



Berkeley Township MUNICIPAL UTILITIES AUTHORITY

42 Station Road
Bayville, NJ 08721
(732) 237-0100
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A Regular Meeting of the Berkeley Township Municipal Utilities Authority was held on **Thursday, February 23, 2012** at 7:00 pm at the Berkeley Township Municipal Utilities Authority located at 42 Station Road, Bayville, NJ 08721. Presided by Chairman Pizzi-present, Mr. Mullikin-present, Mr. Thiemer-absent, Mrs. Davis-present, Mr. Sudia-present.

Also present: Mr. McGuckin-Attorney, Mr. Koutsouris-Attorney, and Mrs. Nugent-Executive Director.

Motion to approve the minutes from the Re-organization and Caucus Meeting on February 9, 2012: Mr. Sudia, second, Mr. Mullikin. The motion was approved by voice vote. There were no "nay" votes. Motion Carried.

Motion to approve the minutes from the Executive Session on January 26, 2012: Mr. Mullikin, second, Mr. Sudia. The motion was approved by voice vote. There were no "nay" votes. Motion Carried. Mrs. Davis abstained.

Treasurer's Report:

Mr. Davis stated that she and Mr. Thiemer reviewed the payroll and operating expenses for (02/11/12-02/24/12) two weeks. The payroll expenses were in the amount of \$13,816.80. The operating expenses were in the amount of \$43,752.28. Mrs. Davis stated that she and Mr. Thiemer authorized the \$45,000.00 wire transfer from the Ocean First Bank revenue account to the TD Bank debt services account to start accumulating funds for the August 2012 NJEIT debt service payment.

Motion to approve the Treasurer's Report: Mr. Mullikin, second, Mr. Sudia. All in favor. Roll Call. Mr. Mullikin-yes, Mrs. Davis-yes, Mr. Sudia-yes, Mr. Pizzi-yes. Motion Carried.

Executive Director's Report:

Appointment of Authority Attorney – Dasti, Murphy, McGuckin, Ulaky, Cherkos, & Connors:

Mrs. Nugent requested of the Board the appointment of the Authority Attorney to the firm of Dasti, Murphy, McGuckin, Ulaky, Cherkos, & Connors. Mr. McGuckin has presented all the paperwork and has prepared the resolution for the Board's signature.

Motion to approve the appointment of Authority Attorney to the firm of Dasti, Murphy, McGuckin, Ulaky, Cherkos, & Connors: Mrs. Davis, second, Mr. Mullikin. All in favor. Roll Call. Mr. Mullikin-yes, Mrs. Davis-yes, Mr. Sudia-yes, Mr. Pizzi-yes. Motion Carried.

Mr. Pizzi welcomed Mr. McGuckin as the Authority Attorney.

Authorization to Auction Surplus property: 1995 Ford F250 with Snowplow, Vin #1FTHX26H4S KB654 52:

Mrs. Nugent stated that the Authority owns a 1995 Ford F250 with a snow plow. It has served the Authority well, but has a broken break line, is very old, and it is now time to retire it. Mrs. Nugent requested of the Board authorization to auction it on GovDeals. The Authority has not done this before, but we are looking forward to trying it.

Mrs. Nugent stated that the neighboring townships have used this site and have received favorable results. Mrs. Nugent stated that this resolution will allow it to be posted. GovDeals is state contract A-70967/T2581 and is in coordination with the local finance notice 2008-9 which allows the Authority to post this. Mrs. Nugent stated that there will be pictures of the truck and it is recommended that it be started with a reserve of \$750.00. Mrs. Nugent explained that this means if there is an offer of only \$50.00 the Authority is not required to accept it, but that once it meets the reserve then we are required to accept any incoming bids. It has been recommended that it be posted in the \$500.00 through \$750.00 range and then to allow the bidding to go up. With the snow plow it is estimated that the Authority could receive approximately \$1,000.00 to \$2,000.00.

Mrs. Nugent stated that this site will show pictures of the truck along with its descriptions. This site will allow it to be viewed from anyone from other areas.

Mr. Sudia questioned what the blue book value of the truck is. Mrs. Nugent stated that she could find out and take that into account before it is posted with the reserve.

Mr. Mullikin questioned if the plow is in as bad shape as the truck itself is. Mrs. Nugent replied that it is not and added that the Authority has its own plows on the other vehicles. The plow adds to the value of the truck and is considered an extra.

Mr. McGuckin stated that the Authority has the right to reject any bid. Mrs. Nugent agreed.

Mr. Pizzi stated that GovDeals will be good for the Authority because in the past the surplus items were given to other entities in town. This enabled the town to make money from the disposal. Mr. Pizzi added that this is a step in the right direction for the Authority.

Mr. Mullikin questioned if other governmental agencies have the right to bid on these items first. Mrs. Nugent replied that anybody, including our own employees, can bid on it.

Mrs. Nugent stated that GovDeals will make about 5 or 7% of the sale price.

Mr. Sudia suggested that the value of the truck needs to be researched first to ensure that the price is in the correct range. Mr. Mullikin stated that the price should also be based on the age and mileage of the vehicle. Mrs. Nugent added that whatever the blue book value is that the minimum is what will be posted.

Motion to approve the resolution authorizing disposal of the surplus property: Mrs. Davis, second, Mr. Sudia. All in favor. Roll Call. Mr. Mullikin-yes, Mrs. Davis-yes, Mr. Sudia-yes, Mr. Pizzi-yes. Motion Carried.

Discussion of NJSEM electrical/natural gas co-op membership:

Mrs. Nugent stated that there is a copy of a resolution that was prepared by the New Jersey Sustainable Energy Joint Meeting in each packet for the Board's review. Mrs. Nugent stated that currently the Authority is a member of the Ocean County Energy Co-op which is dissolving as of February 29, 2012 due to unfavorable auction results.

Mrs. Nugent stated that the Authority will revert back to receiving electrical generation from JCP&L. Mrs. Nugent stated that she has investigated other energy co-ops that are available. The NJSEM is associated with our New Jersey Utility Joint Insurance Fund. Their partnership with the JIF has allowed them to acquire their new members. A lot of the members that belonged to the Ocean County Energy Co-op are moving over to NJSEM. Presently as of January 2012 they had 165 members. A few examples of Ocean County members are the Brick MUA, Lacey Twp. MUA, Surf City, and Toms River. Mrs. Nugent stated that she checked with the Berkeley Township Sewerage Authority and they also are looking into becoming members of NJSEM.

Mrs. Nugent requested of the Board approval to become a member of NJSEM. This will cost the Authority \$150.00 to become a member, but the auction will take place tomorrow (02/24/12) at noon. Mrs. Nugent stated that if the Authority does not become a member by the 02/24/12 deadline, then we will not be able to get it until next year. If the Authority should become a member, and the auction returns favorable rates, and if it is recommended that we move forward, then we will be able to review the rates and decide whether to opt in or opt out at that point. The Authority will be locked in for one year once it decides to opt in. There will be other opt out opportunities after that full year. Membership will be renewable but there will be the opt in/out opportunities. For instance, if the solar fields become a real possibility for the Authority and if it is decided they will be installed, we then will be able to opt out of NJSEM for that reason.

Mr. Mullikin questioned if these memberships were something that has worked out for the benefit to the Authority in the past.

Mrs. Nugent replied that we are members in the Ocean County Energy Co-op and that we had received modest savings from that. The Authority had compared the rates in the past with JCP&L and Liberty Power and found that some months the savings came to \$200.00, other months it was \$40.00. This month (February) the Authority would have benefited from staying with JCP&L as it cost \$8.00 more with Liberty Power. Overall, there was a modest savings, but there was no cost to join the Ocean County Energy Co-op. The Authority will have to spend \$150.00 to join NJSEM and should it be decided to opt out the Authority will lose that money.

Mr. Mullikin questioned if Berkeley Township itself was a member of the NJSEM.

Mrs. Nugent stated that she inquired if the Township was considering membership, but has not yet received a reply.

Mr. Mullikin suggested trying NJSEM for a year to see if it will be a savings to the Authority. Mr. Pizzi stated if the Authority is going to apply that it must do so by tomorrow (02/24/12) or it will miss out on the auction. Mr. Pizzi stated that a motion must be made by tonight to join the co-op to give it the year to determine if there will be a savings or if it will cost us money.

Mr. Pizzi stated that by joining NJSEM it will allow the Authority to purchase natural gas from them and he questioned if so, will we have missed the deadline. Mrs. Nugent replied that this co-op also offers the natural gas co-op, but that we did miss the deadline on the membership. Mrs. Nugent added that the NJSEM is going to try and allow the Authority to get in on that and will see what they can do in regard to this.

Mr. Pizzi stated that a total of \$90,000.00 has been spent on gas and electric and that if we only save a couple thousand dollars it will be well worth it.

Motion to join the New Jersey Sustainable Energy Joint Meeting: Mr. Mullikin, second, Mr. Sudia. All in favor. Roll Call. Mr. Mullikin-yes, Mrs. Davis-yes, Mr. Sudia-yes, Mr. Pizzi-yes. Motion Carried.

Progress Report:

BTMUA Roof Leak on Northeast Corner:

Mrs. Nugent stated that there is a roof leak on the northeast corner of the building over Mr. Blair's office. The roof is two or three years old and Mrs. Nugent stated the leak was reported under the warranty. The warranty service claim has been submitted.

Mr. Sudia questioned if there had been a prior leak there. Mrs. Nugent confirmed that was correct. It was suspected that it had something to do with the flashing underneath the

heater and that there will have to be work done on it. Therefore, there was a claim submitted on the warranty service.

Surveillance Camera/Comcast Streaming to BTPD:

Mrs. Nugent stated it has been reported to the Board that the monthly internet cost to stream our surveillance cameras images from the Station Road plant to the BTPD for the 24 hours, 7 day per week coverage was \$175.00. Mrs. Nugent stated that she contacted Comcast who decreased that amount down from \$175.00 to \$104.00 per month. Mrs. Nugent stated this is only a small amount of savings, but shows progress for the Authority in regard to keeping its cost down.

MUAA Meeting:

Mrs. Nugent stated that the next MUAA meeting is scheduled for March 8, 2012 which begins at 6:30 pm and 7:30 pm for the dinner meeting. Mrs. Nugent stated that technically it conflicts with the March 8, 2012 7:00 pm meeting, but they will be able to attend the MUAA meeting a bit later. Mrs. Nugent asked the Board members to check their schedules to see if they could attend. Mr. Mullikin and Mrs. Davis stated that they would be able to attend.

Mr. Pizzi stated that there have been problems with the sewerage drains from the ladies and men's rooms to the outside due to some of the chemicals that have leaked into the drainage system and is corroding the piping. The piping is under less than one foot of concrete and will require some work to get it chopped up and the pipe realigned. This will be further looked into by the Building and Grounds Committee. Mr. Blair and Mr. McClelland are discussing a process using walnut shells through the system to clean it out such as a roto-rooter type of system. An epoxy coating would then go inside the corroded piping. Mr. Pizzi requested of Mrs. Nugent to find out if this is covered under our insurance.

Motion to approve the Executive Director's Report: Mr. Mullikin, second, Mr. Sudia. . All in favor. Roll Call. Mr. Mullikin-yes, Mrs. Davis-yes, Mr. Sudia-yes, Mr. Pizzi-yes. Motion Carried.

Engineer's Report:

Motion to approve the Engineer's Report: Mr. Sudia, second, Mr. Mullikin. The motion was approved by voice vote. There were no "nay" votes. Motion Carried.

Attorney's Report:

Mr. McGuckin introduced himself to the members of the Board and stated that he was a former attorney for the MUAA. Mr. McGuckin stated that he is looking forward to working with the Authority and that if anyone has any questions or concerns to feel free to call him or his associate, Mr. Koutsouris.

Motion to approve the Attorney's Report: Mrs. Davis, second, Mr. Sudia. The motion was approved by voice vote. There were no "nay" votes. Motion Carried.

Committee Reports:

Old Business:

Mr. Mullikin stated that he attended a New Jersey Utilities Authority breakfast meeting yesterday (02/22/12) where they gave out awards for safety. The Authority was recognized for 16 years of working safely. Mr. Mullikin stated that not too many Authorities can claim that many years of work safety.

Mrs. Nugent thanked Mr. Mullikin for bringing that to the Board's attention. Mrs. Nugent added that Mr. Blair is the safety director for the Authority and every year has consistently met all of the requirements to receive 16 years of being accident free. There were a few Authorities that had 18 years free of accidents and another one or two that had 20 years free of accidents. This Authority is definitely in the top tier of the representation of the JIF.

Mr. Mullikin stated that this group makes safety films and other available resources which some of these are required for the Authority to do monthly. If different types of work become available the operational crew will have the opportunity to be trained. Mrs. Nugent stated that the JIF disseminates information in regard to management of our personnel manual which has been done very recently. JIF offers the operational crew opportunities on safety classes that they can attend. They are also required to take the CPR classes, confined space classes and will certify them in these areas.

Mr. Mullikin stated that he is aware that they take these classes once per year. Mr. Pizzi questioned who is on the Safety Committee. Mr. Mullikin replied that it is he and Mr. Thiemer. Mr. Mullikin stated that Mrs. Nugent, Mr. Blair, Mr. Thiemer, and he were at the meeting.

Mr. Pizzi stated that last year when this report came out he had personally made a motion with the other commissioners to reward the BTMUA staff by treating them to lunch based on their safety records. The operational employees have saved the Authority money by staying accident free, everything has gone smoothly, and we don't have any stop loss.

Motion to have the Authority to treat the staff to lunch: Mrs. Davis, second, Mr. Sudia. All in favor. Roll Call. Mr. Mullikin-yes, Mrs. Davis-yes, Mr. Sudia-yes, Mr. Pizzi-yes. Motion Carried.

Mrs. Davis questioned the status of Pine Crest Development. Mrs. Nugent stated that Pine Crest Development has extended our water main to service four new houses. Unfortunately, during the construction CME gave them an estimate on their expenses

related to how much it will cost for them to be on site to represent the Authority. Mrs. Nugent stated that it was requested Pine Crest provide money for an escrow account which they did. It was anticipated that there would be two or three day's worth of work. However, Pine Crest encountered a lot of problems during the installation of the water main. They were not able to pass the water pressure test. The BTMUA Rules and Regulations require a two hour pressure test must be accomplished on the system. They were not able to perform the two hour pressure test. Therefore, the contractor scheduled CME to come back again on the next day to observe the pressure test as is required. Again Pine Crest was not able to pass the pressure test. Our inspector was on site as they were trying to fix the issue. It was scheduled again for a total amount of five days. When the developer received the bill for five days he decided to challenge those engineering fees. It is approximately \$3,000.00 that is being questioned. The Authority has tried to have discussions with him that it was the Contractor's responsibility because the system was not installed properly. There were gravity issues that did not help the Contractor. They had to go back and look at valves for seals. The fire hydrants had to be dug up to see if the problem was there. Mrs. Nugent stated that if the installation had gone more smoothly it would have been a less expensive project for the developer. CME billed the developer appropriately. The developer asked CME to negotiate down their prices which CME was very uncomfortable doing so. CME billed the developer for the hours that they were there. CME does not want it to reflect unfairly that this was an over-billing issue.

Mrs. Nugent stated that no discussion with the Authority would satisfy the developer. Therefore, the developer wants a third party involved and applied to the Ocean County Construction Board of Appeals to act as a third party. Mrs. Nugent stated that it is to her understanding that the Authority Attorney may speak directly to the developer to present the Authority's perspective. If this can not be accomplished, then all of the parties that are involved will have to meet before this Board and this Board will act as an arbitrator in this regard.

Mrs. Davis questioned that if a developer puts money into an escrow account to cover the professional fees and if the escrow account becomes depleted, will the professionals bill the developer directly or is it still billed through the Authority. Mrs. Nugent replied that it is still billed through the Authority and the developer is notified that the escrow account needs to be replenished. Normally, a check is provided to cover the fees which the Authority will then pay CME.

Mrs. Davis questioned if CME has been paid yet from the Authority. Mrs. Nugent replied that they have not been paid because the two bills in question are still out standing and are at least 60 days overdue to CME. The Authority is not out the money and that this matter is still in limbo.

Mr. Sudia stated the problem was that they could not perform the pressure test. Mrs. Nugent stated that because of the main's installation they could not pass the two hour test as required by our Rules & Regulations. Mrs. Nugent stated that Mr. Blair's brother worked for the contractor, which is another example of why a representative from the

BTMUA technically could not oversee the pressure testing because of a potential conflict. This is another supportive reason why CME had to be on site for the Authority.

Mrs. Nugent stated that on or after the fifth day, CME called and stated that they would not go back out on site due to the ongoing problems with the pressure tests. Once the problem is corrected CME stated they will then return on site to observe the pressure test. Mrs. Nugent stated they finally performed the pressure test while a BTMUA operational employee was there and CME accepted his observation of the two hour test and did not come out for the final test.

Mrs. Davis questioned who the developer is. Mrs. Nugent replied that it is Pete Rehberger from Pine Crest Development.

Mr. McGuckin questioned if CME has an attorney representing them. Mrs. Nugent replied that they do not and she could bring it to their attention at his suggestion. Mr. Koutsouris questioned if the developer has received approval yet. Mrs. Nugent replied that they did not. Mr. Koutsouris stated that it is presumed that the Rules and Regulations require the escrow party to have an approval. Mrs. Nugent agreed that this is correct.

Mrs. Nugent stated that all of the items of the approving resolution need to be addressed before final acceptance. Mrs. Davis questioned that even if the developer passed the pressure test he still does not have any approval then. Mrs. Nugent replied that the developer still has not progressed the project because there are still stages that CME has to review such as the as builts, etcetera.

Mr. Pizzi questioned if the hearing had been postponed for a month or so. Mrs. Nugent stated that this was originally scheduled in February. The Authority asked for an extension to allow for the new attorney changeover which all the involved parties agreed to.

Mrs. Nugent stated the hearing at the Ocean County Construction Board of Appeals is set for March 15, 2012 at 3:00 pm.

New Business:

Mr. Pizzi stated that during the review of the security process it came to the Board's attention that there are no security signs attached to the Authority's fences. For a small investment, Mr. Blair and Mrs. Nugent purchased signs that state the building is under surveillance. These are now posted at Station Road and at the Northern Blvd Tower. Mrs. Nugent stated that the signs have been posted on all four sides of the fencing at both facilities. Mr. Pizzi stated that it may not seem significant, but that if the signs stop one person from climbing any of the fences then this will have proven to be an invaluable investment.

Mr. Mullikin stated that there are signs on the fence around the perimeter that it could be a hazard if someone should cross.

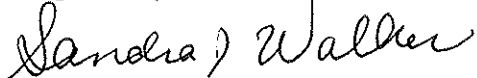
Mr. Pizzi stated that he noticed that Mr. Blair had the signs already posted along the fences and that he wanted to bring it to the Board's attention. Mr. Pizzi added that the Board is open to any new suggestions regarding any security issues.

Mr. Pizzi suggested that the Building and Grounds Committee may want to address the matter of additional signage at both facilities stating that there is no trespassing.

Mr. Pizzi stated for the record there is no one for the public portion.

Motion to adjourn: Mrs. Davis, second, Mr. Sudia. The motion was approved by voice vote. There were no "nay" votes. Motion Carried.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Sandra J Walker".

Sandra J Walker

The next meeting of the Berkeley Township Municipal Utilities Authority will be held on Thursday, March 8, 2012 at 7:00 pm at the Berkeley Township Municipal Utilities Authority located at 42 Station Road, Bayville, NJ 08721.