

The regular meeting of the Little Egg Harbor Municipal Utilities Authority was held on August 12, 2014 at 5:00 P.M. at the Authority headquarters, 823 Radio Road, Little Egg Harbor Township, New Jersey.

MEMBERS PRESENT: Joseph Koptic, Chairman; Richard Crea, Secretary; Earl Miller, Treasurer; Eugene Kobryn; Richard Robins, Marie Skelly

MEMBERS ABSENT: Margaret DePergola

OTHERS PRESENT: David Johnson, Executive Director; Michael DiFrancia, Superintendent; Earl Sutton Jr., Assistant Director; 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. 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 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 Mr. Kobryn approving the minutes of the regular meeting held July 8, 2014. Roll call vote, Earl Miller – yes, Marie Skelly – yes, Eugene Kobryn – yes, Joseph Koptic – yes.

TREASURER'S REPORT

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

BILLS RESOLUTION

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

ENGINEER'S REPORT

Mr. Dittenhofer stated that the written report for August 2014 was forwarded to the Board for their review and approval. He would like to comment on two items; those being item 1e and 1f.

Mr. Dittenhofer stated with respect to Item 1e - Well #7 Casing Failure Emergency Declaration, his office forwarded a letter to the Authority on July 17, 2014 indicating there was an emergency that needed to be addressed immediately by the Authority. There is a resolution on the agenda memorializing the emergency declaration. Item 1f is the companion issue associated with it, construction of Well #14. Well #14 would be a replacement for Well #7, which will not be able to be used much longer, if at all. We are working with the Authority to compile a permit package.

Mr. Johnson stated that we had to shut Well #7 down due to the emergency problem and most likely will have to install another well.

Mr. Crea asked whether we can operate without it and was advised by Mr. Johnson that we are. We are using Well #13 instead of Well #7.

Mr. Crea asked how long we can go without the other well and was advised by Mr. Johnson a long time. It will probably take 12 to 15 months to get the permit and go out to bid for the new well.

Mr. Dittenhofer stated that the process shouldn't take that long for this well because Well #13 is already there.

Mr. Sutton stated that it is not an emergency situation because we have the other well to utilize, but it is something we are moving forward with because we have to.

There were no other questions.

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 advised the Board that the required public hearing was held July 30, 2014 for the NJEIT Loan for the Water Treatment Plant at Well #12. The hearing was held here at the Authority office, and a copy of the minutes is included with his report. We had 8 or 10 people attend the hearing. They had some very good questions. He is of the understanding that everyone left happy because they were told what was happening. Someone thought the treatment plant was going to be a sewer treatment plant, not a water treatment plant. Some of the questions were about how close the plant would be to their backyard. The plant will not be close to anyone's property. The plant will not be in sight of anyone's property line. Some were concerned about noise.

Mr. Johnson stated that he believes we answered all questions asked by the public.

2 – Mr. Johnson stated that the Authority received a letter from Bond Counsel with respect to disclosure commitments and recommended the Authority adopt a resolution to perform a disclosure review and participate in the Disclosure Cooperation Initiative of the Securities and Exchange Commission. The SEC has been encouraging Authorities and local government to provide information necessary to comply with disclosure requirements. We are not the only one, and we have to get this done. Our Bond Counsel prepared a resolution for adoption tonight.

A motion was made by Mr. Miller, seconded by Mr. Crea to approve Resolution #2014-55 directing the undertaking of a Continuing Disclosure Review and authorizing participation in the Municipalities Continuing Disclosure Cooperation Initiative of the Securities and Exchange Commission. Roll call vote, Earl Miller – yes, Richard Robins – yes, Eugene Kobryn – yes, Richard Crea – yes, Joseph Koptic – yes.

3 – Mr. Johnson stated, as everyone is aware, we have had an overabundance of cut and caps since Super Storm Sandy. When preparing the new budget and fees for July 2014, we addressed the cut and cap issue whereby only licensed plumbers could perform them just like most towns. When doing so, we never thought about contractors that do water and sewer connections being permitted to perform cut and caps also.

Mr. Johnson advised that the Authority received a letter from Mathis Construction requesting the Authority to consider allowing authorized, qualified contractors to perform the cut and caps as well as licensed plumbers. We needed a decisive way to determine how we would let someone touch our system. We looked over the documents Mathis Construction sent us showing what they have to do as a contractor to receive certifications. The State has classifications and certifications that we would require the contractor hold in order to be approved to perform work in our system. It would eliminate certain contractors from performing cut and caps if they do not hold these valid classifications. The contractors must have a certain amount of insurance, disclosures as to who owns the company, and they have other criteria they go through to get their certifications and classifications. Anyone who goes through that and receives those certifications would be qualified to perform a cut and cap. It is cut and dry. It is not someone's opinion whether a contractor is qualified. If the Authority tells a contractor they need these certain documents, and they have the documents, there is no question they are qualified.

Mr. Johnson stated that recommendation is being made to permit qualified contractors to perform cut and caps in addition to licensed plumbers. There is a resolution on the agenda for action.

Mr. Crea inquired how this affects the licensed plumber.

Mr. Johnson advised that licensed plumbers can still perform cut and caps. We are only adding that qualified contractors are also permitted to perform cut and caps. They both can do it.

Mr. Miller inquired whether the contractors will have to go through an approval process.

Mr. Johnson advised that contractors will be required to show us their documents to be approved. If they do not have the appropriate documents and insurance, they wouldn't be permitted to do the work. If they have the appropriate documents from the State, it means the State says they are okay, which means they would be okay with us. If the contractor doesn't have the proper documents, we won't permit them to do the work.

Mr. Miller stated that they have to go through us to be approved too.

Mr. Johnson stated that was correct. The contractor must have a valid State DPMC27 classification including trade classification C056 and C058. There is a resolution on the agenda for action.

A motion was made by Mr. Robins, seconded by Mr. Miller to approve Resolution #2014-56 revising the Authority regulations pertaining to cutting and capping water and sanitary sewer service connections. Roll call vote, Earl Miller – yes, Richard Robins – yes, Eugene Kobryn – yes, Richard Crea - yes, Joseph Koptic – yes.

Mr. Johnson advised that he had another matter to bring before the Board that is not on the report with respect to K Hovnanian concerning the tank at Sea Oaks. We were not happy with the job they did on the storage tank. There are several locations on the tank where little white spots can be seen through the paint. That is unacceptable and needs to be cleaned up. We negotiated with them, and they agreed to pay the Authority \$27,500.00, representing the value of the surface painting repairs and to walk away from this.

Mr. Johnson stated that we will probably need to paint the whole tower in five to eight years anyway, but this is just to correct the surface painting deficiency.

Mr. Johnson stated that he, our Superintendent, and our Engineer recommend accepting the money and releasing K. Hovnanian from liability.

Mr. Johnson explained that the \$27,500.00 is only to repair the spots. We can't make them paint the whole tank. The \$27,500.00 is the cost to take care of the surface painting repair today. It doesn't look that bad, and we could live with it, but we should take the settlement. There is a resolution on the agenda to be acted upon.

A motion was made by Mr. Miller, seconded by Mr. Crea to approve Resolution #2014-60 authorizing the settlement of a claim against K Hovnanian at Little Egg Harbor LLC for surface painting repairs to the water storage tank at Four Seasons at Sea Oaks Section 1. Roll call vote, Earl Miller – yes, Richard Robins – yes, Eugene Kobryn – yes, Richard Crea – yes, Joseph Koptic – yes.

Mr. Johnson advised the Board that another matter that did not make his report is the sale of the cellular lease agreements. He understands that there are other Authorities that have done this, but the one sent to him for our Authority is not really what he thinks we should have for the protection of the Authority. He is supposed to get a copy of one that was approved and accepted between another Authority and the company buying the leases. He believes our Attorney was involved in one of them. Once we get a copy of that and review it, he would like to get moving with this. He would like us to go out to bid to sell the lease agreements. We would have a minimum price in the bid. If bidders do not bid what we want, we do not have to accept them.

Mr. Koptic stated that the Director, Attorney, and Engineer will review the specs.

Mr. Johnson stated that was correct.

A motion was made by Mr. Crea, seconded by Mr. Kobryn authorizing the Executive Director and professionals review the specs for the sale of cellular lease agreements and go out to bid. Roll call vote, Earl Miller – yes, Richard Robins – yes, Eugene Kobryn – yes, Richard Crea – yes, Joseph Koptic – yes.

Mr. Johnson advised that the last item on his report is performance and maintenance guarantees due to expire. There are no performance guarantees; however there is one maintenance guarantee due to expire at the end of the month for Pump Station #5. We had rehabilitated the pump station and then rehabilitated it again after Super Storm Sandy. There is no reason not to let the guarantee expire. That is all he had for his report.

Mr. Kobryn stated that he would like to compliment the individual that typed the minutes of the public hearing. The quality of the minutes was excellent. They were well written and well typed.

Mr. Johnson advised that our Administrative Assistant took the minutes and typed them.

The Administrative Assistant thanked Mr. Kobryn for his comments.

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

SUPERINTENDENT'S REPORT

1 – Mr. DiFrancia stated that this item is what the Engineer mentioned in his report under Item 1e & 1f regarding Well #7 and Well #14. The treatment plant went down to zero gallons per minute. The well casing split and pumped sand into the filters. We worked 15 hours straight to get back on line when sand was pumped into the filter beds. We are using Well #13 presently as mentioned earlier during the Engineer's Report. Our Engineer declared an emergency and provided The Authority with a letter confirming the emergency so the problem could be corrected immediately. There is a resolution on the agenda declaring the emergency.

A motion was made by Mr. Robins, seconded by Mr. Kobryn to approve Resolution #2014-54 declaring an emergency with regard to the needed repairs to Well #7 and Water Treatment Plant. Roll call vote, Earl Miller – yes, Richard Robins – yes, Eugene Kobryn – yes, Richard Crea – yes, Joseph Koptic – yes.

Mr. Johnson advised the Board that normally our personnel would not take on a job such as this, but our Superintendent felt comfortable, and our personnel were able to do it. All the filters were cleaned of sand, and one is being rehabilitated by our personnel. This probably saved the Authority tens of thousands of dollars. Our personnel are really doing a great job. This is not an easy job.

Mr. DiFrancia stated that we got on this right away because that sustains the low pressure side of the system. We put in a back-up generator and did a directional drill under the bridge to make sure there is adequate pressure.

Mr. DiFrancia also stated that we should move quickly on Well #14 as we should have another back-up well to switch to. We would not be able to keep up in the summer months if we did not have a back-up well to switch to if needed.

2 – Mr. DiFrancia advised the Board that Mike Abramowicz of the DEP, for the wastewater side of the system, conducted an inspection of our sewer facilities in June. Don Orpen of the DEP Bureau of Compliance & Enforcement for water systems conducted an inspection of our water facilities last month. He is proud to announce that both of our facilities passed inspection as expected.

3 – Mr. DiFrancia advised that the Authority was copied on correspondence from the DEP that had been sent to Great Bay Condo Association and Great Bay Marina regarding requirements of an unapproved water supply and the requirement of an approved physical connection permit. We spoke to both parties about the requirements. He sat down with Bert from the Condo Association about what to do. He thinks the State is doing this because of Hurricane Sandy. Being a marina, if a hose is stuck into the water for example, the State must feel that salt water could be pulled into our system. Backflow prevention devices must be installed, and a plumbing permit obtained before installation. It has to be checked four times a year.

Mr. DiFrancia advised that the last item on his report is the leak list. There were six leaks this past month.

Mr. Kobryn asked what is creating the leaks and was advised by Mr. DiFrancia that anything on this side of town has old pipes and old poly lines. That is what the original contractor that built Mystic Islands installed at the time. Lakeside Drive, by Tip Seaman Park, has that kind of pipe installed in the street also. We have problems with leaks there as well. Since Lakeside Drive is going to be paved, we are planning on replacing the pipe so there won't be problems there.

Mr. Johnson stated that earth moves, the ground moves, and the stones rub against the pipe. After 30 or 40 years of that, pipes will develop a hole. Every time the water is turned on, you get movement in the pipe.

There were no further questions or comments.

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

PERSONNEL COMMITTEE REPORT

Mr. Koptic stated that if there are any questions or comments on the report, we will hold the report for closed session. If everyone understands it and agrees with the recommendation, we can vote on it without going into closed session. There were no questions. The Members were in agreement with the recommendations of the Committee.

Mr. Johnson advised that there are two resolutions with respect to the Personnel Committee Report. One resolution creates the position of Right-To-Know Coordinator, and the other resolution appoints John Viteritto to the position.

A motion was made by Mr. Miller, seconded by Mr. Robins to approve Resolution #2014-57 establishing the position of Right-To-Know Coordinator. Roll call vote, Earl Miller – yes, Richard Robins – yes, Eugene Kobryn – yes, Richard Crea – yes, Joseph Koptic – yes.

A motion was made by Mr. Robins, seconded by Mr. Miller to approve Resolution #2014-58 appointing John Viteritto as Right-To-Know Coordinator. Roll call vote, Earl Miller – yes, Richard Robins – yes, Eugene Kobryn – yes, Richard Crea – yes, Joseph Koptic – yes.

Mr. Johnson advised the Board that a complete inventory is required of all chemicals at all of our facilities. Every chemical has to be recorded in a book on site at each building with Material Safety Data Sheets. The Authority is required to complete a survey with all the information. The surveys have to be submitted to the State, the local fire and police department, Board of Health, and other agencies. It is a big project to undertake.

Mr. Crea inquired whether Mr. Viteritto can do this plus his job and was advised by Mr. Johnson that he can, and we spoke with him about it as well.

Mr. Johnson advised the Board that there is another personnel resolution with respect to appointing a temporary QPA.

A motion was made by Mr. Robins, seconded by Mr. Miller approving Resolution #2014-59 appointing Nicole Mezzina as Temporary Qualified Purchasing Agent. Roll call vote, Earl Miller – yes, Richard Robins – yes, Eugene Kobryn – yes, Richard Crea – yes, Joseph Koptic – yes.

Mr. Johnson advised that by State law we can appoint a person to be a temporary QPA for one year, but if we need them for a second year, we are required to get DCA approval, which they very rarely deny. Hopefully by that time, we will be okay. Our Executive Secretary is taking classes now and has a test tomorrow. She will proceed from there to the next class. We wanted to adopt a resolution for the temporary QPA to have something in place for the position in case something came up.

CUSTOMER COMMITTEE

Mr. Koptic inquired whether anyone had questions on the Customer Committee Report. There were none.

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

ATTORNEY'S REPORT

Mr. Connors advised the Board that there was nothing new to report and no items of litigation or other matters.

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

Mr. Koptic 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. Robins to accept and file all correspondence. All in favor.

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

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

SECRETARY

Approved on (date)