

LEHMUA
Regular Meeting

November 10, 2014

The regular meeting of the Little Egg Harbor Municipal Utilities Authority was held on November 10, 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; Richard Robins; Marie Skelly

MEMBERS ABSENT: None

OTHERS PRESENT: Michael DiFranca, Superintendent; Colleen Kleinow, Administrative Assistant; Nicole Mezzina, Executive Secretary; Felipe Contreras, Authority Engineer; Christopher Connors, Authority Attorney; Brian Logan, Authority Auditor

OTHERS IN ATTENDANCE PER SIGN-IN SHEET: None

Mrs. DePergola opened the meeting and led the Pledge of Allegiance. Mrs. DePergola asked everyone to remain standing and observe a moment of silence in honor of Veterans Day.

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.

The Authority Auditor, Brian Logan, was asked to present the Audit Report.

Mr. Logan stated, as everyone knows, there was a revision to one of the pages, which was previously provided to the Members. However, another error was found since then, and he brought the revised page with him to give out to the Members. The first revision was on Page 34. Towards the bottom of the page, the report indicated "Deficiency", which should have indicated "Excess". The other error was on the last line of Page 61. The answer to the question had to be "Yes" or "No". It was marked "Yes" but should have been "No". He will collect the audit books after the meeting, pull the incorrect pages, insert the revised pages, and return them to the Members. The electronic version to be posted on the Authority website already reflects the changes.

Mr. Logan stated that he would like to touch upon some of the items in the audit report. Page 12 in the bound audit report provides the opinion on financial statements. It was called an unqualified opinion but is now known as an unmodified opinion. That is now the correct terminology. This is what you should strive to achieve every year, which the Authority has. Their opinion on the supplementary data also says that the statements were fairly presented. On Page 56, the letter on internal control, we didn't identify any instances of non-compliance or any items that were required to be reported. That is positive language and what you want to see in that letter.

Mr. Logan advised that there is a new requirement due to Federal Grants, such as FEMA monies and the Community Disaster Loan. Additional language is required when there is an award in excess of \$500,000.00.

Mr. Logan advised that they did not identify any deficiencies in internal control over compliance that was considered to be a material weakness with respect to the Federal Grants. This is all positive language, which is what you want to see in their letters.

Mr. Logan stated with respect to Page 64 that this is the most important page. Under the General Comments and Recommendations there are no comments or recommendations that need to be addressed in a corrective action plan.

Mr. Logan stated that he just wanted to add that our net position increased by about \$118,000.00 over the previous year. It is due to a variety of factors. Two of the main factors were the CDL monies that came in this year for the prior year along with the capital contribution from developers when lines in the ground become Authority property. That increased our net position from the previous year.

Mr. Logan stated that he doesn't have any other comments.

Mrs. DePergola asked if there were any questions.

Mr. Kobryn inquired as to whether he should read the positive comments of the audit report at a meeting of the Township Committee.

After a discussion of the Authority Members, it was decided that it would not be necessary for Mr. Kobryn to address the positive comments section of the audit report at the Township Committee meeting since the Township is provided a copy of the audit report in full.

The Authority Members also expressed concern that just reading one section of the report may generate questions by the public attending the Township Committee meeting, which the Township Committee may not be in a position to adequately address.

Mr. Logan stated that there was a resolution to be acted upon with respect to the audit report, and there is an affidavit that must be signed by the Members stating they reviewed the audit report.

A motion was made by Mr. Miller, seconded by Mr. Crea to approve Resolution #2014-87 regarding fiscal year ending 6/30/14 audit. Roll call vote, Earl Miller – yes, Eugene Kobryn – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

The Board thanked Mr. Logan for the Audit Report.

PRIOR MINUTES

Mr. Kobryn stated that he had a question with respect to the paragraph in the minutes where it is stated "the time is coming that we should discuss more diligently what our future infrastructure needs and costs will be and move forward with it". He asked whether the Plans Committee handles that, the Commissioners as a whole, or another Committee.

Mr. Koptic advised that the Plans Committee will discuss it with the Executive Director, Attorney, Engineer, Superintendent, along with the Commissioners' input. Ultimately it will be presented to the Board as a report for their review to either accept it or change it.

Mr. Miller advised that the Plans Committee makes a recommendation to the Board. Mr. Koptic stated that was correct, and then the Board acts on the recommendation as they see fit.

Mr. Kobryn also asked the current status of Item #2 on the Superintendent's Report referencing Falkinburg Drive.

Mr. DiFrancia advised that all the homeowners were very happy that we spent the time and effort out there and found the end result was the stumps in the ground. It was resolved on our part, and we went the extra step to solve the mystery.

Mr. Koptic asked whether Mr. Kobryn has a change or correction to the minutes. Mr. Kobryn stated that he does not.

A motion was made by Mr. Miller, seconded by Mrs. DePergola to approve the minutes of the regular meeting held October 14, 2014. Roll call vote, Earl Miller – yes, Richard Robins – yes, Eugene Kobryn – yes, Richard Crea – yes, Margaret DePergola – yes.

TREASURER'S REPORT

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

ENGINEER'S REPORT

Mr. Contreras stated that the report was submitted to the Board for their review and approval. If there are any questions, he would be happy to answer them at this time. There were no questions or comments.

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

EXECUTIVE DIRECTOR'S REPORT

Mr. Koptic stated that he would go over the report provided by the Executive Director in his absence due to a family illness.

1 – Mr. Koptic stated that the audit was already taken care of.

2 – Mr. Koptic stated that our annual JIF dividend check will be forthcoming, which is good news for us. We have had no problems with the JIF and receive a return of money every year.

3 – Mr. Koptic advised that it is mandatory for employees holding commercial driver’s licenses to be tested for drugs and alcohol. We have used DT Services for a number of years to conduct the testing and recommend using them again in the upcoming year. There is a resolution on the agenda for action on the appointment.

A motion was made by Mr. Kobryn, seconded by Mr. Crea to approve Resolution #2014-85 awarding contract for professional services with Dynamic Testing Services for CDL Random Alcohol and Drug Testing Program. Roll call vote, Earl Miller – yes, Eugene Kobryn – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

4 – Mr. Koptic advised that the Authority is required to appoint a Risk Management Consultant per JIF by-laws. We have used Conner Strong & Buckelew for many years and recommend appointing them as Risk Management Consultants for the upcoming year. There is a resolution on the agenda for action.

A motion was made by Mr. Miller, seconded by Mr. Crea to approve Resolution #2014-86 authorizing execution of Risk Management Consultant’s Agreement with Conner Strong & Buckelew Co. Inc. Roll call vote, Earl Miller – yes, Eugene Kobryn – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

5 – Mr. Koptic stated that the Authority sends a letter to the Township Committee at this time each year requesting re-appointment of the Member whose term is due to expire in January. Mrs. DePergola’s term expires January 31, 2015. Recommendation is for the Chairman to write a letter to the Township Committee on behalf of the Board requesting re-appointment of Mrs. DePergola.

A motion was made by Mr. Crea, seconded by Mr. Miller authorizing the Chairman to write a letter to the Township Committee requesting that Mrs. DePergola be re-appointed to the Authority. Roll call vote, Earl Miller – yes, Eugene Kobryn – abstained, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

Mrs. DePergola thanked everyone for their support.

Mr. Koptic stated that she has worked for it.

6 – Mr. Koptic stated that the tax sale list will be generated today, November 10th. The Township will collect the water and sewer payments and forward them to us. The tax sale will be held December 16th. Tonya Trettin will be assisting the Township with the tax sale.

7 – Mr. Koptic stated, as a point of information, there are no performance or maintenance guarantees due to expire within 90 days.

8 – Mr. Koptic stated that the Authority staff continues doing a great job.

Mr. Koptic stated there was nothing further to comment on.

A motion was made by Mr. Miller, seconded by Mr. Crea to approve the Executive Director’s Report as presented by Mr. Koptic. All in favor.

SUPERINTENDENT'S REPORT

Mr. DiFrancia advised that Well #9 on Center Street needed to have the existing water meter and check valve replaced, and parts were unavailable to fix it.

Mr. DiFrancia advised that a new valve and meter have been installed, and the job is 99% complete. We are waiting for final calibration, and it will be back on line next week. The job came out very nice.

Mr. DiFrancia stated that he had another item to report on that the Director was going to bring before the Board with respect to 5 West Mohawk Drive. Cut and Caps are being done throughout the Town because of Super Storm Sandy. When doing them, and the curb stop needs to be moved into the Right-of Way if it is not already there, we cut and install a new stop so it is five feet from the curb. When a plumber or approved contractor does the work they have to call for a mark-out. When we go out, the hole is open, and we cut a new stop in. At 5 W. Mohawk, it was not water; it was an old gas service that was identical to our water service. When the guys cut into it, they immediately crimped the line and called the gas company. The old gas services look like ours; the new ones do not.

Mr. DiFrancia advised that Mr. Johnson was still the Director at the time and got involved with it because there was a discrepancy with the gas company we thought was resolved. A few months later we received a violation letter from the Board of Public Utilities about this. We sent a letter to Joe Bubba of the BPU explaining the situation. We are still waiting to hear back from him. There could be a fine. We spoke to New Jersey One Call and to Joe Bubba. We didn't do anything wrong, and there shouldn't be anything between the Authority and BPU. It is between the Authority and the gas company. We always had a good working relationship with all the utility companies. We are not getting billed by the gas company for the situation that occurred. We are still waiting for a response from the BPU, but he believes there will be no issue.

Mr. DiFrancia stated that there were eight leaks this past month, which is a little more than usual. Our guys are doing an excellent job in the field, and we are still dealing with Super Storm Sandy.

Mr. Kobryn stated that it was mentioned in the minutes last month with respect to the sinkhole that a resident lost their pool back there and inquired whether we have any liability.

Mr. DiFrancia stated that we do not. The pool was not on our easement, and the condition that caused it to collapse was because of the stumps. We dug up it up to assure them it was stumps and definitely not ours. The homeowners were happy with that.

Mr. Kobryn thanked Mr. DiFrancia. There was nothing further for the report. A motion was made by Mr. Koptic, seconded by Mr. Miller to approve the Superintendent's Report. All in favor.

CUSTOMER COMMITTEE REPORT

1 - Mr. Koptic advised that Mr. Sutton discussed this with him previously. Recommendation is made to purchase the software from Edmunds to process online payments through a third party provider. The cost to the Authority will be \$1,200.00 per year. The customer will incur service fees averaging \$3.00 per transaction. Payments will post the next business day. There is a resolution on the agenda regarding this.

Mr. Kobryn inquired whether this is optional or mandatory and was advised by Mr. Koptic that it is optional.

Mr. Kobryn also inquired as to the location. Will it be in the building or lobby?

Ms. Mezzina advised that if we provide a computer, it will be located right outside the counter and be accessible between 8 and 4.

Mr. Logan stated that a customer can make a payment on line from their home. Mr. Koptic stated that was correct.

Mr. Kobryn asked the approximate cost and was advised by Ms. Mezzina that it is usually a percentage of whatever the amount is, but there is no additional cost to the Authority.

A motion was made by Mr. Miller, seconded by Mr. Crea to approve Resolution #2014-89 authorizing an agreement with Edmunds & Associates Inc. for installation of a software application to provide for a third party provider for online customer payments. Roll call vote, Earl Miller – yes, Eugene Kobryn – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

2 – Mr. Koptic stated that Sea Oaks incurred an overage due to their air conditioning unit. The Authority offered to install a separate meter for the unit. The Committee recommended forgiveness of the sewer bill since the water did not go into the sewer system. They also recommended a 50% reduction of the water overage be credited to the account. This is just a point of information.

Mr. Connors recommended that if the Commissioners are going to approve this that it be acted upon by a motion and vote and taken up as a separate item as a recommendation of the Customer Committee because the next item is a refund rather than a credit.

A motion was made by Mr. Miller, seconded by Mr. Crea approving the recommendation of the Customer Committee with respect to Sea Oaks Country Club to forgive the sewer bill and credit the account 50% of the water overage. Roll call vote, Earl Miller – yes, Eugene Kobryn – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

3 – Mr. Koptic advised that the last item concerns the Radio Road Ice Cream Parlor overage. The property was damaged during the storm, and the meter was replaced, but no water was used. However, there was a computer error by Edmunds and billing was incorrect. Therefore the utility charges were paid in error resulting in an overpayment. The Committee recommended that a refund be given. There is a resolution on the agenda.

A motion was made by Mr. Kobryn, seconded by Mr. Miller to approve Resolution #2014-88 authorizing refund of overpaid water and sewer utility charges to Richard Leonardis on property known as 980 Radio Road, Little Egg Harbor Township. Roll call vote, Earl Miller – yes, Eugene Kobryn – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

A motion was made by Mr. Koptic, seconded by Mr. Miller to accept the Customer Committee Report. All in favor.

ATTORNEY'S REPORT

Mr. Connors advised that there are only two matters of note pending. With respect to Harbors at Stage, we are waiting for the inspection escrow so that we can close out the project. All the work has been completed to our Engineer's satisfaction.

Mr. Connors stated with regard to Winding Run that there was litigation as everyone might recall. All outstanding items were satisfied, and we are currently waiting for approval to close out the project, and then we can dismiss litigation and prepare a resolution to close out and release the performance bonds. Any questions, he will be more than happy to answer them. There were none.

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

Mrs. DePergola asked if there were any other matters to come before the Board.

Mr. Koptic stated that with Veterans Day coming up tomorrow he would like to thank our Senator, Chris Connors, and our Assemblyman and Assemblywoman for helping our Veterans. He read in the newspaper about the legislation that will assist Veterans with housing.

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

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

Mrs. DePergola wished everyone a Happy Thanksgiving and thanked them for their support.

There being nothing further and no matters for executive session, a motion was made by Mr. Koptic, seconded by Mr. Miller to adjourn. All in favor.

SECRETARY

Approved on (date)