

The regular meeting of the Little Egg Harbor Municipal Utilities Authority was held on December 9, 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: Earl F. Sutton Jr., Executive Director; Michael DiFrancia, Superintendent; Colleen Kleinow, Administrative Assistant; 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, 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. Crea to approve the minutes of the regular meeting held November 10, 2014. Roll call vote, Earl Miller – yes, Eugene Kobryn – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

#### TREASURER'S REPORT

A motion was made by Mrs. DePergola, 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. Crea, seconded by Mrs. DePergola 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. He doesn't want to go into details, but if there are any questions, he would be happy to answer them.

Mr. Contreras advised that he just wanted to report that Wal-Mart is ready to start construction. We received all the fees for connection and will schedule a pre-construction meeting as soon as they are ready. They should be able to break ground in a few months.

Mr. Koptic inquired of the time frame for completion of Well #14 and what the cost will be.

Mr. Contreras advised that the well will cost approximately \$250,000.00, and the expansion of the plant will be around \$70,000.00. Construction time is probably three months. The application is currently under review by the DEP so we do not have the permit to construct yet. We will probably get that sometime in the middle of January, and then we can go out to bid.

There were no other questions or comments.

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

#### EXECUTIVE DIRECTOR'S REPORT

1 – Mr. Sutton advised the Board that this item is informational. We received the preliminary estimate of the 2015 annual charge from OCUA for the sewer portion of our budget. The rate and charge are exactly the same as 2014. For preliminary planning, our usage has been consistent. It has been down in recent years because of the homes no longer in existence.

2 – Mr. Sutton stated that every year the Authority must appoint a Public Agency Compliance Officer. It has always been the Executive Director.

Mr. Sutton recommended it be kept the same for the upcoming year. The Board agreed.

Mr. Sutton stated that Resolution #2014-90 is on the agenda regarding the appointment.

A motion was made by Mr. Kobryn, seconded by Mr. Miller to approve Resolution #2014-90 appointing Earl F. Sutton Jr. as the Authority Public Agency Compliance Officer effective January 1, 2015. Roll call vote, Earl Miller – yes, Eugene Kobryn – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

3 – Mr. Sutton advised that the Authority's Risk Management Consultant, Mike Avalone, conducts the Public Officials Training Seminar as everyone is aware. We are the beneficiary of a reduction in our premium of \$250.00 for each official attending the seminar. We sent a letter to the Township Governing Body and Administrator to join us if they choose to do so. The seminar will be conducted after our January 13, 2015 meeting concludes. We anticipate beginning the seminar around 6:00 unless we finish our meeting early. If our meeting is finished early, and everyone is here, we will start the seminar sooner.

4 – Mr. Sutton stated that our Chairman sent a letter to the Township Committee requesting re-appointment of Mrs. DePergola to the Authority. The letter is attached for the Board's information.

5 – Mr. Sutton advised that the Authority has solicited professionals through the fair and open process in the past.

Mr. Sutton recommended the Authority continue on in the same manner and authorize solicitation for professional services through the fair and open process for the upcoming year. The Board agreed and authorized the Director to continue in the same manner.

Mr. Sutton stated that in the past we have coordinated this with Mrs. Kleinow who has done a great job providing the documentation that is sent to the professionals.

6 – Mr. Sutton advised the Board that the Authority received its notice of employer pension liability, which is due by April 2015 in the amount of \$135,461.00. This is inclusive of every employee working for the Authority who are members of the retirement system.

Mr. Sutton stated that there were no performance guarantees or maintenance guarantees due to expire within 90 days.

Mr. Sutton stated, although this is not on his report, he would like to make comment on and welcome Felipe Contreras. As of tonight, and for the future, each and every meeting, he will join us at the dais. Alan Dittenhofer will be available as needed and will still attend some meetings.

Mr. Sutton stated that he looks forward to working with Mr. Contreras. He has a great working relationship with him and so does our Superintendent.

Mr. Sutton also stated, as a point of information, we are working on some of the old developer items on the Engineer's Report. It is not anyone's fault that they are lingering. It has a lot to do with developers being remiss in closing out projects. It doesn't make sense that they are still paying premiums to keep up their performance guarantees.

Mr. Sutton stated that it doesn't mean we are not having any activity, but we would like to get them cleaned up. We have to do more housekeeping on it.

Mr. Sutton stated that he would like to thank Mrs. Kleinow for her dedication. She is under the weather, and she didn't come in to work today, but she came in this evening to take care of the meeting. He really appreciates it.

Mr. Sutton stated that he also wanted to say that he appreciates everyone's thoughts, prayers, and comments given at his Dad's funeral and service. It meant a lot to him. People giving support makes it worthwhile.

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

#### SUPERINTENDENT'S REPORT

1 - Mr. DiFrancia advised the Board that our Engineer declared an emergency due to the sanitary sewer main collapse on Twin Lakes Blvd. The Engineer's letter is attached for reference, and there is a resolution on the agenda for action regarding the emergency.

A motion was made by Mr. Crea, seconded by Mr. Miller approving Resolution #2014-91 declaring an emergency with regard to needed replacement of a sanitary sewer main on Twin Lakes Blvd. Roll call vote, Earl Miller – yes, Eugene Kobryn – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

2 – Mr. DiFrancia advised the Board that we had another inspection from the New Jersey Bureau of Boiler and Pressure Vessel Compliance. We were in complete compliance and passed all inspections.

3 – Mr. DiFrancia stated that we just received our new 25 KW Generator for Pump Station #3. Startup will be in a few weeks.

Mr. DiFrancia advised that there were three leaks repaired this past month as reported. There was nothing further for the report unless anyone has questions.

Mr. Kobryn stated that he had a question and further stated that most of his questions come about by reading the minutes, and he likes to find out if things have been completed from the last meeting. One item that he wondered what the status was is with respect to the BPU.

Mr. Kobryn inquired whether we had a response from the BPU in regard to the gas line, and is it still an open item.

Mr. DiFrancia advised that it is still open as we have not heard back from the BPU as yet.

Mr. Kobryn thanked Mr. DiFrancia and stated that was the only question he had.

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

#### CUSTOMER COMMITTEE REPORT

1 – Mr. Koptic stated that there is one item and it is basically informational. The Executive Director will explain the circumstances.

Mr. Sutton advised that he called a Customer Committee meeting regarding 17 Stonegate Drive. The customer sent us a letter requesting a reduction of their October billing due to an overage caused by a leak in the irrigation system. The customer provided us with some pictures and information.

Mr. Sutton stated that what is nice about our system is that we can look at usage history and get frequent readings so we know what is transpiring. We provide a great service to our customers because whenever we see excessive usage, we immediately reach out to them to alert them. Customers do not always give us contact information, but in the future, we are going to ask them for it. Even if it is to text them, we want to be able to reach them in whatever way we can to alert them of a possible problem.

Mr. Sutton further stated that the Committee reviewed the report of usage. The report showed that the average use resulted in a normal usage of 90,000 gallons. This was the result of irrigation.

Mr. Sutton advised the Board that this customer purchased the home in February 2013. The number of gallons used by the new owner was less than the historical usage for this address. When irrigation is not being used, there is no excessive usage. The customer did have the leak repaired.

Mr. Sutton stated that the Committee took the position that we did not need to make an accommodation to reduce the bill. We were sympathetic to the fact that a leak occurred; however, the usage was less than history indicated. The Committee recommended no adjustment based on the information presented.

Mr. Kobryn asked what the customer reaction was to the outcome.

Mr. Sutton advised that we do not respond to the customer until after the meeting. The Committee takes an action, but the Board may have a different feeling. We will write a nice letter after the meeting.

Mr. Sutton stated that we bend over backwards for our customers, and once we explain to our customers that although we are sympathetic to their situation, the data does not justify an adjustment being made. They understand our position.

Mr. Miller stated that the Committee recommended a sympathetic letter be sent to the individual that we reviewed the data and this was their recommendation based on the data.

#### ATTORNEY'S REPORT

Mr. Connors stated that there is very little to the report, and as the Executive Director pointed out, we continue to work on the remaining issues of some of the developments. With respect to Winding Run and Harbors at Stage, in both of these cases, litigation was resolved. There were several parties involved in the litigation, and there are minor things remaining. There was a settlement agreement with Winding Run, but there is an issue with regard to easements and utilities in the easement that were supposed to be included in the drawing. Easements were provided, but the utility easements were not. Kara Homes may dispute that the settlement agreement didn't necessarily require them to do that. We can litigate it, but litigation will be more than the engineer cost to produce it. The Commissioners have to determine whether it is worthwhile to litigate this. Is this a litigable item to the Authority.

Mr. Connors advised with respect to Harbors at Stage that it seems they are reluctant to provide us with the escrow, which is the last thing outstanding. He recommends we file a motion to enforce the terms of the settlement. He will petition the court to have them provide us with the escrow.

A motion was made by Mr. Miller, seconded by Mrs. DePergola authorizing the Authority Attorney to file a motion to enforce our rights under the settlement agreement with Harbors at Stage. Roll call vote, Earl Miller – yes, Eugene Kobryn – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

Mr. Connors advised that his recommendation with respect to Winding Run is to simply accept what was provided to us and then proceed with close out of the project, prepare the necessary releases, and waive the requirement to post maintenance bonds because of the time that has passed since completion. We have already passed that time that the maintenance bonds would have run.

A motion was made by Mrs. DePergola, seconded by Mr. Crea to accept the closeout documents from Winding Run, release all bonds, and authorize closeout of the project including waiver of maintenance guarantees. Roll call vote, Earl Miller – yes, Eugene Kobryn – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

Mr. Connors stated that was all for his report.

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

A motion was made by Mr. Miller, seconded by Mr. Crea to approve Resolution #2014-92 correcting Resolution #2014-88 authorizing refund of overpaid water and sewer utility charges to Richard J. 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. Miller, seconded by Mr. Crea to approve Resolution #2014-93 authorizing agreement with Paymentech LLC for itself and on behalf of JP Morgan Chase Bank N.A. and Link2Gov.Corp for card processing services on behalf of the Authority. Roll call vote, Earl Miller – yes, Eugene Kobryn – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

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

Mr. Kobryn stated that he wanted to bring something up but didn't know whether he should do it as a member of the public during the open public session or as a Commissioner as it is a Ninth District legislative issue regarding casinos opening up north and the Constitution being changed.

Mr. Koptic inquired whether Mr. Kobryn is asking the Board to take a stand.

Mr. Kobryn stated that he wants to put the information out there.

Mr. Koptic stated that Mr. Kobryn could ask the Members individually, but he doesn't want the Board to act.

Mr. Connors stated that he would like to simplify this although he does so reluctantly because he is involved with this issue as the Senator. There is a petition to support the opposition to allow casinos outside of Atlantic City, which would require a Constitutional amendment. It is a result of a number of casino closings in Atlantic City. The Chairman can determine whether it is appropriate for the Authority to express their sentiments on the issue.

Mr. Koptic thanked Mr. Connors for his comments and stated that the Authority will not act on this matter. It is not part of our business.

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

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

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

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SECRETARY

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Approved on (date)