

The regular meeting of the Little Egg Harbor Municipal Utilities Authority was held on April 14, 2015 at 5:00 P.M. at the Authority headquarters, 823 Radio Road, Little Egg Harbor Township, New Jersey.

MEMBERS PRESENT: Margaret DePergola, Vice Chairwoman; Earl Miller, Treasurer; Eugene Kobryn; Richard Robins (arrived late); Marie Skelly

MEMBERS ABSENT: Joseph Koptic, Richard Crea

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

Mrs. DePergola 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 to approve the minutes of the regular meeting held March 10, 2015. Roll call vote, Earl Miller – yes, Marie Skelly – yes, Eugene Kobryn – yes, Margaret DePergola – yes.

TREASURER'S REPORT

A motion was made by Mr. Miller, seconded by Mrs. Skelly approving the Treasurer's Report. Roll call vote, Earl Miller – yes, Marie Skelly – yes, Eugene Kobryn – yes, Margaret DePergola – yes.

BILLS RESOLUTION

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

EXECUTIVE DIRECTOR'S REPORT

1 – Mr. Sutton advised the Board that there were several items to cover this evening. He, our Superintendent, and our Engineer reviewed and updated the Authority Water and Sewer Master Plan. The updated maps were provided to the Members tonight for approval. There are resolutions on the agenda to approve the updated maps.

A motion was made by Mr. Kobryn, seconded by Mrs. Skelly to approve Resolution #2015-13 approving map delineating active water service area for Little Egg Harbor Municipal Utilities Authority. Roll call vote, Earl Miller – yes, Marie Skelly – yes, Eugene Kobryn – yes, Margaret DePergola – yes.

A motion was made by Mrs. Skelly, seconded by Mr. Kobryn to approve Resolution #2015-14 approving map delineating active sewer service area for Little Egg Harbor Municipal Utilities Authority. Roll call vote, Earl Miller – yes, Marie Skelly - yes, Eugene Kobryn – yes, Margaret DePergola – yes.

A motion was made by Mr. Miller, seconded by Mrs. Skelly to approve Resolution #2015-15 approving map delineating proposed growth of water service area for Little Egg Harbor Municipal Utilities Authority. Roll call vote, Earl Miller – yes, Marie Skelly – yes, Eugene Kobryn – yes, Margaret DePergola – yes.

A motion was made by Mr. Miller, seconded by Mrs. Skelly to approve Resolution #2015-16 approving map delineating proposed growth of sewer service area for Little Egg Harbor Municipal Utilities Authority. Roll call vote, Earl Miller – yes, Marie Skelly – yes, Eugene Kobryn – yes, Margaret DePergola – yes.

2 – Mr. Sutton advised the Board that there are two additional resolutions regarding the Authority Rules and Regulations. We reviewed and made minor updates to clarify some things and improve the position of the Authority.

A motion was made by Mrs. Skelly, seconded by Mr. Miller to approve Resolution #2015-17 authorizing approval and acceptance of rules and regulations governing installation and maintenance of the water system. Roll call vote, Earl Miller – yes, Marie Skelly – yes, Eugene Kobryn – yes, Margaret DePergola – yes.

A motion was made by Mr. Miller, seconded by Mrs. Skelly to approve Resolution #2015-18 authorizing approval and acceptance of rules and regulations governing installation and maintenance of the sanitary sewer system. Roll call vote, Earl Miller – yes, Marie Skelly – yes, Eugene Kobryn – yes, Margaret DePergola – yes.

Mr. Robins arrived at this time.

3 – Mr. Sutton advised, as a point of information, everyone that sits on the Board is required to file a financial disclosure statement. Everyone should have received a notification from the Township Clerk with the necessary information. If anyone needs assistance, they can ask him, Mrs. Kleinow, or Ms. Mezzina for help. Please make sure it gets filed. You can receive a violation if you do not file one. Also, if you sit on multiple Boards, you have to do one for that position as well. The form should be saved from last year.

4 – Mr. Sutton stated that we will be introducing our budget this evening. He will be giving the Board very good news about that when he gives the Budget Committee Report.

5 – Mr. Sutton advised the Board that we were asked to meet with the Township Committee. We had the meeting on March 26, 2015. He, Mrs. DePergola, Mr. DiFrancia, Mr. Contreras, Mr. Connors, and Brian Logan, our Auditor attended.

Mr. Sutton stated that the meeting was held in executive session; however, the meeting, in his opinion, was very positive. He felt good about it, and he was very comfortable with the items discussed. Quite frankly, we are doing our job properly and moving in the right direction. We set up a good capital plan and are taking the right steps to make sure our infrastructure is protected. Although it was a very positive meeting, the Committee asked for future meetings. When we get the dates, he'll let everyone know. The Chairman and Vice Chairwoman were invited. The Chairman was not available to attend. We didn't have a quorum so there was no public notification necessary. The meeting was not negative in any way. It should have been perceived as nothing but positive.

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

7 – Mr. Sutton stated that we are very proud that our CCR and newsletter were completed and mailed out to our customers. We wanted to do a different format this year. He was very happy that we were way ahead of schedule this year. Statutorily we are required to send it out by July 1st. We have received some good comments back from the general public. It was great to have it done and ahead of schedule and would like to thank his staff for their assistance in getting it done.

Mr. Kobryn complimented the Director on the newsletter, not only on the new format, but the way the information was presented. He received positive comments on it as well and will probably hear from other people about it at the next Township meeting.

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

SUPERINTENDENT'S REPORT

1 – Mr. DiFrancia advised that the hydrant flushing began on March 30, 2015 and will continue through the end of May. It is going very well.

2 – Mr. DiFrancia advised that the Authority received bids on April 9, 2015 for the Chemicals, Emergency Repair of Water and Sanitary Sewer Mains and Services, and the Water and Sewer Plant Supplies. Bids are being reviewed, and the award recommendations and award resolutions will be addressed at the May meeting.

3 – Mr. DiFrancia advised the Board that a work order management report is a new report that will be added to his report every month. It is a report of the leaks, meter repairs, water turn offs and water turn ons, sewer jobs, and other jobs performed by our personnel. This particular report shows January, February, and March, and it will continue throughout the year. As you can see in March, there were 14 work orders generated for water leaks. Meter repairs alone in March totaled 94. As noted, there were 7 high usages, 13 miscellaneous jobs, and 33 water turn ons/offers. Total jobs in March for the water side totaled 161 jobs.

Mr. DiFrancia further advised that on the sewer side for March, the back-ups could have been from the homeowner on their property or out on the main. There were 14 of them, and there were 14 miscellaneous jobs, which could be a broken sewer lid or a broken manhole lid. There were also 14 disconnects at the curb. March had a total of 203 reported work orders for water and sewer combined.

Mr. DiFrancia stated that he would like to stress that not all jobs are recorded on a work order unless there is an address that we can bind to it. There are a lot of small jobs done frequently throughout the day and on weekends that are not reported on the list. This report only shows how many jobs our personnel perform that are attached to an address.

Mr. Kobryn inquired whether we have water disconnects also and was advised by Mr. DiFrancia that when there is a service disconnect, it is one and the same. It is normally both services. He will revise the report for next meeting. This is something new. Whatever we can add to this report, we will. This report gives a picture of what our gentlemen are doing out there and what our ladies in here are doing.

Mrs. DePergola asked whether this report will be provided every month and was advised by Mr. DiFrancia that it would be.

Mr. Kobryn asked whether it will show the loss of revenue for disconnects and was advised that we can also show the re-connection too. A lot of homes are re-connecting to the system so that can be added to the report also. This is a start, but we will keep adding information to it as necessary.

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

ENGINEER'S REPORT

Mr. Contreras stated that a couple of the items were already discussed. However, there are a few other items that he would like to comment on. We received the permit for construction of the new water treatment plant at the Mathistown Road site. Right now we are waiting for the environmental report and authorization to advertise the bid.

Mr. Contreras advised that we are working with the Authority on seeking funding for the Authority's Capital Improvement Plan. There may be some opportunities in the horizon. It is a work in progress with the Superintendent and Executive Director.

Mr. Contreras also advised that we received the permit to construct the new well on Radio Road, and he is requesting authorization to go out to bid on the project.

Mr. Connors recommended adopting a resolution by title authorizing receipt of bids for the Construction of Well #14. The Executive Director shall determine the time, date, and place for receipt of said bids.

A motion was made by Mr. Miller, seconded by Mr. Kobryn to approve Resolution #2015-21 authorizing receipt of bids for the Construction of Well #14. Roll call vote, Earl Miller – yes, Richard Robins – yes, Marie Skelly – yes, Eugene Kobryn – yes, Margaret DePergola – yes.

Mr. Contreras stated at the same location as Well #14, we are decommissioning Well #7. We held a pre-construction meeting with the contractor last month. The decommissioning project will start in about two weeks. It should be about two weeks of work, and then we will be done with Well #7.

Mr. Contreras stated with respect to the Chemical bids and the Emergency Repair of Water and Sanitary Sewer Mains and Services bid that his office reviewed the bids and recommended awards.

Mr. Contreras further stated that the Members do not have the recommendation letters yet as they were just prepared and finalized today. It was not brought to this meeting because we are ahead of schedule and will take action at the May meeting.

Mr. Contreras advised the Board that the Wal-Mart Supercenter DOT alignment was approved. We are working on getting the signatures and final plan. It was a difficult conversation. We had to work with everyone as to location and access to the water and sewer. The DOT permit was approved with the new layout, and a pre-construction meeting will be held with everyone involved in this project.

Mr. Contreras stated that was all he had for his report.

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

BUDGET COMMITTEE

Mr. Sutton advised the Board that their package included the information regarding what transpired at the Budget Committee meeting. Commissioners Miller and Kobryn, Superintendent Michael DiFrancia, and Executive Secretary Nicole Mezzina attended. We had a good and lengthy discussion, and he would like to bring everyone here up to speed. We discussed a long term capital plan, which we did a lot of leg work on beforehand. We looked at the next 10-12 years, with the main focus being Twin Lakes Blvd. That project will start next year. It is a major undertaking, but it is the most needed. Work will be undertaken on the side streets for future expansion. Pipes and stubs will be placed at each of the intersections. The Committee Members came to the conclusion that we can't wait to act. Some of our system is more than 50 years old and is at the end of its useful life. We can't keep putting band aids on it.

Mr. Sutton stated that another big issue is reducing the groundwater being infiltrated into the system. We are paying OCUA to process groundwater. Reducing groundwater infiltration will help us in reducing our OCUA sewer costs.

Mr. Sutton advised that we have also looked at funding for projects. The NJ Infrastructure Trust is a good funding vehicle. It is the cheapest money out there. There is a lot of red tape with it though. There is a great deal of engineering with that, and the DEP is very involved. It takes a lot of time and effort.

Mr. Sutton also advised that the Committee looked at a potential rate increase of possibly \$2.00 to \$4.00 per month. One of the Commissioners said we should take a look at it, do it once, and do it right.

Mr. Sutton stated that he took another look at the budget, looked at a few different things, and he spoke to the staff here and our Auditor, and one thing helping us with this budget is that we have one more year on the CDL to be used to offset lost revenue for houses that were destroyed due to Super Storm Sandy. After this year, it will no longer be available to us. The CDL available is about \$619,000.00. Part of the loan will be converted over as a grant. Probably about 60% of it will not have to be paid back.

Mr. Sutton stated that after looking at everything, he decided not to recommend an increase this year. He thinks it is a good faith effort to show our community that we are partners, and we know that after Super Storm Sandy it is taking longer for people to recover.

Mr. Sutton also stated that our rates are low, and our newsletter includes a chart that shows how low our rates are in comparison to other communities, and it shows we have room to grow. We have a very realistic Capital Improvement Program. We are not biting off more than we can chew, and we can fund some of the projects through our budget. He is proud and very happy that this budget will have no increases. It may be the last one for a few years with no increase. Some people may think it is not the right thing to do, but he is being realistic, and he thinks we are doing the right thing.

Mr. Sutton stated that next year we will be taking on millions of dollars of work, and everyone will see it being done. We will also be doing more maintenance and preventive maintenance. People will see it, and it will show that we can justify the rate increase when it happens because people will see the work being done.

Mr. Sutton advised the Board that since there will be no rate increase or increase in connection fees, we will not need a public rate hearing. We are still required to have a public hearing on the budget at our June meeting. After this meeting, we have to submit the budget to the State for approval. He intends to have a press release stating that we are not having a rate increase.

Mrs. DePergola stated that she thinks our Executive Director and Budget Committee have done a fantastic job. They took a lot of time and effort to introduce a good budget and should really be commended. The Board agreed.

Mrs. DePergola stated that we appreciate everything they have done and also stated that she would like for them to keep up the good work. Mrs. DePergola further stated that she hopes this helps the public appreciate how hard this was to do.

A motion was made by Mr. Kobryn, seconded by Mr. Miller to approve Resolution #2015-19 approving fiscal year 7/1/15 through 6/30/16 water budget for Little Egg Harbor Municipal Utilities Authority. Roll call vote, Earl Miller – yes, Richard Robins – yes, Marie Skelly – yes, Eugene Kobryn – yes, Margaret DePergola – yes.

A motion was made by Mr. Kobryn, seconded by Mr. Robins to approve Resolution #2015-20 approving fiscal year 7/1/15 through 6/30/16 sewer budget for Little Egg Harbor Municipal Utilities Authority. Roll call vote, Earl Miller – yes, Richard Robins – yes, Marie Skelly – yes, Eugene Kobryn – yes, Margaret DePergola – yes.

Mr. Sutton stated that he wanted to share with the Board that we approved a 6.9 million dollar total operating budget, and to balance it, we are using the CDL money and net position, which was originally called retained earnings. We are using \$237,265.00 of net position to balance the sewer budget.

Mr. Sutton thanked the Members for their kind words about the budget and for approving the budget resolutions.

ATTORNEY'S REPORT

Mr. Connors advised the Board that a copy of his report was provided to the Members, and the only difference in this report from last month is with respect to Harbors at Stage.

Mr. Connors stated that his office filed a motion to enforce the settlement agreement. It was determined that the party responsible for posting the escrow, which would result in the closing out of the project, did not post the escrow. We filed the motion and had an order from the court to recoup money for filing the motion. Counsel for Harbors at Stage contacted our office in an attempt to resolve the matter.

Mr. Connors advised that the Authority needs to adopt two more resolution authorizing receipt of bids. One resolution is for the Water Treatment Plant Upgrades at Well #13 on Radio Road, and the other one is for the Water Treatment Plant at Well #12 on Mathistown Road. We already adopted Resolution #2015-21 by title for the Construction of Well #14. The next two resolutions will be #2015-22 and #2015-23.

A motion was made by Mr. Robins, seconded by Mr. Miller to approve Resolution #2015-22 authorizing receipt of bids for the Construction of Water Treatment Plant Upgrades at Well #13 on Radio Road at the time and place to be determined by the Executive Director, and any other resolutions not consistent herewith will be repealed. Roll call vote, Earl Miller – yes, Richard Robins – yes, Marie Skelly – yes, Eugene Kobryn – yes, Margaret DePergola – yes.

A motion was made by Mr. Robins, seconded by Mr. Miller to approve Resolution #2015-23 authorizing receipt of bids for the Construction of a Water Treatment Plant at Well #12 on Mathistown Road at the time and place to be determined by the Executive Director, and any other resolutions not consistent herewith will be repealed. Roll call vote, Earl Miller – yes, Richard Robins – yes, Marie Skelly – yes, Eugene Kobryn – yes, Margaret DePergola – yes.

Mr. Kobryn stated that he had an article from the *Sandpaper* regarding our legislators being opposed to creating a Storm Water Utility and inquired what the Utility is supposed to do.

Mr. Connors advised that during the time with the administration of Save the Barnegat Bay, a legislator who was the Chairman of the Environmental Commission wanted to establish a Storm Water Utility and appoint individuals to the independent body whose main purpose would be the rehabilitation of storm water facilities because of Barnegat Bay. The Utility would have various powers such as establish rates, acquire property, and tax property owners for utility improvements. The Bill was amended and revised to provide the authority to be created in any County. He voted against it, and the Freeholders oppose it. He doesn't believe it is necessary in our County. We have storm water utility improvements in and around our County. To create a separate Authority would be inappropriate given the authority the County already has. He didn't want to create another bureaucracy to do something that is already working well. He doesn't know the final destination of the Bill.

Mr. Kobryn thanked Mr. Connors for the information.

Mr. Connors stated he had nothing further and there were no executive session matters.

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

Mrs. DePergola asked whether there were any other matters to come before the Board. There were none.

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

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

Mrs. DePergola thanked everyone for all their efforts and very hard work.

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

SECRETARY

Approved on (date)