

The regular meeting of the Little Egg Harbor Municipal Utilities Authority was held on April 9, 2013 at 5:00 P.M. at the Authority headquarters, 823 Radio Road, Little Egg Harbor Township, New Jersey.

MEMBERS PRESENT: Joseph Mezzina, Chairman; Margaret DePergola, Secretary; Earl Miller, Treasurer; Richard Robins, Marie Skelly

MEMBERS ABSENT: Joseph Koptic, Richard Crea

OTHERS PRESENT: David Johnson, Executive Director; Michael DiFrancia, Superintendent; Colleen Kleinow, Administrative Assistant; Nicole Mezzina, Executive Secretary; Alan Dittenhofer and Felipe Contreras, Authority Engineers; Christopher Connors, Authority Attorney

OTHERS IN ATTENDANCE PER SIGN-IN SHEET: None

Mr. Mezzina opened the meeting and led the Pledge of Allegiance.

Mrs. Kleinow read the following announcement:

“In accordance with the Open Public Meetings Law, this meeting has been duly advertised in the Atlantic City Press and Asbury Park Press, also posted and filed in the Office of the Clerk of the Township of Little Egg Harbor.” Resolutions are posted on the bulletin board.

#### PRIOR MINUTES

A motion was made by Mr. Miller, seconded by Mr. Robins to approve the minutes of the regular meeting held March 12, 2013. Roll call vote, Earl Miller – yes, Richard Robins – yes, Margaret DePergola – yes, Marie Skelly – yes, Joseph Mezzina – yes.

#### TREASURER’S REPORT

A motion was made by Mrs. DePergola, seconded by Mr. Robins to approve the Treasurer’s Report as submitted. Roll call vote, Earl Miller – yes, Richard Robins – yes, Margaret DePergola – yes, Marie Skelly – yes, Joseph Mezzina – yes.

#### BILLS RESOLUTION

A motion was made by Mr. Robins, seconded by Mrs. DePergola to approve the operational account bills resolution. Roll call vote, Earl Miller – yes, Richard Robins – yes, Margaret DePergola – yes, Marie Skelly – yes, Joseph Mezzina – yes.

## ENGINEER'S REPORT

Mr. Dittenhofer stated that the Engineer's Report for April 2013 has been forwarded to the Board for their review and approval. A number of items on his report appear on the Plans Committee Report, Agenda, and Executive Director's Report.

Mr. Dittenhofer stated with respect to item "g" under the General section that the electrical repairs to various Authority locations that we discussed at the last Board meeting are out to bid. Bids will be received April 25, 2013. Most items are storm damage from Super Storm Sandy. If everything is found to be in order after receipt of bids, we will recommend award at the next Authority meeting.

Mr. Dittenhofer stated that is all he has for his report unless anyone has questions.

Mr. Mezzina inquired of the time frame for Pump Station #5 to be done and what kind of additional compensation was requested.

Mr. Johnson advised that the project is complete; however, there were some overruns that we have to discuss with the contractor. We are talking with them at this time, and Mr. Contreras spoke with them today.

Mr. Mezzina asked how you request compensation for unforeseen working conditions when not reported and acknowledged. When did this transpire? He doesn't know what this means.

Mr. Contreras advised the Board that the request was submitted when the job was finished. They asked that we consider the extra work that they had to do. They felt that they were fixing something that they were not prepared for. They never acknowledged it until they were in the ground and working.

Mr. Mezzina stated then that if any unforeseen thing should occur, we have to take into account that we have to pay for it.

Mr. Contreras stated that we had everything marked in the field such as Verizon and gas lines, but when the street was opened, they were sitting on top of the well. That was not foreseen.

Mr. Mezzina stated that he agrees with that.

Mr. Contreras stated that was one of the things. They had to wait three days for the gas company to come. Those are items that we have to check. We have a detailed spreadsheet and are comparing it with our inspections to see if valid.

Mr. Mezzina stated that should have been part of his job records initially, and that was not done. That disturbs him. We have to be notified when something occurs and whether they should proceed. Do not notify us after the job is done and then seek restitution. We have to give that serious consideration when the time comes. He is not happy with that at all.

Mr. Mezzina stated that he is also interested in item #2e – Wal-Mart. What is taking place here? Is this addressed in the Plans Committee report?

Mr. Johnson advised that the Plans Committee didn't address Wal-Mart at this past meeting. It was addressed a couple months ago. Wal-Mart was hit with things they were not aware of. They didn't know they had to pay connection fees and things like that.

Mr. Mezzina stated that everything we are asking for is in our Rules and Regulations.

Mr. Johnson stated that was correct.

Mr. Mezzina stated that any of the completed items should be taken off the report.

Mr. Johnson stated that he believes all completed items have been taken off the report.

There were no further comments or any questions on the report.

A motion was made by Mrs. DePergola, seconded by Mr. Robins to approve the Engineer's Report as submitted. All in favor.

#### EXECUTIVE DIRECTOR'S REPORT

1 – Mr. Johnson advised that bids are out and will be received this week for our annual water and sewer plant supplies, chemical contracts, and emergency repair contract.

2 – Mr. Johnson stated that this item is something good that we can really use right now. He doesn't know how it happened, even with the storm, but our OCUA deficiency notification is a credit of \$102,096.60. We will be credited on our next OCUA bill. That will help us greatly as we are still dealing with storm problems and can use any monetary help we can get.

3 – Mr. Johnson advised the Board that as of this date, we still do not have anything from the Division of Local Government Services about filing the disclosure forms on line. The last correspondence indicated that the information should be forthcoming soon. As soon as we have the information, we will provide it to the Members. The Division's correspondence mentioned that the filing time will be extended.

4 – Mr. Johnson stated that a company that purchases cellular lease agreements contacted him. He first contacted the Authority last year about us selling the lease agreements we have with cellular companies that lease space on our towers. The company proposed a perpetual agreement, but I didn't think it was beneficial. Now they will do twenty-year leases.

Mr. Johnson advised the Board that he solicited two quotes as noted in his report. He spoke with our Attorney about it. He recommends we go out to bid to sell the leases for twenty years.

Mr. Johnson stated as everyone knows, our funds have been depleted over the years due to different projects we've done and emergency repairs, and now with Super Storm Sandy, we are depleting our funds further. Even with FEMA, we are still responsible for 25% and have other things on the burner as well.

Mr. Johnson stated that we should consider selling the leases as we still have to spend a substantial amount of money on projects and do not have the capital reserves we used to. He would like approval to go out to bid for sale of our cellular leases.

Mr. Mezzina stated that he spoke with the Director and Attorney on this matter and doesn't disagree but thought an analysis should be done. We need to see what this means long range, and what we are giving up. We should be very clear on what the numbers are. An analysis should be done showing the numbers the Director received and what we would get over the twenty-year period.

Mr. Johnson advised that our Auditor is doing that.

Mr. Mezzina asked of the time frame and was advised by Mr. Johnson that he thought we'd have it by next meeting but will see if he could get it sooner.

Mr. Mezzina stated that we should get that information first.

Mr. Connors stated that was correct. If going to bid, a financial analysis could provide a base bid. We could assign a certain level minimum we would accept.

Mr. Mezzina stated that this gives us the opportunity to get the base line referred to and see whether we are doing the best thing financially. It will be nice to get that money up front, but we need to see the differential. If we get the information before next meeting, we could act at our next meeting. The Board agreed.

5 – Mr. Johnson stated that this item is a brief summary of the storm. We are still working on the vehicles, but hopefully it will be finished by the end of the week, and we'll collect our checks and go out to bid. We have to go out to bid to replace the vehicles.

Mr. Mezzina asked what the anticipated differential will be that the Authority will have to lay out.

Mr. Johnson stated that we are looking at probably somewhere around the \$500,000.00 range.

Mr. Mezzina stated that is the difference we have to pay out versus what we collect.

Mr. Johnson advised that our insurance carrier, CNA, will pay us for the actual cash value. The difference between the cash value and the purchase price will be submitted to FEMA for 75%. We will be responsible for 25% and the \$1,000.00 deductible.

Mr. Mezzina asked how much money the Authority has to lay out until we get money from FEMA and was advised by Mr. Johnson that it's going to be approximately 1.5 million dollars for everything; not just the trucks.

Mr. Mezzina inquired whether we are replacing all the trucks or are some excluded.

Mr. Johnson advised that the two jet trucks are excluded. The insurance company paid us to fix them. We have to replace seven pick-up trucks, two utility trucks, two backhoes, and two dump trucks.

Mr. Mezzina asked whether we have money set aside for this and was advised by Mr. Johnson that later on the agenda there is a resolution to take some of the dedicated funds and change them to general so we have funds to go out to bid, and then we will get the money from FEMA.

Mr. Mezzina asked how much we've gotten from the insurance company and was advised by Mr. Johnson that we received about \$150,000.00 from the insurance carrier.

Mr. Mezzina asked roughly of the \$722,000.00 and was advised by Mr. Johnson probably \$275,000.00 because the two backhoes will be somewhere in the \$140,000.00 to \$160,000.00 range for new backhoes. He originally did the figures without the backhoes.

Mr. Mezzina stated adding the \$160,000.00 puts us into \$380,000.00. We would be laying out about \$235,000.00, which hopefully we will get 75% from FEMA, but we have no time frame for that, and we anticipated \$157,000.00.

Mr. Johnson advised that when the paperwork was sent, we had questions about salvage value. We are trying to find out about that right now.

Mr. Mezzina stated that salvage value will be added, not a deduct

Mr. Johnson stated that he thinks these figures are with salvage value.

Mr. Johnson also stated that we won't get all the vehicles at the same time. The pick-up trucks will be here before the utility trucks. Hopefully, backhoes will be in stock.

Mr. Johnson advised that the Federal and State government have a Community Disaster Loan Program that has to do with revenue loss of more than 5% due to the storm. The Authority had to apply for this loan. He spoke to a gentleman about 4:15 this afternoon about it. There are some logistical problems, but he advised me that we should be getting our okay by next week. We applied for \$1,237,290.00. This is strictly for operating costs. The money would be put in a fund, and we would drawdown for operating expenses as needed. It can't be used for capital expenditures or bond payments. In this year's budget, we anticipate a \$780,058.00 loss.

Mr. Mezzina stated this has nothing to do with our debt service and is strictly for potential loss of income. It has nothing to do with FEMA. It is important to ask for as much as we can get. Hopefully, it will be less loss, and we will use less.

Mr. Mezzina stated that what has not been clarified is whether it is a loan or grant.

Mr. Johnson advised that in the beginning it is a loan, but they can forgive the loan in whole or a portion of it. Even though it's a lot of money, he thinks the majority will be forgiven.

Mr. Mezzina inquired if it's deferred interest and was advised by Mr. Johnson that it is.

6 – Mr. Johnson advised that originally he thought we'd need a special meeting to introduce the budget, but we were able to complete it and finalize it. What we have to go over is on the Budget Committee Report that everyone was given tonight. It was the hardest budget that he ever worked on. It was very difficult to try to fit it in. We anticipate approximately 1,500 customers may not be able to pay their bill. This budget estimates that we may not receive revenue from a little less than 1,500 customers. We also only anticipate 50 new connections this year. We only have K. Hovnanian's Harbor Bay building homes. Once a property is built on and connected to the system, we do not charge a connection again.

Mr. Johnson also advised that we are proposing water and sewer connection fees increase \$100.00, which by statute can increase that amount per the State's method of calculation. On the water budget side, as everyone is aware, we had to increase the rate last year after no increase for 16 years. This year we have to increase the water base rate \$2.00 per month or \$24.00 per year. It is really necessary to do so this year because our water budget is very soft. On the sewer side, the residential charges are being left as is, but we are changing the commercial rate. Currently, they are paying excess of \$5.41 per 1,000 gallons over 17,000 gallons. Now they will pay \$6.00 per 1,000 gallons over 15,000 gallons per quarter. We anticipated the Community Disaster Loan in the budget. We did everything we had to do to keep our rates as low as possible. With the Community Disaster Loan, they want you to try to have a minimal increase or no increase. It is almost impossible. The overall increase over last year is \$9,497.00 or .15%.

Mr. Johnson stated that the Committee recommends approving the budget as submitted and hope everyone appreciates the hard time and all the effort that went into coming up with these numbers to have the least impact on the customers.

Mr. Mezzina stated that previously we had many new customers. In the past we always had the opportunity of getting a good amount of new customers, but it keeps getting less and less every year.

Mr. Mezzina stated that he thinks this is a good budget. It is a tough budget as we are entering it with a lot of unknowns, which is a problem. People might say something about us increasing rates for the second year in a row, but \$2.00 a month is peanuts. Any other Authority of this size is higher. We are probably still the lowest. He feels comfortable presenting this budget.

Mr. Mezzina stated, as a point of information, the worksheet the Board has before them is pretty much delineated into a different format when it goes to the State. This worksheet is the cash basis, which is easier to look at.

Mr. Johnson advised that Stafford Township's rates have gone up an unbelievable amount. They increased their water rate \$25.00 a quarter, and their sewer rate increased \$45.00 per quarter. Their base rate is almost triple ours.

Mr. Johnson stated that he believes we give good service for the revenue we receive, and the revenue we receive is being put to good use.

Mrs. Skelly asked when the new rates go into effect and was advised by Mr. Mezzina that they are effective July 1<sup>st</sup>. Our fiscal year runs July 1<sup>st</sup> to June 30<sup>th</sup>.

Mr. Johnson advised the Board that the public rate hearing will be held May 2, 2013, and our June meeting is when we will vote on adopting our budget. The last couple of years no one was interested in it as no one came to the public hearing, but he feels we are on the right track.

Mr. Mezzina stated that he thinks that we will be exposed to a lot of customer inquiries because they can't use their homes. He believes the staff is probably already inundated with that.

A motion was made by Mr. Robins, seconded by Mr. Miller to approve the water and sewer budgets for fiscal year 7/1/13 – 6/30/14. Roll call vote, Earl Miller – yes, Richard Robins – yes, Margaret DePergola – yes, Marie Skelly – yes, Joseph Mezzina – yes.

Mr. Johnson advised there are resolutions on the agenda for action approving the budgets.

Mr. Johnson stated that there are no performance guarantees due to expire; however, there are a number of maintenance guarantees expiring. The first one is for the Hudson Drive directional drill water main extension project, which is due to expire April 22, 2013. There are no problems with that, and it will be fine to expire. K. Hovnanian's Four Seasons at Sea Oaks Section 1 Water Tank and Production Well is due to expire June 14, 2013. There are some problems there that must be addressed by the Developer. Our Engineer is working on that. The West Calabreeze Pump Station Lining maintenance guarantee is due to expire in July, and we'll look at that one more time. The maintenance guarantee for Well 12 is also due to expire in July. There is nothing more we can do with it. It is a test well that will go into a production well. There is nothing to inspect there at this time.

Mr. Johnson advised the Board that he has one additional thing to bring before the Board. Every year around this time he asks for authorization to attend the PRIMA Conference. As everyone knows, he sits on the Board of the Joint Insurance Fund, and he was elected Chairman again for the second year. We have done very well with the JIF. This year the PRIMA Conference is being held June 2<sup>nd</sup> through June 6<sup>th</sup>.

Mr. Johnson asked that he be permitted to attend the PRIMA Conference again this year with no time lost.

A motion was made by Mr. Miller, seconded by Mrs. DePergola granting permission to the Executive Director to attend the PRIMA Conference June 2<sup>nd</sup> through June 6<sup>th</sup> with no lost time. Roll call vote, Earl Miller - yes, Richard Robins – yes, Margaret DePergola – yes, Marie Skelly – yes, Joseph Mezzina – yes.

Mr. Johnson thanked the Board and stated that was all he had for his report.

Mr. Mezzina stated that he wanted to comment on the FEMA loans with respect to the staff and Director, in particular the Executive Secretary. It was a lot of work. He is not sure if the Administrative Assistant had a part in it or not. The Administrative Assistant indicated that the Executive Secretary handled it all. Mr. Johnson stated that was correct with the assistance of our Superintendent.

Mr. Mezzina stated that the staff was exemplary in getting this done. We should almost be made whole in due course. He wants to personally congratulate them on behalf of the Board in making sure everything got done and that we get our fair share. The Board congratulated the Director, Superintendent, and Executive Secretary.

Mr. Johnson advised the Board that there is also a Community Development Grant that we are trying to get a piece of. Originally it was only for homeowners, but now it looks like municipalities are eligible.

Mr. Mezzina stated that he has been questioned by people with respect to their lack of ability to use their home in the manner they had before. For the Board's sake, it should be clearly spelled out what our policy is. He has not seen it. He believes with the Attorney's assistance, and the Engineer if need be, a written policy has to be created and should be done well before the next meeting and distributed to the Members.

Mr. Mezzina stated that he has been asked questions and has handled them on an individual basis, but there should be some set policy. There will probably be some gray areas, but most cases will be similar. He believes we created a storm committee. This has to be done expeditiously. It should be a top priority. We have to see what other towns are doing and try to take everything into account. Whatever we decide, we have to have something in writing.

#### SUPERINTENDENT'S REPORT

1 – Mr. DiFrancia advised that our annual hydrant flushing began April 1, 2013 and will continue until the end of May.

2 – Mr. DiFrancia stated that a pre-construction meeting was held for the redevelopment of Well #8 and #9, and the work has started on site. They pulled the well and casing out for the pump and TVd it. Our Engineer recommended they continue the work, and they are mechanically cleaning it.

Mr. Mezzina asked about the completion date. There is nothing in the reports about that. There should always be a start and completion date.

Mr. Johnson advised the Board that completion is six weeks from the start date, but they ran into some problems.

Mr. Mezzina asked the completion date and was advised that completion should be the end of May.

3 – Mr. DiFrancia stated with respect to the Tuckerton Borough interconnection on North Boom Way that he met with Tuckerton’s Superintendent and is working with him and helping Tuckerton with the condition of the interconnection on their side. The first time it was pressure tested, it blew apart on Tuckerton’s side and they fixed it. The next test, it didn’t hold. They think there is another leak on their side. When they fix it, it will be pressure tested again.

Mr. Mezzina stated that is all good, but what is their position. Are they going to abandon it?

Mr. DiFrancia stated that he and the Director met with Tuckerton’s Superintendent and recommended fixing through a clamp, but if they find out there is a leak underneath the water line, their Council has to decide what to do.

Mr. Mezzina stated that they should put in a claim. How do we want to convey that.

Mr. DiFrancia stated that we made many recommendations.

Mr. Connors advised that a letter was sent to the Borough questioning the adequacy of the water supply if one of the mains was shut down.

Mr. Mezzina recommended that Mr. Connors send the Borough another letter and refer to the first letter and ask whether they made a determination yet. The Board agreed.

Mr. DiFrancia stated that the last item on his report is the Report of Leaks. There were only three this past month.

Mr. Mezzina stated that he can’t believe there have been so few leaks.

A motion was made by Mr. Robins, seconded by Mrs. DePergola to approve the Superintendent’s Report as submitted. All in favor.

#### PLANS COMMITTEE REPORT

1 – Mr. Johnson advised that the Developer of Terraces at Seacrest Village requested release of their performance guarantees for water and sewer. There are still several items to be addressed prior to release. The Committee, Engineer, and Attorney recommend denying release subject to our Engineer’s letter. There are resolutions on the agenda for action.

2 – Mr. Johnson advised that WaWa requested release of their performance guarantees for the Route 539 location. All items have been completed and all documents were in order. The Committee, Engineer, and Attorney recommend release of the water and sewer performance guarantees, subject to submission of satisfactory maintenance guarantees.

3 – Mr. Johnson advised that K. Hovnanian requested release of their performance bonds for Harbor Bay Section 1 Phase 1, 2, and 8. There are several items that have not been finished. The Committee, Engineer, and Attorney recommend denying release subject to our Engineer's letter. There are resolutions on the agenda for action.

4 – Mr. Johnson stated with respect to the Master Plan that every year we update all of our maps showing the active and proposed growth of the water and sewer service area. He, our Superintendent, and our Engineer reviewed the maps and made changes to update the maps to today's conditions. There are resolutions on the agenda for those as well.

5 – Mr. Johnson advised that we had a visit from the Board of Health as noted on the report. There is a resolution on the agenda tonight for the Ocean County Landfill authorizing certain personnel be able to sign forms for disposal at the landfill. He is recommending himself and our Superintendent be authorized to sign forms.

Mr. Johnson stated that was all for the report.

A motion was made by Mr. Miller, seconded by Mrs. DePergola to approve the Plans Committee Report as submitted. All in favor.

Mr. Johnson advised that the Personnel Committee is for Executive Session.

#### ATTORNEY'S REPORT

1 - Mr. Connors advised that the report is not a whole lot different from last month. With respect to Winding Run Estates, mediation was scheduled for March 27, 2013 but was adjourned until April 25, 2013. He thinks at this point that they won't mediate.

2 – Mr. Connors stated that we have the punch list now for Harbors At Stage. The developer will provide the Authority with a timeline to complete the remaining work. The developer requested dismissal of the suit without prejudice, which means the Authority reserves the right to reinstate the suit if the work was not completed satisfactorily. If dismissed with prejudice, it cannot be brought up again.

Mr. Miller stated that last meeting there was another Sesta matter, which was given to our Attorney to address as he saw best, but he didn't see anything yet.

Mr. Connors advised that he didn't respond as he felt it better to wait until the Sestas contacted the Authority again.

Mr. Mezzina recommended that the Sesta matter be added to the Attorney's Report. The Board agreed.

A motion was made by Mr. Miller, seconded by Mr. Robins to approve the Attorney's Report as submitted and amended. All in favor.

Mr. Mezzina stated that we could take up the resolutions at this time.

Mr. Mezzina stated that all the resolutions are based on the recommendations made by our staff and our professionals under the various reports.

A motion was made by Mr. Miller, seconded by Mrs. DePergola to approve Resolution #2013-8 denying request for release of performance guarantee for Four Seasons at Harbor Bay Section 1 Phase 1, 2, & 8 with regard to the water system. Roll call vote, Earl Miller – yes, Richard Robins – yes, Margaret DePergola – yes, Marie Skelly – yes, Joseph Mezzina – yes.

A motion was made by Mr. Miller, seconded by Mr. Robins to approve Resolution #2013-9 denying request for release of performance guarantee for Four Seasons at Harbor Bay Section 1 Phase 1, 2, & 8 with regard to the sewer system. Roll call vote, Earl Miller – yes, Richard Robins – yes, Margaret DePergola – yes, Marie Skelly – yes, Joseph Mezzina – yes.

A motion was made by Mr. Robins, seconded by Mrs. DePergola to approve Resolution #2013-10 approving request for release of performance guarantee conditioned upon posting maintenance guarantee for Frog Pond Road WaWa Store #371 with regard to the water system. Roll call vote, Earl Miller – yes, Richard Robins – yes, Margaret DePergola – yes, Marie Skelly – yes, Joseph Mezzina – yes.

A motion was made by Mr. Robins, seconded by Mrs. DePergola to approve Resolution #2013-11 approving request for release of performance guarantee conditioned upon posting maintenance guarantee for Frog Pond Road WaWa Store #371 with regard to the sanitary sewer system. Roll call vote, Earl Miller – yes, Richard Robins – yes, Margaret DePergola – yes, Marie Skelly – yes, Joseph Mezzina – yes.

A motion was made by Mr. Miller, seconded by Mrs. DePergola to approve Resolution #2013-12 denying request for release of performance guarantee for Terraces at Seacrest Village Block 325 Lot 7.05 Mathistown Road with regard to the water system. Roll call vote, Earl Miller – yes, Richard Robins – yes, Margaret DePergola – yes, Marie Skelly – yes, Joseph Mezzina – yes.

A motion was made by Mrs. DePergola, seconded by Mr. Robins to approve Resolution #2013-13 denying request for release of performance guarantee for Terraces at Seacrest Village Block 325 Lot 7.05 Mathistown Road with regard to the sewer system. Roll call vote, Earl Miller – yes, Richard Robins – yes, Margaret DePergola – yes, Marie Skelly – yes, Joseph Mezzina – yes.

A motion was made by Mrs. DePergola, seconded by Mr. Miller to approve Resolution #2013-14 approving proposed map delineating active water service area for Little Egg Harbor Municipal Utilities Authority. Roll call vote, Earl Miller – yes, Richard Robins – yes, Margaret DePergola – yes, Marie Skelly – yes, Joseph Mezzina – yes.

A motion was made by Mrs. DePergola, seconded by Mr. Miller to approve Resolution #2013-15 approving proposed map delineating proposed growth of water service area for Little Egg Harbor Municipal Utilities Authority. Roll call vote, Earl Miller – yes, Richard Robins – yes, Margaret DePergola – yes, Marie Skelly – yes, Joseph Mezzina – yes.

A motion was made by Mrs. DePergola, seconded by Mr. Robins to approve Resolution #2013-16 approving proposed map delineating active sewer service area for Little Egg Harbor Municipal Utilities Authority. Roll call vote, Earl Miller – yes, Richard Robins – yes, Margaret DePergola – yes, Marie Skelly – yes, Joseph Mezzina – yes.

A motion was made by Mr. Miller, seconded by Mr. Robins to approve Resolution #2013-17 approving proposed map delineating proposed growth of sewer service area for Little Egg Harbor Municipal Utilities Authority. Roll call vote, Earl Miller – yes, Richard Robins – yes, Margaret DePergola – yes, Marie Skelly – yes, Joseph Mezzina – yes.

Mr. Mezzina stated that he doesn't know whether the Board is aware of what the next resolution involves.

Mr. Connors advised that there are certain materials that are asbestos and are regulated. The material has to be disposed of at the landfill. We want to transport the material to the landfill; however, in order to do so, Ocean County requires indemnification and other certifications prior to acceptance of the materials.

Mr. Mezzina stated that the problem with this is that the State regulation requires you have to be a licensed carrier.

Mr. Connors stated that the Superintendent is in the process of doing that now. He is going to have two vehicles used for transportation of the materials.

Mr. Mezzina stated that the license goes to the carrier then you license the vehicle. Those two vehicles will be the only authorized vehicles to carry, and the license is for the individual.

Mr. Connors advised the Board that is correct. The Authority is in the process of securing the necessary certificates for the vehicles and carrier.

Mr. Johnson stated that he and our Superintendent will be the authorized signers to execute the manifest required by the landfill.

Mr. Mezzina stated that he believes the license is issued to the Authority.

Mr. Connors advised that it is, but certification is still required. The resolution authorizes execution of certifications required by the Ocean County Landfill Corporation per the State Board of Public Utilities.

A motion was made by Mrs. DePergola, seconded by Mr. Miller to approve Resolution #2013-18 authorizing execution of a generator certification and indemnification certificate and transporter certification and indemnification certificate required by the Ocean County Landfill Corporation for disposal of certain regulated waste materials. Roll call vote, Earl Miller – yes, Richard Robins – yes, Margaret DePergola – yes, Marie Skelly – yes, Joseph Mezzina – yes.

A motion was made by Mr. Miller, seconded by Mrs. DePergola to approve Resolution #2013-19 regarding introduction of water budget fiscal year 7/1/13 – 6/30/14. Roll call vote, Earl Miller – yes, Richard Robins – yes, Margaret DePergola – yes, Marie Skelly – yes, Joseph Mezzina – yes.

A motion was made by Mrs. DePergola, seconded by Mr. Miller to approve Resolution #2013-20 regarding introduction of sewer budget fiscal year 7/1/13 – 6/30/14. Roll call vote, Earl Miller – yes, Richard Robins – yes, Margaret DePergola – yes, Marie Skelly – yes, Joseph Mezzina – yes.

Mr. Mezzina stated that the next resolution authorizes cancellation of unexpended balance and transferring funds to the general fund, but he didn't see it mentioned in a report.

Mr. Johnson stated that we have funds dedicated for projects that we are now undedicating.

A motion was made by Mr. Robins, seconded by Mrs. DePergola to approve Resolution #2013-21 authorizing cancellation of unexpended balances and transfer said funds to the general fund. Roll call vote, Earl Miller – yes, Richard Robins – yes, Margaret DePergola – yes, Marie Skelly – yes, Joseph Mezzina – yes.

A motion was made by Mr. Miller, seconded by Mr. Robins to accept and file all correspondence. All in favor.

Mr. Mezzina stated that he spoke to the Director about what we discussed last meeting with respect to the money we need for the trucks and other losses incurred. We have some very serious considerations to look at.

Mr. Johnson advised that we need about 1.5 million dollars all together.

Mr. Mezzina stated that this has nothing to do with the shortfall. This has to do with monies that have to be expended before being reimbursed. We are getting money from our insurance company, and hopefully 75% from FEMA, but we do not know when we will be getting that. We have to look into short term bonding; possibly one, two, or three years.

Mr. Mezzina also stated that our original bonds will be finished in 2016. He believes the final payment is July 2016. We have a looming problem that has to be addressed. We do not want to be a burden on the ratepayer, but some of the pipes, primarily in the Mystic Islands and Holly Lake Harbor area, are 60 years old.

Mr. Mezzina advised that the materials used back then are not the same as the materials used now. No one thought about the clay's acidity on the pipe materials back then. The acidity eats away at the pipe. We have been patching and patching. There has to be a time and place where we sit down with the Township and make sure that they are aware of it. It is not only that the pipes have to be repaired, but also the roads will have to be repaved.

Mr. Mezzina stated that we will be retiring our bonds and are not in a favorable climate with interest rates. They are probably the lowest they have ever been. We have a situation here with the pipes but have to proceed with the Town's cooperation because a big part of this job will be repaving roads.

Mr. Mezzina stated that he wanted the Board to be aware of this. The Town can usually get grant money for paving. We shouldn't be a burden on them or ourselves right now, but we have to look at this because we do not want any surprises.

Mr. Mezzina further stated that we could bond what we need. Bonds are incremental anyway. You can have short term, medium range, or long term. We can look at short term and long term. July 2016 is not that far away. These bonds will become a different class bond, which we have done over the years. Money will go in reserve to pay for the bonds we have now, and then we start a new series. This is something for the Board to think about, and we will discuss it at a future meeting.

A motion was made by Mrs. DePergola, seconded by Mr. Robins to open this portion of the meeting to the public. All in favor.

There being no public in attendance, a motion was made by Mrs. DePergola, seconded by Mr. Miller to close the public portion of the meeting. All in favor.

A motion was made by Mrs. DePergola, seconded by Mr. Robins to enter executive session regarding personnel and potential litigation and approve corresponding resolution #2013-22. Roll call vote, Earl Miller – yes, Richard Robins – yes, Margaret DePergola – yes, Marie Skelly – yes, Joseph Mezzina – yes.

Mr. Dittenhofer and Mr. Contreras excused themselves from the meeting.

After close of executive session, the Board took action on a personnel matter.

A motion was made by Mr. Miller, seconded by Mr. Robins to deny the request to reinstate James DeFeo based on the advice of the Authority's Counsel and per statutory regulations. Roll call vote, Earl Miller - yes, Richard Robins – yes, Margaret DePergola – yes, Marie Skelly – yes, Joseph Mezzina – yes.

There being no further matters, a motion was made by Mr. Miller, seconded by Mr. Robins to adjourn. All in favor.

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SECRETARY

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Approved on (date)