

LEHMUA
Regular Meeting
Reorganization

February 11, 2014

The regular meeting of the Little Egg Harbor Municipal Utilities Authority was held on February 11, 2014 at 5:00 P.M. at the Authority headquarters, 823 Radio Road, Little Egg Harbor Township, New Jersey.

MEMBERS PRESENT: Joseph Koptic, Chairman; Margaret DePergola, Vice Chairwoman; Richard Crea, Secretary; Earl Miller, Treasurer; Eugene Kobryn; Marie Skelly

MEMBERS ABSENT: Richard Robins

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: Earl F. Sutton, Jr.; Edward Nuttall

Mr. Koptic 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 board, and also 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. Miller, seconded by Mrs. DePergola approving the minutes of the regular meeting held January 14, 2014, subject to amending the minutes to include Mayor Art Midgley in the "Others in Attendance per Sign-In Sheet". Roll call vote, Earl Miller – yes, Marie Skelly – yes, Margaret DePergola – yes, Joseph Koptic – yes.

TREASURER'S REPORT

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

BILLS RESOLUTION

A motion was made by Mrs. DePergola, seconded by Mr. Crea to approve the operational account bills resolution. Roll call vote, Earl Miller – yes, Eugene Kobryn – abstained, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

REORGANIZATION

Mr. Koptic stated that the Authority had a pre-reorganization prior to this meeting to discuss the positions and committees.

Mr. Koptic read the list as follows:

1 – Chairman: Joseph Koptic

2 - Vice Chairwoman: Margaret DePergola

3 – Treasurer: Earl Miller

4 – Secretary: Richard Crea

5 – Acting Treasurer: Richard Robins

6 – Acting Secretary: Marie Skelly

7 – Liaison between LEH Township and Authority: Mrs. DePergola and Mr. Johnson

8a – Plans Committee: Mr. Miller, Mr. Robins, Mr. Johnson, Mr. DiFrancia (alternate Mrs. DePergola)

8b – Personnel Committee: Mr. Crea, Mr. Koptic, Mr. Johnson, Mr. DiFrancia (alternate Mr. Kobryn)

8c – Budget Committee: Mr. Miller, Mr. Kobryn, Mr. Johnson, Mr. DiFrancia (alternate Mrs. DePergola)

8d – Rules & Regulations Committee: Mrs. DePergola, Mr. Kobryn, Mr. Johnson, Mr. DiFrancia (alternate Mr. Robins)

8e – Water&Sewer/Customer Committee: Mrs. Skelly, Mr. Miller, Mr. Johnson, Mr. DiFrancia (alternate Mr. Koptic)

8f – Safety Committee: Mr. Miller, Mr. Johnson, Mr. DiFrancia, Mrs. Kleinow (alternate Mr. Robins)

8g – Safety Representative: John Viteritto (Scott Ramesdorfer – alternate)

8h – Building Committee: Mr. Koptic, Mr. Crea, Mr. Johnson, Mr. DiFrancia (alternate Mr. Robins)

8i – Buildings&Grounds Committee: Mrs. DePergola, Mr. Robins, Mr. Robins, Mr. Johnson, Mr. DiFrancia (alternate Mr. Miller)

8j – Overall Rehabilitation of Water and Sewer Systems Committee: Mr. Crea, Mrs. Skelly, Mr. Johnson, Mr. DiFrancia (Alternate 1 Mr. Miller; Alternate 2 Mrs. DePergola)

8k – Storm Committee: Mr. Kobryn, Mr. Crea, Mr. Johnson, Mr. DiFrancia (alternates Mrs. DePergola, Mr. Miller)

A motion was made by Mr. Miller, seconded by Mr. Crea to approve Item #1 through and including Item #6, Chairman through Acting Secretary as stated above. Roll call vote, Earl Miller – yes, Eugene Kobryn – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

A motion was made by Mr. Miller, seconded by Mrs. DePergola to approve Item #7 through and including Item #8k, Liaison between LEH Township and Authority through all Authority Committees as stated above. Roll call vote, Earl Miller – yes, Eugene Kobryn – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic - yes.

Mr. Koptic stated that Item #9 through and including Item #13, professional appointments are recommended per the Personnel Committee as reported and discussed and are all referenced in one resolution to be acted upon accordingly. Appointments are as follows:

9 - Authority Attorney: Dasti, Murphy, McGuckin, Ulaky, Koutsouris & Connors

10 – Authority Consulting Engineer: Remington, Vernick & Vena; Authority Special Projects Engineer: T&M Associates

11 – Authority Auditor: Suplee, Clooney & Company

12 – Authority Financial Consultants: Acacia Financial Group

13 – Bond Counsel : DeCotiis, FitzPatrick & Cole

A motion was made by Mrs. DePergola, seconded by Mr. Crea to approve Resolution #2014-9 authorizing professional appointments for LEHMUA. Roll call vote, Earl Miller – yes, Eugene Kobryn – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

A motion was made by Mrs. DePergola, seconded by Mr. Crea to approve reorganization items #14 through and including #17 as follows:

14 – Official Newspapers February 2014 to February 2015: Atlantic City Press, Asbury Park Press, Times-Beacon, and others deemed necessary from time to time.

15 - Regular meetings to be held the second Tuesday of the month at 5:00 P.M, with the exception of November 2014, which will be Monday, November 10, 2014 due to Veterans Day being the second Tuesday. Meeting dates as follows:

March 11, 2014	September 9, 2014
April 8, 2014	October 14, 2014
May 13, 2014	November 10, 2014
June 10, 2014	December 9, 2014
July 8, 2014	January 13, 2015
August 12, 2014	February 10, 2015

16 – Official depository banks: Sun National Bank, TD Bank, Wells Fargo, Ocean First Bank, Shore Community, Sovereign Bank, and others deemed necessary from time to time

17 – Sexual harassment officers: Margaret DePergola for female employees; Richard Crea for male employees

Roll call vote, Earl Miller – yes, Eugene Kobryn – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

ENGINEER'S REPORT

Mr. Dittenhofer thanked the Board for their re-appointment and stated that the written report was forwarded down to the Board for their review and approval. Any action items are included under the Plans Committee Report and agenda. He has no comments unless the Members have any questions. There were no questions or comments.

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

EXECUTIVE DIRECTOR'S REPORT

1 – Mr. Johnson congratulated our new Member, Mr. Kobryn, on his appointment to our Board.

2 – Mr. Johnson advised that each year the Authority must appoint a Fund Commissioner and Alternate Fund Commissioner to the Joint Insurance Fund. In the past it has always been the Director and Mr. Koptic. He is recommending that it remain the same this year. There were no objections.

Mr. Johnson stated that there is a resolution on the agenda regarding the appointments.

A motion was made by Mr. Crea, seconded by Mrs. DePergola to approve Resolution #2014-5 appointing David Johnson Fund Commissioner and Joseph Koptic Alternate Fund Commissioner to the NJUA Joint Insurance Fund. Roll call vote, Earl Miller – yes, Eugene Kobryn – yes, Richard Crea – yes, Margaret DePergola - yes, Joseph Koptic – yes.

3 – Mr. Johnson advised that there is a resolution on the agenda authorizing our Attorney to execute a consent order providing for payment of claim through a bankruptcy plan. Our Attorney can explain it.

Mr. Connors advised that Mr. DeForge had outstanding utility charges. When a Chapter 13 is filed, debtors are protected in terms of post-deficient amounts due and owing. We filed a proof of claim with the bankruptcy court for the amount due and owing prior to filing bankruptcy although current outstanding is over \$600.00 representing post-petition charges. The consent order provides that post-petition charges be included as a priority claim through the bankruptcy plan. The debtor will be required to pay funds to the trustee from which payments will be made to the Authority on a pro rata basis in relation to other priority claims in the plan. We have a priority claim as a governmental entity. It is hoped that all the charges will be collected. The consent order allows the money to be included.

Mr. Johnson stated that we will get the money due the Authority.

A motion was made by Mr. Miller, seconded by Mr. Crea to approve Resolution #2014-7 authorizing execution of a consent order to pay Little Egg Harbor Municipal Utilities Authority Post-Petition Claim through Chapter 13 bankruptcy plan in the DeForge matter. Roll call vote, Earl Miller – yes, Eugene Kobryn – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

4 – Mr. Johnson advised that we must update our government entity resolution with the bank authorizing account signatories. All Members are required to sign the resolution.

A motion was made by Mrs. DePergola, seconded by Mr. Crea to approve Resolution #2014-8 regarding authorized signatories for Sun National Bank. Roll call vote, Earl Miller – yes, Eugene Kobryn – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

5 – Mr. Johnson advised that OCUA anticipates the flow the Authority will have every year. Fortunately or unfortunately, however you look at it, we overpaid them so we have a credit of \$149,000.00. Unfortunately, our flow is less because we lost many users of the system, which means we didn't meet our anticipated revenue for our budget. It is good in one way since we receive a credit on our first payment to OCUA, but losing users is not good.

6 – Mr. Johnson advised that there are resolutions on the agenda authorizing the Director and/or Executive Secretary to act as authorized representatives in matters relating to proposed NJEIT projects.

A motion was made by Mr. Miller, seconded by Mr. Crea to approve Resolution #2014-10 for the intention to file an application with the NJDEP and the NJEIT for the Radio Road Treatment Plant Building Upgrade. Roll call vote, Earl Miller – yes, Eugene Kobryn – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

A motion was made by Mr. Kobryn, seconded by Mr. Crea to approve Resolution #2014-11 for the intention to file an application with the NJDEP and the NJEIT for the Water Treatment Plant at High Ridge Road Construction. Roll call vote, Earl Miller – yes, Eugene Kobryn – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

7 – Mr. Johnson stated that the Division of Local Government Services is upgrading the on-line process for filing the Financial Disclosure Forms. Forms cannot be completed until the upgrading process is finished so that the Members can go on-line to file their forms. If you recall, last year the State changed the filing process to an on-line process. We will provide the information necessary to file the form as soon as we receive it.

8 – Mr. Johnson advised that Black Dot Wireless contacted the Authority again about the cell site lease. They are a company that goes out and negotiates for AT&T to lower cell site costs. They want to talk to the Authority about it because they are considering getting rid of it. He suggests not answering the letter as we have a contract with AT&T, which they can nullify if they follow the termination clause. We shouldn't respond to this letter since it is from a second party. As that is what we did previously, we should still follow that practice. The Board agreed.

Mr. Johnson stated that the item we spoke about in the closed meeting should be made official regarding the letter he gave the Commissioners about his retirement.

Mr. Koptic stated that he would like to say that Mr. Johnson has done a wonderful job for over twenty years while serving on our Board and then as our Director. He has been very progressive, and everyone appreciates the job he has done during his time here.

Mr. Koptic also stated that he is sorry to see him go but wishes him the best. The Board agreed.

A motion was made by Mr. Miller, seconded by Mrs. DePergola to accept Mr. Johnson's letter of retirement effective September 30, 2014. Roll call vote, Earl Miller – yes, Eugene Kobryn – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

Mr. Johnson stated that he appreciates the comments and will always help the Authority in whatever they need. This is difficult since we are a family here, and it is happy in one respect, but very sad in a way. It was a very difficult decision.

Mr. Johnson thanked the Board for accepting the letter announcing his retirement.

Mr. Johnson advised that the balance of his report consists of the performance guarantees and maintenance guarantees. There are no performance guarantees due to expire; however, there are three maintenance guarantees due to expire. We have a letter from our Engineer on Winding Creek Estates recommending the guarantees be allowed to expire.

Mr. Johnson stated that he and the Superintendent concur with the Engineer's recommendation on Winding Creek as there are no problems with allowing the guarantees to expire.

Mr. Johnson advised that the Radio Road Treatment Plant Chlorine Contact Tank maintenance guarantee expires in April, and the Sea Oaks Tank and Production Well maintenance guarantee expires in May. Those both seem to be operating without any problems, but we will check them prior to expiration. That was all for his report.

A motion was made by Mrs. DePergola, seconded by Mr. Crea to approve the Executive Director's Report. All in favor.

SUPERINTENDENT'S REPORT

1 - Mr. DiFrancia advised that OCUA contacted him about high sulfide readings on Railroad Avenue. He is in the process of putting chemicals on line at the pump station to rectify the situation.

Mr. DiFrancia stated that there were four leaks this past month as reported. That is all for his report unless anyone has questions. There were no questions.

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

PLANS COMMITTEE REPORT

1 - Mr. Johnson advised the Board that there is a change order for the Well #8 and #9 project. There were items in the original bid that we thought we might need but were not utilized. By doing so, there is a reduction in the bid amount by \$8,370.75. The Committee recommends approving the change order. There is a resolution on the agenda for action.

A motion was made by Mrs. DePergola, seconded by Mr. Crea to approve Resolution #2014-6 approving change order #3 for redevelopment of Well #8 and #9. Roll call vote, Earl Miller – yes, Eugene Kobryn – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

2 – Mr. Johnson stated that K. Hov Four Seasons at Harbor Bay requested a performance guarantee reduction for Section II of their project. Our Engineer inspected everything, and a significant amount of the improvements have been installed and are in order.

Mr. Johnson advised that the Committee recommends approving a reduction in their performance guarantees subject to our Engineer's letter. There are resolutions on the agenda for action.

Mr. Crea questioned whether it is a release or reduction.

Mr. Johnson advised that when a certain portion of a project is completed, our Rules and Regulations permit a reduction, and that is what the developer asked for.

Mr. Connors stated that he believed the question comes from the resolution wording. The resolution heading states that we are authorizing release of performance guarantees conditioned upon posting new performance guarantees. Since it is a bond that is posted, it has to be released upon posting a new guarantee in the reduced amount. The developer is required to give us a new performance guarantee at the reduced amount. We are not releasing them from performance bond; we are releasing the original performance bonds posted when reduced performance guarantees are provided to the Authority.

A motion was made by Mr. Kobryn, seconded by Mr. Crea to approve Resolution #2014-13 authorizing release of performance guarantee conditioned upon posting new performance guarantee for Four Seasons at Harbor Bay Section 2, Phase 3-7 & 9-11 water system. Roll call vote, Earl Miller – yes, Eugene Kobryn – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

A motion was made by Mrs. DePergola, seconded by Mr. Crea to approve Resolution #2014-14 authorizing release of performance guarantee conditioned upon posting new performance guarantee for Four Seasons at Harbor Bay Section 2, Phase 3-7 & 9-11 sewer system. Roll call vote, Earl Miller – yes, Eugene Kobryn – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

3 – Mr. Johnson stated that Sea Pirate Campground submitted a tentative sewer application for their campground on Route 9 located right before Eagleswood Township. Part of the property is in Eagleswood Township, and part of it is in Little Egg Harbor. They are looking to hook up to our sewer system, but several things need to be addressed. One being that since the property is located in both Townships, we need a signed agreement from Eagleswood Township to allow us to receive sewer from them. Since there were a number of things we needed clarified, the Committee agreed to table this until all items are resolved. There is no action necessary. Mr. Connors concurred.

A motion was made by Mr. Miller, seconded by Mr. Crea to approve the Plans Committee Report. All in favor.

PERSONNEL COMMITTEE REPORT

Mr. Johnson stated that there were several personnel matters this month. The first item concerns the employee manuals. Every two years the Municipal Excess Liability carrier for the Joint Insurance Fund requests each Member update their employee manuals to concur with current laws.

Mr. Johnson advised that this year there are four items that need to be modified due to court cases and different things that have occurred. Those items were system privacy including e-mail and internet usage, vehicle use policy, family medical leave, and domestic violence leave.

Mr. Johnson advised that the changes were very minor, but by doing this, we get an exceptional discount for co-payments, deductibles, and things like that. For example, we have a \$20,000.00 deductible in lieu of a half million dollars. The Committee recommends approving the manuals. There is a resolution on the agenda to adopt the updated manuals.

A motion was made by Mrs. DePergola, seconded by Mr. Crea to approve Resolution #2014-15 adopting updated personnel policies and procedures manual, employee handbook, and job description manual. Roll call vote, Earl Miller – yes, Eugene Kobryn – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

Mr. Johnson stated that all other personnel matters were already addressed as to the Personnel Committee's recommendation on hiring an Assistant Director and the Personnel Committee's recommendation that Mr. Capaccio become a permanent, full- time Laborer of the Authority. There are resolutions on the agenda for the personnel items, and Resolution #2014-16 regarding executive session can be cancelled if there is no need to go into executive session. The Board agreed to cancel Resolution #2014-16.

A motion was made by Mrs. DePergola, seconded by Mr. Crea to approve Resolution #2014-12 appointing Robert Capaccio as a permanent, full- time employee of the Authority. Roll call vote, Earl Miller – yes, Eugene Kobryn – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

A motion was made by Mr. Crea, seconded by Mr. Miller to approve Resolution #2014-17 establishing the position of Assistant Director of Little Egg Harbor MUA. Roll call vote, Earl Miller – yes, Eugene Kobryn – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

A motion was made by Mr. Crea, seconded by Mrs. DePergola to approve Resolution #2014-18 appointing Earl F. Sutton Jr. as Authority Assistant Director. Roll call vote, Earl Miller – yes, Eugene Kobryn – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

ATTORNEY'S REPORT

Mr. Connors advised that there was nothing new to add to the report. Most legal matters have been resolved or are close to being resolved.

Mr. Connors thanked the Authority Members for expressing their confidence in his law firm by appointing them again.

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

Mr. Koptic asked whether there were any other matters to come before the Board.

Mr. Johnson stated that he just wanted to bring up one more item. Everyone knows he is retiring now, but he hopes that everyone won't go out saying he is retiring, and then we get a mass influx of people inquiring about it.

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

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

Mr. Ed Nuttall of 935 Radio Road, Little Egg Harbor addressed the Board stating that he had a question mostly for edification regarding Resolution #2014-7 about the bankruptcy. To his knowledge, there was a tax lien on the property that should have taken care of itself and asked if this is something other than water and sewer.

Mr. Connors advised that this is for water and sewer. They are charges that were outstanding at the time the petition was filed. He doesn't believe there was a tax lien at the time. The tax lien wouldn't take care of it.

Mr. Nuttall inquired whether the position for Mr. Sutton is a new position that didn't exist before. Mr. Nuttall was advised that is correct.

Mr. Nuttall also inquired whether the reason for it is due to the upcoming, regrettable retirement of Mr. Johnson in order for him to train someone new.

Mr. Johnson advised Mr. Nuttall that was correct.

Mr. Nuttall stated that it's on the job training.

Mr. Koptic stated that it isn't. Mr. Sutton is fully qualified. It is for Mr. Sutton to see how the Authority works, and when Mr. Johnson fully retires, Mr. Sutton will have full control.

Mr. Johnson advised that Mr. Sutton has to be shown the procedures and policies of the Authority.

Mr. Nuttall asked if it is a paid position and was advised that it is.

Mr. Nuttall also asked whether it is full or part-time and was advised that it is part-time.

Mr. Nuttall also inquired of the salary and was advised that the salary is \$56.73 per hour.

Mr. Nuttall asked whether it was 20 hours per week and was advised by Mr. Johnson that we are not sure yet, but it probably will be at least two or three days a week.

Mr. Nuttall stated that was all he had and thanked the Board stating that he appreciates the Board educating him.

Mr. Earl Sutton, 35 Bridge Road, addressed the Board, staff, and professionals stating that he really looks forward to working with everyone and knows that he has extremely big shoes to fill. He is looking forward to getting started and working with Dave. He will be an asset to the Authority. It will be a bittersweet moment for him as well, but he is excited about this new endeavor and envisions he will finish out his career here likewise.

Mr. Sutton stated again that he is really looking forward to working with everyone at the Authority, and he will not let us down.

Mr. Sutton thanked the Board.

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

There being no other business, a motion was made by Mr. Miller, seconded by Mrs. DePergola to adjourn. All in favor.

SECRETARY

Approved on (date)