

LEHMUA  
Regular Meeting

April 8, 2014

The regular meeting of the Little Egg Harbor Municipal Utilities Authority was held on April 8, 2014 at 5:00 P.M. at the Authority headquarters, 823 Radio Road, Little Egg Harbor Township, New Jersey.

MEMBERS PRESENT: Margaret DePergola, Vice Chairwoman; Earl Miller, Treasurer; Eugene Kobryn; Richard Robins; Marie Skelly

MEMBERS ABSENT: Joseph Koptic, Richard Crea

OTHERS PRESENT: David Johnson, Executive Director; Michael DiFrancia, Superintendent; Earl Sutton, Jr., Assistant Director; Colleen Kleinow, Administrative Assistant; Nicole Mezzina, Executive Secretary; Alan Dittenhofer, Authority Engineer; Christopher Connors, Authority Attorney

OTHERS IN ATTENDANCE PER SIGN-IN SHEET: None

Mrs. DePergola 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, posted on the Authority bulletin, and posted and filed in the Office of the Little Egg Harbor Township Clerk. Resolutions are posted on the bulletin board.

#### PRIOR MINUTES

A motion was made by Mr. Robins, seconded by Mr. Miller approving the minutes of the regular meeting held March 11, 2014. Roll call vote, Earl Miller – yes, Richard Robins – yes, Marie Skelly – yes, Eugene Kobryn – yes, Margaret DePergola – yes.

#### TREASURER'S REPORT

A motion was made by Mr. Miller, seconded by Mr. Kobryn approving the Treasurer's Report as submitted. Roll call vote, Earl Miller – yes, Richard Robins – yes, Marie Skelly – yes, Eugene Kobryn – yes, Margaret DePergola – yes.

#### BILLS RESOLUTION

A motion was made by Mr. Robins, seconded by Mr. Miller approving the operational account bills resolution. Roll call vote, Earl Miller – yes, Richard Robins - yes, Marie Skelly – yes, Eugene Kobryn – yes, Margaret DePergola – yes.

ENGINEER'S REPORT

Mr. Dittenhofer advised the Board that the report for April 2014 was forwarded to the Board, and there are a couple of items on the report to address. The annual Chemical Contracts and the Emergency Water and Sewer Repair Contract are out to bid. The bid opening is being held April 24, 2014. These are the contracts we do every year. There are also resolutions on the agenda accepting the maps of the Authority's water and sewer service areas. His office made copies of the maps for the Members. There are four maps for approval. One map represents the active water service area, one map represents the active sewer service area, one map represents the proposed growth of the water service area, and the last one is the proposed growth of the sewer service area. That is all he has for his report unless there are any questions.

Mr. Johnson advised that under General, Item #1c – Antenna Location Leases, he doesn't know how we are going out to bid yet. We haven't even approved specs yet. Our Assistant Director will be handling this, but we still need the specifications and do not really know where we are with this. This has been going on several months.

Mr. Dittenhofer stated that he will follow up on it.

Mr. Johnson recommended Mr. Dittenhofer and our Attorney also contact our Special Attorney in New York who is also working on this.

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

EXECUTIVE DIRECTOR'S REPORT

1 – Mr. Johnson stated that this item refers to the maps that our Engineer spoke about under his report. Resolutions #2014-21 through #2014-24 are on the agenda to approve the maps.

Mr. Connors advised that the resolutions could be taken up as one motion.

A motion was made by Mr. Kobryn, seconded by Mrs. Skelly to approve the resolutions as follows:

Resolution #2014-21 approving proposed map delineating active water service area for Little Egg Harbor MUA

Resolution #2014-22 approving proposed map delineating active sewer service area for Little Egg Harbor MUA

Resolution #2014-23 approving proposed map delineating proposed growth of water service area for Little Egg Harbor MUA

Resolution #2014-24 approving proposed map delineating proposed growth of sewer service area for Little Egg Harbor MUA

Roll call vote, Earl Miller – yes, Richard Robins – yes, Marie Skelly – yes, Eugene Kobryn – yes, Margaret DePergola – yes.

2 – Mr. Johnson advised that Terraces at Sea Crest Village Assisted Living Community requested release of their performance guarantees, but unfortunately, the request must be denied as there are still items to be addressed prior to release. There are two resolutions on the agenda denying the release.

A motion was made by Mr. Kobryn, seconded by Mr. Robins to approve Resolution #2014-25 denying the request for a release of performance guarantee for Terraces at Seacrest Village Project, Block 325 Lot 7.05 with regard to the water system. Roll Call vote, Earl Miller – yes, Richard Robins – yes, Marie Skelly – yes, Eugene Kobryn – yes, Margaret DePergola – yes.

A motion was made by Mr. Miller, seconded by Mr. Robins to approve Resolution #2014-26 denying the request for a release of performance guarantee for Terraces at Seacrest Village Project, Block 325 Lot 7.05 with regard to the sewer system. Roll call vote, Earl Miller – yes, Richard Robins – yes, Marie Skelly – yes, Eugene Kobryn – yes, Margaret DePergola – yes.

3 – Mr. Johnson advised the Board that we are introducing our budget tonight, which is covered later on under the Budget Committee Report and the agenda so he is going to proceed to item #4.

4 – Mr. Johnson advised that the State revised the employer annual pension liability invoice, which resulted in a decrease. As we already paid the original bill, a refund will be returned to us by June as you can see by the attached letter.

Mr. Johnson stated that there are no performance guarantees due to expire; however, there is a maintenance guarantee expiring May 14, 2014. The guarantee for the tank and well at Sea Oaks is expiring in May, but there is still work to do on the tower. Our Attorney and Engineer should follow up on this.

Mr. Dittenhofer advised that someone from K. Hovnanian called him today. They want to coordinate exactly what they need to do to complete the work.

Mr. Johnson stated that the first thing they should do is take the scaffolding down that is hitting the tank. It has been up there for six months.

Mr. Johnson also stated that there are no inspection fees left so K. Hovnanian will have to post escrow fees as well.

Mr. Johnson further stated that K. Hov should be put on notice that if a maintenance guarantee extension is not provided by May 1, 2014, we will call the bond.

Mr. Johnson advised that K. Hov normally provides us with an extension within a couple of weeks after noticed and doesn't believe it should be a problem.

Mr. Johnson stated that he had another item that didn't make his report with respect to the Sensus conference. Since we have the automatic meter reading system from Sensus, we are invited to attend the conference Sensus holds every year to introduce new items coming out. We have progressed to the Logic System as everyone knows, and last year our Superintendent and our Operation & Maintenance Coordinator attended the conference. I recommend approval for them to attend again this year without any lost time as in past years. We do have a policy on travel and expenses. The conference is November 2, 2014 through November 5, 2014. There is a lot of knowledge gained from the conference. He has attended the conference in the past and learned a lot from talking to other people that attend. The Sensus representatives and the people who made the system attend the conference, and it is very beneficial to the Authority.

A motion was made by Mr. Miller, seconded by Mrs. Skelly approving the Authority Superintendent and Operation & Maintenance Coordinator's attendance at the Sensus conference in November 2014 without lost time. Roll call vote, Earl Miller – yes, Richard Robins – yes, Marie Skelly - yes, Eugene Kobryn – yes, Margaret DePergola – yes.

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

#### SUPERINTENDENT'S REPORT

1 – Mr. DiFrancia advised the Board that hydrant flushing began March 31, 2014 and will continue through the end of May.

2 – Mr. DiFrancia advised, as mentioned earlier, we will be receiving bids on April 24, 2014 for our annual contracts for chemicals, emergency repair of water and sanitary sewer mains and services, and the water and sewer plant supplies.

Mr. DiFrancia stated that the Report of Leaks is as noted. We had three leaks since last month. That is all he has for his report.

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

## BUDGET COMMITTEE

Mr. Johnson advised the Board, as everyone knows, our budget the last few years has been very difficult, and on top of that, the disaster from Super Storm Sandy is still affecting us. The Budget Committee met, and after a lot of discussion and a lot of work, we felt that an increase of \$6.00 a quarter is adequate. We were looking at an increase of \$10.00 a quarter in the first round, but we got that down to \$8.00, which was probably a more realistic figure. But after further discussion, we were able to work with an increase of \$6.00 per quarter or \$2.00 per month. We have to increase the water rate to stay on pace; however, the sewer rate will remain the same. The connection fees for water and sewer will both increase \$100.00. The water and sewer excess rates will remain the same. We anticipated \$369,017.00 of CDL Funds and are using \$365,000.00 of retained earnings. That is a line change. We will not take those monies, but it is being used to offset the budget so we do not have to increase the sewer.

Mr. Johnson stated that the last two years the State made comment on the investment income that the Authority anticipated collecting because the figure was higher than what we actually received with how low interest rates became. We were using figures based on rates from the old days, but if you look at the budget, we are using a more realistic figure now that correlates to what was received due to lower interest rates and having less money to earn interest. We shouldn't have a comment back from the State on that item this year.

Mr. Johnson also stated that the sewer budget was always in the plus and the water in the minus, but we needed to offset that on the water side. We are looking at a 3.16% increase, and part of the offset is the money we received from the Community Disaster Loan. Looking at the budget in simple terms, the total of both utilities is \$6,804,577.00. We also have the 10% required on our bonds, which is \$50,927.00 on the water side, and \$30,970.00 on the sewer side.

Mr. Johnson advised that another item that is more obvious now since Super Storm Sandy is that other fees for additional services that not all customers require are a big expense. We contacted several utilities in South Jersey for information on service fees they charge. After looking at this, the Committee recommended implementing the following fees: Meter inspection fee not related to Super Storm Sandy would be \$50.00, which includes inspection of water meter, mtu... Anything storm related will not be charged, but new development and other homes will be charged this fee to reimburse the Authority. Also if the appointment is missed, there will be an additional \$50.00 charged, which would have to be paid before our personnel would go back out. We have had problems with our personnel going out two or three times, and no one is there. If the person calls ahead of time and cancels, there will be no charge, but if they do not, they will be charged. These charges are equal to or lower than other Authorities.

Mr. Johnson stated that another fee we are implementing will be \$50.00 for cut and cap not storm related. Also, we are mandating that the cut and cap be done by a licensed plumber only. Every utility we contacted mandates that a licensed plumber do the cut and cap so that there is no problem with people breaking lines. We do not have the tools to fix that so we are mandating that the cut and cap be done by a licensed plumber. That mandate will be included in our new Rules and Regulations.

Mr. Johnson also stated that turn off/on fees will be \$35.00 during regular business hours, and \$125.00 after hours. Other utilities charge up to \$175.00 for after business hours. These sundry items will help us with our financial problems.

Mr. Johnson advised that sometimes people want to know whether there is water and sewer service to a property. Requests for that will be \$25.00. It is something that is extra that normal customers on our system do not need. It is like a final read. We charge \$15.00 for that because you have to look up information. These are charges that are realistic. We also do triangulations on homes. They will have to give us \$15.00 to make a copy of it. Another fee is the return check charge. That fee will be \$30.00, which is the amount the bank charges the Authority so that will actually be a wash. This budget should allow us to proceed with keeping the Authority in a sound financial position.

Mr. Johnson stated that we are introducing the budget tonight and will adopt it in June and also stated that Mr. Miller and Mr. Kobryn are on the Budget Committee and may want to comment on the budget.

Mr. Miller asked about the terminology in the report with respect to a licensed plumber performing cut and cap. He believed it should be licensed and insured.

Mr. Johnson advised that if they are licensed, they have to be insured.

Mr. Connors stated that was correct.

Mr. Kobryn advised the Board that the Township charges for re-inspection. If personnel go out to do an inspection, and no one is there, and they have to go back out, they charge every time they go out. Charging for inspection is the best thing to do.

Mr. Johnson stated that we have always been price and customer oriented but now believes we have to implement these service fees.

Mrs. DePergola commended the Budget Committee and Director for keeping such a low increase. She doesn't think anyone could question our budget when you compare it to the surrounding municipalities. She knows everyone worked very hard on the budget and thanked everyone for their work and consideration. The Board agreed.

Mr. Johnson stated there are resolutions on the agenda approving the budget introduction.

A motion was made by Mr. Robins, seconded by Mr. Miller approving Resolution #2014-27 approving the introduction of the water budget for fiscal year 7/1/14 through 6/30/15. Roll call vote, Earl Miller – yes, Richard Robins – yes, Marie Skelly – yes, Eugene Kobryn – yes, Margaret DePergola – yes.

A motion was made by Mr. Robins, seconded by Mr. Miller approving Resolution #2014-28 approving the introduction of the sewer budget for fiscal year 7/1/14 through 6/30/15. Roll call vote, Earl Miller – yes, Richard Robins – yes, Marie Skelly – yes, Eugene Kobryn – yes, Margaret DePergola – yes.

ATTORNEY'S REPORT

Mr. Connors advised that there are no changes from the last report, and no new items of litigation or matters that his firm was substantially engaged with the exception of a personnel matter that will be reserved for executive session.

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

Mrs. DePergola asked whether there were any other matters to come before the Board. There were none. A motion was made by Mr. Miller, seconded by Mr. Kobryn to accept and file all correspondence. All in favor.

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

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

A motion was made by Mr. Miller, seconded by Mr. Kobryn to enter executive session regarding a personnel matter, which will remain confidential until confidentiality no longer exists, and approving Resolution #2014-29 regarding the personnel matter. Roll call vote, Earl Miller – yes, Richard Robins – yes, Marie Skelly – yes, Eugene Kobryn – yes, Margaret DePergola – yes.

A motion was made by Mr. Miller, seconded by Mr. Robins to adjourn the public meeting. All in favor.

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SECRETARY

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Approved on (date)