

The regular meeting of the Little Egg Harbor Municipal Utilities Authority was held on March 10, 2020 at 5:00 PM at Authority headquarters, 823 Radio Road, Little Egg Harbor Township, New Jersey.

MEMBERS PRESENT: Margaret DePergola, Vice Chair; Earl Miller, Secretary; Kenneth Miller, Kenneth Laney, Peter Cicco

MEMBERS ABSENT: Joseph Koptic, Marie Skelly

Others in attendance: Earl F. Sutton, Jr., Executive Director; Michael S. DiFrancia, Superintendent; Nicole M. Princiotti, Executive Secretary/QPA; Joanna Bermingham, Authority Engineer; Debra Rumpf, Esq., Authority Attorney; Brian Logan, Authority Auditor

OTHERS IN ATTENDANCE PER SIGN IN SHEET: None

Nicole M. Princiotti read the following statement:

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 Authority's bulletin board.

Mrs. DePergola advised the Board that Mr. Logan, the Authority's Auditor was here this evening for the presentation of the audit.

Mr. Logan stated that the Authority had an unmodified opinion on the financial statements and the supplemental information. During our audit we did not identify any deficiencies on internal control that we felt to be material weaknesses. The results of our test show no incidences of non-compliance or other matters that would be required to report in the audit under governing auditing standards.

Mr. Logan stated that the main thing he wanted to report to everyone is the implementation new GASB 75 standards of the post-employment benefits. The Governing Accounting Standards Board requires that this be booked in the financial statements. It's just an entry on the books that doesn't really mean anything, just an entry in order to comply with these requirements. What this does, is makes the unrestricted net position reflect a large deficit, but when you add back the GASB 75 entry it will put you back in the black. Looking at exhibit A sheet two, the unrestricted net position at end of the year is 5.5 million dollars. Of that, almost all is the entry for the post-employment benefits.

Mr. Logan stated that with respect to the cash, the cash increased by one million dollars, of which \$470,000 was a reimbursement from FEMA related to Hurricane Sandy.

Mr. Logan advised the Board that the debt service over the next five years, barring any additional debt taken on, the average payment will be between \$225,000 and \$230,000. Obviously if there is more debt taken on, those payments will change. Also set up was the Community Disaster Loan which originally was going to be paid off in 2023, but it was decided to pay that off now. It is reflected in the audit report, but next year it will be gone.

Mr. Logan stated that in final, there were no recommendations or comments in the audit.

Mr. Logan stated that there is a group affidavit to execute which signifies that the comment section of the audit has been reviewed. Once that is executed the proof of publication of the synopsis is to be filed with the Division of Local Government Services.

Mrs. De Pergola asked if there were any questions?

Mr. Sutton thanked Mr. Logan and stated that this gets more difficult with regard to the pension. We fully fund the pension, there are no issues. The state is preparing for a "what if" with all these scenarios of Townships and Authorities if they don't fund liability for the future. That burden would ultimately fall on the ratepayers.

Mr. Logan stated that four years ago it was the pension, and this year and last year it's the health benefits and basically, it's this unfunded liability that is allocated among all participants in the system on a percentage basis. They assign a percentage to each entity and that's what it is. You will never have to pay it, unless everyone that qualifies for retirement, retires at the same time.

Mr. Sutton stated that as Mr. Logan stated earlier as it relates to the debt service, we are taking on substantially more debt for these projects. We had almost eliminated our debt, but we were used to making those debt service payments. What this does is enables us to leverage our ability to borrow more in the future without immediately affecting our rates. It will eventually, but not for a while. We are able to control those rates with the plans we have, and we are able to handle that debt service.

A motion was made by Mr. E. Miller, seconded by Mr. Laney to accept and approve the Audit for the fiscal year July 1, 2019 through June 30, 2020. Roll call vote, Earl Miller – yes, Peter Cicco – yes, Kenneth Laney – yes, Kenneth Miller – yes, Margaret DePergola – yes.

Mr. Sutton thanked Mr. Logan. Mr. Logan thanked the Board and left.

PRIOR MINUTES

A motion was made by Mr. Cicco, seconded by Mr. E. Miller to approve the minutes of the February 11, 2020 regular meeting. Roll call vote, Earl Miller – yes, Peter Cicco – yes, Kenneth Laney – yes, Kenneth Miller – yes, Margaret DePergola – yes.

TREASURER'S REPORT

A motion was made by Mr. E. Miller, seconded by Mr. Cicco to approve the Treasurer's Report as submitted. Roll call vote, Earl Miller – yes, Peter Cicco – yes, Kenneth Laney – yes, Kenneth Miller – yes, Margaret DePergola – yes.

BILLS RESOLUTION

A motion was made by Mr. Cicco, seconded by Mr. Laney to approve the operational account bills resolution. Roll call vote, Earl Miller – yes, Peter Cicco – yes, Kenneth Laney – yes, Kenneth Miller – yes, Margaret DePergola – yes.

Mrs. DePergola thanked Mr. Sutton and Mr. DiFrancia for all their hard work.

EXECUTIVE DIRECTOR'S REPORT

1 – Mr. Sutton stated that Mr. Logan presented the Audit, but if anyone had any other questions, he would be happy to answer them. The good news is there were no material findings or recommendations and we are running the best ship we can.

2 – Mr. Sutton stated that Resolution #2020-7 is on the agenda appointing himself, Mrs. Princiotti and Mr. DiFrancia as the Human Resource Officers for the Authority to be in compliance with the state of New Jersey regarding laws pertaining to domestic violence.

Mr. Sutton stated that he is appointed as the Primary HRO, and Mrs. Princiotti and Mr. DiFrancia are the secondary HROs.

Mrs. De Pergola asked if there were any questions on Resolution #2020-7?

There being none, a motion was made by Mr. Laney, seconded by Mr. E. Miller to approve Resolution #2020-7 appointing Earl F. Sutton, Jr. Principal Human Resource Officer, and Nicole M. Princiotti and Michael S. DiFrancia as Secondary Human Resource Officers. Roll call vote, Earl Miller – yes, Peter Cicco – yes, Kenneth Laney – yes, Kenneth Miller – yes, Margaret DePergola – yes.

3 – Mr. Sutton advised the Board that Resolution #2020-8 is on the agenda in order to adopt the Authority policy as it pertains to domestic violence.

Mrs. DePergola asked if there were any questions on Resolution #2020-8?

There being none, a motion was made by Mr. E. Miller, seconded by Mr. Cicco to approve Resolution #2020-8 adopting a Domestic Abuse Policy. Roll call vote, Earl Miller – yes, Peter Cicco – yes, Kenneth Laney – yes, Kenneth Miller – yes, Margaret DePergola – yes.

4 – Mr. Sutton stated that as a point of information he completed another request for reimbursement to the NJIB regarding well #12. This request is in the amount of \$425,000. The last time, we were reimbursed pretty fast, only a couple weeks. Where the last few times it has take several weeks.

5 – Mr. Sutton stated that there are no customer committee recommendations this month. However, last month we made a recommendation and we took action as it pertained to 6 Sherwood Drive and issued a credit for overage due to a leak at the property that had since been repaired. What is good is we always review these after we take action to make sure that the calculation is accurate. After reviewing it further, the action we took would have provided a credit that was larger than what this individual is entitled to receiving. We are asking for a motion to rescind that initial recommendation and recommend a \$30.00 credit. The original action entitled this individual to a \$350.00 credit. The reason this came into play was he had an excessive amount of water that was used, but it was from a prior quarter when he was performing a lot of lawn irrigation. The overage was only 6000 gallons over the allotted amount.

Mr. Sutton asked for a motion to rescind the original recommendation to credit 6 Sherwood Drive in the amount of \$350.00 and approve the revised amount of \$30.00.

A motion was made by Mr. E. Miller to rescind the original amount for 6 Sherwood Drive, and revise the recommendation to a \$30.00 credit. Roll call vote, Earl Miller – yes, Peter Cicco – yes, Kenneth Laney – yes, Kenneth Miller – yes, Margaret DePergola – yes. All in favor

Mr. Sutton took a moment to thank Mrs. Rumpf for all her time and legal advice as it pertains to the cell tower issues, and the review of the Domestic Abuse Policy.

Mrs. DePergola asked if there were any questions on the Executive Director's Report? There being none, a motion was made by Mr. Cicco, seconded by Mr. Laney to approve the Superintendent's Report as submitted. All in favor.

SUPERINTENDENT'S REPORT

1 – Mr. DiFrancia stated that the Mathistown Water Treatment Plant project is moving forward. This week the ground storage tank had to be drained to install a vault, valves and piping. Once the work was completed it took several days to refill the tank and had to be monitored 24/7 in order to maintain system pressure and demand. Construction of the physical building is 98% complete and the filtration system and associated piping for treatment are also at 98% completion. Atlantic City Electric and Verizon are both onboard to provide upgraded service to the Treatment Plant by the end of this month. Work is continuing as scheduled.

2 – Mr. DiFrancia advised the Board that the tank renovation was set to begin on March 9, 2020 but once again is delayed due to issues with T-Mobile. We are already on the first response list for the fire companies.

3 – Mr. DiFrancia advised that work on the unread meters and no turn meters is continuing. We are focusing on the homes that have been difficult to gain access to over the last two years. The final step has been to send certified letters to the owners to set up appointments or we will be installing meter pits at the curb at the homeowner's expense. The current cost is around \$4500.

4 – Mr. DiFrancia stated a job meeting was held today with SWERP, the company that is installing the CIPP lining for Iowa Court. This is scheduled to begin the week of March 23rd. The Authority's personnel replaced all water services on Iowa Court and Mathis Construction performed all the sewer laterals. The Authority will be adding one or two hydrants on Iowa Court and this work will be done in house as well, saving the rate payers a substantial amount of money.

Mr. Sutton stated that by Mathis Construction coming in and installing the sewer laterals, and the Authority installing the water laterals, we saved around \$70,000. Again, these are things that we are trying to do in order to save money.

5 – Mr. DiFrancia advised the Board that the Authority applied for and received an Asbestos Waiver from the NJDEP for a none-year period. Based on our water system and our previous water samples we have qualified for the waiver.

6 – Mr. DiFrancia stated that after three years of technical review and numerous amendments, our Lead and Copper Sampling Plan has been approved by the NJDEP. We started this back in 2017, and actually it began in 2014 when Flint, Michigan shined the light on this lead and copper issue when over 6000 children were exposed to lead through their water system. The DEP had cracked down on lead and copper samples and where we had to do 30 samples every three years, now we are required to take 60 samples every six months.

Mr. DiFrancia stated that in all the time he has been with the Authority we have never exceeded the action level. The detectable limit is .002 parts per million. The action level is 15 parts per billion. When they test for lead, the machine they use can only go down to a certain limit and can't go any further than that, they can't actually say you have zero, it can only go down to 0.002 parts per million and none of our samples have ever been above that detectable limit. We have no lead lines and no issues with our water. When we got the lead and copper plan approved it was determined that we were required to do 60 samples every six months. There are 100 houses on the list that are approved by the DEP and 60 of those houses have to comply. When we call the people and send letters, many people won't even reply. In the last few weeks we have done 50 samples and today we will have another eight (8). Then in July we have to get back in those same houses for sampling.

Mr. Laney asked if it would be every six (6) months?

Mr. DiFrancia stated that yes, every six (6) months, until they put us on reduced monitoring. With reduced monitoring it will take the sampling from 60 to 30 yearly. This costs the Authority more money and more headaches. It's understood why they do it, but we have never exceeded the action level. They should understand this and that we have never been above the detectable limit and put us on the reduced monitoring.

Mr. Laney asked if it was the same houses in that six (6) month period?

Mr. DiFrancia stated yes, but we have 40 alternates, 100 approved. If we switch one to another of the 40 alternates, we to submit paperwork to the State for approval and have to change our map. The map gets sent to RV and they modify it and we send into the DEP for approval.

Mr. Sutton stated that the reason it's in that pool is that it's based on the age of the house and they likely have copper piping and lead soldering.

Mr. DiFrancia stated that he tried to inform the DEP, that is you look at our history, it will show the whole story and we have never even been close to the detectable limit and we should get a pass. We were told we will never be able to do every three years. It will be at least once a year.

Mr. Sutton stated that at first when we contact people, they think we are a water softening company and trying to sell them something and it gets on social media and then they think its bogus. Once they understand they realize it's to their benefit to allow us to perform this test.

Mr. Laney asked if we could go there, to these people's houses with lights blaring?

Mr. DiFrancia stated that what we have done, because they don't reply to the letters, we call first and explain and then send the letters. Those that don't respond to the letters or calls, we knock on the doors. Now we have the alternates and now we know we have to change the maps and report for approval with the DEP.

Mr. Sutton stated that it doesn't make sense because if you go a house and get a good result from that house, they want you to keep going to that same house. Random samples would be better. But the DEP thinks you're being devious and getting samples from the wrong places. Remember, we don't even take the sample. We give it to the homeowner and tell them how to do it with specific directions and it's a mess. And to do this two times a year. It's a lot of work that is unnecessary.

Mr. DiFrancia stated that rather than being able to take them randomly and seeing what your whole system looks like, you go to the same houses, same neighborhoods over and over. Why wouldn't you want an idea of what the whole town is?

Mr. Sutton stated that it comes from the federal standards and trickles down to the state level. We are all in favor of testing but it's unbelievable for a system like ours that has no detectable issues.

Mr. K. Miller asked if this was something that kept the residents busy for hours?

Mr. DiFrancia advised that it's not. It's very simple. They have to allow the water to sit in the pipe for a minimum of six (6) hours. Fill the bottle up from the first run of the sink, fill out the paperwork and put it on your front porch and we will pick it up. The paperwork should be easier, but now the DEP made it more difficult and the residents either don't fill it out correctly or are calling asking questions.

Mr. Sutton stated that it's a lot of unnecessary work.

Mr. DiFrancia stated his work order management report is attached for review.

Mr. DiFrancia stated that was all he had for his report unless there were any questions.

Mrs. DePergola asked if there were any questions for the Superintendent's Report? There being none a motion was made by Mr. E. Miller, seconded by Mr. Laney to approve the Superintendent's Report as submitted. All in favor.

ENGINEER'S REPORT

Ms. Bermingham advised that the Engineer's Report has been submitted for approval. She would like to comment on the lead and copper. It's very ridiculous with the amount of work that goes into it with increasing the frequency and the amount of homes, even for systems with no violations. Feasibility of it is challenging. Even the labs are being over-burdened. Hopefully some of this burden for the systems with no violations will lessen after this first round of monitoring.

Ms. Bermingham stated as mentioned before the Water Treatment Plant is moving along very well. We had a pretty good winter with the exception of one rainy week, but work has stayed on track.

Ms. Bermingham stated that Phase I of the Mystic Islands replacement project has finally gotten approval to advertise this past Friday with award on April 3, 2020.

Ms. Bermingham stated that was all she had unless there were any questions.

Mrs. DePergola asked if there were any questions on the Engineer's Report? Being there was none, a motion was made by Mr. Laney, seconded by Mr. K. Miller to approve the Engineer's Report as submitted. All in favor.

ATTORNEY'S REPORT

Mrs. Rumpf advised the Board that her report has been submitted for review and approval, and if anyone has any questions, she would be happy to answer them at this time.

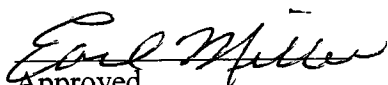
Mrs. DePergola asked if there were any questions for the Attorney's Report? There being none, a motion was made by Mr. Laney, seconded by Mr. E. Miller to approve the Attorney's Report as submitted. All in favor.

Mrs. DePergola asked if there were any other matters to come before the Board? There being none, a motion was made by Mr. Laney. Seconded by Mr. Cicco to accept and file all general correspondence. All in favor.

A motion was made by Mr. E. Miller, seconded by Mr. Laney to open this portion of the meeting to the public. All in favor.

Bering there was no public in attendance, a motion was made by Mr. Cicco, seconded by Mr. K. Miller to close this portion of the meeting to the public.

A motion was made by Mr. Cicco, seconded by Mr. Laney to adjourn the meeting. All in favor.


Approved