

Minutes of a Meeting of
The Brick Township Municipal Utilities Authority held on
September 28, 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
Allan E. Cartine
Gregory Flynn
George Cevasco

Members Absent

James C. Bayard

Also Present

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

Ms. Sylvester advised that in Commissioner Bayard's absence this evening, Commissioner Flynn will be the voting member.

4. Adoption of Directors' Reports

Chairman Cevasco called for a motion to adopt the Directors' Reports.

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

AYES: Commissioners Flynn, Fozman, Curtis, Cartine, Cevasco
NAYS: None
ABSTAIN: None

5. APPROVAL OF MINUTES

August 24, 2015 Exempt Session
August 24, 2015 Regular Public Meeting
November 24, 2014 Exempt Session

Comm. Fozman made a motion to adopt the meeting minutes of August 24, 2015, August 24, 2015 Exempt and November 24, 2014. Seconded by Comm. Flynn.

AYES: Commissioner Flynn*, Fozman, Curtis, Cartine*, Cevalasco
NAYS: None
ABSTAIN: *Flynn (November 24, 2014), *Cartine (August 24, 2015 Exempt & Regular)

6. CORRESPONDENCE

Chairman Cevalasco stated, "We have a thank you note from one of our employees Joe DiMatteo addressing his appreciation for our thoughtfulness due to a death in the family.

7. APPROVAL OF BILL RESOLUTION - *Commissioner Bayard*

In Comm. Bayard's absence Comm. Curtis read the Bill Resolution dated September 28, 2015 in the total amount of \$2,225,168.51 as follows:

Total Operating Vouchers:	\$	557,947.27
Total Payroll:		943,723.57
Total Capital Vouchers:		707,744.19
Escrow:		15,753.48
Total Bill Resolution	\$	2,225,168.51

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

AYES: Commissioner Flynn, Fozman, 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 August 31, 2015 as follows:

Unrestricted Funds:

Total Revenue Funds:	\$	12,422,256.00
Total General Funds:		3,653,020.83
Total Unrestricted Funds:		16,075,276.83

Restricted Funds:

Rate Projection Maintenance Fund:	3,276,160.62
Working Capital Fund:	462,854.21
NJEIT Processing Fund:	1,398,131.50
Series 2014A Project Bonds:	824,286.87
Series 2015A Project Bonds:	6,999,514.92
Total Bond Funds:	12,826,744.26
Total Other Restricted Funds:	1,558,173.27
Total Restricted Funds	27,345,865.65
Total of All Fund Accounts:	43,421,142.48

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

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

9. DEVELOPER APPLICATIONS

9. DEVELOPER APPLICATIONS - NONE

9.1 Preliminary Applications - No Further Action Required

9.2 Other Applications

9.3 Release of Performance Bonds

10. UNANTICIPATED/EMERGENCY CAPITAL EXPENDITURES - NONE

11. CUSTOMER ACCOUNTS RECONCILIATIONS

Director Planko presented the following credits for approval by the Board and advised that there has been no entry into the collection system and therefore there is no financial impact on the Authority and that in all cases the repairs have been made and verified.

Sewer Credits

- a. Account 2336601-0, Muench, 333 S Bay Dr. A Sewer Credit is recommended in the amount of \$3,233.70 due to a broken pipe behind the vanity in the wall. The quarter in question rose to 397,000 gallons while the average use is 7,000 gallons. All repairs have been made and verified.
- b. Account 2039005-0, Darnall, 528 Route 35 No. A Sewer Credit is recommended in the amount of \$ 1303.64 due to Contractor's digging and broke the service line going into their Pit. The quarter in question rose to 164,000 gallons while their average use is zero gallons. The repair has been made and verified.

- c. Account 10316005-0, Purwin, 36 Stuyvesant Rd. A Sewer Credit is recommended in the amount of \$1084.96 due to a Hose splitting. The quarter in question rose to 140,000 gallons while their average use is 4,000 gallons. The replacement hose has been purchased.

Comm. Fozman made a motion to accept the credits. Seconded by Comm. Curtis.

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

12. CONTRACT CLOSE-OUTS - NONE

13. AUTHORIZATION TO EXPEND APPROVED FUNDS - NONE

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

15. EXEMPT SESSION

(Personnel, Contracts & Potential Litigation Only)

Counselor Montenegro stated, "If we could request a resolution at this time to go into executive session at the meeting of September 28, 2015 of The Brick Township Municipal Utilities Authority for the purpose of discussing confidential personnel items, contracts and /or litigation. Whereas as Section 8 of the Open Public Meetings Act NJSA 10:4-12 permits the exclusion of the public from meetings 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 and the County of Ocean, State of New Jersey as follows: The public shall be excluded from discussion on the actions upon the hereinafter specified subject matter that being personnel and contracts, as well as litigation is anticipated at this time that the subject matters will be made public if and when confidentially is no longer needed. Action may be taken. The resolution shall become effective immediately."

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

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

At this time, 7:10 p.m. the group entered exempt session.

On motion duly made and seconded, and a unanimous vote the group returned to open session at 7:24 p.m.

16. ADOPTION OF PERSONNEL ACTIONS

Comm. Curtis made a motion to adopt the Personnel Actions as set forth in the Executive Director's report. Seconded by Comm. Fozman

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

17. OLD BUSINESS

18. NEW BUSINESS

18.1 Request to Utilize Reservoir - NONE

19. RESOLUTIONS

83-15 ASR Well No. 15A; Task Order No. 7 for CH2M HILL for a total contract decrease of \$13,050.00

Director Specht advised, "As discussed at the Construction Committee, I am looking to reduce CH2M Hill's contract. Primarily eliminating their task for cycle two and cycle three testing so we can wrap this thing up. If we need to do that testing we can either do it in house or hire another consultant."

Comm. Cartine asked, "When do we expect that to come on line?"

Director Specht replied, "All the cable and everything are installed. The pump is installed. I think we would be looking to do a start up with our chemical feed systems in early October. I am waiting on a few items where we can tie our SCADA system in. A fiber option modem that is the only thing that is outstanding right now and we'll start it up. We also have some issues that have to get straightened out with the New Jersey Department of Environmental Protection where we utilized Maser we had a meeting with them last week. Myself, Gary, Tom Dwyer from Maser and Rob Karl went down to meet with three or four reps from DEP to go over their modeling requirements. Hopefully we get that scope reduced a little bit because originally they wanted us to put in monitoring wells. I think it was a very good meeting with DEP. Mr. Dwyer was putting a proposed scope of how we are going to approach getting this permit together and then we are going to have to look at the NJDEPES permit or the discharge permit which is the water that you put down into the well you need a permit for that also. They are concerned now with potential contaminants getting down into the aquifer. The water supply master plan advocates ASR wells. They are proponents of it, but now you have to deal with the contaminants that are going back into the well so we have to take a look at that also and hopefully we will get ahead of that curve I think within a month or two. We can at any time turn the well on as a production well if we needed the water. We can obviously use what is in there now."

Chairman Cevalco asked, "So what we are waiting on now is the approval to put water back into it?"

Director Specht replied, "Correct."

Comm. Cartine asked, "How much water do we have in that well?"

Director Specht replied, "We have whatever is in the aquifer right now. We are limited by our permit conditions."

Comm. Cartine continued, "So that well is pulling out of the aquifer?"

Director Specht replied, "That is correct. It is pulling out of the middle and lower PRM aquifer. It is in the screen in both areas. Right now we haven't put any water back into the well but there is obviously water down there."

Comm. Cartine added, "I think my question, and let me rephrase it - what is the pumping capacity of that well?"

Director Specht replied, "That well can be between two and two and a half million gallons per day. The way we have designed it, and hopefully we get some good quality water down there we can pump that directly out into our system without sending it back to the plant for treatment. So this basically increases the capacity of our water treatment plant. That is what we are looking to do. But the water that is down there now the existing aquifer water has to be treated. It is not potable water. It has to go to the head of the plant."

Comm. Cartine asked, "The aquifer water needs to be treated?"

Director Specht replied, "That is correct. If we put potable water back down which is what the ASR does, that creates that bubble and is basically an underground reservoir and we would be able to use that water and pump it directly out into our system and just use a little bit of chlorine and maybe some pH adjustment."

Comm. Cartine asked, "But doesn't that water mix with the water that is sitting there in the aquifer as well?"

Director Specht replied, "Well based on studies that have been performed and our experience with Well 10 what happens is you create a bubble down there and it pushes that water out."

Comm. Cartine asked, "When you say a bubble what do you mean by that?"

Director Specht replied, "The water goes down and pushes that water out so that water basically is potable water and you measure the water quality when you suck it back in and if your water quality starts to deteriorate a little bit you know you have gotten into the aquifer water."

Comm. Flynn asked, "And you said you could draw 20 million gallons a day?"

Director Specht replied, "2 to 2.5 million gallons a day. We have a 16 million gallon a day treatment plant and each filter is rated at 2 million a day. So it is basically another filter we would be gaining if we could pump that water directly out into the system."

Comm. Flynn asked, "And is there a time limit on that?"

Director Specht advised, "Well it depends. It depends on how much water you are able to get in there. I think we have a water year that starts the end of October and you try to jam as much water as you can down before you need the water in May and June. You are probably not going to get two million gallons down a day because you are pushing against that pressure down there, but you could hopefully get a million gallons a day down into there. So over a course of three or four months you

could probably get 100 to 120 million gallons in the ASR well and then use that on our peak demand days."

Comm. Cartine made a motion to adopt Resolution No. 83-15. Seconded by Comm. Fozman

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

84-15 A Resolution for the Award of a Fair and Open Agreement with Paulus Sokolowski and Sartor (PS&S) in the amount of \$34,195.00 for Professional Engineering Consulting Services for The Evaluation and Inspection of Nineteen (19) Wastewater Pump Station Force Mains – Phase 2 - Operating Account No. 80003-8620

Director Specht advised, "Resolution No. 84-15 is a resolution for the award of a Fair and Open Agreement with Paulus Sokolowski and Sartor (PS&S) one of our alternate consultants. The Board a few months ago authorized us to issue a request for proposal to PS&S for the evaluation and inspection of 19 wastewater inspection pump station force mains. It's our Phase II effort on this one and I would recommend approval for PS&S in the total amount of \$34,195.00."

Comm. Flynn asked, "Does this have anything to do with the assessment condition?"

Director Specht advised, "It will do a condition assessment of those 19 force mains."

Comm. Flynn clarified, "This is part of that, the big picture that you were talking about?"

Director Specht replied, "That is correct we are looking at the force mains but we are also looking at our water mains also. But we broke it out into distribution and collections. This is the sewer system evaluation."

Comm. Curtis made a motion to adopt Resolution No. 84-15. Seconded by Comm. Flynn

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

85-15 A Resolution authorizing settlement agreement between BTMUA and Scott Bundy

Counselor Montenegro stated, "Resolution No. 85-15 is the Resolution authorizing the settlement agreement between BTMUA and Scott Bundy as discussed in closed session."

Comm. Curtis made a motion to adopt Resolution No. 85-15. Seconded by Comm. Flynn

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

86-15 A Resolution Memorializing the Execution of an Addendum Modifying Employment Agreement for James F. Lacey, CPWM, Executive Director

Counselor Montenegro advised, "This is a resolution memorializing the execution of an addendum modifying the employment agreement for James F. Lacey, Executive Director. Again this was a matter discussed in closed session with the specific addendum related to the health care benefits available to comply with the Affordable Care Act and to eliminate the 60 day notice provision at the end of the contract."

Comm. Fozman made a motion to adopt Resolution No. 86-15. Seconded by Comm. Curtis

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

87-15 Adoption of Annual Audit

Authority Auditor Chuck Fallon distributed a copy of the draft audit report to all commissioners and addressed the Board.

Mr. Fallon stated, "Thank you Mr. Chairman. I have in front of you the completed audit for March 31, 2015 year end. It is not bound yet because I didn't get this to Frank in time for him to do the management discussion and analysis so we are missing pages 5-11, but that does not affect my audit. So when he gives me that I will fill them in and bind this and get it off to everyone. If you turn to page 1, which are about four pages in you have the independent auditor's report. It is an unqualified opinion. It is a standard opinion and you can't do any better than this. On page 3 is the independent auditor's report on internal control. Again this is also unqualified and is a standard opinion. And then you turn to page 12 which is your statement of net position - it used to be called your balance sheet. If you look at the totals you have unrestricted current assets of about \$24 million which is a slight increase from the prior year. You have restricted assets of \$17 million which is \$12 million higher than the prior year and that is basically because of the short term note that you borrowed. You actually borrowed a portion of it in April and then the rest the following March so it wasn't all in one year. Restricted non-current assets remains the same and your property and equipment went down a little that is because of depreciation. If you turn to the next page you have your liabilities. If you look at the totals your unrestricted current liabilities are similar to the prior year. Your restricted current liabilities are much higher. They went from \$8 million to \$22 million and you can see that \$14.5 million of short term debt and that is the reason why they are higher. Your long term liabilities went down from \$68 million to \$62 million. That is because you paid off \$6 million in debt every year or at least in that year. And the other thing you need to look at is the third line from the bottom where you see it says unreserved. This is your surplus where it says unreserved. That went from \$3 million to almost \$6 million and the reason that is because when you borrow the money you reimbursed yourself about \$3 million dollars. In prior years you had spent about \$3 million in capital expenditures and when you borrowed the money you reimbursed yourself. The next page 14 is your income statement. So you can see that total operating revenues went from almost \$34 million to \$35.5 million. It oscillates a little bit every year depending upon whether it is wet or dry. I don't think your rates changed so that wouldn't be a reason right?"

Director Plankos advised, "Plus we added on Lakewood and they are using more and more water so we are getting a little bit more money from our bulk sales as well. That is including the annual service

charge increase that you see there."

Mr. Fallon continued, "Your total operating expenses were higher by about \$900,000. It went from about \$30 million to \$30.8 million so it shows an \$800,000 difference. Your non-operating revenues went from a negative \$6 million to a negative \$4 million. That is mainly because your OPEB obligation liability was less. You had a new company come in and analyze your insurance. OPEB is other than pension employee benefits, in other words your health insurance, retiree health insurance so they make you estimate that every year what your obligation is for your current employees when they eventually retire. If you go back one page you will see that it is about \$20,427,000 and it went up from \$19,000,385 so this year it went up \$1,000,041.00 whereas the prior year it went up .37 million. So I think it is I looked at the report and it looks reasonable. It's an estimate so you know it will certainly vary from the actual results, but that is not for who knows how long. So the good news is you had a net income of \$255,000 as opposed to at \$2,500,000.00 loss last year. So you are back into the positive operations for financial statement purposes."

Mr. Fallon stated, "You can probably go to the next page. You should look page 36. The notes are pretty much identical to the prior year, except with the 2015 numbers in them. I added a note to 11 commitments. This has to do with the solar commitment to the Township for the shared services solar arrangement. It basically says we estimate how much that you are going to pay under that agreement for fifteen years which is about \$2.5 million. We tell everybody what you paid for the current year which is about \$60,000 that was from October to March and we basically tell everybody that we are going to expense these as you pay them. You are not going to capitalize them because we don't know what the value of the solar is going to be in fifteen years. On page 37 you can see that in two years or one and a half years now your debt service is going to go down to \$2,169,000 which is good because at that point you are going to be able to take this short term note that you have for \$14.5 million and convert it to long term financing and you're not going to affect your rates."

Chairman Cevalco stated, "So what you are telling us is that we did something good with the short term?"

Mr. Fallon replied, "Yes, you wouldn't want to add to your debt service prior to it going down and the short term rates are so low it makes sense. Page 41, this is actually a three page schedule. This shows your budget to actual. Your original budget and final budget are the same this year because it wasn't amended during the year and the third column is the actual. So you can see that your actual revenues came in at \$35,560,000 and you budgeted \$35,066,000. You had a \$493,000 positive effect on your budget to actual there as opposed to the prior year you had a \$470,000 minus. In expenses this is just the cost of providing services. You budgeted \$17,382,000 and it came in at \$16,563,000 so you had another \$818,000 positive. On the next page you have your administrative expenses where you budgeted \$8,581,000 and it came in at \$7,813,000 so another \$767,000 positive amount. Those numbers plus the difference in your principle and interest positive amounts you end up with \$2,623,000 positive variance in your budget to actual. You can pretty much consider that your positive cash flow. The only thing you have to do is subject \$1 million because you gave a \$1 million to the Township. So you ended up with \$1.6 after all was said and done."

Comm. Fozman asked, "When we bond for that money we did notes for it after we find out the total cost when we bond for it how long are we going to bond for it? Since the generators are going to be in there is that 20 years?"

Mr. Fallon responded, "The way bonding works is they are going to take a look at all the projects that you did with the \$14.5 million and come up with your average useable life. I would expect that you would bond for about 18 years. I haven't done the math. The bond counsel will do that."

Director Planko added, "That will be on March 31st the two issues that we have for the \$14.5 million will mature and at that time we will make a determination if we want to go short term again for another year or go for a long term bonding."

Mr. Fallon added, "You will have to wait until all of the \$14.5 million is spent or you would bond for less and pay off whatever is left of the \$14.5."

Chairman Cevalco stated, "In one of the previous sheets it looked like it would be prudent to go into long term bonding in 2017. That is when there was a reduction, or there was some..."

Mr. Fallon commented, "You could do it prior to that because your first bond payment isn't for six months after you bond. So in 2017 it actually starts April 1st 2016 so you are in good shape. You could actually do it now and you'll be fine."

Director Planko added, "In 2016 and 2017 we have some debt service coming off, but the following year 2017/2018 we have even a larger chunk so I feel pretty confident as I mentioned in the past we are going to be able to do a bonding with no worries about any pressure on rates."

Chairman Cevalco advised, "That is good. That is one of the things we are looking at."

Mr. Fallon continued with his review of the Audit report, "And the last thing is on Page 45 which is a requirement of the State if you look at it – it is the comments and recommendations. And I don't have any. There are none. I did have some minor issues that I went over with the Finance Committee in an Audit Exit Conference. There were some suggestions for things that could be done better here."

Comm. Cartine asked, "I have a question on that it has always been my understanding that any auditor that we had basically even if there were no recommendations or comments it should be stated so on that final page."

Mr. Fallon replied, "It does."

Comm. Cartine stated, "Oh well it was under the paper clip. Give me a bound edition next time so I can read this thing. Ok. So you have committed yourself to this. This is all I wanted to see. Whenever I read one of these things I go to the last page to find out what the recommendations are or what comments the auditor has and I didn't see any."

Mr. Fallon stated, "The Authority's internal controls are very good. They have obviously had the same personnel here for many years so they have been through enough audits to know exactly what they are doing. If there are any questions you can always call me any time. Thanks."

Comm. Flynn asked, "Can somebody give me a brief scenario of what the solar services is?"

Comm. Cartine stated, "We just gave the town a bunch of money to help them with the solar field."

Chairman Cevalco stated, "The town was bound by the previous administration to a contract that whoever and we are helping the town. In 15 years from now ..."

Comm. Fozman stated, "Just for the record I voted against the solar field."

Comm. Cartine stated, "And that is in addition to the \$1 million a year we are giving them."

Director Planko explained, "The power that we are generating there costs 8.5 cents per kilowatt and then whatever power we have we sell back into the grid, but the amount that we are generating we are paying more for because it includes debt service. So right now the cost of the power that we generate is much more than what we are getting in the revenues selling into the grid. In 15 years when that service is paid off the assumption is that the revenues we will be making will more than offset what we laid out in cash in those fifteen years. That's it in a nutshell what the solar project entails."

Comm. Flynn asked, "And how long are those panels warranted for?"

Comm. Fozman advised, "They are 20 year panels. They are guaranteed for 15 but they are supposed to last 20 years. It could be at 80% by then."

Director Planko advised, "Our accumulated net payments which is what we pay to generate less the revenues that we get right now to date through July are \$140,000 and it started last October 2014."

Comm. Fozman stated, "That was done by the previous administration in town."

Chairman Cevalco commented, "One of the things that wasn't thought of back then is that the price of oil and gas were a whole heck of a lot higher back then when this contract was struck. That is why 8.5 cents and when we sell it to the PJN there are a lot of things that meet projections and maybe even went in the opposite direction. The last time we saw oil at less than \$50 a barrel was a long time ago."

Director Planko advised, "Right now we are paying 8.5 cents to generate and our average revenue is 2.1 cents for what we are getting back in revenues."

Comm. Cartine made a motion to adopt Resolution No. 87-15. Seconded by Comm. Curtis

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

88-15 A Resolution for the Award of a Contract for Software Consulting Services to Upgrade the Dynamics Finance Software in the Amount not to exceed \$20,000

Director Maggio advised, "Resolutions 88-15 and 89-15 both relate to the same project. We are going to be upgrading our Microsoft Dynamics accounting software from the current 2007 version to the 2015 version. This is an overdue upgrade and will also facilitate our compliance with ACA (Affordable Care Act) Reporting. Resolution 88-15 is a resolution for the Award of a Contract for Software Consulting Services to Upgrade the Dynamics Finance Software in the Amount not to exceed

\$20,000. This contract will be awarded through a non-fair and open bid process to KAT Computer Consulting. Resolution 89-15 is a resolution for the award of the purchase of software and a one year support to upgrade the Dynamics Finance Software system in the amount of \$22,506.58 and this contract will be awarded to Admiral Consulting Group who is a Microsoft Authorized reseller. They are actually our current Microsoft Authorized reseller that we do use for the maintenance of our current Dynamics system."

Chairman Cevalco stated, "Just for the Commissioners information, I was approached by the Supervisor of HR about the problems that she is going to encounter at the end of the year with respect to reporting on the health care. She said that and it has been verified that if she could start now she wouldn't be done by the end of the year to do all the reporting she has to do. So in finding out with the software vendor that we have for our Dynamics software it will take six to seven months to upgrade to the latest version it makes the reporting for the ACA compliance it is the matter of pushing a button and mailing out whatever needs to be done, but they will upgrade a portion of it right away so that another portion or module can get added to it so that HR can begin their compliance that they need to get done before the end of the year. That is why it is not to exceed \$20,000 is in that particular heading. Depending on how the upgrade goes. So that is where we are at with that one. Can I have a motion to accept?"

Comm. Cartine made a motion to adopt Resolution No. 88-15. Seconded by Comm. Curtis.

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

89-15 A Resolution for the Award of the Purchase of Software and One-Year Support to Upgrade the Dynamics Finance Software in the Amount of \$22,506.58

Comm. Fozman made a motion to adopt Resolution No. 89-15. Seconded by Comm. Curtis.

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

20. PUBLIC DISCUSSION

There were no members of the public present

21. COMMENTS FROM COMMISSIONERS, PROFESSIONALS & STAFF

Director Vaccaro advised he had no additional comments.

Mr. Theodos stated, "Nothing new other than I know Steve spoke about the meeting we had with DEP regarding the ASR Well 15A. It was very productive and very positive and hopefully it will wind up being a potential cost savings to the Authority the fact that we don't need to drill any additional monitoring wells."

Comm. Cartine asked, "I have a question. When you go down to the DEP for that meeting do those people that you are talking to do they know their stuff?"

Director Specht replied, "They are professionals. It was a good group we met with. They knew what they were talking about."

Director Planko advised, "I think the audit that Chuck Fallon just summarized for us continues to indicate that we are in a strong both cash and financial position and that will really help us when we go for bonding next spring. Whether we decide to go short term or long term. I think it will really help our rating and our rate."

Comm. Cartine asked, "The Feds raised the rates, there is a lot of conjecture based on what they did this time around but raising interest rates. The Fed thinks that from what all the financial people are saying that in November we might see a 25 basis points increase. How would that affect our bonding?"

Director Planko advised "Well if interest rates go up 25 basis points that would put pressure on our bond rates to go up as well. But the Feds have been saying that since the beginning of the year, and now I hear it might not even happen. But would it put pressure on rates going up, a little bit I think."

Comm. Cartine replied, "You read a different newspaper than I read so I don't know. They were supposed to do it this past month and they surprised everybody. The board voted 11-1 not to increase the interest but now they are talking about November. It's all conjecture I understand. Nobody knows but going forward how would it affect our bonding? It would put a little pressure on it I'm sure."

Director Planko advised "It would affect any new bonding and the potential that we might have a room for refunding of one of our existing bonds next fall. So it could impact two issues with us. The new bonding and potential refunding because we have some bonds being callable next September of 2016."

Chuck Fallon advised he had nothing additional to report.

Director Maggio replied, "As everyone knows we are working on a project to upgrade our generators and just to give a very brief update everything seems to be progressing on schedule as we expected. We anticipate requesting authorization to go to bid in October from the Board and we have our fingers crossed. We are working hard to meet that goal to have bid read documents by then."

Director Specht advised, "Just a quick one on Knollcrest. The pipe has been installed and is under pressure testing right now. So hopefully we will get that in service this week and then we will do Neptune and Lake Point."

Counselor Montenegro advised there was nothing additional from the legal department.

Ms. Sylvester advised she had nothing to report.

Director Lacey advised he had nothing to add.

Comm. Flynn asked, "Steve, how is the permit going for the storage building?"

Director Specht advised, "They are out of engineering review and they are now with the Building Department so hopefully we will get them in the very near future."

Comm. Flynn asked, "Is it taking longer than normal?"

Director Specht replied, "No no longer than normal. The building is expected to ship and be here by October 13th."

Chairman Cevalco asked, "When are they going to start removing the dirt from back there?"

Director Specht advised, "The contractor will mobilize as soon as we have the building permit because he doesn't want his equipment sitting out here waiting. He could excavate but then he can't do anything until he has the building permit which is the foundation of the building itself."

Chairman Cevalco asked, "Is it the same contractor that is going to be removing the dirt, pouring footings, etc.?"

Director Specht replied, "Yes and he'll have a subcontractor to erect the building."

Chairman Cevalco asked, "How long will the building take once everything is in line?"

Director Specht advised, "I would expect that it would take about four to six weeks, just the steel. The concrete foundation can probably be in two weeks."

Comm. Flynn stated, "Its' October..."

Comm. Curtis had no comments.

Comm. Cartine stated, "I just want to thank Joe Maggio and Rob Karl for providing the MUAA in Ocean County with a program last month. George and Jim and I attended it and once again they did an exemplary job and were well received. The subject matter was what happens when you find lead in your water. They were very informative, people asked questions and once again I am very proud of our professionals here at the MUA. It seems that we provide programming for that association because we have the talent to draw upon so once again my hat's off to you Joe and thank Rob for me as well on behalf of George and all of us."

Director Maggio advised, "We appreciate that it was a wonderful opportunity to alert other utilities to the potential that road salting could have on their drinking water because that's what appears to be impacting us at this point and causing some problems that we need to address."

Comm. Fozman had nothing further to discuss

Chairman Cevalco stated, "I too would just like to ditto what Commissioner Cartine said. We have an active group of employees which is a good thing and appears they like what they do and we are trying to find out how to make their jobs and everything else here that they do better. With that I would ask for a motion to adjourn.

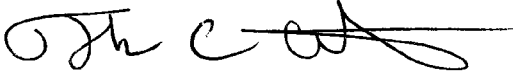
22. CLOSING STATEMENT

Ms. Sylvester advised, *"The next Regular Public Meeting will take place on Monday, October 26, 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 and on motion duly made and seconded and a unanimous vote the meeting adjourned at 8:10 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Thomas C. Curtis', with a long horizontal flourish extending to the right.

Thomas C. Curtis, Asst. Secretary/Treasurer

TCC/mas