

Minutes of a Meeting of
The Brick Township Municipal Utilities Authority held on
March 23, 2015

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

2. OPENING STATEMENT

Following the salute to the flag, 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 7, 2015 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

Thomas C. Curtis
James Fozman (7:15 pm)
George Cevasco
Allan E. Cartine
James C. Bayard
Gregory Flynn
Stacy Olsen

Also Present

James F. Lacey, CPWM
Stephen T. Specht, PE
Frank Planko, CFO
Joseph Maggio, PE
Gary Vaccaro
Marie Sylvester
Nicholas Montenegro, Esq.
Chris Theodos
Chuck Fallon

Ms. Sylvester advised, "In Comm. Fozman's absence, Comm. Flynn will be the voting alternate this evening."

4. Adoption of Directors' Reports

Comm. Cartine made a a motion to adopt the Director's Reports. Seconded by Comm. Curtis.

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

5. APPROVAL OF MINUTES

Chairman Cevasco asked, "Has everyone had a chance to look over the exempt meeting minutes of July 28, 2014. I would like to approve the minutes of February 23, 2015 and the Exempt Session for July 28, 2014.

Comm. Bayard made a motion to approve the meeting minutes. Seconded by Comm. Curtis.

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

NAYS: None

ABSTAIN: Comm. Flynn on July 28, 2014.

6. CORRESPONDENCE

3/4/15 Email from Mr. William Jones thanking the Authority for the assistance provided to him and his family during a house fire.

Director Lacey advised, "We had an email from William Jones thanking the Authority for the assistance provided to him and his family during a house fire. We are trying to get the names of our people who lent a hand during that situation. So we will be forwarding that to you some of the employees that were there."

Comm. Cartine asked, "What did we do?"

Director Lacey replied, "I think we probably disconnected his water and sewer."

Comm. Cartine stated, "I know about the fire I just want to know how we participated in helping the fire company out."

Director Lacey replied, "I think it had to do with turning the service off and doing what we did. We are trying to get to the bottom of that right now with our crews. We don't know exactly what people were there. Mr. Specht and I have discussed that."

7. APPROVAL OF BILL RESOLUTION - *Commissioner Bayard*

Comm. Bayard read the Bill Resolution dated March 23, 2015 in the total amount of \$1,617,660.84 as follows:

Total Operating Vouchers:	\$	295,254.85
Total Payroll:		940,932.91
Total Capital Vouchers:		380,473.02
Escrow:		1,000.06
Total Bill Resolution	\$	1,617,660.84

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

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

NAYS: None

ABSTAIN: None

8. TREASURER'S REPORT - *Commissioner Cartine*

Comm. Cartine read the Treasurer's Report balances for the month ending February 28, 2015 as follows:

Unrestricted Funds:

Total Revenue Funds:	\$	13,969,224.67
Total General Funds:		3,651,985.83
Total Unrestricted Funds:		17,621,210.50

Restricted Funds:

Rate Projection Maintenance Fund:		3,276,160.62
Working Capital Fund:		462,854.21
NJEIT Processing Fund:		2,512,828.16
Series 2014A Project Bonds:		1,970,465.22
Total Bond Funds:		9,314,892.45
Total Other Restricted Funds:		1,572,200.39
Total Restricted Funds:		19,109,401.05
Total of All Fund Accounts:		36,730,611.55

Comm. Cartine made a motion to adopt the Treasurer's Report. Seconded by Comm. Curtis.

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

9. DEVELOPER APPLICATIONS

9.1 Preliminary Applications - No Further Action Required

2164 Meridian Fitness & Wellness, LLC, Attn: Salvadore Inciardi, Change of Use for Existing Building, 150 Allaire Avenue, Preliminary, NFA, 1 Commercial

Director Specht advised, "The first application is number 2164 for the Meridian Fitness and Wellness, LLC. It is a change of use of an existing building at 150 Allaire Avenue. It is a preliminary with no further action. This is the former BranchBrook pools facility and is being converted into a wellness center. All of the existing utilities and services will be utilized with no upgrades anticipated and I would recommend approval of this application.

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

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

9.2 Other Applications

2163 Mr. F. Frank Sadeghi, PE, LPS Realty, LLC, Parallel Sanitary Sewer Extension –
177 Royal Drive, Preliminary & Final, 1 Residential

Director Specht stated, "2163 is the application number and it is for Mr. Frank Sadeghi, LPS Realty. It is a parallel sanitary sewer extension for 177 Royal Drive, a preliminary and final with one residential unit of the existing house on Royal Drive. It is a new house that was built on Royal Drive. The existing sewer main is approximately 16 feet deep. In the past we have allowed parallel sewer mains due to the excavation requirements and I was recommending that we approve this parallel sewer line also. It will also provide a new tap for a vacant lot that is out there also and will tie into the existing house."

Comm. Cartine asked, "Is Mr. Sadeghi the owner or is he the engineer on this job?"

Director Specht replied, "He is the owner of this house. I guess he is going to sell the house."

Comm. Cartine directed a question to counselor, "I know the man personally do I have to abstain from that vote or should I vote on it?"

Mr. Montenegro stated, "It would depend on the nature of you knowing him. If you know him in general from passing that would not rise to a level of conflict. If you had any kind of business dealings or it went beyond that where you felt like your partiality would be impacted then I would say abstain and avoid that problem."

Someone murmured, "He is a commissioner of the OCUA."

Comm. Cartine stated, "I just don't know how, because some of us know him personally."

Mr. Montenegro stated, "My general ruling is if you are painstaking in your thought process that much you probably should abstain."

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

AYES: Comm. Bayard, Curtis, Cevalasco

NAYS: None

ABSTAIN: Comm. Flynn, Cartine

9.3 Release of Performance Bonds - NONE

10. UNANTICIPATED/EMERGENCY CAPITAL EXPENDITURES - NONE

11. CUSTOMER ACCOUNTS RECONCILIATIONS - NONE

12. CONTRACT CLOSE-OUTS - None

13. AUTHORIZATION TO EXPEND APPROVED FUNDS

a. Replacement Purchase of the Allis-Chalmers Pump No. 2 at the Riviera Drive WWPS

Vendor: Xylem/ITT Flygt

Amount: \$10,219.85

Funding Source: Capital Project No. 810005 – Pump Stations

Director Specht stated, "This is for the purchase of an Allis Chalmers Pump No. 2 at the Riviera Drive Pump Station. The existing pump has more than exceeded its useful life. It is approximately 40 years old and repairs are no longer feasible for this pump. I would recommend approval from the Allis Chalmers representative Xylem/ITT Flygt for an amount of \$10,219.85. The only thing I look to change is the funding source would be capital project 815002 under the fiscal year 15/16 capital budget. We have a project number for this pump and we have approximately \$11,000 budgeted in the account for this pump replacement."

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

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

NAYS: None

ABSTAIN: None

b. Toughbook Computer for CCTV/Grout Truck to replace existing

Vendor: SHI

Amount: \$5,395.00

Funding Source: Capital Project No. 910004

Director Maggio advised, "We are requesting authorization to expend approved funds for the purchase of a Panasonic Toughbook computer. The vendor is SHI. The amount is \$5,395.00. The funding source is capital project 910004 and this will be installed in our TV Grout Truck and will replace the existing computer which has outlived its useful life and is starting to experience failure."

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

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

NAYS: None

ABSTAIN: None

c. Telephone System Call recording and Software Update

Vendor: Carousel under NJ State Contract with a budget

Amount: \$15,774

Funding Source: Capital Project No. 910005

Director Maggio advised, "This item is the purchase of a telephone system call recording and system and software update. The vendor is Carousel and the amount is \$15,774. The funding source is capital project 910005. This is being purchased under New Jersey State Contract and this will allow for the recording of phone calls into the Authority primarily Customer Accounts. This information will be used for training and security purposes."

Comm. Cartine asked, "Do we have recording devices now?"

Director Maggio replied, "No. This is a module upgrade to our existing phone system that will allow us to do this."

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

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

NAYS: None

ABSTAIN: None

d. Security and Fire Alarm Monitoring and Maintenance (3 year contract)

Vendor: System Sales

Amount: \$10,950 total or \$3,650/year

Funding Source: Operating Account – 918 1580

Director Maggio advised, "This is for the purchase of a security and fire alarm monitoring and maintenance contract. This contract will last three years. The vendor is System Sales. The amount is \$10,950.00. The funding source is operating account 918-1580 and this contract covers the maintenance inspection and monitoring of our Authority alarm system for both fire and burglar alarms."

Chairman Cevalasco asked, "This is for what we have existing now?"

Director Maggio replied, "Yes this is actually the same vendor that we currently use."

Comm. Flynn asked, "Was there a comment that you were looking for other quotes?"

Director Maggio replied, "Yes we did get other quotes and this vendor was the lowest quote."

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

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

NAYS: None

ABSTAIN: None

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

a. Phase 1 (Equipment Pilot) of Brick Utilities Radio Reads.

Director Maggio replied, "We are requesting authorization to request bids for Phase I of the Brick Utilities Radio Reads project. This is actually a small step, it is a pilot study and we are going to be testing equipment that will be used to automatically transmit our meter reads from our customers to a central location which will then be sent here. As opposed to our current system where we manually read meters. We will be requesting specifications from a number of vendors and we will be requesting that the vendors provide equipment to support our pilot testing to verify that their radio transmissions are strong enough and reliable enough to make this a workable solution."

Comm. Cartine asked, "How large is this pilot program? How many residents are we talking about?"

Director Maggio replied, "We are looking to purchase 3,000 radio read transmitters. Initially what we are planning on doing is installing radio transmission units in all of Parkway which is approximately 1,800 accounts. We will be looking at other areas in the actual Brick System possibly some developments, Greenbrier, Lions Head and install the systems there to test out the strength of the radio transmissions in various locations around Brick. We talked to some vendors and they do actually have pilot antenna equipment that they can loan us for this study so that we can park at a central location and test the effectiveness and reliability of this radio equipment."

Comm. Cartine asked, "Would we be purchasing equipment?"

Director Maggio replied, "Yes we would be purchasing the 3,000 radio transmitters."

Comm. Cartine asked, "And do we have a cost on that?"

Director Maggio replied, "Well, we haven't received bids but we are expecting costs, our projected cost is there is two vendors we are looking at. One vendor sells strictly a radio transmitter. Another vendor sells an actual water meter with an integrated radio transmitter. The vendor that sells just the radio transmitter we are expecting the cost to come out somewhere between \$100- \$130 a unit for the actual water meter with the integrated transmitter that would probably be about \$200 to \$250 a unit. Obviously the price difference is one unit you are actually getting a new water meter too with the transmitter you are not."

Comm. Cartine stated, "Mr. Chairman this begs a lot of questions that I have. Basically initially we make an investment like this and the failure or whether it has negative results or positive results would mean that we would be eating this cost if it wasn't going to work out is that correct?"

Director Maggio replied, "For the purchase of the equipment if the system were what you called a failure the aspect of the system we are testing is actually the centralize, fixed base reads where it will transmit the meter reads to the Authority that would not be feasible. However you would still have the benefit of what is called drive by readings. Where instead of having a meter reader go from house to house they would literally drive down the street and collect the data as they were driving down."

Comm. Cartine commented, "So the pilot program then would basically become a permanent program in the Parkway region eventually?"

Director Maggio replied, "Yes that is why we want to install them in clusters so if at the very least we get the benefit of the drive by reads."

Comm. Cartine asked, "And my follow- up question to that is that is if we find it to be very successful would that mean the elimination of meter readers?"

Director Maggio replied, "No. Reading meters is a large portion of what the Meter Department does but it is actually not the majority of what they. They actually spend a great deal of time with meter maintenance, meter installation, meter repairs. They do a lot more. Since the department was moved to water quality I have come to learn they do a lot more than read meters."

Comm. Cartine asked, "If we decided eventually to do the entire town, do we know what that investment is and what that will cost the utility?"

Director Maggio replied, "Depending on the approach we took if we were taking the approach of leaving the meters in place, the existing meters and just purchasing the radio transmission equipment I am estimating based on what we expect the prices to be it would be about \$5 million. That would be a project that we would look to phase in over a five or six year. This wouldn't be something you would do all at one time."

Comm. Cartine replied, "I understand that but I am talking about the feasibility of the cost versus the savings? Is there any savings to us if you went to a system like that?"

Director Maggio replied, "Over time I think that you would have a manpower savings. We use the term eliminate meters readers. I don't think we would look to eliminate meter readers however, as attrition happened and people left we would not necessarily be looking to replace quite as many meter readers so there is some saving there. There is also other benefits such as the potential to detect leaks at our customers' homes on a real time basis which would reduce the amount of lost revenue from leaks. There is also the possibility with two way communications that we could also do things for non-payment shut off and turn on customers from here as opposed to actually having to send people out to do that. There are a lot of opportunities for cost savings driven by this."

Comm. Cartine stated, "I would like to direct a question to Director Planko. If in the five year time we find that this is a convenience are there going to be revenues that can cover this investment or are we going to take a hit with regards to rates?"

Director Planko replied, "I am going to talk about that when I do my presentation tonight Mr. Commissioner, but basically it would be a borrowing for a capital investments. I think also that Joe didn't mention it if we go with these Neptune meters the ones that are actual meter replacement. It will be a two fold accomplishment because sooner or later we are going to have to do a meter change out and replacement type of program anyway."

Comm. Cartine asked, "So it could be a wash or close to it?"

Director Planko replied, "It could be a wash but I will talk about it more. It is included in our capital program."

Comm. Curtis asked, "Did we cost out what it costs our meter readers to read the meters on a quarterly basis?"

Director Maggio, "No, actually I didn't do that."

Comm. Curtis continued, "Because every read has a loaded price with benefits and everything. Now you read quarterly, I'm a little lost at investing \$5 million down the road when you read quarterly. We don't read monthly."

Director Lacey added, "We do it quarterly but it is a rolling quarter because we can't do all the billing at one time so it is not like the whole town is done this quarter. People have different quarterly dates."

Comm. Curtis asked, "So basically meter readers are reading daily in town?"

Director Maggio replied, "Yes we do have meter readers out there reading on a daily basis. However, in addition to that they also have other maintenance duties, and for the next meeting or the meeting where we do look to possibly award the bids I will have a more thorough analysis prepared for you. However, I would say we are probably talking about with benefits, salaries about \$200,000 to \$175,000 could be dedicated to actual meter reading. Although I will refine those numbers."

Comm. Curtis asked, "But that is not what they do every day?"

Director Maggio replied, "Now what I am saying is that if I broke out everything they do and made an estimate of the manpower that is required I would say that is probably in the range of what it would come up to, but I will have a more refined number at a meeting where we are talking about possibly awarding this."

Comm. Curtis asked, "Did we go anywhere else to see how this works with water meters?"

Director Maggio replied, "Yes we visited Jackson MUA where they are using the system called Neptune where they have the meters and radio reads are integrated. They were very happy with the system. They spent a great deal of time with us showing us their maintenance system, their billing system that this all works with. It was a very valuable visit. We have had a number of meetings with the vendor Sensus. They are ones that would just sell us the radio transmitters. They are actually the vendors that sell us our current water meters that we have installed throughout the system. They have the most powerful radio transmitters, twice the power of the Neptune system at two watt. We are quite confident that system would be functional. If the Neptune system is functional from a central read perspective we have reviewed the warranties for these units. All of the units they are working off a battery that is built in and all of the units both Neptune and Sensus provide a 20 year warranty on the battery life. Ten years full replacement, two years prorated. It is a reliable system. It will be something new for Brick. Obviously we don't have radio read technology, however it is not a new technology in the industry. It is being refined over time but it is not really an untried technology."

Comm. Curtis stated, "I went through it with the gas company when we converted 250,000 to automated and then we had to hire people to do what the meter readers did because they didn't visit the house on a monthly basis. There are things that are required that you have to do when you go to the house. You open the meter pit, you look at the meter to see if there is something wrong with it. That we had to hire people for because there was no body going to the house anymore so it created more work because we moved the meter readers to another location and we had to hire more people to do what the meter readers were doing so there is a little more to it. You go there and the pit is broke if you don't go to that house you don't see that."

Director Maggio stated, "Right now what we have is a touch pad system so with the touch pad system when doing a meter read in the course of their daily rounds our meter readers even though they physically go to the homes they are not actually physically inspecting the meters right now. That would not be a big change to what we do currently. We still have to periodically physically inspect the connection."

Comm. Flynn asked, "How many meters do we typically change in a year?"

Director Maggio advised, "Right now historically we probably change less than a 1,000 a year. That has really not been a very good plan for us because what is happening is our meters in the system are getting a little old. 90% of our meters are in excess of 15 plus years old. Part of this agenda includes our annual meter bid for maintaining our regular inventory of meters."

Comm. Flynn asked, "You'd be changing them to the new meters, the 1,000 that you typically change?"

Director Maggio replied, "No, no. This would be just replacing in kind with current Sensus meters. There is a maintenance contract, but a bid to award a meter contract for the supply of meters but that would be for regular maintenance, however, because the majority of our meters are over 15 years old, next fiscal year we need to start accelerating the replacement of those meters, probably something on the order of three to five thousand a year to kind of catch up. I think historically we have probably been somewhat pleased with not spending money to replace meters but what is happening is the bill is close to coming due. As meters age, not only do electronics fail as they reach the end of their useful life where you are forced to replace the meters that we haven't really seen that yet but we are coming to a point where we may start seeing that. But also the meters start to run slower just because of wear and tear and as a meter runs slower we may find that we are slightly underbilling our customers."

Comm. Flynn asked, "So with the 1,000 meters that you have to do you wouldn't replace them with this new meter that you are talking about?"

Director Maggio replied, "No what I am saying is the 1,000 meters we replace and that is just the meter failures, repairs, freeze up during the year."

Director Lacey clarified, "I think what I am getting from this is that we are still going to use the old meters until we adopt the system fully. Once this system if it is adopted fully even if you changed 5,000 meters out a year it would probably take you about seven or eight years to do the whole town, but until the Board makes that decision we still need to have 1,000 of the old style meters just for maintenance."

Director Maggio replied, "Yes. And that number I am kind of shooting from the hip on that. I have only been in charge of meters not even for the last year, but I would say we probably replace less than 1,000 a year and that is due to freezing meters. They break and we replace them if a meter malfunctions. We haven't had an Asset Management program for meters to systematically replace a certain number so you are kind of having a consistent number and keeping up with their expected useful life which is probably 20 years give or take. I hope I was clear"

Comm. Flynn stated, "Yes well before it goes anywhere we will look at it further?"

Director Maggio replied, "Oh yeah this is just to request bids."

Chairman Cevalco added, "To see the feasibility because of the problems I think we are going to have is out on the strip, reading meters there just because of the things that go on out there that are not friendly to RF but it will be fine. We only have a small number out there so if this program were to develop that would be a prime place to put it in some respects because we can monitor the water so we can properly bill the sewer."

Director Lacey added, "Not to belabor the point but just two things were touched on that were very important only cause we certainly know Frank deals with it daily as well as I do but often the Board gives out one time water and sewer credits. A lot of time it is through a hose bib so the water goes on the ground and we are not billed by OCUA, but there still is a cost of the water to the Authority. Other times we have running water in the house I can say this I'm almost a senior citizen, I don't hear as well as I used to, but water can run through a toilet and if that water runs it does go down the sewer. That is a real cost not only in producing the water but also the sewerage even though it is clean water going down. This system the way I understand it will allow us to in real time to know what the sets you can put on this program, but if a normal house is using 100 gallons a day and all of a sudden it jumps to 200 gallons a day we should be able to know that almost immediately and we can contact the person before they get their meter read at the end of the quarter that they are due to have it read and three months goes by and they end with 200,000 usage that went down the toilet and they don't want to pay for it and we are trying to give them a sewer credit and it becomes an issue. You see sometimes we have some rather large credits. We do the best we can with that. The other thing too, and this would certainly be between Chuck and Frank is that we can look at our billing cycle which will allow our cash flow to be different. There is many things you can do with something like this."

Comm. Fozman asked, "If this is acceptable and everything, and we get 5,000 meters we replace them we take the old meters and bring them in and you've got spares now to put in for the old ones so you don't have to purchase any more. You can't reuse the old ones?"

Director Maggio replied, "Because of the age of our current meters they do have a very small percentage of the brass which has a small percentage of lead content in the brass that does not comply with the newly adopted in January 2014 no lead laws. When we remove a meter for repair or replacement we are not allowed to install it into the system. That is out of our control."

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

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

Chairman Cevalco stated, "Before we go into exempt session I would just like to thank Councilman Mummulo."

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

Counselor Montenegro stated, "At this point in the meeting of The Brick Township Municipal Utilities Authority on March 23, 2015, Whereas section 8 of the Open Public Meetings Act NJSA 10:4-12 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 of the Township of Brick in the County of Ocean, State of New Jersey as follows. The public shall be excluded from discussions of the actions on the hereinafter specified subject matter and in this case it is the contracts exception. It is anticipated at this time that the subject matter will be made public if and when confidentiality is no longer needed and action may be taken. This resolution shall become effective immediately."

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

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

The group entered exempt session at 7:39 p.m.

On motion duly made and seconded the group returned to open session at 7:52 p.m.

16. ADOPTION OF PERSONNEL ACTIONS

Comm. Cartine made a motion to adopt the Personnel actions. Seconded by Comm. Fozman.

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

17. OLD BUSINESS

18. NEW BUSINESS

18.1 Request to Utilize Reservoir

Director Lacey reviewed the Requests to utilize the reservoir as follows:

- a. Organization: Camp Zehnder YMCA
Description of Event: Triathlon/Dualathlon
Date: Sunday, May 3, 2015 from 8:00 a.m. to 10:00 a.m. (one lap around)
No. of Participants: 300
Contact: Chuck Sellers – DQ Events
Event Status: 1st time
- b. Organization: St. Paul's United Methodist Church
Description: Ecumenical Sunrise Service for Easter Morning
Date: Sunday, April 5, 2015 – Start time: 6:00 a.m.
No. of Participants: 100
Contact: Melissa Jenssen
Event Status: 6th year

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

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

18.2 2015/2016 Budget Overview

Director Planko presented to the Board an overview of the 2015/2016 budget. (A copy of that presentation is attached to these minutes.)

Director Planko summarized his presentation as follows, "In closing where do we stand, first of all we have budget Resolution 01 and 02 which were approved at the February 2nd meeting. That was for the approval of the budget. We were initially supposed to approve it at the January 23rd meeting, but that meeting was snowed out so we approved it at our reorg mtg. Budget resolutions 32 and 33 are up for adoption tonight and that is for the adoption of the budget. The February was the approval and tonight's resolutions are for the adoption of the budget and those resolutions that I note here. They correlate to the 15/16 budget books that I distributed to the entire board which has all the detail on the budget as well as my narrative explanation as to how we came about with the budget and all the pieces and so forth. There is one addition that we have on tonight's agenda which is new for me. We never had this before and that is Resolution No. 31-15. And the reason we have that resolution is because we had a late submittal on the approval of our budget. We initially have the approval of our budget which was these two resolutions at our January meeting, but because it was delayed because of the weather we were supposed to have it in within 60 days and we got it in within 58 so theoretically we were late. I drafted up a resolution 31-15 for a late submittal. I already ran it past the Division of Local Government Services and they are good with it so the passage of that resolution tonight will just be a formality. So tonight we have three budget resolutions. One resolution for late submittal and two for the adoption of the budgets. By the way I spoke to the Division of Local Government Services and they have already approved our budget so we are in good shape and will be able to adopt it this evening. That closes out my presentation and I turn it back over to you."

Chairman Cevasco asked Director Planko to elaborate on the Moody's Rating.

Director Planko advised, "The Moody's rating for our borrowing it's a one year note so the rating on that is a little bit different, but we got an MG1 rating which is a top rating you can get for the type of borrowing that we have which is a one year roll over note. Besides our strong financial position is one of the reasons why we got such a good rate. Actually we had five bidders on it too. A combination of the financial performance of the Authority, and you recall when we got the first funds back last year in April of 2014, one of the things we did is injected the money that we borrowed from the Authority back into the Authority through a reimbursement resolution. I felt that happened to strengthen our cash position which is another reason why I feel we got another good rating for this issue. We are sitting in a good position. Come next December or so I will be getting together with the Finance Committee to make a decision whether we want to roll over another note or whether we want to take some additional borrowing and go for a long term borrowing. I think I am confident we will be able to build it into our budget without any impact on a rate increase."

The commissioners complimented Director Planko.

18.3 Township of Brick 2015 Capital Improvement Program – Preliminary Project Request List; Water Main Upgrades Via a Shared Service Agreement –

Director Specht advised, "This is the Township of Brick 2015 Capital Improvement Program Preliminary Project Request list, water main upgrades via shared service agreement. Back in early February the Township engineer forwarded to us a copy of a letter that was sent to the Township Administrator concerning potential improvements to Township roadways. The Engineering and Collections and Distribution focused in on areas where we have undersized water mains which are built into our Five Year capital projects to start upgrading our undersized water mains. We have water mains out there that are two-inch, three-inch and four-inch and the standard now is a minimum of six inches. We did a detailed evaluation. In the past what we have done is we have coordinated with the Township. We did it on Fort Street, Glenwood and Hoffman recently where they were going through a roadway improvement project and we would utilize their engineer as well as their contractor and reimburse the township accordingly for the work to install upgraded water mains. That saved us on the paving end because we are no longer required to do any paving because that is built into the Township project. None of the mains that we have looked at are critical, need replacement right now on these undersized water mains so I would say that we send a letter to the Township engineer if we could potentially enter into a future shared services agreement. I put a quick engineer's estimate together. The major focuses are the north Cedar Croft which is about 3,600 feet of pipe, Breton Woods another 2300 feet, Cedar Woods Park, 6800 feet and Godfrey Lake another 1,400 for a total of 15,000 feet with an estimated installation cost without paving of about \$1.7 million. Like I said in the capital budget I do have \$1 million budgeted each fiscal year for this type of work. Again, I just ask that the Board allow me to go ahead and send a letter to the Township that in the event that they do move ahead with portions of this project we are allowed to enter into a shared service agreement to do this work. One area that we are looking at right now that has nothing to do with undersized water mains is in the Baywood section of town. We have 8 inch and 6 inch water mains. We had some recent failures out there on the mains. It is not a looped system because it basically ends in a cul-de-sac out on the bay. We are looking at Cartagena, Cadiz, Valencia and Monterrey Drive. I will have that evaluation done for the Board next month. But again I would recommend that we move forward with the shared services agreement to replace that main in the event that we need to replace that. In the past we have had some main breaks as well as a number of service repairs out there. That area is under stress out there. We only have one feed into that area so I would recommend we go ahead with the replacement out there. That sums it up for their potential work."

Chairman Cevalco asked, "I have a question with respect to shared services, could shared service be set up to where it would be a generic type of shared service and any time they are doing any work on any of the streets and it one of the streets we are looking to replace water mains... instead of having a shared service for every street?"

Director Specht stated, "Generally we look at each area and I have preliminary plans I have put together for that if you are going to work in this area we want to upgrade these water mains. The way I look at the drawings they will do certain areas. I'm not sure what they are going to hit first. I think Cartagena might be a hot item right now because that is again out on the edge of town on the bay so that is not a problem Mr. Chairman."

Comm. Cartine asked, "Then you are coordinating this activity with the Township. It will all be coordinated and regardless of what we do here you are getting noticed from the Town when they are

going to do some work?"

Director Specht replied, "That is correct, they send us a letter just like we send them a letter. They sent us a letter and said they were looking at Knollcrest and we said well we are upgrading the water main on Knollcrest just to let you know so we coordinate all the time on this. Dickinson Avenue, we coordinate all the time. I think it is a good way to handle our upgrade program. To increase the size of our water mains to the proper size, thereby eliminating some of the costs associated with improving the water main if we did it ourselves."

Comm. Curtis commented, "On that you are saying shared services, now their contractor is not going to put our water main in are they?"

Director Specht replied, "In the past their contractor has put our water main in."

Comm. Curtis asked, "Do we have a say in who their contractor is?"

Director Specht replied, "It is all publicly bid so..."

Comm. Curtis stated, "So it is not just the paving company that is doing the road is going to put the water main in is what I am getting at."

Director Specht replied, "Well generally a lot of times they do get subcontractors that install it..."

Comm. Curtis stated, "Because some of the paving contractor's I don't even want working on my street I wouldn't want them working our water main."

Director Specht replied, "On the Glenwood project, Earle was awarded the job and they did a good job putting the water main in."

Comm. Curtis replied, "That's fine."

Director Specht added, "That is generally what we say is they have to be qualified. We would build that into the specs that they are qualified to install water main or they have a subcontractor that can do it."

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

AYES: Comm. Bayard, Curtis, Cartine, Cevalasco

NAYS: None

ABSTAIN: Comm. Fozman

18.4 Replacement of Sanitary Sewer Main – Jeannette Drive, Barrier Island

Director Specht added, "This was just added today and I discussed this with you and Mr. Lacey this morning and I sent an email out to the entire Board early this afternoon concerning Jeannette Drive on the barrier island. We have an ACP sewer main on the barrier island. We were making repairs last week this area was severely impacted by Sandy."

Director Specht displayed maps showing pre and post Sandy conditions and advised, "This is pre-Sandy and this is post-Sandy, and you can see basically the ocean went right down Jeannette. We went out there back in January 2013 and videotaped all these lines and we videotaped Jeannette at that time and there was no problem. Due to movement out there we did have one area of pipe that was exposed, backfilled it and the main remains intact. After some subsequent videotaping we found we had a hole in one of the pipes. We were supposed to do it earlier this month, but the weather conditions would not allow it because we needed to dewater and it is not good to run a dewatering pump in the winter. We made this repair this last Thursday and the way this pipe has shifted out there just the general movement of the earth out there after the storm we were not able to match them up properly so now we have a hump in the pipe. With gravity flow sewer mains that does not work and it becomes a major maintenance issue. What I am recommending is the Township has a contractor out there - L&L Paving that is doing this whole area, doing Sunset, Deville, Jeannette and other roads so I would recommend that we get a price from their contractor and get a shared services agreement. I discussed it with Ben earlier today and that is one option we can do. Our estimate to replace this main of 400 feet of pipe and potentially 8 customers are impacted. I think there is only one house that is out there right now, but the Township is renovating this whole area. I would recommend that we enter into a shared services agreement with the Township on this one also, whereby their contract who is doing the majority of the work out here, L&L can reinstall the sewer main for us with the PVC pipe. I am getting prices right now. I got a preliminary price this afternoon through their engineer Ted Wilkinson. He is with ARH. He is one of our engineers also that is handling the fleet storage building. Their cost is about \$55,000 just for the main line which includes dewatering. I don't think we need dewatering out there. Ted thought the price was a little high at \$135.00 a foot. I looked at what we spent on West Marion when we had our own contractor Forte out there and the average cost was about \$133.00 a foot so I think \$135 is in good range. That does not include the disposal of the pipe because what we do now with asbestos cement pipe we remove it - we don't leave it in place. We remove it and take it to a landfill. I would think total cost with removal would probably be \$70,000 to \$80,000. We spent on West Marion that was about 222 feet of pipe and we spent \$70,000 so it is in a similar range. We also are looking at L&L to put the main line in and then we can send our crews out there and put the sewer laterals in. I did get a price on the sewer laterals of about \$2,500 per lateral. I did the math and my math is about \$1,250 so I think he is a little high on that and there is some room for negotiation. I recommend we do this now and we will be good out there for hopefully another sixty or seventy years. The size of the main is 8 inches deep. Everything is shallow on the barrier island. It is only 4.5 to 5 feet."

Comm. Flynn asked, "The \$135 does that include dewatering?"

Director Specht replied, "That includes dewatering which they do well points. That is one of the things I indicated when we did the repair. We hit a little bit of water the first day, but I think that was more like perched water in the excavation. We did not have to turn on the dewatering pumps the second day which is unusual and if you did have groundwater out there you would keep them running so we only ran it for one day. I think based on the elevation here he will not have to dewater and that was one of the comments that I did send back to Ted Wilkinson was listen \$135 sounds good, but if we don't need dewatering and I don't mean just throwing a pump in the hole. If we don't need well points you are going to get a credit back but that usually runs about \$30 to \$40 bucks a foot for dewatering."

Comm. Flynn asked, "As Tom said is the paving guy putting the pipe in?"

Director Specht replied, "The paving guy would be putting the pipe in, but he has the expertise and it is 400 feet of pipe. Yes he has done it for us before."

Comm. Fozman stated, "If you can get the laterals down and get it one shot because otherwise they will bury it and we have to dig them back up again. If you can get the price down."

Director Specht replied, "Yeah I agree. We're pretty close. I mean he is \$2,500 and we're \$1,250 so I can probably work on that price this way we don't have to have our crews out there if we don't have to and it becomes a layout issue also."

Comm. Fozman asked, "Is that FEMA reimbursable?"

Director Specht advised, "I will pursue this from FEMA. I do have FEMA money available. We will contact FEMA and let them know what we are doing. Camp Osborn is obviously reimbursable and this is in the general area of that. We are talking here so I would pursue reimbursement from FEMA."

Comm. Curtis asked, "Is there any other streets we should be looking at before they pave these roads?"

Director Specht advised, "We went back in when we got this information from the Township and TV'd these lines again with our crews. Initially back in 2013 we had National Water Main Pipe Cleaning Services TV everything out there and again everything looked good back in early 2013. This line had an excessive amount of water that went rushing through it. You can tell by the way all these houses moved. They didn't move because the water was ripping through there."

Director Lacey asked, "Steve one thing too, as Comm. Fozman was asking, even if the house is not there we are still going to stub the laterals out so we do not have to dig it later on right?"

Director Specht replied, "Yes I just need approval from the Board tonight if I can negotiate and use the Township's contractor, it would save us the mobilization cost because none of this has obligation costs plus the time frame because I know the Township is looking to get this done. Sorry for the short notice but it just developed."

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

AYES: Comm. Bayard, Curtis, Cartine, Cevalco

NAYS: None

ABSTAIN: Comm. Fozman

19. RESOLUTIONS

31-15 A Resolution setting forth the reason for not submitting the Authority's 2015/2016 approved Budgets on a timely basis.

Director Planko advised, "As I mentioned I have three budget resolutions this evening. This first one 31-15 is for the submittal of the Authority's budget on a late basis by two days. I explained because our January meeting was snowed out. I draft the resolution and ran it past the DLGS and they are ok with it so it is a matter of sending it out tomorrow with our adoption papers."

Comm. Fozman made a motion to adopt Resolution No. 31-15. Seconded by Comm. Curtis.

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

32-15 2015/2016 Adopted Budget Resolution - WATER
Fiscal Year: From April 1, 2015 to March 31, 2016

Director Planko advised, "The next two 32-15 and 33-15 are for the water and sewer budgets of the Authority. Both of those budgets have been approved by both the Board and the Division of Local Government Services. So this is for the final adoption of the budget which takes place on April 1st which is the first day of our new fiscal year. Once these two resolutions are adopted I will be sending them out to the Division of Local Government Services as well for adoption tomorrow. Again this ties out to tonight's presentation and the budget booklets."

Comm. Cartine made a motion to adopt Resolution No. 32-15. Seconded by Comm. Fozman.

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

33-15 2015/2016 Adopted Budget Resolution - SEWER
Fiscal Year: From April 1, 2015 to March 31, 2016

Comm. Cartine made a motion to adopt Resolution No. 33-15. Seconded by Comm. Fozman.

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

34-15 Resolution Authorizing Amendment to Shared Service Agreement with the Township for the Provision of Geographic Information System (GIS) Services -

Director Vaccaro stated, "This is resolution 34-15 authorizing an amendment to our shared service agreement with the Township of Brick for the provision of geographic information services. We will be assisting the Township on two additional GIS related initiatives as amendments to our existing shared service agreements. The first is a GIS integration with a fast track governmental solutions community development division and the second is the adopted resolution on February 17th 2015. After speaking with Counsel he recommended we also adopt a resolution authorizing an amendment to our existing GIS Agreement."

Comm. Curtis made a motion to adopt Resolution No. 34-15. Seconded by Comm. Bayard.

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

35-15 A Resolution for the award of bid for Road Patch Materials in the unit amounts listed

Director Planko advised, "35-15 is for our annual bid for the road patch materials . I reviewed this bid in detail with both the Finance Committee and the Construction Committee. In brief we advertised it on February 6th. We got the receipts on the 19th. We had seven responses. Of those we had two bid rejections and we had seven road patch items as noted in the resolutions going out to five different bidders depending on the price."

Comm. Fozman made a motion to adopt Resolution No. 35-15. Seconded by Comm. Curtis.

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

36-15 Resolution for the award of Engineering contract for design and construction oversight of Stormwater BMPs at Lake Carasaljo to Maser Consulting in the amount of \$79,505.00

Director Maggio advised, "Resolution No. 36-15 awards an engineering contract to Maser Consulting for the design and construction oversight of the storm water BMP's at Lake Carasaljo. The contract amount is \$79,505.00. This is one of our watershed projects and all of these costs as well as the cost of construction will be reimbursed through our NJDEP grant. In the watershed management plan this was one of the higher rated priority projects identified for the watershed because of its visibility for the public. There will be a number of storm water basins which are now separate discharges to the river that we will be connecting combining and sending them through some storm water discharge prior to theMetedeconk."

Comm. Cartine asked, "Was this one of the spots that I visited?"

Director Maggio replied, "Yes it should have been. It was in the park."

Comm. Cartine stated, "Ok yes, I was there."

Comm. Curtis asked, "The maintenance of these is on Lakewood or Brick MUA?"

Director Maggio replied, "There could be a portion where Brick MUA might take over the maintenance but that is unlikely. We will have to work that out with Lakewood, but either way it would be reimbursed by the grant for some period of time."

Comm. Cartine made a motion to adopt Resolution No. 36-15. Seconded by Comm. Bayard.

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

37-15 Resolution for Authorization to Award Meter Bids to HD Supply for FY 15/16 - in the amount of \$65,232.50

Director Maggio advised, "This resolution awards a bid contract for the supply of our meters for fiscal year 15/16 to HD Supply and the amount of the contract is \$65,232.50. This is our annual supply for maintaining our inventory that we would go through the normal course of in the next year for meters."

Comm. Fozman made a motion to adopt Resolution No. 37-15. Seconded by Comm. Curtis.

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

NAYS: None

ABSTAIN: None

38-15 Resolution Awarding the Contract for the Supply of Two (2) 2015 Chevrolet Express 2500 RWD Cargo Vans to Mall Chevrolet for the Purchase Price of \$39,975.52

Director Specht advised, "38-15 is a resolution awarding the contract for the supply of two (2) 2015 Chevrolet Express 2500 RWD Cargo vans to Mall Chevrolet for the Purchase Price of \$39,975.52. The Board authorized that we go out for this purchase back in October 2014. This purchase is under State Contract and I would recommend approval."

Chairman Cevalasco asked, "These are the tall ones?"

Director Specht replied, "No these are just the regular vans. We only bought the transit van for the leak detection mark out crew because they need to work more in the van."

Comm. Curtis made a motion to adopt Resolution No. 38-15. Seconded by Comm. Fozman.

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

NAYS: None

ABSTAIN: None

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.

Chairman Cevalasco opened the meeting for public discussion.

Ms. Mary Henry stated, "I live in Greenbriar. I overlook the lake and this November I received a bill for \$1,749.00 and I thought what in heaven's name this is. In 20 years I never had a bill like that. You'll have to excuse me because I am legally blind and that is why Nancy is here. I had the man come from the water company and he checked the meter and he looked out my window and he said you have enough water here to fill two swimming pools. My question is if I got that much water where did it go? It's not in my house. It's not on the outside of my house. So I have no idea what happened to the meter. I did bring the meter in and have it checked and they said it was running a little slow but that wasn't an answer."

Nancy stated, "And you had to pay for that."

Ms. Henry continued, "I do have a position where I overlook the lake as I said. It is a beautiful area but I have been hit by lightning twice and I'm wondering if maybe the lightning hit the forms that I had outside. I have started doing a payment of \$78.25 each month and I sent the first payment in two weeks ago, but the one thing I would like to do is at least have the sewer charge taken off because there is no way all that water came into my house. I don't know what happened to the meter but I didn't have two swimming pools of water come into the house. There was a discussion about my having the toilet replaced. It was replaced May 20th. I have the cancelled check with me. I am 87 years old. I have lived here 20 years. I am in Greenbriar and I brought two girls from Greenbrier with me because this could happen to anybody."

Chairman Cevasco asked, "Mr. Lacey have you followed up on that?"

Director Lacey advised, "Mr. Chairman, Mrs. Henry we haven't had an opportunity to speak but I can assure you there have been many people that have advocated for you. I have heard from the Mayor's Office, also from the 10th Legislative District and also from press on your side. A lot of people have advocated for you, but we have looked at your problem. I think Mr. Planko who made our little budget presentation can explain the numbers, but I believe you did get an \$800 credit and that is something that we were able to do for you. I know we originally offered to have your meter tested and you didn't want to do that but finally you did get your meter tested and we did waive the price as best I remember. It was an \$80 waiver on that."

Director Planko added, "Yes I decided to waive the meter fee of \$82.00 even though it is usually charged to the customer with a meter test but we waived that."

Director Lacey continued, "Mam I cannot explain to you what has happened, but I can tell you and you kept saying you can fill two swimming pools. I think you are talking about how much water went through the meter, there was enough excess of what you normally don't use that could have filled two pools. I assume that is what you are explaining. Mam we are a public agency, we do not have a separate account that we can help people who have a hardship. That is one of the things I did talk to the Mayor's office about. We are going to try to and see if there is some organization that can help. The Board is not able to just simply dismiss bills. They were able to give you a credit. Everything that we can do we have done and it is pretty much scientific. The water did go through your meter, where it went I do not know. Your hose bibs, meaning the faucets that you might have outside. I don't know if you have any they seem to be fine."

Nancy stated, "Where did the water go? I mean like what causes that bill? That is what we want to know."

Comm. Flynn asked, "Can I ask a question. I have experience with this. Are you on a slab?"

Mrs. Henry replied, "Yes."

Comm. Flynn asked, "Have you had a plumber come in and test the flow after the meter?"

Mrs. Henry replied, "Yes and there have been no leaks detected. I have a cleaning girl come in

once a week and she said she didn't hear anything either."

Comm. Flynn stated, "The reason I bring that is up is that I had experience with a house on a slab in Toms River where there was a leak and because of the soil underneath it being loose the water just kept flowing and flowing. Subsequently putting a big gap under the soil."

Nancy stated, "It would still be flowing if she had a leak."

Comm. Flynn stated, "But the plumber has the capability of monitoring."

Mrs. Henry stated, "He is the man who installed the new toilet."

Comm. Flynn asked, "And he has verified that there is no leak or loss of water after the meter?"

Mrs. Henry replied, "And when the man came from the water company he said the meter was working correctly because he could look and read it."

Comm. Flynn stated, "Yes but like Mr. Lacey said we are not responsible for after the meter that is within the house. And if there is a line that broke or snapped or there is a pinhole that is filtering into the ground under the slab it would still be happening. "

Nancy stated, "Everything is perfect. She has a normal bill."

Comm. Flynn asked, "How long has it been perfect?"

Nancy stated, "They told you that the water was normal usage?"

Mrs. Henry stated, "I don't think I have gotten a subsequent bill."

Director Planko stated, "I think this is a case of unexplained usage and I explained to Mary Henry when I spoke to her several times that we see these cases. It could even be a matter of someone turning on the outside faucet and letting it run and then shutting it off without the person even knowing. I spoke with Mary Henry a few times on this and I explained our one-time credit policy to her. She had a 120,000 gallons in this case of unexplained consumption. We have seen more than that and we can't explain it. The only thing we can prove I told Mary Henry if she tested the meter it is an \$82.00 charge but if it tests positive she would have to pay for it. We tested the meter, Director Maggio was there, Mary was there with one of her friends, Joe Dolan our meter supervisor was there as well as one of the meter men and all of us were there and physically witnessed that there was no problem with the meter which means that water entered through that meter."

Nancy asked, "And where did it go? It didn't go in her house. It didn't go outside the house? Where it is?"

Director Planko replied, "I don't know and it is not the only case where we have seen that happen where it is unexplained. In those cases where we have unexplained usage, we do have a policy which we offered to Mary Henry, based on the fact that she spoke with me several times and came in for the meter test. I waived the meter test fee of \$82.00. She came in and set up a payment plan. I asked her to talk to Carol and I also waived any future compounding interest on her payment plan as well."

Nancy asked, "Who choose her payment plan because she wasn't given any option. She is a woman on a fixed income and she was told that it has to be paid off within a year."

Director Planko replied, "We usually do a payment plan for one year."

Nancy stated, "There was no option given to her whatsoever. She was just told this is what you have to pay for water she never used. You're being so good. You did this, you did that. She never used that water. We don't know what happened to it. Nobody knows, no one her age could use that much water."

Mrs. Henry stated, "And I don't even use the dishwasher. I discontinued my dishwasher. I get meals on wheels. I use very little water. And I was the first one at Greenbriar to put solar panels on my roof so I am very conservative."

Comm. Cartine asked, "Excuse me Frank. How much money does she owe?"

Director Planko replied, "Her credit came to \$794.95 and she owes \$912.00 and when you divide it by 12 it comes to \$78.25 and again I am not going to compound interest based on the circumstances."

Nancy asked, "Since no one knows where the water went, why is she paying for her sewer since it didn't come in the house, it didn't go out of the house. It just happened."

Director Planko replied, "I will try to explain to you what happened. Any time we do a meter test that proves that water went into the house, from there we don't know if it went down the sewer or if it flowed out into the grass or whatever. We can't prove that. We don't know if it went down the sewer or not."

Nancy stated, "That much water would have showed up."

Director Planko advised, "In cases where somebody comes in and my hose bib broke on the lawn and I lost x amount of gallons, we know as a fact that water didn't go into our sewer collection system and we are able to give a sewer credit. Here we did the best we can under the circumstances. Unexplained credits we give a 50% consideration and there is a lot of customers that come in with unexplained usage it is not as rare an occurrence as you might think."

Nancy stated, "Well I'm very upset to hear that it is not a rare occurrence that means that every one of us could get hit with a \$2,000 bill that we have never used the water. How could this happen?"

Director Planko replied, "Which is why this Authority tries to accommodate and pay a portion of that bill through a one-time credit."

Nancy stated, "But you are saying it happens frequently. I'm frightened. I might have to move out of Brick."

Director Planko replied, "I didn't say very frequently. I said it does happen though. There are cases of unexplained usage where the water has passed through the meter and the homeowner does not know where it went."

Nancy stated, "Well it's not uncommon is the word you used."

Director Planko replied, "Well I would say it is uncommon. There are not a lot of them, but it happens."

Nancy declared, "You're back pedaling."

Mrs. Henry stated, "I worked until I was 80 and I have only my social security so this really hurts."

Nancy asked, "Why wasn't she given an option to pay what she could afford?"

Director Planko stated, "That is our policy. We are not a financial institution that goes out for borrowing. We usually give payment plans up to a year."

Nancy stated, "It doesn't matter whether you eat or get your medicine or anything else, you must do this, even though you didn't use the water, but because our machine says you did then it must be. You are G-d."

Comm. Cartine asked, "Frank is there a way we can extend her payment plan over a 24 month period?"

Director Planko advised, "If the Board approves it."

Comm. Cartine asked, "Mam, if the Board approves an extension of your payment to 24 months that would reduce what you owe in half and I think the Board would be willing to go for that if we extend it - if you agree to a 24 month payment period instead of one year."

Mrs. Henry stated, "Are you sure I'm going to last that long?"

(Laughter.)

Director Planko advised, "That would be \$39 dollars and some change Mary if the Board approves that I will talk to the Customer Accounts Division tomorrow and we will adjust that."

Mrs. Henry stated, "OK, but I didn't get another bill yet."

Director Planko advised, "We will let you know when your next bill is due."

Mrs. Henry and Nancy stated, "Thank you very much."

Counselor Montenegro stated, "We need a motion to extend the payment plan to 24 months."

Comm. Cartine stated, "I make a motion to extend Mary Henry's payment plan to 24 months."

Seconded by Comm. Curtis.

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

NAYS: None

ABSTAIN: None

Melanie Briggs stated, "Earlier when we were talking about the meters and you can't use the old meters the reasoning was I couldn't quite hear."

Director Lacey replied, "I think Melanie the existing meters we have now, unlike talking about the radio reads, why when we do a radio read, if we try this pilot program you are saying why can't we take the old meter that we replace with a radio and used that meter again. My understanding is and Mr. Maggio can jump in, my understanding is the meters now are under a new Federal regulation where you can't have a certain amount of different metals in it and one being lead and if you have that in your meter now unless it meets the new spec. That is the way I understand it. So you can't use the old meter to replace it, but you can put a part in the meter if you can like the freeze plate, but you can't replace the whole meter without going to the new style meter."

Mrs. Briggs asked, "Is that lead got anything to do with the letter that came in the mail."

Director Lacey replied, "I knew you were going to ask that question. Absolutely not."

Mrs. Briggs stated, "OK so let's get to the bottom. There is lead that is coming through somehow, maybe not the water but the meter."

Director Lacey replied, "No."

Mrs. Briggs asked, "Then why can't you use those meters?"

Director Lacey replied, "Because the Federal Government says you can't."

Mrs. Briggs replied, "Because it has lead in it!"

Director Vaccaro replied, "Certain types of brass. There is a no lead law in brass. You can't have a certain amount of lead in the brass, plumbers can't use certain types of plumbing fixtures."

Chairman Cevalasco stated, "Just like if I remember right there was legislation passed where they solder copper pipes, the old solder had lead in it and the new solder can't have any lead in it."

Mrs. Briggs stated, "And I missed a couple of meetings, the last meeting I was here was approval for that hotel up the street. Have you heard any more about that? Because the answer you gave me about how it was necessary is because they do a residence and interns and they have seminars."

Comm. Cartine stated, "We didn't say that mam."

Mrs. Briggs stated, "Yes Mr. Cevalasco said it."

Comm. Cartine stated, "What we were saying is this, the idea of the contractor or the people who are developing the hotel may or say they it will be in use not only for people visiting but for those possibilities. We didn't say that the developer has used that as an explanation of who would be using that hotel."

Chairman Cevalco stated, "Well the Authority's concern, or at least my main concern is that there storm water discharge was going to be above the intake at our water structure and that was one of the things I didn't want, if they could go downstream."

Mrs. Briggs replied, "It probably won't be full too much because there are no residents and there are not interns at Ocean Medical and the seminars that they have are the in-patient ones or the patient care ones if you have diabetes you go to a seminar. If you have a heart condition you go to a seminar that is what..."

Comm. Cartine stated, "Yeah, but we are not telling the hotel owners how to use their premises. We have an idea that this can be a use for it, but whether it is used that way or not that is not our business. It is the business of the hotel and how they want to use their hotel and who they want to lease the rooms too. It is still not in our realm to tell them how to use their hotel. This is all I'm saying."

Mrs. Briggs asked, "OK so who was the one who said residents, interns and seminars."

Chairman Cevalco replied, "That was the developer. We can't tell the developer you can't do that. The only thing we can do is address what it has to do with the water supply or any discharge or run off or that sort of thing on the site with respect to our wells. We have to protect our wells and we also have to protect our intake and I think we have done that by saying we would not approve a storm water discharge above our intake. So that is as far as I can remember that is as far as we have gotten and they are looking at an alternate route to put their storm water runoff way below ours on Forge Pond Road."

Mrs. Briggs stated, "I think they should just put the hotel in Food town and that would solve the whole problem."

21. COMMENTS FROM COMMISSIONERS, PROFESSIONALS & STAFF

Director Vaccaro stated, "I will make this brief, I just wanted to mention on February 25th I attended the Joint Insurance Fund (JIF) Annual Safety Awards breakfast in Toms River and we are one of several Authorities that received a 2014 Joint Insurance Fund Safety Incentive Program. It is awarded to authorities based on several safety methods and having in-house training provided by the JIF and maintaining a Safety Committee as well as attendance at JIF Safety seminars."

Chris Theodos advised he had no new report tonight.

Director Planko stated, "I just want to mention Mary Henry's address for the record is 12 Holmes Court."

Chuck Fallon advised he had nothing for tonight to report.

Director Maggio advised he had nothing additional to report.

Director Specht advised, "One quick thing, during Super Storm Sandy we had those ten pump stations that got flooded, six of which we are renovating right now. Pump stations and two ejector stations. During the design I authorized that we mitigate the stations and raise them above the flood elevation. We originally received \$1.18 million funding from FEMA to repair the stations. By also mitigating they gave us another \$800,000 so we are up to \$1.95 million that we will be receiving from FEMA to mitigate the six pump stations and one ejector station. Our total contract is \$2.7 million so the Authority will only have to come up with about \$800,000 to make those repairs and upgrades so that is a good thing."

Counselor Montenegro advised he had nothing to report.

Ms. Sylvester advised she had nothing to report.

Director Lacey advised he had nothing to add.

Comm. Bayard advised he had nothing to add.

Comm. Fozman advised he had nothing to add.

Comm. Olsen stated, "I would like to add actually. I would like to just update everyone on the Employee Development Committee. We have met a few times now. We have an aggressive agenda to move forward. For those of you who don't know the Brick MUA is rated one of the top in the state so it also our goal to make this an employer of Choice from among MUA's and to keep the staff that we have and invest in them as we are investing in our equipment and machinery and systems. We are looking forward to a mission statement next month for the committee. Also to in the near future talk about a budget to line item some expenditures over the next few years to invest in licenses and move up the ranks. The folks that we rely on at the MUA so I'm very thankful for everyone who participated on that and look forward to working on that more."

Comm. Curtis advised he had no comments.

Comm. Cartine advised, "I will be on vacation for the whole month of April and will miss the April meeting."

Comm. Flynn stated, "What I want to say is that obviously I am still on the learning curve of this whole process but so far I am very impressed. There are some smart and dedicated people here and it's really comforting."

Chairman Cevalco advised, "I just want to mention that at the AWWA Conference Comm. Flynn and I became expert hydrant service and repair men. We learned how to change that expensive piece of tubing that cost \$1,300 in that pump. No \$3,500."

Director Lacey stated, "What is good about it Mr. Chairman is that you see how expensive everything that we buy is. Everything we do here is very expensive."

Chairman Cevalco stated, "One thing that I learned though is if you don't open the hydrant all the way the drain holes leak and it erodes around the hydrant."

22. CLOSING STATEMENT

Ms. Sylvester advised that, *"The next Regular Public Meeting will take place on Monday, April 27, 2015 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


There being no further business to discuss, Chairman Cevalco called for a motion to adjourn.

Motion to adjourn by Comm. Cartine. Seconded by Comm. Fozman

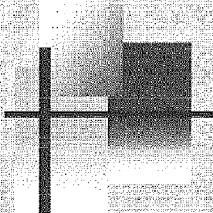
All in Favor

The meeting adjourned at 8:55 p.m.

Respectfully submitted,


James C. Bayard, Authority Secretary

JCB/mas



Brick Township Municipal Utilities Authority

2015/2016 Budget Overview

March 23, 2015



Agenda

- Budget and Planning Horizon Overview
- Operating Expenses - Comparison Between Budget Years
- Operating Income – Comparison Between Budget Years
- Five Year Capital Plan and Funding
- Rate Performance

Overview Issues

- No rate increase in Fiscal 2015/2016 for the third consecutive fiscal year.
- Revised Rate Structure in effect 11/1/14
- Five year capital plan includes \$40.6 million in expenditures.
- Debt -- \$7.6 million -- April, 2014 -- March 31, 2015 maturity -- rollover \$14.5 million.

Operating Expense

Comparisons:

- | <u>14/15 Budget:</u> | <u>15/16 Budget:</u> |
|--------------------------|--------------------------|
| ■ \$9.1M Debt Service | ■ \$8.5 Debt Service |
| ■ \$7.6M Sewer Treatment | ■ \$7.5M Sewer Treatment |
| ■ \$14.1M Pay. & Fr. | ■ \$14.3M Pay. & Fr. |
| ■ \$4.3M Other | ■ \$4.7M Other |
| ■ \$35.1M - Total | ■ \$35.0M – Total |



Income Comparisons:

■ 14/15 Budget:

- \$33.3M A.S.C.
- No Rate Increase
- \$556K Init. Serv. Cg.
- \$101K Interest – Inv.
- \$1.1M - Other
- No Internal Funding

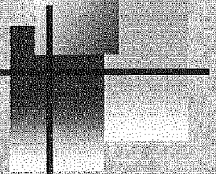
■ \$35.1 M - Total

■ 15/16 Budget:

- \$33.0M A.S.C.
- No Rate Increase
- \$603K Init. Serv. Cg.
- \$107K Interest – Inv.
- \$1.1M Other
- \$0.2 I.F. Potential

■ \$35.0M - Total

Capital – Five Year Spending



- \$6.2 million 14/15 latest estimate
- \$16.2 million 15/16 Budget
- \$11.8 million 16/17 Outlook
- \$4.8 million 17/18 Outlook
- \$1.6 million 18/19 Outlook
- \$40.6 million 5 Year Capital Forecast

Five Year Capital By Function

- \$3.6 million Water Quality / WTP / IT
- \$5.4 million Meter Project
- \$2.6 million Well #15A (ASR Repl.)
- \$11.9 million Generators / Gensets
- \$3.2 million Pump Station Upgrades
- \$6.1 million Water Main Upgrades
- \$2.0 million Other Engineering / F.O.
- \$3.7 million Trans, Bldgs, Equip., etc.
- \$2.1 million P.S.T. / Other
- \$40.6 million 5 Year Capital Forecast

Capital – Five Year Funding

- \$0.1M NJEIT 2002
- \$1.8M Grant Funding
- \$1.3M FEMA Potential
- \$4.7M Series 2014A
- \$6.9M Series 2015A
- \$25.7M Potential Future Borrowing
- \$40.6M Total – Five Year Capital Plan



Rates – Five Year History

- April, 2011 – 3.9%
- April, 2012 – 3.9%
- April, 2013 – No Rate Increase
- April, 2014 – No Rate Increase
- April, 2015 – No Rate Increase



In Closing.....

- Budget Resolutions 01-15 and 02--15 approved at the February 2nd meeting.
- Budget Resolutions 32 -15 and 33--15 for adoption tonight.
- Correlate to 2015/2016 Budget Books and tonight's discussion.
- Resolution 31-15 – late submittal – weather.