

The regular meeting of the Little Egg Harbor Municipal Utilities Authority was held on May 14, 2013 at 5:00 P.M. at the Authority headquarters, 823 Radio Road, Little Egg Harbor Township, New Jersey.

MEMBERS PRESENT: Joseph Mezzina, Chairman (late); Joseph Koptic, Vice Chairman; Margaret DePergola, Secretary; Richard Crea; Earl Miller Treasurer; Richard Robins; Marie Skelly

MEMBERS ABSENT: None

OTHERS PRESENT: David V. Johnson, Executive Director; Michael DiFrancia, Superintendent; Colleen Kleinow, Administrative Assistant; Nicole Mezzina, Executive Secretary; Felipe Contreras, Authority Engineer; Christopher Connors, Authority Attorney

OTHERS IN ATTENDANCE PER SIGN-IN SHEET: None

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, also posted and filed in the Office of the Clerk of the Township of Little Egg Harbor.” Resolutions are posted on the bulletin board.

Mr. Johnson advised the Members that the Chairman had informed him that he may be a few minutes late.

APPROVAL OF PRIOR MINUTES

A motion was made by Mr. Miller, seconded by Mrs. DePergola to approve the minutes of the regular meeting held April 9, 2013. Roll call vote, Earl Miller – yes, Richard Robins – yes, Margaret DePergola – yes, Marie Skelly – yes.

TREASURER’S REPORT

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

BILLS RESOLUTION

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

ENGINEER'S REPORT

Mr. Contreras stated that the Engineer's Report was previously submitted to the Board. We have a number of contract award recommendations, which will be taken care of later on in the meeting. There are also four projects on going if anyone has questions.

Mr. Koptic inquired of the status of the Radio Road Bridge Project and was advised by Mr. Contreras that it is on schedule for the main contract. Our portion of the work is finished, but the project as a whole is on schedule.

There were no other questions or comments 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 the Board that this item is informational. He spoke to everyone about it already, but if anyone has any questions, he'd be happy to answer them. There were no questions.

2 – Mr. Johnson stated that this item is also informational. This is in connection with one of the cases that is still on going at the current time.

3 – Mr. Johnson advised the Board that a while ago he was directed to have our Auditor determine what a gallon of water costs the Authority to produce. Our Auditor researched our financial statements and the data pertaining to gallons of water pumped and metered to calculate the cost. There is a letter from our Auditor, dated April 26, 2013, that shows our cost to produce the water.

4 – Mr. Johnson advised the Board that the Authority held its rate hearing on May 2, 2013. No public attended the hearing. Everything went smoothly, and a copy of the court stenographer's transcript was provided to the Members.

Mr. Johnson further advised that the Board will vote on the budget adoption at our June meeting.

5 – Mr. Johnson advised that the Board requested an analysis be prepared on selling the lease agreements we have with cellular companies that lease space on our towers for their cellular equipment. The long sheets attached to his report were prepared by our Auditor for the Board to review.

Mr. Johnson advised that one analysis includes Metro PCS; the other does not. T-Mobile purchased Metro PCS, and they are waiting for the government to approve the deal.

Mr. Johnson stated that the impact on the Authority is shown all the way to the right on each sheet. These figures are based on the two proposals the Authority received. It doesn't mean that this is what we will receive. As everyone can see, the one proposal is double the other one. We also added interest into the analysis. The Auditor's comments are on the bottom of each page. With Landmark, the Authority would gain over \$350,000.00. With Crown Castle, the potential lost revenue is \$839,000.00.

Mr. Johnson stated that if the Authority feels we should proceed with this, authorization to go out to bid is necessary.

Mr. Koptic stated that we have to decide whether it is more beneficial for the Authority to sell the leases now or continue to receive the lease payment revenues on a year-to-year basis.

Mr. Crea stated that if we have to bond to do some of our projects, then the money we would get from this will be a push.

Mr. Koptic stated that we will always have projects and there may always be a storm or hurricane plus we have an old system with some pipes being in the ground for 50 years. Is it more beneficial to continue to collect revenue year to year or take a lump sum now and lose revenue?

Mr. Miller inquired whether we have to advertise a minimum threshold for the bid and was advised by Mr. Connors that we could change the specs and reject bids.

Mr. Mezzina arrived at this time.

Mrs. DePergola asked if we stopped using the leases and then felt we made a mistake and want to keep them, can we apply again for them to come back.

Mr. Connors stated that he doesn't have a definitive answer for that and stated that if you receive bids that met the specs, there will be an argument that you have to award bid. If you set a minimum bid that will generate the Authority "X" amount of revenue, he doesn't know why you would reject it and go through that process.

Mr. Mezzina stated that he looked at this a couple of times and doesn't fully understand it and asked Mr. Connors whether he looked at it.

Mr. Connors stated that he did and agreed with the Chairman that it is hard to understand.

Mr. Johnson stated that Crown Castle didn't want to bid on Metro PCS because they do not know what is happening with the sale. Landmark's analysis includes Metro PCS. The analysis assumes we have the money in the bank, and the future value would be \$2.2 million.

Mr. Johnson also stated that the other thing mentioned is that the Authority will be losing the year-to-year income from the lease payment revenue that would have to be made up in the budget.

Mr. Mezzina stated that there has to be a point of assumption that we have a potential bid of "X"; that is the missing element.

Mr. Johnson advised that this analysis is based on the two proposals he received, but we still have to go out to bid.

Mr. Mezzina stated that the analysis is difficult to evaluate and feels that calculating the amount on less than 1% interest is a poor assumption. He doesn't think that the interest will stay that low that long.

Mr. Johnson advised that he asked the Auditor to use a low interest rate rather than have an inflated number.

Mr. Mezzina stated that we should look at this as the Authority will be receiving two million dollars if investing for 18 years in the one scenario and then look at the income we would derive from what we are presently getting and compare them.

Mr. Johnson stated that is shown on the analysis sheet.

Mr. Mezzina stated that we have to evaluate the lump sum versus the annual sum after the time period.

Mr. Johnson stated that we are going to need additional money with the FEMA projects going on. We need money for vehicles. We are only getting the actual value of the vehicles not the cost of the new vehicle. We have to pay the 25% plus the loss of the actual value versus what we are getting. We will be bonding because of projects, and this will be a step ahead for the Authority if a major problem should occur before bonding.

Mrs. DePergola inquired who put this out and was advised by Mr. Johnson that Landmark contacted the Authority last year about the Authority selling the leases, but Landmark proposed a perpetual lease, which would be less than this.

Mrs. DePergola stated that she didn't understand the amount we would be giving up. Why would it say that if they want us to take their offer? It says on the analysis that the amount the Authority would give up if accepting the Landmark offer is \$353,722.42.

Mr. Johnson stated that the \$353,722.42 is gained in Landmark's proposal.

Mr. Mezzina advised that if Landmark's offer was accepted and invested at .95% for 18 years, you are not giving up anything. That two million dollars is what it would be worth although .95% interest is a bad assumption.

Mr. Connors stated that the analysis shows that this is a good deal if you do not use the money for anything because you will get more than you would if you waited for the lease payments to come in over that period of time. However, you will not realize the \$353,000 unless you put the money in the bank for 18 years. If you use the money, it will not be there to roll over and compound.

Mr. Mezzina stated that one more factor is that borrowing money will be at least 3 ½%.

Mr. Mezzina also stated that currently the lease payments are revenue. It is incorporated in our revenue budget. Every year you would have to make that up.

Mr. Koptic stated that the analysis mentions that the hole in revenue could be filled in one of three ways. Finding new revenue to replace the existing lease revenues, cutting spending, or a combination of both.

Mr. Crea stated that we are losing ratepayers because of the storm so we are already losing revenue there.

Mr. Mezzina stated that if there is going to be a need for money, you have to look at the cost of borrowing as well. It is that simple.

Mr. Crea inquired of the insurance and was advised by Mr. Johnson that the Authority is named an additional insured on the policy.

Mr. Johnson also stated that this comes back to us after 18 years. After the 18 years, we collect any revenues that will be produced.

Mr. Koptic stated that he would like the company giving this to us to make a presentation.

Mr. Mezzina stated that we could make it a condition of the bid but should be careful with that. That could present an argument. He doesn't like the idea. We could formulate something based on our knowledge and consult with someone who knows this stuff that would not bid on it. We could then put out a spec with the minimum bid we want and all of our terms.

Mr. Johnson stated that he could see what consultants are out there and asked what type of budget for this since he believes it is a professional service.

Mr. Connors stated it would be a professional service if the person we retain holds a professional license.

Mr. Johnson stated that we could solicit quotes for this, as it should be under the threshold.

A motion was made by Mr. Koptic, seconded by Mrs. DePergola authorizing the Director to solicit quotes from consultants for the sale of lease agreements. Roll call vote, Earl Miller – yes, Margaret DePergola – yes, Richard Crea – yes, Joseph Koptic – yes, Joseph Mezzina – yes.

6 – Mr. Johnson stated that this item is self-explanatory. We finally received money from FEMA as noted. After that, we met with FEMA again. They said that we have to do the work first, but that is not true since we already received money. There is also a resolution on the agenda we'll take up later authorizing filing the FEMA Community Disaster Loan Application. It will be used for the operational difference the Authority is not receiving from customers that were affected by the storm. We will draw from that as we need it. We estimated \$760,000.00 for that over the next four to five years.

Mr. Mezzina asked the amount of the total claim and was advised 3.2 million dollars.

Mr. Johnson stated that this loan could be forgiven. It is a five-year loan that FEMA could forgive the majority of so we will be in good shape on that end.

Mr. Mezzina inquired whether it is a loan or a grant.

Mr. Johnson advised that it is a loan at this time.

Mr. Mezzina asked the interest rate and was advised by Mr. Contreras that it is 0% at this time.

Mr. Mezzina also asked if a chart is being provided as to when they are giving money.

Mr. Johnson advised that we have to prepare paperwork for them and get a drawdown.

Mr. Mezzina inquired why we think this will be forgiven and was advised by Mr. Connors that it has been forgiven in the past.

Mr. Johnson advised that this has really hurt us. We are understaffed for this. We are right on top of everything, but our personnel are working extremely hard to keep up with everything. We have over 3,500 meters to replace but can only schedule four a day. We could go out to bid for the installation. We would get reimbursed. It's something we can discuss next meeting.

Mr. Mezzina stated we can't do this in-house. It is impossible unless we hire people solely to do just the meters. Mr. Mezzina asked how we are reimbursed.

Mr. Johnson advised that we provide the costs for expenses and what every person gets paid.

Mr. Mezzina inquired whether we are getting fully reimbursed and was advised that we will receive 75% of the cost of what we paid.

Mr. Mezzina asked if it is a loan and was advised by Mr. Johnson that it is not a loan. We receive 75% of the cost.

Mr. Mezzina also asked whether the same 75% reimbursement applies if we pay someone to do it or hire people and was advised by Mr. Johnson that it is the same reimbursement however we do it.

Mr. Mezzina stated that the Director has to evaluate this and see if hiring people or outside help is better, and then we only have to handle the reports. We can't do this in-house. We have to hire people and installation would solely be their job. We would still have to do the administrative paperwork.

Mr. Mezzina stated that an evaluation should be done so that we can act on this at next meeting. The Board agreed.

7 - Mr. Johnson advised that Sun National Bank, one of the banks the Authority uses, has made several changes in their organization. Other banks started making changes a while ago, but Sun Bank had been picking up all of our banking fees. They were picking up the cost of our payroll fees as well. We have to pay for our checks now, other fees, and the payroll charges. The costs are being charged on a monthly basis, but we asked that they calculate our fees in a different manner since we deposit a lot of checks one month but not a lot the other two months in a quarter. They won't do an analysis on a quarterly basis; only monthly. It looks like we will pay about \$2,000 a year for everything. We are looking at other banks at this point and time. We have to look at banks close to our office though because of making deposits every day. However, there is a resolution on the agenda for the bank, as the Authority must update its wire transfer service agreement with Sun authorizing our Trustee, TD Bank, to make drawdowns. Even though the Authority adopted a resolution in February updating authorized account signers, the wire department doesn't recognize that agreement for wire transfer purposes. There is a separate resolution for that, and once adopted, TD representatives will be given PIN numbers allowing them to do drawdowns. That resolution is #2013-26.

Mr. Johnson advised that the balance of his report consists of the performance and maintenance guarantees due to expire. There are no performance guarantees due to expire, but there are a number of maintenance guarantees expiring.

Mr. Mezzina stated that there is no recommendation on the guarantee posted by Four Seasons at Sea Oaks Phase 1 Tank and Production Well that is due to expire in June. If there is a problem, we do not meet again until June 11, 2013.

Mr. Johnson advised that there are some punch list items still to be corrected.

Mr. Contreras advised that the inspection was done last Thursday, and the letter was just sent out advising them.

Mr. Mezzina inquired whether the guarantee is acceptable to expire and was advised that it is not.

Mr. Mezzina stated that they must be noticed that they must extend their guarantee. This is a problem we have had in the past. We have to notice the applicant that either we have no problem letting the guarantee expire or that they have to extend their guarantee.

Mr. Mezzina inquired of Counsel whether the letter should come from Counsel or our Engineer and was advised by Mr. Connors that the Engineer should send the letter.

Mr. Contreras was directed by the Board to send Four Seasons at Sea Oaks a letter advising that their guarantee must be extended in whatever time frame he feels is reasonable to complete the work, and if necessary, the Engineer could utilize our Attorney's services should the need arise.

Mr. Johnson advised the Board that there are three other maintenance guarantees due to expire. West Calabreeze Pump Station and Well #12 both expire in July, and Four Seasons at Sea Oaks Water Treatment Plant expires in August. The tank and production well was one phase, and the treatment plant was a different phase. There were two different guarantees. The punch list is being worked on.

Mr. Johnson stated that everyone has looked at Calabreeze Pump Station, and that maintenance guarantee could expire. Well #12 can't be checked because it is just sitting there.

Mr. Mezzina asked whether we can run it and was advised by Mr. Johnson that we cannot.

Mr. Mezzina stated the contractor would have had to prove it worked. They couldn't just install it and walk away.

Mr. Contreras advised that they did the testing required.

Mr. Mezzina asked when that took place. When was certification complete?

Mr. Contreras advised that it was two years ago. They produced the water they were supposed to.

Mr. Mezzina stated that there needs to be a recommendation. It should still be checked out, but he doesn't know what to do in this case. We need to be covered. He doesn't want the guarantee to expire without final notice. It should be closed out with proper notifications.

Mr. Mezzina stated that we should take action on Resolution #2013-26 in connection with item #7 of the report with respect to Sun National Bank.

A motion was made by Mr. Koptic, seconded by Mrs. DePergola to approve Resolution #2013-26 authorizing wire transfer service with Sun National Bank. Roll call vote, Earl Miller – yes, Margaret DePergola – yes, Richard Crea – yes, Joseph Koptic – yes, Joseph Mezzina – yes.

A motion was made by Mr. Koptic, seconded by Mrs. DePergola approving the Executive Director's Report as submitted with the modifications. All in favor.

SUPERINTENDENT'S REPORT

1 - Mr. DiFrancia advised the Board that every year the Authority goes out to bid for the water and sewer plant supplies in case we reach the bid threshold. The lowest prices are in bold type on the tabulation attached to his report. There are resolutions on the agenda for approval.

Mr. Mezzina asked who reviewed the bids and was advised by Mr. Johnson that our Superintendent reviews the bids and checks that the items are the proper ones bid. They do not require any documents. We only bid because we may go over the threshold, but we only require paperwork should we go over the amount.

Mr. Mezzina asked if we go over the amount and was advised by Mr. Johnson that we do not.

Mr. Mezzina asked what happens if a vendor goes over the amount.

Mr. Johnson advised that the threshold is \$36,000.00 because we have a QPA so we should never go over the threshold.

Mr. Connors stated that it has to be monitored.

Mr. Mezzina stated that we could approve the resolutions based on the Superintendent's recommendation.

A motion was made by Mr. Koptic, seconded by Mr. Miller to approve Resolution #2013-24 awarding bid for the supply of water supplies. Roll call vote, Earl Miller – yes, Margaret DePergola – yes, Richard Crea – yes, Joseph Koptic – yes, Joseph Mezzina – yes.

A motion was made by Mr. Koptic, seconded by Mr. Miller to approve Resolution #2013-25 awarding bid for the supply of sanitary sewer supplies. Roll call vote, Earl Miller – yes, Margaret DePergola –yes, Richard Crea – yes, Joseph Koptic – yes, Joseph Mezzina – yes.

Mr. DiFrancia advised the Board that he had an update on the Tuckerton Borough interconnection. He met with their Superintendent numerous times and was out there with both the Superintendent and Engineer for the Borough. Every time it's put on, it blows apart. It blew apart on their side twice and once on our side. The interconnect pipe has a lot of faults. Their Engineer is making a recommendation to finance a directional drill. That is the last he has heard on the matter.

Mr. Mezzina stated then that they are not just merely abandoning it and was advised by Mr. DiFrancia that is correct.

Mr. DiFrancia advised that the Report of Leaks are as noted. There were three leaks in the past month.

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

PLANS COMMITTEE

1 – Mr. Johnson advised the Board that Kimberly Development came in several years ago for a development off Center Street close to Oak Lane and Leitz Blvd. They had asked that the right-of-way behind a few of the homes be vacated and easement given to homeowners and Authority.

Mr. Johnson stated that the Authority didn't think this was a good idea, and we have Blue Comet Development coming in and could use that. The Planning Board agreed to adjust the approval that allowed it to be vacated. It will stay a right-of-way to the end of the property. We are recommending approving the Administrative Change Resolution of the Planning Board. There is a resolution on the agenda.

Mr. Mezzina stated this is based on the recommendation of the Director, Plans Committee, and professionals.

A motion was made by Mr. Koptic, seconded by Mrs. DePergola to approve Resolution #2013-27 approving administrative change for Kimberly Development, Block 287 Lot 8.02 (Center Street) regarding right-of-way. Roll call vote, Earl Miller – yes, Margaret DePergola – yes, Richard Crea – yes, Joseph Koptic – yes, Joseph Mezzina –yes.

2 – Mr. Johnson advised the Board that this is the project we spoke about last meeting that we are trying to close out. There is a change order for the project in the amount of \$20,184.00. There were several problems with gas lines and telephone lines. This pump station is over 55 years old, and gas lines were run over the wet well and had to be relocated. Also, the bottom of the manhole is usually in concrete, but they had four foot to cut out that was not planned for in the original bid specs. The change order submitted was in the amount of \$43,000.00, but we negotiated down to \$20,184.00, which they agreed to. There is a resolution on the agenda approving the change order, based on the recommendation of the Plans Committee, Engineer, and Attorney.

A motion was made by Mr. Koptic, seconded by Mr. Crea to approve Resolution #2013-28 approving change order #4 for Pump Station #5 (Twin Lakes & Susquehanna Dr.) submitted by Electrical Design & Construction Corporation. Roll call vote, Earl Miller – yes, Margaret DePergola – yes, Richard Crea – yes, Joseph Koptic – yes, Joseph Mezzina – yes.

3 – Mr. Johnson advised the Board that A.C. Schultes is working on the Rehabilitation of Well #8 and Well #9 project. When they pulled the motor out of Well #8, there were additional items to be corrected and since that motor is the original motor from 1988, the Superintendent and I spoke with the Engineer and felt the motor should be re-wound. We can't spend all this money and not re-wind the motor. There is a change order for this in the amount of \$5,592.00.

Mr. Mezzina asked how much more life re-winding gives a 25 year old motor. Mr. Contreras advised that re-winding is full reconstruction. Mr. Mezzina stated then that we have a new motor basically.

Mr. Johnson advised the Board that this is only for Well #8. We do not know what is going to happen when we go on to Well #9.

A motion was made by Mr. Miller, seconded by Mrs. DePergola to approve Resolution #2013-29 regarding approving change order #1 for Well #8 (Center Street) submitted by AC Schultes. Roll call vote, Earl Miller – yes, Margaret DePergola – yes, Richard Crea – yes, Joseph Koptic – yes, Joseph Mezzina – yes.

4 – Mr. Johnson advised the Board that K. Hovnanian at Harbor Bay requested a reduction in their performance guarantees for Harbor Bay Section 1 Phase 1, 2, & 8. The Engineer performed and inspection, and there are still items to be completed. The Engineer and Committee recommends a 70% reduction be granted subject to our Engineer's letter. There are resolutions on the agenda for the reduction.

Mr. Mezzina inquired whether this section stands on its own and was advised by Mr. Contreras that it does.

Mr. Mezzina stated that he just wanted to verify that and asked whether this will have any effect on the unreleased portion.

Mr. Contreras advised that it is not that we are approving 70% and not approving 30%. We are approving a 70% reduction of the performance bond because they did testing and passed, but since they are not finished, we are just reducing the total of the bond.

Mr. Mezzina stated that usually you release work of sections not the total bond.

Mr. Johnson advised that there are five separate sections.

Mr. Mezzina stated that he doesn't believe what our Engineer is saying is what the resolution says.

Mr. Connors advised that the resolution states the value of the work that has to be completed is \$321,291.00 for the water system.

Mr. Mezzina asked if that is of the total bond and was advised by Mr. Connors that regardless of the total bond, the value of the work left to be completed is \$321,291.00.

Mr. Mezzina stated that he doesn't want to be difficult, but is this enough to cover the work remaining.

Mr. Connors asked Mr. Contreras if \$321,291.00 adequately covers the work to be completed and was advised by Contreras that it does.

Mr. Connors advised the Chairman that he recommended the release of the performance bond posted upon posting a brand new bond in the amount of the value of the work remaining.

Mr. Connors further advised that we will not release the current bond until the new one is posted. We are not taking the bond and making it less. It will be a brand new bond.

Mr. Mezzina asked what happens if something should break down in the remainder of what has to be installed.

Mr. Contreras stated that we have the 30% to cover that.

Mr. Mezzina stated then that the Engineer is comfortable that 30% covers the work if something should happen that affects the performance of the section 70% released and was advised by Mr. Contreras that he is comfortable with it.

Mr. Mezzina stated that he just wants to make sure that this is okay, and there are no future concerns.

A motion was made by Mr. Koptic, seconded by Mr. Miller to approve Resolution #2013-30 approving performance guarantee reduction for K. Hovnanian's Four Seasons at Harbor Bay Section 1 Phase 1, 2, and 8 water system. Roll call vote, Earl Miller – yes, Margaret DePergola – yes, Richard Crea – yes, Joseph Koptic – yes, Joseph Mezzina – yes.

A motion was made by Mr. Koptic, seconded by Mr. Miller to approve Resolution #2013-31 approving performance guarantee reduction for K. Hovnanian's Four Seasons at Harbor Bay Section 1 Phase 1, 2, and 8 sewer system. Roll call vote, Earl Miller - yes, Margaret DePergola – yes, Richard Crea – yes, Joseph Koptic – yes, Joseph Mezzina – yes.

5 – Mr. Johnson advised that the annual chemical bids were received on April 11, 2013. We only received bids for Contracts #1 - #4 and #6. We are re-bidding Contract #7 because we didn't receive any bids for that contract.

Mr. Koptic asked about Chemical Contract #5 and was advised by Mr. DiFrancia that we are not bidding that contract again as we haven't used that chemical in years.

Mr. Johnson advised that we bid for that chemical just in case we need it. There'll be no further bid on contract #5. There is a resolution on the agenda to award Contracts #1 through #4 to Chemical Equipment Labs, Inc., who was the lowest, responsible bidder. Award of Contract #6 is recommended to Coyne Chemical, who was the only bidder.

A motion was made by Mr. Miller, seconded by Mr. Koptic to approve Resolution #2013-23 awarding contract for the supply of water chemicals for 2013. Roll call vote, Earl Miller – yes, Margaret DePergola – yes, Richard Crea – yes, Joseph Koptic – yes, Joseph Mezzina – yes.

6 – Mr. Johnson advised the Board that the annual bids were received for Emergency Repairs of Water and Sewer Mains on May 2, 2013. The lowest, responsible bidder was Mathis Construction. The Committee, Engineer, and Attorney recommend award to Mathis Construction. There is a resolution on the agenda for action.

Mr. Mezzina recused himself from action on this item.

A motion was made by Mr. Miller, seconded by Mr. Crea to approve Resolution #2013-32 awarding Emergency Repair of Water and Sanitary Sewer Mains and Services bid contract to Mathis Construction Company, Inc. Roll call vote, Earl Miller – yes, Richard Robins – yes, Margaret DePergola – yes, Richard Crea – yes, Joseph Koptic – yes.

7 – Mr. Johnson advised that prior to going out to bid for the electrical repairs for our wells and pump stations, we looked at everything we would need to get the stations back up. A week before the bid went out, the FEMA representative that does mitigation met with the Authority. We went to each of the facilities affected by the storm to determine the best way to protect them should this happen again. The stations we have that were built of block could have waterproof doors installed and have concrete casing installed around vents. We have two facilities made of wood that still have to be repaired. Knowing this after receiving bids, many of the alternate items were not necessary. Alternate C and F were the only items necessary. We only took what we need for the wood buildings. ABS Electric Inc. was the lowest responsible bidder for the whole bid and just doing the two alternates. The Committee, Engineer, Attorney recommend awarding bid to the lowest responsible bidder including Alternates C and F to ABS Electric for \$143,065.00. There is a resolution on the agenda for action.

A motion was made by Mr. Koptic, seconded by Mrs. DePergola to approve Resolution #2013-33 awarding electrical repairs at various locations bid contract to ABS Electric Inc. Roll call vote, Earl Miller – yes, Margaret DePergola –yes, Richard Crea – yes, Joseph Koptic – yes, Joseph Mezzina – yes.

8 – Mr. Johnson advised that seven of our pick-up trucks damaged in the storm were totaled and have to be replaced. A bid opening was held May 9, 2013 for seven pick-up trucks to replace them. The Authority received six bids, and Pacifico Marple Ford submitted the lowest bid at the bid opening. They were considerably lower than the next low bidder. The next day, Larson Ford called the Authority and said unless Pacifico was taking a loss on the trucks, their bid was less than the cost the dealer could pay. We called Pacifico and spoke with Mr. Kiernan. He went back and looked at the bid and said that it didn't include three items required, which meant that his bid didn't conform to the bid specs. I spoke to our Attorney, and he agreed that Pacifico's bid must be rejected as they didn't conform to the bid specifications and bid should be awarded to the next lowest bidder, Larson Ford.

Mr. Mezzina stated then that this is based on Counsel's opinion and was advised that it is.

Mr. Mezzina stated that there is a resolution on the agenda awarding the bid to Larson Ford.

Mr. Miller questioned there being a CD player in the vehicle.

Mr. Johnson advised that the Authority employees are required to go to safety classes that can be loaded onto CDs, and they can listen to them while they are on the road.

Mr. Miller stated then that it is work related and was advised by Mr. Johnson that is correct. Things are getting more progressive year after year.

A motion was made by Mr. Koptic, seconded by Mr. Miller to approve Resolution #2013-34 awarding contract to Larson Ford for the purchase of seven 2013 Ford F-150 trucks. Roll call vote, Earl Miller – yes, Margaret DePergola – yes, Richard Crea – yes, Joseph Koptic – yes, Joseph Mezzina – yes.

Mrs. Skelly asked why the Plans Committee Report stated that Pacifico Marple was the low bidder still, but the award is to Larson.

Mrs. Skelly was advised that there was a Plans Committee Report addendum with the new award recommendation, which was provided to all the Members.

Mr. Johnson advised there is a typo in the report with respect to the price that will be corrected as well.

There was nothing further for the Plans Committee Report.

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

STORM COMMITTEE

Mr. Johnson advised the Board that the Committee met to discuss the options the Authority could implement with respect to customer relief due to the storm. The Committee determined that it would not be fair to waive charges because the loss of revenue would have to be made up by the remaining customers.

Mr. Mezzina stated that he doesn't want to be critical, but the Committee was supposed to outline for the Board what we are doing. That was the assignment he expected. He expected to see a policy in writing that someone could look at. We need a policy to guide us. We need more than what this report states. This is okay, but it is only talking about what we want to do. We should find out what everyone else is doing, and we should adopt a clear policy as to what the public may request. It has to be more like our Rules and Regulations.

Mrs. DePergola stated that she thought we spoke about not charging interest.

Mr. Mezzina stated that we did have that discussion. We should adopt a policy stating whatever we are doing. We do not have to reinvent the wheel, but we should take a look at what others are doing.

Mrs. DePergola stated that we could allow a longer grace period.

Mr. Mezzina stated that whatever the Committee comes up with should be clearly spelled out. Guidelines will make it a lot easier for everyone.

A motion was made by Mr. Koptic, seconded by Mr. Miller to approve the Storm Committee Report with amendment. All in favor.

Mr. Connors stated that there were a few more resolutions on the agenda. Apparently there was a water service connection leak on Ensign Drive.

Mr. Connors stated that he prepared a resolution declaring an emergency exists so that the Authority could have the service repaired immediately under the Emergency Repair Services contract.

A motion was made by Mr. Koptic, seconded by Mrs. DePergola to approve Resolution #2013-35 declaring an emergency with regard to needed repair of water service connection at 113 North Ensign Drive. Roll call vote, Earl Miller – yes, Margaret DePergola – yes, Richard Crea – yes, Joseph Koptic – yes, Joseph Mezzina – yes.

Mr. Johnson advised the Board that the next resolution is what he spoke about earlier with respect to filing an application for the Community Disaster Loan. This gives us the ability to file the application. Our Attorney reviewed everything.

A motion was made by Mr. Miller, seconded by Mr. Koptic to approve Resolution #2013-36 authorizing filing FEMA Community Disaster Loan Application. Roll call vote, Earl Miller - yes, Margaret DePergola – yes, Richard Crea – yes, Joseph Koptic – yes, Joseph Mezzina – yes.

Mr. Connors advised that Resolution #2013-36 authorizes the Authority to file the FEMA CDL application, but within the application there is another resolution we should also adopt this evening called the security collateral resolution. It pledges Authority revenue to repay the loan. We can adopt it by number tonight, and the resolution will be prepared tomorrow.

A motion was made by Mr. Miller, seconded by Mr. Koptic to approve Resolution #2013-37 pledging collateral security to FEMA for the Community Disaster Loan. Roll call vote, Earl Miller – yes, Margaret DePergola – yes, Richard Crea – yes, Joseph Koptic – yes, Joseph Mezzina – yes.

ATTORNEY'S REPORT

Mr. Connors stated that there are not a lot of changes since last month. We didn't have the scheduled mediation for Winding Run due to the submission of a revised punch list by the Township, which could increase the cost. The parties are reviewing the updated submissions. We are on hold with this for now.

Mr. Connors advised that Harbors at Stage wants to complete the unfinished work in exchange for dismissal without prejudice, meaning we could institute suit again. He thinks the issue is the time line for completing the work. We want to see if we could get a copy of the settlement agreement before advising the Authority again.

Mr. Connors stated with respect to the South Shore Properties matter that the Director received a subpoena to testify on behalf of South Shore Properties. Even though we are not a party to the litigation, we are bound by the order of the court that prohibits us from requiring the manhole to be raised until the matter is fully litigated.

Mr. Connors advised that there is one new item in connection with correspondence received from Counsel for a resident on Frog Pond Road regarding the requirement for mandatory hook-up to the water service. We are waiting for further information to review.

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

Mr. Mezzina asked if there were any other matters to come before the Board.

Mr. Miller asked if there has been any consideration to raising the height of the meter to preclude issues with flooding. A lot of meters are at ground level, and with new meters being installed, he wondered if it would be to our best interest to raise the meter a foot or two to preclude possible flooding.

Mr. Mezzina stated that is a good idea, but he doesn't know what complications that involves.

Mr. Johnson advised that part of the FEMA request was for mitigation on the meter. There are two types of meter. One is what you see in most houses, and one is the waterproof one in meter pits. We were approved by FEMA for waterproof meters to go in the homes, which is \$10.00 more per meter.

Mr. Miller stated then that the meter would, in fact, be flood proof. Mr. Johnson advised that he doesn't know if they are flood proof, but they are waterproof.

Mr. Miller inquired whether the meters will be impervious to saltwater infiltration and was advised by Mr. Johnson that they are but the wires and screws are affected.

Mr. Mezzina stated that if the wires and screws are affected, we have to be careful.

Mr. Johnson advised that the meters being installed are the ones that are in the pits.

Mr. Miller stated that obviously the meters we had were not waterproof, but now they will be, so we are upgrading them.

Mr. Johnson stated that was correct, and as a point of information, FEMA will not pay a second time.

Mrs. DePergola stated that most of the meters are going to be installed in homes that a lot of people are waiting for money from FEMA and/or insurance, and they do not know when or if they are going to repair them or how long it will take or if the homes are being torn down. If people are still questioning what they are doing, how are we going to do the installation.

Mr. Johnson advised that this is a project that will not be done in six months or a year. It will take a very long time.

Mr. Koptic stated that he spoke to a few people about raising their houses, and they said there is a two-year waiting list with builders. If they are on a two-year waiting list, and it is another year before their house is raised, meters are not going to be installed very quickly.

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

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

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

A motion was made by Mr. Miller, seconded by Mr. Koptic to enter executive session regarding personnel and approve corresponding resolution #2013-38. Roll call vote, Earl Miller – yes, Margaret DePergola – yes, Richard Crea – yes, Joseph Koptic – yes, Joseph Mezzina – yes.

After return from executive session, the Board took action on the personnel matter.

A motion was made by Mr. Koptic, seconded by Mr. Miller to extend Paula Urezio's Leave of Absence to July 31, 2013. Roll call vote, Earl Miller – yes, Margaret DePergola – yes, Richard Crea – yes, Joseph Koptic – yes, Joseph Mezzina – yes.

There being nothing further, a motion was made by Mr. Miller, seconded by Mr. Koptic to adjourn. All in favor.

SECRETARY

Approved on (date)