

The regular meeting of the Little Egg Harbor Municipal Utilities Authority was held on August 9, 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; 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; Nicole Mezzina, Executive Secretary; Alan Dittenhofer, Authority Engineer; Brian Rumpf, Authority Attorney; Peter Chacacias, Authority Attorney

OTHERS IN ATTENDANCE PER SIGN-IN SHEET: Arlene Berriel; Rose & Ron Fuller; Mary Gannon; Patricia Borruso; Dr. Robert Neugebauer; Ron Barton; John Brady; Mary Ann Burghold; Stephen James; Paul O'Rourke; Grace & John Cordner; Sandra DeNardis; George Spiwak; Lorraine Allee; Susan Smith; Alan Kostelnik; Celia Mendelsohn; Jim Doherty; Steven Mercurio; Thomas Polak; Dina Amato; Lena Brunke; Jerry Moore; Vicente Luna; Margaret A. Luna; Regina Pistilli; Nick Pistilli; Anthony Borruso; Anthony Vinegra; Thomas Cullen; Joan Brady; Dolores Farrell; Catherine Howard; Meredith Moore

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. Robins, seconded by Mr. Crea to approve the minutes of the regular meeting held July 12, 2016. Roll call vote, Richard Robins – 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 to approve 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 Mr. Kobryn 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.

## EXECUTIVE DIRECTOR'S REPORT

1 – Mr. Sutton advised the Board that it is hard to believe he has been the Executive Director for two years already. He was appointed the Executive Director July 1, 2014. He stated that it doesn't seem possible that two years passed that quickly. He has enjoyed it, and more importantly, he has come to appreciate the staff here. They are an unbelievably great group of people. They are always ready to go the extra mile for our customers. We are not a big staff. We only have 12 employees that work in the field, and we have a very small office staff. We treat everyone fairly and properly, and we strive to work through as many issues as possible.

Mr. Sutton also stated that the best is yet to come. We have a long way to go with our capital improvement projects, which will start shortly. He has also enjoyed working with our Board and the Authority professionals. It has been a real pleasure.

2 – Mr. Sutton advised that he would like the Board to take action on proper disposal of the Authority's outdated records. Mrs. Kleinow will attest to the bureaucracy you have to go through to dispose of old documents. We now have the ability to request the records disposal on-line, and we have some records that go back to 1975. Our Auditor approved the list, which was then submitted to the State for their approval. The State authorized disposal of the records; however, he would like the Board to formally act on the disposal.

A motion was made by Mrs. DePergola, seconded by Mr. Crea approving proper disposal of the Authority records that are no longer required to be kept as per the State records disposal authorization. Roll call vote, Earl Miller – yes, Eugen Kobryn – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

3 – Mr. Sutton stated that there is a resolution on the agenda reducing the performance guarantee for Wal-Mart to a maintenance guarantee. This is for the water improvements only. We are not releasing the sewer guarantee at this time.

Mr. Sutton further stated that Wal-Mart has been an absolute pleasure to deal with. They have done everything that we asked them to do and in a timely manner as well. They had a minor punch list to complete, which they have already done. They are required to submit satisfactory closeout documents, which should be submitted shortly. A maintenance bond must also be posted. Once the proper documents are in place, the performance guarantee will be released.

A motion was made by Mr. Kobryn, seconded by Mr. Crea to approve Resolution #2016-56 authorizing release of performance guarantee conditioned upon posting a maintenance guarantee for the Wal-Mart Supercenter, Block 278 Lot 13.01 & 13.02 with regard to the water system. Roll call vote, Earl Miller – yes, Eugene Kobryn – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

4 – Mr. Sutton advised the Board that there is a resolution on the agenda for consideration authorizing line item transfers for the 2015-2016 fiscal budget. It is a fiscal year-end housekeeping issue.

A motion was made by Mrs. DePergola, seconded by Mr. Crea approving Resolution #2016-60 authorizing transfer of appropriations in the 2015-2016 fiscal year budget. Roll call vote, Earl Miller – yes, Eugene Kobryn – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

5 – Mr. Sutton recommended that we hold off on this item. He had indicated that we would be looking at pricing for pick-up trucks. We generally replace our pick-up trucks every five years. Our pick-up trucks are now out of warranty. Most are three years old so we are ahead of schedule and will hold off on bidding for replacement vehicles. The Board agreed.

6 – Mr. Sutton advised that we are still waiting for final approval from the DEP for the Twin Lakes Boulevard project. As soon as we receive final approval from DEP, we will be able to bid this project.

7 – Mr. Sutton stated that a meeting is set for September 2016 for an audit and review of the Community Disaster Loan. This was the loan we were able to obtain after Super Storm Sandy that helped reduce lost revenue because of the lost homes. This was a stop gap measure to help balance the budget. There is an opportunity to have the loan converted into a grant. If converted to a grant, we will not have to pay back the loan. If not converted to a grant, it will be a low-interest loan. It would be nice to receive this as a grant. He and Ms. Mezzina are working with the State entities on this.

8 – Mr. Sutton advised that more information was provided to FEMA for our Well #14 project. If we are able to obtain FEMA money, we could utilize it for expenses related to Well #14, which is located in the Osborne Island section of our community. We have a good liaison with the State, and more information will follow. As soon as we get the rest of the information, he will advise the Board accordingly.

9 – Mr. Sutton stated that the last item concerns the Sea Oaks Homeowners Association. The information was included within the meeting packets. He suggests that the topic be discussed in detail as to the Association's request of the Authority, and if it is appropriate, the Members of the Sea Oaks Board of Trustees have the opportunity to express their views on this topic only. After that, we will have concluding thoughts and our Attorney will speak on this issue. The Board agreed.

Mr. Sutton advised that at the end of this discussion, there is also a public portion available for anyone that chooses to speak at that time.

Mr. Sutton advised that he and Mr. DiFrancia met with the Board of Homeowners Association. It was a nice meeting with excellent communication.

Mr. Sutton advised that the Finance Chairman is also here tonight. He will be involved in this discussion as well. The individual residents will have the opportunity to speak later during the public portion of the meeting.

Mr. Sutton stated that the Authority Members were provided with the information packet regarding the Sea Oaks Homeowners Association, which included the letters from the Association, information and data, and some of the background history of the irrigation meters. He doesn't want to make it too simple, but the gist of it is that the Association would like the Authority to consider taking the unused gallonage from individuals and apply it to the gallonage of the irrigation meters.

Mr. Sutton stated, historically speaking, he cannot answer why the metering system was set up the way it was initially as he wasn't Director at that time. However, his understanding from speaking with our employees is that the original developer, Mr. Stryker, wanted to ensure that the lawns were beautiful and were always watered properly, and the arrangement for irrigation was set up with the 11 irrigation meters, which have been in place for about 15 years. By controlling the watering rather than rely on the individual homeowners, he believes it was to ensure uniformity of the lawns. Everyone takes great pride in that community, and it looks that way. The Association is asking for the Board's consideration to modify how their current irrigation is billed. In essence, the Association is asking for any unused water from the private residents to be allocated to the irrigation.

Mr. Sutton asked whether the Authority Members had any questions. There were no questions from the Authority Members.

Mr. Sutton stated at this time he would like to hear from the Board of Trustees and their Finance Chairman.

Joan Brady addressed the Board and stated that she is the President of the Homeowners Association. Ms. Brady thanked Mr. Sutton and Mr. DiFrancia for meeting with them. They had a very good meeting, and it was a great opportunity to hear how the Authority works. They were very helpful to us. She will ask Tony Vinegra to speak more on the issue. It is a matter of equity as they see it.

Tony Vinegra addressed the Board and stated that he is the Chairman of the Finance Committee. Mr. Vinegra stated that Mr. Sutton did a good job explaining their request. The Association feels that because the unused portion of the individual residential water usage can't be applied to the irrigation usage, the residents feel that they are being charged twice. They are being charged once as a homeowner who rarely use 15,000 gallons, and second as an excess water usage charge for irrigation meters. That is not like any other MUA customer. Other customers get full credit for their allotment then the excess charge kicks in. The Association would like the unused allocation given back to the Association for credit against the irrigation excess usage charge. He understands the community was set up differently, but that aside, it doesn't change the fact that they are paying twice for the same gallonage. That is what they are requesting in the way of the credit of the unused portion.

Mr. Sutton advised that he wanted to share information with respect to the Harbor Bay Community, a sister community of Sea Oaks. The homes in Harbor Bay are built with an individual meter, and also an additional meter is in place for irrigation. He doesn't believe they have an advantage or disadvantage.

Mr. DiFrancia stated they do not.

Mr. Sutton stated that it doesn't benefit or take away from their situation.

Mr. Sutton explained that Sea Oaks and Harbor Bay are two developments that fall in a geographical region that the Ocean County Utilities Authority doesn't meter the sewer flow into their system. OCUA has to rely on our records for water usage. We made it mandatory in Harbor Bay to have that metering system so that we could determine exactly how many gallons are used for individual potable water use and for lawn watering.

Mr. Sutton stated that the Authority has over 9,000 customers, and this ensures that they are not paying for sewer flow that is not going into the sewer system. We take the amount of the usage not going into the sewer system and notify OCUA accordingly. It doesn't place a burden on the rest of the users paying for sewer fees for non-potable water use. Our base rate provides for 0 to 15,000 gallons of water usage per quarter. It is equally applied to all customers; seasonal or year-round.

Tom Cullen addressed the Board and stated that he also lives in Sea Oaks and serves as a Trustee of the Homeowners Association. He and the fellow Trustees were alarmed after reading the letter regarding the Authority increasing the base rate for water usage from \$46.00 per quarter to \$52.00 per quarter and increasing the excess usage by 25%. This increases the Association's water budget by \$10,000.00 this year, and it will be \$15,000.00 going forward. Their grounds committee meets monthly with its landscaper and irrigation company. They reviewed the status of lawn maintenance and discussed advance technology to improve performance and save on water costs. The details were discussed with Mr. Sutton. They knew from the beginning that Mr. Stryker, the previous developer, wanted uniform lawns, and the Association would be responsible for that. The only problem is that they are at a disadvantage because they are the only Homeowners Association that provides this services as other residents water their own lawns. Throughout the years they have been very diligent in keeping records of water usage with the fluctuating costs. This increase caught the Association by surprise and caused them to analyze the effect it has on their residents' budget and their Homeowner Association budget. That is why we asked for the meeting. We wanted the Authority to understand our position on this. The analysis shows that we pay twice; once for the homes, and then through the management fees. They feel residents are paying a significant cost, and that is why they asked us to work with them to correct the double billing and provide relief to their residents.

Mr. Sutton stated that he wanted to say for the Sea Oaks residents' benefit that the Sea Oaks Trustees are right on point about conservation and making sure that their maintenance company reports leaks immediately as well as fixing bad sprinkler heads and not watering the sidewalks. That could help reduce water usage 10% – 20%.

Mr. Sutton further stated that we will work with the Sea Oaks community to make sure that they are aware of what we feel may be excessive water usage. We have the ability to monitor the meters as much as we want to.

Mr. Sutton advised that he also had indicated in his letter to the Association that we are looking into the EDUs assigned to each meter. The EDU is the calculation of how many units are allocated. He is compiling information on that for our Board. He had indicated to the Association that he doesn't have the final say on recommendations. The Authority Board makes the final decision. We will work with the Association cooperatively; however, he doesn't know that we will ever agree that this is a double billing situation.

Mr. Vinegra inquired whether Harbor Bay uses the first 15,000 gallons per household and was advised by Mr. Sutton not necessarily.

Mr. Vinegra asked if they are charged automatically at the excess usage rate and was advised by Mr. Sutton they are charged the excess rate if they go over the 15,000 gallons.

Mr. Vinegra stated that if a Harbor Bay resident doesn't go over their allotment, they do not pay excess usage on the unused portion. Harbor Bay is getting to use their full allotment. In Sea Oaks, the individual homeowner is sharing the community and paying \$3.47 per 1,000 gallons for the \$52.00 per quarter for the 15,000 gallons, and then the unused portion will now be \$5.00 per 1,000 gallons. That is paying twice and is different than Harbor Bay because they are getting full allocation even for irrigation before the excess charge kicks in. It is a unique situation.

Mr. Koptic stated that Sea Oaks has 11 meters specifically set aside for irrigation. If they want to install a separate meter, they could do so at their expense.

Mr. Sutton stated that in Harbor Bay they actually paid for two meters. A separate irrigation meter is attached to each home. If they do not water, they have a brown lawn.

Mr. Vinegra stated that is aside from the issue. He doesn't think that we have to have separate meters for each house in order to avoid excess billing charges. It shouldn't make any difference if they have 376 separate meters or 11 meters. They have a community irrigation system that should be able to pay once not twice.

Mr. Sutton asked whether any other Trustee Member would like to speak.

Regina Pistilli stated that she was the Secretary of the Board and stated that 376 homes are part of the Sea Oaks Homeowners Association. It is not separate. It is part of the ownership. Everyone owns the Sea Oaks Homeowners Association.

Mr. Koptic inquired as to how many homes the 11 irrigation meters cover and was advised probably somewhere in the neighborhood of 25 to 30 homes hooked up to each meter.

Mr. Koptic asked whether the Association could tell the Authority with respect to the 30 homes how much water one home uses compared to the others and was advised that they could not.

Mr. Koptic stated that we have a different system. Our system is everyone that uses in excess of 15,000 gallons of water is charged an excess water usage charge. We can tell how much water is used in a quarter for each home. The Homeowners Association can't tell how much the individual use is on the 11 irrigation meters used to monitor or control the 25 to 30 homes.

Mr. Sutton stated that over the last 12 months the gallons of water for irrigation broke down to about 38,000 gallons per house.

Mr. Vinegra stated that he doesn't see how that makes a difference. The homeowners collectively use less than the 15,000 allotment. He doesn't see why it has to be that way whether it is one or 30.

Mr. Sutton stated that he is not taking sides. We know what he is saying, and we know exactly what water is being used.

Mr. Robins inquired whether any of the water is going to the golf course or is it just the homes and was advised just the homes. The homes are separate from the golf course.

Mr. Sutton asked the Authority Attorney, Mr. Rumpf, to advise of his research relative to this matter.

Mr. Rumpf advised that he had an opportunity to look into this. He was not able to find a specific case study precisely on point, but he can say that it is all a matter of fairness. Common sense applies that you have to be fair and equitable. He looked at two cases in New Jersey. They are cases comparable in their fact pattern. He cited Reahl vs. Randolph Township. Essentially what we need to consider when discussing this is the effect billing reallocation would have on the other ratepayers of the Authority. There would be implications to the other 9,000 customers of the Authority. There would be a disparity if we would reallocate billing parameters. The court determined if reallocation of billing was permitted, it would impact other users.

Mr. Rumpf stated that we have many seasonal homeowners in the community that winterize their home in October and return in April that argue that they should not have to pay for water not being used in the winter, but they may incur excess usage in the summer when they water their lawns. Should they have relief of excess water charges in the summer because they did not use water in the winter. They would have to be given the same opportunity to be treated in a like fashion as another ratepayer. The case law is not specific to the point being raised, but if we do for one, we have to do it for all. That would have an impact on the Authority. If the Authority would allocate the unused portion to the irrigation, we would anticipate all community members making a similar request. It comes down to a matter of fairness. The Authority should proceed very cautiously before making any decisions. Changing could affect the ability of the Authority to receive the income anticipated, and the existing rate structure could fail. It could involve a great expense, but the conclusion may be that Sea Oaks do away with the current 11 meters and have an irrigation meter for each individual property. That may be the only manner in which we could proceed in order to maintain our rate structure.

Mr. Sutton stated that his understanding is that the law always takes a look at what is fair and equitable. As long as the Authority or entity is fair and equitable across the board as it relates to all ratepayers, it protects the Authority. He wishes we could bill from gallon one but he can assure them mathematically speaking, their rates would be far in excess of what we have now.

Mr. Sutton stated that in Tuckerton Borough their water and sewer rates are far higher than this Authority. Their customer base is smaller. A larger customer base keeps rates lower.

Mr. Sutton further stated that the DEP consistently looks at the allocation issues on our new Wells and most Towns are establishing a lower minimum such as 10,000 gallons or less.

Mr. Dittenhofer stated that is correct. The move is towards more conservation and not using so much water.

Mr. Sutton advised that some towns are also putting water restrictions in place. Lacey has water restrictions in place currently. We have created our own monster establishing 15,000 gallons. We know some people do not use 15,000 gallons, but some use more than 15,000 gallons. He appreciates everyone's thoughts. However, any decision has to be fair and equitable across the board and that is difficult.

Mr. Rumpf stated that he has a fairly new office in Tuckerton, and his water and sewer bill is double the amount of Little Egg. His excess bill was \$1,100.00 because Tuckerton only reads the water meter once a year. He didn't see that coming. He now has an irrigation meter installed.

Mr. Rumpf stated again that it is a matter of equity. If you change one component, you have to examine how that affects the other component. That is the bottom line.

Mr. Kobryn stated that they have heard a lot of discussion similar to this at the Township level regarding the school system. Residents do not want to pay because they do not have children in the school system or why should they pay the same thing if they only have two children and someone else has six. They do not want to subsidize someone with more children. It is a complex issue that is not easy to resolve.

A Sea Oaks Trustee stated that they are not comparing apples and oranges. They are not talking across the board or the nation or county. They are talking about one specific issue.

Mr. Koptic stated that the issue will be reviewed by the Board, Authority Attorney and Engineer, our Director, and our Superintendent. We will see if there is something we can come up with and present it to the Association to see if it is acceptable to them. It may be something they want or it may not. It won't be decided tonight, next week, or even next month.

Ms. Brady stated that they understand that and appreciate it.

Mr. Koptic stated that the Association is concerned about their 376 homeowners, but the Authority has to think about its 9,000 customers.

Another Sea Oaks Trustee stated that they are not asking for any preferential treatment. They are just asking to be treated the same as everyone else. We are asking to pay the same as everyone else. They get credit for 15,000 gallons that they can use for irrigation.

A Sea Oaks Trustee stated that they shut down their system in the winter and are not asking for anything when the system is not running. We also have residents that go away and do not use water.

Mr. Sutton advised that we will certainly pursue whatever we already offered as far as monitoring usage and looking at the EDUs. We also will maintain the open level of communication to make sure that we can come back with any concerns or questions they may have as an Association. Nothing will ever get accomplished if we do not communicate. We had good dialogue and discussion. He will advise them accordingly when a decision is made.

Ms. Brady thanked Mr. Sutton and the Board.

Mr. Sutton stated that he appreciates everyone's comments.

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

Mr. Sutton welcomed back Mr. Miller from his serious medical condition and wished him well.

Mr. Miller thanked him and the Members for their thoughts and prayers.

#### SUPERINTENDENT'S REPORT

1 - Mr. DiFrancia advised the Board that the Authority received bids today, August 9<sup>th</sup>, for the Piping and Pumping Equipment for Well #14. The bids submitted will be reviewed by our Attorney and Engineer.

2 – Mr. DiFrancia stated that there is a resolution for consideration with respect to a change order for Well #14 representing furnishing and installation of a pitless adapter. This change order increases the contract price by \$37,782.00.

A motion was made by Mrs. DePergola, seconded by Mr. Crea to approve Resolution #2016-59 approving Change Order #1 for the Construction of Well #14. Roll call vote, Earl Miller – yes, Eugene Kobryn – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

3 – Mr. DiFrancia advised that in-house paving has started. We purchased our own roller and tamper. After a repair, when the ditch settles with the cold patch, we apply hot patch to make the road more suitable.

4 – Mr. DiFrancia advised the Board that plans and specs are almost complete for Pump Station #3, which is a Hazard Mitigation Project. This project should be out to bid in approximately one week.

5 – Mr. DiFrancia stated that the Work Order Management Report is attached to his report, and he would like to go over the items as he does every month. This past month there were 16 leaks, which is quite a large number for this time of the year. There were 121 meter repairs, most of which are still Super Storm Sandy meters. The most important items are the disconnects and activations. Disconnections of homes due to Super Storm Sandy are homes that were cut and capped from service, which means they were taken off line. There were only 8 disconnects this past month; however, there were 25 services activated. He would like to say with 25 homes back on line that we are still coming back up. It is good to see the homes are being re-built. That is all for his report.

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

#### PLANS COMMITTEE REPORT

Mr. Koptic stated that the report pertains to the tentative applications submitted for the Oak Lane Apartment project. Resolutions are on the agenda for consideration.

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 on behalf of Remington, Vernick & Vena Engineers, he forwarded a written report to the Board for August 9, 2016 for the Authority's review and approval. The Director mentioned the Twin Lakes Boulevard Water and Sewer Replacement Project under his report. It has been up at the DEP for their review for approximately 6 or 7 weeks. We are looking for their approval and authorization to go out to bid. The DEP indicated that we should have some response in the next two weeks, but we have heard that every time we've contacted them.

Mr. Dittenhofer stated with respect to development applications that there are two resolutions on the agenda for consideration as was previously mentioned in the Plans Committee Report. That was all he had for his report.

A motion was made by Mr. Miller, seconded by Mr. Crea to approve Resolution #2016-57 approving the tentative sewer application submitted by Oak Lane LEH LLC for Oak Lane Apartments, Block 292 Lots 10, 11, & 12.01. Roll call vote, Earl Miller – yes, Eugene Kobryn – yes, Richard Crea – yes, Margaret DePergola – yes, Joseph Koptic – yes.

A motion was made by Mrs. DePergola, seconded by Mr. Crea to approve Resolution #2016-58 approving the tentative water application submitted by Oak Lane LEH LLC for Oak Lane Apartments, Block 292 Lots 10, 11, & 12.01. 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. Kobryn to approve the Engineer's Report as submitted. All in favor.

#### ATTORNEY'S REPORT

Mr. Rumpf advised that he submitted the written report confirming the legal matters referred to his office during the month. If there are any questions, he would be happy to answer them. Otherwise the matters are as written, and the resolutions were already acted upon regarding the Oak Lane Apartments.

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

Mary Gannon addressed the Board and stated that Mr. Koptic mentioned there were 9,000 customers, which means that the Sea Oaks Community is about 4% of our customer base with 376 homes.

Mr. Koptic stated that he didn't do the math.

Ms. Gannon inquired whether the 9,000 each have individual meters and are allocated 15,000 gallons per quarter. Ms. Gannon was advised that was correct.

Ms. Gannon asked if the customer goes over the allotted 15,000 gallons, are they paying the excess charge and was advised by Mr. Koptic that they are.

Mr. Sutton stated that the base rate is for 0 to 15,000 gallons, and the excess is charged if more than 15,000 gallons is used.

Ms. Gannon stated that if you go on vacation, it doesn't matter that you do not use 15,000 gallons.

Mr. Sutton advised that the base rate is for 0 to 15,000 gallons, and excess water usage is charged if usage is over 15,000 gallons for residential customers. Commercial customers receive the same allotment, but they also pay excess charges for sewer.

Mary Ann Burghold stated that Sea Oaks homes have individual meters and are allowed 15,000 gallons. Every quarter the meters are read, and the Authority has the usage for every home at Sea Oaks. It might behoove us if at all possible to look at if it is viable to see how much water was used by the 376 residents this quarter since we have that information. April, May, and June have already passed, but maybe the July, August, and September period can be looked at. She uses the water for laundry, showering, cleaning, and cooking. She is a single person and probably uses a minimal amount of water. The majority of Sea Oaks is single or couples so they can't be using that much water. The rest is being provided by the Homeowners Association. If we are capable of seeing how much water is actually used in the quarter by the 376 during that time period, and then look at the excess, you might see that what we are asking for is not something that is so far-fetched. There is probably a great deal of water not being used by the homeowner. Looking at the quarterly bill, she hasn't used 15,000 gallons at all, and that is why we are asking if that could be put towards the Homeowners Association.

Mr. Koptic stated that he understands as he has lived here for quite some time and has the same bill and allocation. If he uses over the allocation, he pays for that overage and has ever since he's lived here. If there are 11 irrigation meters with water usage, water is being used.

Mr. Sutton stated that Ms. Burghold's suggestion of reviewing usage is something that we can do. It is a good viable suggestion that can be presented.

A Sea Oaks resident stated that the review of the usage could be done for the two quarters that the irrigation is being used.

Mr. Sutton stated that the residents might be surprised. When we met with Joan she said that she probably didn't use that much water, but she knows what she used by her last bill. The Trustees averaged right around 15,000 gallons.

Mr. Vinegra stated that the average was 11,000 gallons with a high of 16,000 gallons.

A resident stated that they are not looking for something that would not be fair and equitable. They are just saying that what they do not use in December could be applied during irrigation.

Mr. Koptic stated that the Authority will look at everything and get back to them. If there is something we can change, we will discuss it. If there is something we can do, we will do it; not just for Sea Oaks, but all 9,000 customers of our system.

Steve James asked, for clarification purposes, whether the 15,000 gallons is per dwelling or per meter and was advised per dwelling.

Mr. DiFrancia advised that every dwelling has one meter in their community. Everyone has one meter other than Harbor Bay. They have two meters because that is how they set up their system. If their meter shows water use of 10,000 gallons, and the other used 10,000 gallons, they used 5,000 over. It is still only 15,000 gallons per house.

Mr. Sutton advised that if there is an additional EDU on a meter, you pay an additional \$52.00 a quarter. For example, Wal-Mart has 65 EDUs on one meter. We talked about looking at that for Sea Oaks; however, you will pay more in the months you do not use water.

Arlene Berriel stated that she paid the MUA \$143.00 for three months.

Mr. Sutton advised that the base bill is \$148.00 for three months.

Ms. Berriel stated that she paid \$148.00 for three months, and the Association is paying their bill. She is paying twice and is not using 15,000 gallons. If I do use it, that is okay, I pay for it, but I am also paying my Association dues, which pays excess, which shouldn't be excess if we didn't pay for the non-use.

Mr. Koptic stated that she pays for her home and the Association, which was something in her contract when she purchased her home. The Authority didn't tell her to do that. That is what she is paying for. That is something that she signed up for.

Mr. Koptic also stated that everyone here on the Board that is on our system pays for excess water usage if they use excess water.

Mr. Koptic stated that their developer decided that he wanted the system that was installed; not this Board. The developer wanted all the homes to look uniform and have beautiful, green lawns. The Sea Oaks homeowners signed a contract for that.

Mr. Koptic stated that if you go over the allotment, you pay the overage. He pays in excess of \$148.00 a quarter when he uses his sprinkler. He pays for that excess usage out of his own pocket.

A Sea Oaks resident stated that she is getting the feeling that the Authority thinks that they are asking for special treatment. They are not; they are asking for equality. There are 9,000 customers, and they want to be treated the same way.

Another Sea Oaks resident stated as a homeowner if he uses over 15,000 gallons, he pays excess. If he doesn't use the limit, he still pays the base for 0 to 15,000 gallons so he should water his lawn and wash the car and use all his 15,000 gallons.

Mr. Sutton stated that the resident could take his hose out and water his lawn and use up to the 15,000 gallons if he wants to. He can use all his 15,000 gallons.

Dolores Farrell addressed the Board and stated that she lives in Sea Oaks. She asked for help in understanding her bill. It has the current reading, previous reading, and usage. This particular one shows 6. So is she correct in that she used 6,000 gallons.

Mr. Sutton stated that is correct. She used 6,000 gallons for the quarter.

Rose Fuller asked whether other communities have this billing such as Sunrise Bay or Cranberry Creek.

Mr. Koptic advised that they do. We get many calls from those residents. They say they are going away for two months and want to know why they have to pay for water if they are away. They have to pay for the water because they are part of our system. They get up to 15,000 gallons like everyone else, and if they go over, they pay the excess charge. Everyone gets the same billing. Even if you shut off your water, you pay the bill.

Mr. DiFrancia advised that even if your water is off, the Authority still has to maintain its wells and treatment plants. The only way to stop the bill is to cut and cap the services, and there is a charge for us to inspect the cut and cap. There is also a charge to have a company do the cut and cap, which is costly. The customers that have cut and capped their service are people going off line because of Super Storm Sandy as was mentioned under the Work Order Management Report that was attached to his Superintendent's report. Just by shutting the water off, that doesn't stop the bill. It protects the home though, for example, in case of a broken pipe. You should winterize your home as a precaution. It is a smart move to winterize, but it doesn't affect the bill. If you are away, it affects usage but not your bill.

Mr. Koptic stated that is correct. You get the same bill for the same amount because it is for 0 to 15,000 gallons.

Mr. DiFrancia advised that it could cost between \$500 and \$700 for a plumber to do a cut and cap.

Ms. Pistilli said that is a big to do, but she is talking about usage. If you shut your water off, you save on water usage. Water isn't being used.

Mrs. Skelly stated that you still pay your bill. There is still a bill to be paid.

Mr. DiFrancia advised, as mentioned earlier, if the water is off, you still get the same bill. However, if you are away and the water was not shut off, and you have a leak, which means water is running, that could cause you to go over the 15,000 gallons. Also, if the water is not shut off, and there is a pipe break in your home, it could flood your home.

Mrs. DePergola stated that she purchased her home as a summer home many years ago. She turned her water on and off every season for 18 years. She had to pay the same amount whether she used the water or not.

Mr. Sutton advised that sometimes when people go away, they have someone checking their house during that time. There were some instances where the person checking the house used the bathroom, and the toilet ran non-stop while the person was away. The homeowner ended up with water usage while away. We can monitor usage, and if it looks like excess usage, we can notify the owner. A running toilet can use more than 1,000 gallons in 24 hours.

Mr. DiFrancia stated that was correct. If excess usage is occurring, our system will generate an excess usage report. Our personnel will go out and check the house. We could turn off the water and leave a blue card in the door. It is very important that we have owner contact information so that we can contact homeowners in case of emergency.

Mr. Sutton stated that is a nice service. We want homeowners to know if there is a problem.

Mr. Koptic thanked everyone for their comments and stated that he hoped we answered every question.

Dina Amato addressed the Board and stated that she has resided in Little Egg Harbor for over 30 years. Her and her husband bought a home here and bought a home on Madeline Lane. They didn't know what they were doing but relied on the knowledge of professionals. They asked about the utilities on the land and were told there were no public utilities on the land and had to get a contractor to have the utilities run. They looked at contractors. Mathis Construction was very high at \$7,000.00, and the other company didn't call back. The permit fee due was \$4,000.00, and the inspection fees were \$1,000.00. That comes up to \$12,000.00 to do the services.

Ms. Amato stated that 7 Madeline Lane, a bank owned house that is vacant, she alleged that someone bought it who is connected to someone the MUA knows. A lateral request was submitted to the MUA, and the MUA made a mistake stating that public utilities were there but there were not. The MUA feels they need to correct it and did it. If the MUA keeps records back to 1975, we used to do lateral services here. She spent almost \$13,000.00 on the laterals, and two doors down, they got it for free. She is disgusted by this. It is unfair and not equitable. She spends the money and someone else doesn't. She wants an answer.

Mr. Koptic stated that this is the first he and the Board are hearing this. He will get together with our Director and Superintendent to review the matter. We cannot give an answer now. We will consult with our staff and Attorney and will get an answer to her.

Mr. Koptic thanked her for bringing it to their attention and also stated that no one was given special treatment.

Ms. Amato stated that she was told that the MUA had to do it because the road was going to be paved but then the MUA reopened the road without a permit.

Mr. Koptic stated that they will look at everything and get in touch with her.

Ms. Amato stated that she appreciates it and asked if she could contact Mr. Koptic because her bill is due.

Mr. Koptic stated that the Board has to find out exactly what happened.

Mr. Sutton stated that he takes exception to something Ms. Amato said. We do not know the person connected to 7 Madeline Lane. That comment is not acceptable.

Ms. Amato asked how we opened the road without a permit.

Mr. Sutton stated that allegation is not acceptable.

Ms. Amato stated that Mr. Sutton spoke to her before she purchased the property. He outlined what had to be done.

Mr. Sutton stated that it was at the Amato's discretion as to whether they should pursue the course they took. To imply that he encouraged them to use Mathis Construction is improper. That was her prerogative.

Ms. Amato stated that Mr. Sutton stated that the contractor had to be licensed and bonded, and her neighbor was told the same thing. It sounded suspicious.

Mr. DiFrancia stated that he never met the gentleman that put the lateral request in. He doesn't know him at all. He didn't give any contractor names. He told him they could look in the yellow pages.

Ms. Amato stated that she said that she had a family member that could do it and was told that the contractor had to be licensed in Little Egg.

Mr. Sutton stated licensed in New Jersey.

Mr. DiFrancia stated that he made a concession on hers so she didn't have to pay extra for the grinder line. He and Mr. Sutton did their due diligence.

Ms. Amato stated that she appreciated that but her question is the money she spent. The MUA doesn't do this work but just did it for the other property. There is no permit in the window.

Mr. DiFrancia stated that the permit in the window is from the Town. There is no permit for the services from the water main to the curb because the Township doesn't do it; the Authority did.

Ms. Amato stated that #7 didn't need it but she had to.

Mr. DiFrancia advised that the \$4,000.00 was for connection fees; not permit fees. The other person has to pay connection fees as well. The connection fees were \$2,675.00 for water and \$1,400.00 for sewer. The other person has to pay the same exact thing. He is not getting anything different. He has to pay connection fees.

Mr. Sutton advised Ms. Amato that he will respond to her in writing with a definitive answer of what transpired. Whether she wants to accept it or not, a mistake was made. That is all it is. We told the owner or prospective buyer that water and sewer already existed. We had as-builts from the prior developer that were not correct. The Authority was never notified when the road was going to be paved. We were told the road was going to be paved eventually but never told when it was going to be paved. No one gets treated differently. If Mr. Koptic called and said his meter was broken, he would have to pay for it. A mistake was made. We had no choice but to do the work because we made the mistake. Connection is mandatory if there is service. We told the gentleman it was there and it was not.

Ms. Amato asked why the MUA would do it just because they made a mistake. The person could have hired someone to do it like she did.

Mr. Sutton stated that we receive seven to ten requests like this per week. We are lucky there haven't been more like this. Mr. DiFrancia is fully responsible for making those decisions. We are not making excuses, and when someone wants an answer, they do not want to wait. He will put everything in writing and let the Commissioners know the facts.

Ms. Amato stated that she wanted to know how the mistake happened.

Mr. Sutton stated that they haven't fully gotten to the bottom of it to make sure it doesn't happen again.

Mr. Koptic stated that our Director advised that he will send a letter to Ms. Amato. We haven't discussed it with him as to what took place, but we will give an answer after it is fully looked into.

Mr. Koptic thanked Ms. Amato for coming in.

A motion was made by Mr. Kobryn, seconded by Mr. Crea 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. Kobryn, seconded by Mr. Crea to adjourn. All in favor.

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SECRETARY

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Approved on (Date)