHP system at the site. Also on top of that the current relative electricity and gas prices are not that favorable for CHP here at this location. That is you are really not when you run the numbers you don't save any money by making electricity here with gas compared to buying the electricity from the utility. On top of that there are the added significant maintenance costs for this if you were to purchase CHP or DG equipment on site. Also we looked at locating an offsite use for thermal energy from the CHP, but that also did not turn out to be feasible. We looked deeply into the economics and this is a high level summary of the three systems we looked into in detail. We looked at two kinds of CHP systems, one is driven by an engine similar to a car engine, and one by micro turbine and also a solid oxide fuel cell option. And the way the numbers work out and this is sizing for providing about 400 KW of power which is the base load as we will see in the next slide at the site. So the installation costs come in from \$3 to \$5 million and then you look at that. There is some incentive funding available potentially up to 40% from the energy resilience bank and that combined with the opportunity to look at funding through a power purchase agreement where an outside for profit company could help with financing and take advantage of the federal tax credit and depreciation that a not for profit like the MUA can't take advantage of that could bring the net cost down to the 2 to \$2.5 million range. However, the key thing is that the annual savings from these projects just isn't there. You end up with an increase in annual costs, operating expenses and the projects would not meet the benefit to cost ratio which is a factor that looks at the life cycle costs of a project and that is the criteria that the energy resilience bank is looking at for funding it's projects and these projects would not meet that criteria to qualify for that funding. So those examples were based on a 400 KW system. What you see here graphed is the 15 minute interval demand data electricity usage at the site for the year ending May of this year. There is a lot of information in this graph but I am just going to point out a few key things.

What you see is you are starting May to May so there is a minimum load of about 400 KW especially in the spring in fall you are down around 400 KW of load, but even when you are at a minimum day to day you have a variation. As you know you have a variation in load. You have the diurnal cycle of water usage and the load follows that pattern each day. So that is your base. And then you have some really significant peaks a lot higher than that 400 up to 1800 KW in the summer. When we looked at these spike peaks throughout the year we found that they correlate to the times when you are filling the Reservoir with the large pumps that fill the Reservoir out of the river. If we eliminate that Reservoir filling you are down at peak of 1200 KW. The reason for looking at that is besides the base load which for the CHP sizing it makes sense to size your CHP system or your distributed generation system for the base load because then it would be running all the time and it is most likely to be cost effective that way. As I showed in the previous slide even when we do that it was not cost effective, but then also if you would still need to, the reason for looking at this also is for providing for your critical loads in case of a power outage. The question is what that critical load is. In the previous slide we saw that the peak demand without the reservoir filling was about 1200 KW and out of that about 1,000 is your critical load that you need to keep your critical operations going and that number might be a little bit less if you are able to run in the Reservoir supply mode where you are not pumping from the river and just using gravity feed for your water supply. So this graph again really shows that your critical load may be less than was obvious from just looking at your monthly electric bills. That was electricity. This is gas and this really shows that there is really limited thermal load year round at the site and minimal load especially in the spring this slow part to June through October. Part of the reason for that is the site, like this building and some of the other buildings have quite efficient heat pump systems that utilize the water as the heat tank for the systems, but there just not the kind of systems that make sense to convert that are easy to use with the energy from CHP for heating or air conditioning. So I did want to talk just a little bit more about the energy resilience bank because that has been in the news a lot and it is really some current event that is happening right now. New Jersey has secured HUD funding to provide this with what they are calling an energy resilience bank which is designed to finance cost effective resilient energy technologies for critical facilities. The first wave of roll out of this funding is for waste water and water treatment facilities. However, as I mentioned before the potential projects here at Brick Utilities do not appear to meet the efficiency criteria for this funding."

"So to summarize, the use of the combined heat and power or other distributed generation options in the different sizes or combinations that we looked at result in no overall benefit or payback to the MUA. WE recommend that the MUA consider the installation of updated standby generators however that electrical demand data that we showed should be considered. When sizing the generators and it is possible that smaller generators than were originally selected might meet the critical loads, especially at this time for the facility. So that is my summary for today and thank you very much and I'd be happy to take any questions."

Chairman Cevalco asked if any of the commissioners or public had any questions.

Dave Applegate stated, "Thank you for the opportunity to serve you and our information is up on the screen if anyone has any questions feel free to email or call us. We will be sure to get back to you immediately."

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

Counselor Montenegro stated, "Whereas section 8 of the Open Public Meetings Act New Jersey Statute 10:4-12 permits the exclusion of the public from a meeting in certain circumstances. Whereas this public body is of the opinion that such circumstances exist. Now therefore be it resolved by the Commissioners of The Brick Township Municipal Utilities Authority that the public shall be excluded from the discussion of and action upon the herein after specified subject matter, personnel matters, litigation. It is anticipated at this time that the subject matter will be made public if and when the need for confidentiality no longer exists. Formal action may be taken upon return to the public section."

Motion to enter exempt session by Comm. Fozman. Seconded by Comm. Bayard

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

On motion duly made and seconded the group entered exempt session at 7:20 p.m.

The group returned to open session at 8:10 p.m.

5. Adoption of Directors' Reports

Comm. Bayard made a motion to adopt the Directors' Reports. Seconded by Comm. Cartine

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

6. APPROVAL OF MINUTES

September 22, 2014

Comm. Curtis stated, "Question on the minutes, page 8, Item No. 15, I believe it says that the motion was seconded by myself on personnel matters and I believe I did not second that motion."

Ms. Sylvester advised, "I will have to review the minutes and we will revise them for next month."

Counselor Montenegro stated, "There should be a motion to table."

Comm. Cartine made a motion to table the minutes of September 22, 2014, seconded by Comm. Curtis.

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

7. CORRESPONDENCE

Note from Honorable Andrew Ciesla to Chairman Cevalasco expressing thanks for the opportunity to speak at the Reservoir 10th Anniversary Celebration

Director Lacey advised, "We had a note from former Senator Andrew Ciesla to Chairman Cevalasco expressing thanks for the opportunity to come to the 10th Anniversary of the Reservoir."

Chairman Cevalasco stated, "I was glad to see that he came. He is probably one of the only political people out there whose arms are never too heavy to wave no matter where he is at, and even when I interrupt his jogging and talk to him for five minutes and ask him where he would be if he continued to jog."

8. APPROVAL OF BILL RESOLUTION – *Commissioner Bayard*

Comm. Bayard read the Bill Resolution dated October 27, 2014, in the total amount of \$1,742,294.02 as follows:

Total Operating Vouchers:	\$	291,824.72
Total Payroll:		962,361.17
Total Capital Vouchers:		476,451.67
Escrow:		11,656.46
Total Bill Resolution	\$	1,742,294.02

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

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

9. TREASURER'S REPORT – *Commissioner Cartine*

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

Unrestricted Funds:

Total Revenue Funds:	\$	12,043,062.52
Total General Funds:		3,592,975.63
Total Unrestricted Funds:		15,636,038.15

Restricted Funds:

Rate Projection Maintenance Fund:		3,276,160.62
Working Capital Fund:		462,854.21
NJEIT Processing Fund:		2,520,821.16
Total Bond Funds:		12,892,092.02
Total Other Restricted Funds:		1,614,303.24

Total Restricted Funds 23,960,928.28
Total of All Fund Accounts: 39,596,966.43

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

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

10. DEVELOPER APPLICATIONS

10.1 Preliminary Applications - No Further Action Required - NONE

10.2 Other Applications

2150 Mr. Bhupen Patel, Shaili Management Co., Hardee's Restaurant –
Bay Harbor Plaza, 55 Brick Blvd, Preliminary, 1 Commercial Unit

Director Specht advised, "The first application is no. 2150, Mr. Bhupen Patel from Shaili Management Company for the Hardee's Restaurant to be located at Bay Harbor Plaza. This is a preliminary application that has to come back to the Board for Final approval. The applicant will be required to extend an 8" diameter water main in front of their building approximately 90 feet. At the terminus of that 8" water main they will be required to install a fire hydrant. With regard to the sanitary sewer they will be installing a deep house connection to the existing 15" PVC main that runs adjacent to the lot. And they will utilize a 6" gravity for that and I would recommend approval of this preliminary application."

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

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

2153 Mr. Joe Gass, Old Toms River Road – Road & Utilities Extension, Old
Toms River Road, Preliminary, 2 Residential Units

Director Specht advised, "Application No. 2153 with Mr. Joe Gass, Old Toms River Road. It is a road and utilities extension and again it is a preliminary. They will come back to us for final inspection for two residential units. The applicant is proposing the extension of a sewer main approximately 148 feet with two four foot diameter manholes. One Manhole and two laterals. Also the applicant has proposed to extend the 6" water main 170 feet as discussed at the Construction Committee meeting. It is recommended that we get a price from the applicant to further extend that water main an addition 165 feet that will create a loop down Old Toms River Road and tie into our 16" water main on Montana Drive. Again this will come back to the Authority Board for approval. If the costs are acceptable for the water main extension I will ask the board to enter into an agreement for that if it is acceptable. Again I recommend approval on this."

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

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

10.3 Release of Performance Bonds - NONE

11. UNANTICIPATED/EMERGENCY CAPITAL EXPENDITURES - NONE

12. CUSTOMER ACCOUNTS RECONCILIATIONS

Sewer Credit

Director Planko presented the following credit for consideration by the Board.

- * Account 14355219-1, 721 Princeton Ave, Conzentino Family. A Sewer Credit is recommended in the amount of \$ 486.00 due to a Hose Bib being on House Meter, now it is on the Auxiliary Meter. The quarter in question rose to 92,000 gallons while the average usage is 20,000 gallons. The repairs have been made and verified and the meter is in proper working order.

Comm. Cartine made a motion to approve this credit. Seconded by Comm. Bayard.

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

13. CONTRACT CLOSE-OUTS - None

14. AUTHORIZATION TO EXPEND APPROVED FUNDS

- a. Purchase of Two Towable Solar Arrow Boards
Amount: \$7,675.00
Vendor: Kiely Equipment Co.
Funding Source: Capital Project No. 914006 – Arrow Board Replacement
SB703/SB803

Director Specht advised, "The first one is Item 14a. All of these have been discussed at the Construction Committee meeting. Item No. 1 is a purchase of two towable solar arrow boards for a total amount of \$7,675.00 from Kiely Equipment Company, Capital Project No. 914006 Arrow Board replacements for SB703 and SB803. These will replace two existing diesel arrow boards that we have and we will surplus those two other arrow boards. I recommend approval on this. And we did receive three quotes by the way."

Chairman Cevalco asked, "And what are these? Are these diesel?"

Director Specht replied, "These are solar to replace the diesels."

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

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

- b. Two Year Preventative Maintenance Service Contract for the Diesel Pumps at the County of Ocean Sea Avenue Storm Water Pump Station
Amount: \$7,800.00
Vendor: Ransome Engine
Funding Source: County of Ocean Reimbursable Acct. No. 1275

Director Specht advised, "Item no 14b is a two year preventative service contract for the diesel pumps at the County of Ocean Sea Avenue storm water pump station. We are the Operator of Record for the station for the County and every two years the County enters into an agreement with the vendor. This year it is Ransome Engine. The County has already approved that we enter into this contract. However since the Board will be expending these funds and will be reimbursed by the County I wanted to bring it to the Board for final approval. We will again be reimbursed by the County of Ocean under reimbursable account No. 1275 and the \$7,800 is a two year contract."

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

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

- c. Purchase of Bioxide for the Pine Meadows and Fifth Street WWPSs
Amount: \$2.54/gallon or \$5,080.00 for 2,000 gallons
Vendor: EVOQUA Water Technologies
Funding Source: Operating Acct. No. 803-8330 - Treatment Chemicals

Director Specht advised, "This is the purchase of Bioxide for the Pine Meadows and Fifth Street WWPS. The gallon purchase will be approximately 2,000 gallons for a purchase price of \$2.54/gallon. The vendor is Evoqua Water Technologies and funding is operating account 803-8330 Treatment Chemicals and I recommend approval."

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

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

- d. Authorization to Proceed with the 2nd Floor Modifications at Base 1
Amount: Estimated between \$7,000.00 and \$8,000.00 for Materials
Vendor: Labor Provided by Brick Utilities' staff
Funding Source: Capital Project No. 910006 Building Improvements

Director Specht advised, "I am looking for authorization to proceed with the second floor modifications at Base One. Base One currently has one big open room on the second floor and we are looking to divide that up into separate work spaces, two offices and a reception area. The estimated material costs are between \$, and \$8,000 and the labor will be provided by Brick Utilities Staff. Funding is available under Capital Project 910006 Building Improvements."

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

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

- e. Additional Repairs to the Emergency Generator at the Bay Harbor WWPS
Amount: \$10,934.66
Vendor: Cummins Power Systems
Funding Source: Capital Project No. 810005 Pump Stations

Director Specht advised, "This is the additional repairs to the emergency generator at the Bay Harbor wastewater pump stations. During the replacement of fuel injectors for the station for the generators it was determined that the heads were cracked and we required replacement of those heads for \$10,934.66. The vendor is Cummins Power Systems and funding is available under Capital Project Number 81005 Pump Stations and I would recommend approval on that."

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

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

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

- a. Authorization to Proceed with the Final Vehicle Replacements from the Fiscal Year 2014/2015 Capital Budget

Director Specht advised, "This is the authorization to proceed with the final vehicles replacements from the fiscal year 2014/2015 capital budget. Every year we put a list together and we have five vehicles remaining for purchase. I provided a list to the Board and I recommend authorization from the Board to proceed with the purchase of these five vehicles."

Comm. Fozman asked, "How much are the vehicles. I know it is in the capital budget, totals for the vehicles."

Director Specht replied, "The total is I have a Ford Ranger we are looking to replace for \$23,000. Three Ford Cargo vans \$22,000 each, so \$66,000 total and we are also looking to purchase a Tandem 16 yard dump for \$100,000. So it is approximately \$200,000."

Comm. Fozman asked, "And you are going to surplus the other vehicle right?"

Director Specht replied, "Either surplus or they will go into the pool and then we will surplus something else."

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

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

b. Authorization to Issue an RFP for the Design, Bidding, Construction Administration/Management and Inspection Services for the Installation of Generators at the Mantoloking Road, the Ridge Road and the Morris Avenue Water Booster Stations

Director Specht advised, "Mr. Chairman, 15b, is the authorization to issue for the design bidding, construction and administration/management/inspection services for the installation of emergency generators at the Mantoloking Road, Ridge Road and the Morris Avenue water booster stations. We have been approached by the Ocean County Hazardous mitigation grant program and one of the projects is the installation of generators at these booster stations right now. I'd like to move ahead with the RFP at least in the event that we do get the financing from the New Jersey OEM. The total project cost is approximately \$516,000 and if we do get the financing the Authority is required to only have to reimburse like \$40,000.00. So it would be worthwhile to get this moving. They have some time constraints. I don't have authorization to bill this contract yet. I just did get authorization to do our flood proofing project. We just got a letter from FEMA on that so we are moving ahead on that and I anticipate approval on this project also so I want to get a step ahead because there are time constraints to get the projects done within two years."

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

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

c. Conceptual Design Plan for Sodium Hypochlorite Generator and Centralized Chemical Storage

Director Maggio advised, "We are asking for authorization to request proposals for the conceptual design plan for sodium hypochlorite generator and centralized chemical storage. As has been discussed before, a hypochloride generator which uses bleach for disinfection which we will generate on site would eliminate the storage and the risks associated with the storage of gas chlorine on site. We are going to be looking for the engineer to evaluate various alternatives for installing and the location to installing the hypochloride generators through this project and then based on their recommendation we

will move forward with design based on the recommended approach from this proposed report. Given the CHP project discussion that we just had and that we are abandoning looking at CHP, Directors Lacey and Specht and myself have had discussions and we would also ask the Board to consider adding also the design and location of our standby generator to this project because there may be some coordination between how we go about and go forward with installing and designing the standby generators that we may lend itself to some efficiency to the construction and the final plans for the hypochlorite generators. Either way this is a very important project on its own to move forward with. We just think that if we did this in coordination with standby generators that would be a good idea."

Chairman Cevalco stated, "So we are asking to add conceptual design for the hypochlorite generators and the standby generators at this one approval."

Director Maggio replied, "Yes. Have all two projects looked at simultaneously in case there is coordination needed regarding the engineering."

Comm. Cartine stated, "I don't have a problem with it. I just have a question here, on Item No. 15 we have bids that were sent out - RFQ's and RFP's and it says none. I'm just looking, here we are sending out one RFP, ok is that just an error? What am I missing here?"

Director Specht advised, "That is a typo. It should not be there."

Comm. Cartine stated, "Now on the conceptual plan are we talking about an RFP or our in-house engineer doing that conceptual plan?"

Director Maggio stated, "Well I think the best approach would be to because many of our consulting engineers that we currently have on retainer to provide proposals for this project because the different qualifications among engineers as well as costs and their technical proposal would play a very important role in what we ultimately select."

Comm. Cartine stated, "So in essence you are asking for authorization to send an RFP out?"

Director Maggio replied, "Yes."

Comm. Curtis asked, "We are adding the backup generators to it?"

Director Maggio replied, "Yes that is what we are recommending that the Board consider."

Comm. Bayard stated, "That would be good because they may need to work together."

Director Maggio replied, "Exactly and initially we were looking at CHP, but the presentation just recommended that we not move forward with that."

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

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

d. Feasibility Study for the construction of an Aquifer Storage and Recovery (ASR) Well in the Parkway System – Water Quality Report

Director Maggio advised, "We are also asking for authorization to send out requests for proposals for a feasibility study for the construction of an aquifer storage and recovery in the Parkway System. As the Board probably knows aquifer storage and recovery is a well where we take water and pump it underground into a well and store it for us to later draw out and use during our high demand season and thus not taxing the treatment capacity at the plant. The reason we are looking for installing a well or feasibility for installing a well in the Parkway system is we do have some properties there. We have some unused treatment facilities that were purchased when we purchased Parkway and they may be a good head start to the construction and treatment for an aquifer storage and recovery well. This is just a feasibility study. We want to look at if it is even feasible to do this. We have to look at hydrogeological concerns, regulatory concerns and hydraulic concerns so this is not an actual design project yet. We just want to make sure that this is something that we can move forward with to design."

Comm. Cartine asked, "In the event that we did build an ASR and we preserved water underground can that water be pumped into our system here in Brick? Can it be utilized or moved from that ASR into our system?"

Director Maggio replied, "The Brick and Parkway system are hydraulically connected so although we wouldn't pump it directly, and it would go straight into the Brick system it ultimately could end up in the Brick system, but it would be water from this plant that would be pumped down into the ASR."

Comm. Cartine asked, "But it can be pumped back?"

Director Maggio replied, "Oh yes."

Comm. Fozman asked, "Mr. Maggio we are going after one engineer for this?"

Director Maggio replied, "This is a different project, so I mean it could be the same..."

Comm. Fozman continued, "So our engineers are not going to be involved in it? So when we send this RFP we are going to once they are completed with the well we are going to get the keys and we are good to go, not like what happened with Well 15."

Chairman Cevalco stated, "No this is just a feasibility study."

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

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

16. ADOPTION OF PERSONNEL ACTIONS

Counselor Montenegro stated, "The Commissioners have entertained a temporary policy to be effect until the end of calendar year 2014 that would affect employees that are leaving employment because of a reduction in force or job reallocation and are in good standing and are subject to review and approval by the personnel committee that they would receive their existing salary and any unused sick pay through the end of 2014 but would not receive any other benefits."

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

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

17. OLD BUSINESS

17.1 Presentation by PS&S on the Distributed Generation System and Combined Heat and Power System Feasibility Study

17.2 Kristi Shay Developer Project Close-Outs and Associated Project Back charges

Director Specht advised, "This is just an update on 12 developer projects by Kristi Shay. Unfortunately Kristi Shay went out of business and we need to wrap up the close out of these 12 miscellaneous projects. Based on some feedback that we received from Mr. Montenegro we had approximately \$22,000 in escrow that we were holding to close out those projects. We would utilize our forces and subcontractors to get this work done. We have since completed that work on these 12 separate projects. Brick Utilities still has outstanding fees including our labor, our contractors, as well as our legal fees. The total is about \$16,788.10 as such Kristi Shay should only be reimbursed for \$5,290.29 and this would close out those 12 outstanding projects. I would recommend approval of that."

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

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

Counselor Montenegro asked, "Mr. Chairman if we can go back to No. 16, we just by passed but this should be the adoption and recommendation and approval based upon the Personnel Report of the Executive Director."

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

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

18. NEW BUSINESS

18.1 Request to Utilize Reservoir - NONE

19. RESOLUTIONS

- 98-14 A Resolution Authorizing the Final Quantities Change Order/Change Order No. 4 in the Contract between the Brick Township Municipal Utilities Authority and Stacey Contracting, Inc. for a Decrease in the Contract Amount of \$30,480.35 for Contract No. 897087K Sanitary Sewer Replacement – Phase VI N. J. Environmental Infrastructure Financing Program, Project No. S340448-06, Contract 3B

Director Specht advised, "No. 98-14. Again all these resolutions were discussed at the Construction Committee as well. This is a resolution authorizing the final quantities change order No. 4 in the contract between Brick Utilities and Stacey Contracting Inc., for a decrease in the contract amount of \$30,480.35 for contract No. 897087K Sanitary Sewer Replacement Phase VI. New Jersey Environmental Infrastructure Financing Program Project No. S344044806 Contract 3B and I would recommend approval."

Comm. Bayard made a motion to approve Resolution No. 98-14. Seconded by Comm. Curtis.

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

- 99-14 A Resolution for the Award of Public Contract to Quad Construction Company in the Amount of \$2,716,000 for Contract No. 812003, Wastewater Pumping Stations Rehabilitation

Director Specht advised, "This is the resolution for the award of a public contract to Quad Construction Company in the amount of \$2,716,000 for Contract 812003 Wastewater Pumping Stations Rehabilitation. These are the eight pump stations that were severely damage during Super Storm Sandy and it is recommended that we move ahead with the final construction of them to mitigate any future impacts to these stations. We did receive seven bids on this project ranging from the lowest bidder all the way up to \$4 million. The engineer's estimate was \$3.5 million. This is all predicated on getting final approval from the New Jersey OEM and FEMA to issue the proper authorization to proceed. We can move ahead with the award, but we cannot issue the authorization to proceed until we get final approval from them. We are in discussions with them on a daily basis to get the final authorization so I would recommend approval that we issue the contract to Quad Construction Company."

Comm. Fozman made a motion to approve Resolution No. 99-14. Seconded by Comm. Curtis.

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

- 100-14 A Resolution Authorizing Maser Consulting PA to Proceed with Phase I

Implementation of a GIS Based Asset Management System in the amount of not to exceed \$173,380.00

Director Vaccaro advised, "This was also discussed at the Construction and Finance Committee. This is a resolution authorizing Maser Consulting to proceed with Phase I implementation of the GIS based Asset Management System. Last month the Board approved to implement a GIS based Asset Management System. Based on their expertise in this area, as well as their partnership with VUeworks software which is a recognized Asset Management Software design, we have selected Maser Consulting. As part of that they conducted a needs assessment in August. As part of the needs assessment they developed a cost to implement the program. What they are recommending is the first Part of this as Phase I implementation which will be about 11 tasks and the bulk of what the work will involve. This will include integration of the GIS data, data linkage with our CMMS data, training, developing the work order system, customer service requests, service work orders, which is probably about 80% of the work. They came up with a cost estimate of not to exceed \$173,380.00. It is based on \$122,000 in labor and \$46,800 for software which will be purchased through state contract and also \$4,500 for six months of temporary web hosting. We are going to be virtualizing our servers and we thought it would be best initially to have Maser host the VUeworks program until we are ready to go with it once the virtualization is done. We are seeking approval to give Maser the go ahead to implement this program."

Chairman Cevasco stated, "I have one question, once the servers here are virtualized all that will come back to here."

Director Vaccaro replied, "Yes."

Comm. Cartine asked, "You did say that last month we approved Maser as the consulting engineer for this particular project. I don't remember seeing a number with that. The \$173,000."

Director Vaccaro replied, "It wasn't with that, it was based on..."

Comm. Cartine continued, "My next question then is this that we are awarding this contract without a bid and it is a substantial amount of money, \$173,380.00. I don't recall ever giving out that kind of a contract without a bid submission. At this point while I would like to see the project completed I am going to have to abstain from that particular resolution because I really believe it should have been bid."

Director Vaccaro replied, "I understand your concern but I want you to understand there was a lot of research and diligence in choosing Maser. We began this when I took over the GIS Department and having several vendors come in and provide demonstrations of the different software programs including Director Maggio and myself going out to other Authority's and looking at discussing asset management programs. After we had done that we had some working group sessions with the employees and we recognized that the implementation of this is going to be the key component. It is not just as simple as taking over the software and putting it in the computers and initiating. Implementation was really a key component of this and we are going to need assistance with this. At that point that I identified that Maser Consulting had expertise in that area. We called them in for a presentation and we found out that they also have a partnership with VUeworks software. They made a presentation and following that we did extensive research including contacting VUeworks to see if the software is compatible. We contacted their client, Middletown Sewerage Authority and they were very happy with what they had done. In addition, I also obtained some cost estimates from the internet on some Asset

Management Programs for DOT and Maser was significantly lower than some of the vendors we were looking at. In some cases, half the cost if not more. Understand too if we were going to RFP, cost was not the only factor. There were also qualifications. We just felt based on I think the advantage to have our consultant on board who has this expertise to help us because for lack of a better words we are going to get our hands held with this because it is a change of philosophy and how things are going to be done, changing the work order system so there is going to be a lot of work involved with this. I think it is to our best advantage and that is why we discussed with the Construction and Finance Committee and it was in my monthly report as well that if we felt they were effective we would like to forego the RFP process and just move ahead with a contract with them directly."

Comm. Cartine stated, "I feel a bit uncomfortable with this, while I believe Maser is probably the most qualified depending on your factual statements about your ability to perform this task. I don't have a problem with that. I think they are well qualified, but the problem that I have is with the law and with the bidding process, you know open bids, fair bids and I don't see that process being adopted here tonight. For this kind of money I believe basically the commissioners should have had at least in their hands competitive bids and the decision made by commissioners as to who was best qualified and who had the lowest price. I understand the lowest price isn't the only thing that you look at. You look at the qualifications and I have done that in the past. I have had many discussions with Director Specht with regards to Steve do you believe these people are more qualified to handle this project than let's say engineering firm B and he would say yes they are worth the money but I don't know that because I don't have those numbers in front of me. I don't have any competitive bids in front of me to even make that kind of a statement. I would like to see the most qualified person within financial reason receive this job but I want to be able to have the ability to make that judgment myself."

Chairman Cevasco asked Counselor Montenegro, "Counselor Montenegro is there any legal reason why the approach that Mr. Vaccaro took we would have a problem with?"

Mr. Montenegro replied, "No the professional service with is an engineering facility and service is an exception to the local public contracts law with regard to bidding."

Chairman Cevasco restated, "So it was permissible for Director Vaccaro and his staff to select Maser Consulting based on the information that was provided to them and the criteria that they set up for implementation of this project?"

Counselor Montenegro replied, "It is permissible for Director Vaccaro to recommend to the Commissioners and it is permissible for the Commissioners to vote upon his recommendation based upon the existing local public contracts law."

Comm. Fozman stated, "With that being said I would like to make a motion for Director Vaccaro for 114 to move ahead with this project."

Chairman Cevasco asked if there was any other discussion.

Comm. Cartine stated, "Just to add to Counselor's statement, it is also permitted to ask for an RFP so let's not go one sided here. You can go both ways. You can go the way because it is not required, but you can still go outside and ask for an RFP."

Comm. Fozman stated, "Just like when you asked Director Specht that time for his opinion, I

value his ..."

Comm. Cartine interjected, "That was only after I received the bids of several different contractors."

Comm. Fozman stated, "Well I value Gary Vaccaro's opinion and the excellence of Maser Engineering."

Comm. Fozman made a motion to approve Resolution No. 100-14. Seconded by Comm. Bayard.

AYES: Comm. Bayard, Fozman, Curtis, Cevalasco

NAYES: None

ABSTAIN: Comm. Cartine

101-14 Adoption of the 2013 Annual Engineering Inspection Report by Maser Consulting, P.A.

Director Specht advised, "This is the adoption of the 2013 Annual Engineering Inspection Report by our Engineering Consultant Maser Consulting. The Board should have received a copy of this report which was sent out last week. We are required by our bonding resolutions to have our consulting engineer perform an inspection report of our facilities and Chris Theodos and Sue Brasefield have done that for us and at this time I will kick it over to them and see if they have any comments on the report."

Chris Theodos stated, "Mr. Chairman, Commissioners, we are pleased to present the 2013 Annual Engineering Inspection Report which was developed in conjunction with your Directors and I understand you all have a copy of the report. With me here this evening is Sue Brasefield, my professional colleague who is instrumental in the development of the report and she is going to present a brief summary and answer any questions you may have."

Ms. Brasefield stated, "In preparation of the report we came and did an inspection and tour of the treatment plant, the grounds and the Reservoir. We also came back on a couple of separate days and did inspections of the water booster stations and the majority of the wastewater pumping stations. Your system and your treatment plant are very well run. The pumping stations were all in good condition with the conditions that in some cases there are improvements that we knew and took note that they are in the planning stages at the time we did our inspection. For the most part that is the projects that are going out to bid that you are awarding for the post Sandy corrective improvements. Your staff and directors were instrumental in providing all the information to us. They gave us very comprehensive reports on each part of the system. Any questions that we had they were quick to get back to us. The system is very well run. You have excellent staff here. There were notes of things that you should continue to do in your operation and we really found no major problems at all."

Chairman Cevalasco stated, "Thank you and thank you for the compliments."

Comm. Fozman made a motion to approve Resolution No. 101-14. Seconded by Comm. Curtis.

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

NAYES: None

ABSTAIN: None

102-14 A Resolution Awarding the Contract for the supply of Two (2) 2015
Low Pro Cab Chassis with Utility Body to Metropolitan Truck Sales,
Inc. in the purchase amount of \$219,000.00

Director Specht replied, "102-14 is a resolution awarding the contract for the supply of two 2015 low pro cab chassis with utility body to Metropolitan Truck Sales Inc. in the purchase amount of \$219,000. This is a rebid. We received three bids on September 3rd. Metropolitan Truck Sales - there base was \$238,000 less the \$19,000 trade in and they gave us the low price of \$219,000. Schwartz Truck Center was \$234,702 less their \$14,000 trade in gave their bid amount of \$220,702. Mid Atlantic Truck Centers came in at \$242,708 on the base bid less \$15,000 on trade in for \$227,708. The bids were reviewed in detail with Counsel, myself, Dan Reilly and Ben Montenegro met on this rebid. Based on the findings it is recommended that we move ahead with the award to Metropolitan Truck Sales for \$219,000 which includes \$19,000 for the trade in. These trucks will not be surplus. We will trade them in. Funding for this project is under two capital projects associate with it. Capital Project No. 714002 replaces vehicles 583 with \$115,000 budgeted and the other Capital is 814001 replace vehicle 584 also with \$115,000 budgeted for a total of \$230,000 available for funding and again I recommend approval."

Comm. Curtis asked, "This is the one we had the problems with the body style last time. Did we get that fixed?"

Director Specht replied, "Yes we did. Metropolitan Truck sales will provide us the equipment that we require and the other two have had a number of exceptions."

Comm. Bayard made a motion to approve Resolution No. 102-14. Seconded by Comm. Cartine.

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

103-14 A Resolution for the Purchase of Hardware, Software, and Consulting Services
for Server Virtualization in the amount of \$128,037.94

Director Maggio advised, "Resolution No. 103-14 authorizes the purchase of hardware, software and consulting services for server virtualization in the total amount of \$128,037.94. Our current server system is aging and we are in need of replacement. In many cases we are currently operating on some very outdated software. Our email exchange server is actually exchange 2003 and in some instances that puts us in vulnerability for cyber-attack in that we don't have the best and latest cyber security. Server virtualization offers a lot of benefits such as it consolidate server hardware. It also simplifies and minimizes maintenance and it also provides flexibility and reliability of the server system. The cost of \$128,000 isn't to one vendor. It is not one contract. We broke this up into three separate categories. In all cases except for consulting services we will be purchasing from State Contract the hardware and software. We did check that the state contract was the lowest price we did get two other prices for each instance from other vendors. The one area where we were not able to obtain state contract pricing was the consulting services, but again with the consulting services we did get three prices from different vendors and selected the lowest price."

Chairman Cevalco asked, "Who is the software consultant?"

Director Maggio replied, "The consultant is Candoris which is also the company providing us with the hardware. They are leaders in the field. They do operate under State Contract, however their consulting services are not covered by State Contract but we did check their price and they were the lowest price. We did go out to multiple vendors on that item."

Comm. Bayard made a motion to approve Resolution No. 102-14. Seconded by Comm. Cartine.

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

NAYES: None

ABSTAIN: None

20. PUBLIC DISCUSSION

At this point in the meeting, Chairman Cevalco opened up the meeting for public discussion.

Ms. Melanie Briggs stated, "Three things, one did you ever think of investing in a microphone system? When you are sitting back here half the people who gave reports and comments can't hear a thing and it is an open public meeting and I think that includes the public hearing what is said. Second thing. I will renew my objection to the closed session at the beginning of the meeting. 45 minutes to sit out there is not (inaudible). And my third thing, I would like to know how much the check for Frank Pannucci was."

Chairman Cevalco directed Counselor Montenegro to respond to this."

Counselor Montenegro stated, "That is a public record as a result of executive session being terminated so that would be on record. I don't know if anyone has it here."

Chairman Cevalco replied, "We don't have that here but you can contact Mr. Planko if you would."

Counselor Montenegro stated, "Perhaps submit an to get a step ahead because there are time constraints to get the projects done within two years."
OPRA request."

21. COMMENTS FROM COMMISSIONERS, PROFESSIONALS & STAFF

Director Vaccaro stated, "Commissioner Olsen isn't here tonight and I just wanted to let the Board know I have been working with Commissioner Olsen on a couple of issues that she has identified. One is we have arranged for the Mental Health Association of New Jersey to provide mental health first aid for our employees. It is a two day course and it is geared towards employees who regularly deal with the public as well as staff managers, directors, supervisors to aid and identify addressing public and employee mental health issues. The other issue she has identified a company called Home Serve which provides insurance to residents for water service line breaks and sewer breaks which are beyond the curb to their home. We had a meeting with Home Serve, Director Planko and Director Maggio was looking at it. We are still looking into whether it is a viable alternative, but Commissioner Olsen was there and I just wanted to mention that we are looking into a couple of things she has identified."

Chairman Cevalco asked, "Didn't we look into something like that before?"

Director Lacey replied, "In house and it was a little too big for us to do in house. This is a different avenue."

Director Vaccaro replied "It is a little different. They provide the third party repairs. We are still not sure about a few things we need to look into including liability and costs. We are into the initial stages and so we are going to meet with them and they are going to provide us more information. Maybe next month we will have some more information."

Chris Theodos stated, "Mr. Chairman I just wanted to report that we have completed the review of the GIS tax maps and given our preliminary reports to Director Vaccaro and his staff and just making the necessary modifications."

Chairman Cevalco asked, "When do you anticipate sending the GIS to the state?"

Director Vaccaro stated, "Well CAD maps have to go into the County in January."

Chairman Cevalco replied, "Yeah I know but we are not going to submit their CAD maps to the State but the GIS maps?"

Comm. Vaccaro replied, "No Chris is looking at the time frame as far as when he gets the comments back I'll have a better time frame then."

Chris Theodos added, "We need to complete the revisions and make the submission and then see what kind of comments we receive back from the State."

Chairman Cevalco stated, "I don't think there is any other entities in the State of New Jersey, at least ten years ago there wasn't when this thing just started or GIS tax maps."

Chris Theodos stated, "I believe your re correct."

Chairman Cevalco stated, "I carried those 275 maps up the hill in Trenton up to the Treasury. That was over 10 years ago."

Director Planko stated, "Just to elaborate on Gary's point with this Home Serve. It is a completely independent service. They would even have their own call center and the Authority in return would get X percent of the amount of the contracts that they issue. I just wanted to mention that. Also I have been working on this rate design matter for quite some time especially from the sewerage side and the OCUA costs, and I think it is very equitable what we did and I just wanted to thank the Board for their support in approving these rates tonight."

Chuck Fallon had nothing to report.

Director Maggio stated, "I would just like to thank the Board for supporting the projects that my department has proposed. They are very exciting, very large projects, but necessary for the future of the Authority and I think it is very good that we are moving forward on them."

Director Specht had nothing additional to report.

Counselor Montenegro had nothing additional to report.

Ms. Sylvester had nothing to report.

Director Lacey stated, "Mr. Chairman I just want to say that every once in a while we have a meeting where we have a lot of expensive items and I think it bears to our engineers report that our staff does a great job at looking at each and every item because we know we are spending the ratepayer's money and certainly the construction committee and finance committee and the whole board look at this. What we do is expensive and we look at everything."

Comm. McBride stated, "We looked at the Home Serve a couple of times. They are out of Florida and I think they are about \$7 a month. I have always advocated that we should offer that to the ratepayers and I'm really hoping we can get that through. I mean you know for the small amount of money that people would pay it could save them \$5,000 on a water break or something like that."

Chairman Cevalco stated, "So what you are telling me is this would be an insurance policy so anything that breaks from the curb to the house would be covered."

Comm. McBride replied, "That is what it mostly covers. They cover other things too."

Director Lacey stated, "The issue we had is if we started this program and not enough people signed up and we had a big break we would have to fund it ourselves with other ratepayers. We are not private industry so we would have to use other people's money that may not subscribe to the program but have to pay for someone else. We don't have shareholders. We have rate payers."

Chairman Cevalco stated, "Yes I do remember discussions about some seed money needed to try to cover all contingencies. There is always that one that you don't look at that you could get hit with."

Comm. Bayard stated, "I brought that up months ago and think it is going to be viable and I think the people would really use it, especially after what happened to us. I mean picking your insurances right can really help you. I also want to say that I have been involved in the 42 years I have lived here in Brick in many departments, wore many hats in this town and I have to say this is the most professional organization that I have ever worked in. I am just saying."

Comm. Curtis had nothing further to report.

Comm. Cartine had nothing further to report.

Comm. Fozman stated, "I would just like to say that I made a phone call today. My neighbor across the street's water main was broken, coming out real slow. They are coming to fix it tomorrow. My two neighbors were walking around the yard but they never called. I called up to check if they called so they came out and looked at it and I was very happy with what they were doing. That was a quick response to and I didn't say who I was either."

Chairman Cevalco stated, "I would like to wish everyone a Happy Halloween and I will entertain a motion to adjourn."

22. CLOSING STATEMENT

Ms. Sylvester advised that the next Regular Public Meeting will take place on Monday, November 24, 2014 at 7:00 p.m. All meetings take place 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 a vote in the majority the meeting adjourned at 9:10 p.m.

Respectfully submitted,


James Bayard, Authority Secretary

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