

The regular meeting of the Little Egg Harbor Municipal Utilities Authority was held on June 13, 2016 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 Chair; Richard Crea, Secretary; Richard Robins; Marie Skelly (late)

MEMBERS ABSENT: Earl Miller, Eugene Kobryn

OTHERS PRESENT: Earl F. Sutton Jr., Executive Director; Michael DiFrancia, Superintendent; Colleen Kleinow, Administrative Assistant; Alan Dittenhofer, Authority Engineer; Brian Rumpf, Authority Attorney; Peter Chacanas, Authority Attorney; Brian Logan, Authority Auditor

OTHERS IN ATTENDANCE PER SIGN-IN SHEET: None

Mr. Koptic opened the meeting and led the Pledge of Allegiance. Mr. Koptic advised that Mr. Miller is recovering from surgery and asked everyone to remain standing while Mr. Robins said a prayer for Mr. Miller.

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. Robins, seconded by Mrs. DePergola to approve the minutes of the regular meeting held May 10, 2016. Roll call vote, Richard Robins – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

#### TREASURER'S REPORT

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

#### BILLS RESOLUTION

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

## EXECUTIVE DIRECTOR'S REPORT

1 – Mr. Sutton advised the Board that we had our rate hearing on May 17, 2016. There is a transcript of the hearing in our office if anyone would like to review it.

Mr. Sutton also advised that we are required to open this meeting for an additional hearing on our budgets for the upcoming fiscal year.

Mr. Logan stated that we are required to open the meeting to the public for comments on the budget prior to the Board acting on the budget adoption.

A motion was made by Mrs. DePergola, seconded by Mr. Robins to open the meeting for a public hearing on the Authority fiscal year ending June 30, 2017 water and sewer budgets. Roll call vote, Richard Robins – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

Mr. Koptic stated for the record that no public was in attendance to comment on the Authority budgets.

A motion was made by Mrs. DePergola, seconded by Mr. Robins to close the public hearing on the Authority water and sewer budgets. Roll call vote, Richard Robins – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

Mr. Sutton advised that the Members must adopt the rate resolution first and then can proceed with the budget resolutions. The rates and charges must be adopted prior to the budget adoption.

A motion was made by Mrs. DePergola, seconded by Mr. Robins approving Resolution #2016-39 adopting rates and charges for sanitary sewer and water facilities effective July 1, 2016. Roll call vote, Richard Robins – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

A motion was made by Mr. Robins, seconded by Mr. Crea approving Resolution #2016-40 adopting fiscal year 7/1/16 through 6/30/17 water budget. Roll call vote, Richard Robins – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes

A motion was made by Mrs. DePergola, seconded by Mr. Crea approving Resolution #2016-41 adopting fiscal year 7/1/16 through 6/30/17 sewer budget. Roll call vote, Richard Robins – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

Mr. Sutton complimented and thanked Mr. Logan on the excellent job he did submitting the budget information to the State. The State had requested additional information, and Mr. Logan responded very promptly. In the past, we usually didn't receive our budget approval from the State until the day of the meeting. This year we actually received it a week ahead of our meeting. It is a new budget format that requires much more information than in the past.

Mr. Sutton also stated that he would like to thank Mrs. Kleinow and Ms. Mezzina for their work on the budget. It is a lot of work, and it is becoming more transparent, which he welcomes. He anticipates it will become more elaborate in the future.

2 – Mr. Sutton stated that everyone should have gotten an informational mailing from the Authority with a rate comparison to other towns. He wanted to be proactive and make everyone aware of the increase. We mailed out over 9,000 letters, and he only received seven phone calls about it. Out of the seven people, four of them only wanted to know the final figures. One lady stated that her mailing was blackened and couldn't be read. He hand delivered one to her.

Mr. Sutton stated that he is proud of what we will be accomplishing. It is fiscally responsible to do the capital improvement work that we are planning and to make sure the proper funds are in place to do it. Our customers will be amazed when they see the rate comparison chart. We are one of the lowest in the area. However, a customer informed us that the \$335.00 figure per quarter that he mentioned for Ship Bottom was incorrect.

Mr. Sutton advised that the rates he provided in the mailing were obtained from the internet. The \$335.00 rate for Ship Bottom is actually for six months, not for three months.

Mr. Logan advised the Board that Ship Bottom is going through a re-evaluation of their rates because they have infrastructure work going on as well.

Mr. Sutton stated that we are ahead of the curve with the action we are taking. All the work that had been put off over the years has to be done now.

Mr. Sutton thanked the Board for adopting the rate schedule and for adopting the water and sewer budgets presented.

3 – Mr. Sutton stated that the budgets were already acted upon.

4 – Mr. Sutton stated that this item is very important with respect to the Authority's Unit Price Schedule which pertains to development construction projects in our Township. We reviewed the schedule and updated it for the upcoming fiscal year. It is important that developments are bonded adequately in case the contractor defaults and the Authority has to perform the work necessary to complete a project under the performance bond. Our price schedule is actually lower than other Towns, but they are adequate for the Authority. There is a resolution on the agenda for consideration.

A motion was made by Mr. Robins, seconded by Mr. Crea to approve Resolution #2016-44 adopting the unit price estimating schedules for sanitary sewer and water facilities. Roll call vote, Richard Robins – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

5 – Mr. Sutton advised that we received an excellent legal review and legal opinion from Counsellor Rumpf regarding the Local Public Contract Laws with respect to bidding. After research and legal precedent, our position has improved going forward with bidding. There are provisions in bid specifications where contractors raise issues regarding brand name or equivalent wording. It was time-consuming research but very important to the Authority. It will be helpful to us in the future. This ensures that the Authority can use specific manufacturer products that our personnel are already familiar with and have on hand in the event of an emergency.

Mr. Sutton thanked Mr. Rumpf for researching the issue and further stated that Mr. Rumpf's office was deluged this month with preparing a number of resolutions for our meeting, but we received everything in a timely fashion. We appreciate it.

6 – Mr. Sutton advised that there will be no increase in the OCUA sewer charges, which is very good news for the Authority since we already budgeted money for that budget line item. Almost two million dollars of our budget is for OCUA.

7 – Mr. Sutton stated that the Sensus final case study is attached to his report. We have gotten great public relations from this study, and it didn't cost us any money. He had made a presentation at the Sensus conference, and Sensus really liked it and requested a case study after seeing the presentation. The study is distributed nationwide to all the clients that purchase Sensus meters. It was well done, and the best part is that it didn't cost us anything.

8 - Mr. Sutton advised that there are no performance guarantees or maintenance guarantees set to expire. That is all he has for his report.

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

Mr. Koptic thanked Mr. Logan and stated that he could excuse himself from the meeting at this time or he could stay if he would like.

Mr. Logan thanked the Board and stated that he would excuse himself from the meeting.

#### SUPERINTENDENT'S REPORT

1 - Mr. DiFrancia advised the Board that a bid opening was held May 19<sup>th</sup> for our annual contracts for water and sewer plant supplies, emergency repair of water and sewer mains and services, and the chemical supplies. The lowest price for the water and sewer plant supplies are in bold face type on the bid tabulation sheets attached to the resolutions.

A motion was made by Mr. Robins, seconded by Mrs. DePergola to approve Resolution #2016-29 awarding water plant supplies. Roll call vote, Richard Robins – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

A motion was made by Mrs. DePergola, seconded by Mr. Crea to approve Resolution #2016-30 awarding sewer plant supplies. Roll call vote, Richard Robins – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

Mr. DiFrancia advised that three bids were submitted for emergency repairs of water and sanitary sewer mains and services. The lowest, responsible bidder was Arthur R. Henry Inc. in the amount of \$65,712.48. The chemical supplies are being awarded to the lowest, responsible bidders as stated in our Engineer's award letter dated May 26, 2016, which is attached to the award resolution.

Mr. DiFrancia also advised that with respect to chemical contract #6, dry calcium hypochlorite briquettes, there were no bids submitted. We are not re-bidding contract #6 and have solicited quotes for this chemical. There are resolutions on the agenda for the Board's consideration for the emergency repair contract and the chemical supplies.

A motion was made by Mr. Robins, seconded by Mr. Crea to approve Resolution #2016-32 awarding a contract for emergency repairs of water and sanitary sewer mains & services. Roll call vote, Richard Robins – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

A motion was made by Mrs. DePergola, seconded by Mr. Robins to approve Resolution #2016-33 awarding a contract for chemical supplies for Little Egg Harbor MUA. Roll call vote, Richard Robins – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

2 – Mr. DiFrancia advised that the Filter Media Replacement at Well #10 has been completed. There is a change order resulting in a \$24,000.00 decrease in the contract amount due to a final as-built quantity adjustment for interior tank painting. There are resolutions on the agenda for the change order and the performance guarantee release. A maintenance guarantee has already been posted.

A motion was made by Mr. Robins, seconded by Mrs. DePergola to approve Resolution #2016-37 approving change order #1 for the Filter Media Replacement at Sea Oaks WTP/Derstine Company LLC. Roll call vote, Richard Robins – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

A motion was made by Mrs. DePergola, seconded by Mr. Robins to approve Resolution #2016-38 authorizing release of performance guarantee conditioned upon posting a maintenance guarantee by Derstine Company LLC in regard to the Filter Media Replacement at Sea Oaks WTP. Roll call vote, Richard Robins – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

3 – Mr. DiFrancia advised the Board that there was a sanitary sewer main collapse on East Playhouse & North Burgee Drive on May 19<sup>th</sup>. An emergency was declared to replace a manhole and to replace the 8" ACP with 8" PVC pipe. Resolution #2016-31 is on the agenda regarding this emergency.

A motion was made by Mr. Crea, seconded by Mrs. DePergola to approve Resolution #2016-31 declaring an emergency with regard to the needed replacement of a manhole and sanitary sewer main on East Playhouse Drive/North Burgee Drive. Roll call vote, Richard Robins – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

4 – Mr. DiFrancia stated that we are on the final stretch with Well #14. The casing is set, and we are in the developing stage. We are hoping to have the Well developed by this weekend so that Well #13 can go back on line. A. C. Schultes is working extra hours this week to develop Well #14 so that Well #13 can be put back on line. As the hot weather is coming our way, it is important that Well #13 goes back on line to have adequate water supply.

Mr. DiFrancia stated that he had something to bring to the Board’s attention that is not on his report with respect to water testing. The EPA had a total coliform rule established in 1989. The EPA and DEP change different formats and testing for drinking water. This year they revised the rules and left it up to the Authority to establish their own Standard Operating Procedure and Bacteria plan.

Mr. DiFrancia stated that he had the SOP manual with him and would pass it around for the Members to look at.

Mr. DiFrancia stated that it is probably the best in the State, and when we are audited, we will look good.

5 – Mr. DiFrancia advised that the last item on his report is the work order management report. There were 8 leaks this past month, and there were 79 meter repairs. Most important are the disconnections and activations. There were only 9 disconnects, but there were 53 activations. We had 53 customers come back on the system, which means more revenue coming in. That is very good, and he is happy with that number of activations. After a horrific storm and its aftermath, our community is coming together again, and it is wonderful to see. That is all he has for his report unless there are any questions. There were no questions.

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

#### PLANS COMMITTEE REPORT

Mr. Koptic stated that everyone had a chance to review the Plans Committee report, and there are resolutions associated with the report.

Mrs. Skelly arrived at this time.

A motion was made by Mrs. DePergola, seconded by Mr. Crea to approve Resolution #2016-35 approving the preliminary water application for Oak Lane LEH LLC, Block 292 Lots 10, 11, & 12.01. Roll call vote, Richard Robins – yes, Marie Skelly – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

A motion was made by Mr. Crea, seconded by Mrs. DePergola to approve Resolution #2016-36 approving the preliminary sewer application for Oak Lane LEH LLC, Block 292 Lots 10, 11, & 12.01. Roll call vote, Richard Robins – yes, Marie Skelly – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

A motion was made by Mrs. DePergola, seconded by Mr. Robins to approve Resolution #2016-42 approving the final water application for a retail strip and bank, Block 325.401 Lot 7.03, Little Egg-Mathistown LLC. Roll call vote, Richard Robins – yes, Marie Skelly – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

A motion was made by Mr. Robins, seconded by Mr. Crea to approve Resolution #2016-43 approving the final sewer application for a retail strip and bank, Block 325.401 Lot 7.03, Little Egg-Mathistown LLC. Roll call vote, Richard Robins – yes, Marie Skelly – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

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

#### ENGINEER'S REPORT

Mr. Dittenhofer stated that he provided the written report for the Board's review and approval tonight. Most action items were already addressed previously; however, there is another action item with respect to the emergency generator at Well #6, which is Item #1C on his report.

Mr. Dittenhofer advised that the low bidder for this project, Alpine, didn't want to supply the generator specified. We contacted the second lowest bidder, but they were not able to hold their original bid price. The third bidder, Scalfo Electric, was contacted. The president of Scalfo stated that his company would honor its original bid amount and also supply the specified generator. Award is recommended to Scalfo Electric in the amount of \$86,000.00. There is a resolution on the agenda for action.

A motion was made by Mrs. Skelly, seconded by Mr. Crea to approve Resolution #2016-46 awarding a contract to Scalfo Electric Inc. for the HMGP Generator at Well House 6. Roll call vote, Richard Robins – yes, Marie Skelly – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

Mr. Dittenhofer stated that was all for his report unless there were any questions. There were no questions.

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

#### ATTORNEY'S REPORT

Mr. Rumpf advised that he submitted the written report for the Board's review, which outlines the items and resolutions his office worked on this past month. Most items were already covered through the other reports. However, there may be an outstanding matter with respect to Alpine regarding the generator bid.

Mr. Sutton advised that there may be some litigation in the future, but there is no need for executive session at this time. Counsel should move forward to notify Alpine's bond company of the default.

Mr. Rumpf stated that there is a difference in bid price between Alpine and Scalfo. Scalfo's price is \$86,000.00. He doesn't have the exact figure of the original bid submitted by Alpine, but he believes the original bid was \$70,000.00 plus.

Mr. Sutton stated that there is about a \$12,000.00 difference in price. He believes the original bid was \$74,000.00.

Mr. Sutton recommended that since Alpine's Attorney is involved, Mr. Rumpf should proceed accordingly with contacting Alpine's Attorney and Alpine's bond company advising that Alpine's bond company should make up the difference in the bid price.

The Board agreed and directed Mr. Sutton and Mr. Rumpf to handle the matter and report back to the Board.

Mr. Rumpf advised that was all for his report unless there were any questions. There were none.

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

Mr. Koptic advised that there were a couple of more resolutions to be acted upon.

Mr. Koptic stated that there was a resolution to be acted upon regarding reimbursement to a Lien Holder, Mr. Leonardis.

A motion was made by Mr. Robins, seconded by Mr. Crea to approve Resolution #2016-34 authorizing reimbursement to Richard Leonardis, for payments made affecting Block 325.45 Lot 3 and Block 278 Lot 10. Roll call vote, Richard Robins – yes, Marie Skelly – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

A motion was made by Mrs. DePergola, seconded by Mrs. Skelly to approve Resolution #2016-45 authorizing a customer refund for returned water meter and/or MTU (42 Kansas Road). Roll call vote, Richard Robins – yes, Marie Skelly – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

Mr. Koptic asked whether there were any other matters to come before the Board. There were none.

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

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

Mr. Koptic stated that he and the Members wished Mr. Miller a quick recovery.

Mr. Koptic also offered best of luck to our Attorney in his recovery. The Board wished Mr. Rumpf the same as well. Mr. Rumpf thanked the Board and stated that he appreciates the good wishes.

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

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SECRETARY

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Approved on (Date)