



## **Berkeley Township**

### **MUNICIPAL UTILITIES AUTHORITY**

42 Station Road  
Bayville, NJ 08721  
(732) 237-0100  
Fax (732) 237-0638

A Caucus Meeting of the Berkeley Township Municipal Utilities Authority was held on **Thursday, April 12, 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-present, Mrs. Davis-present, Mr. Sudia-present.

Also present: Mr. Koutsouris-Attorney, Mr. McClelland-Engineer, Mr. Chiaravallo-Engineer, and Mr. Holman-Accountant.

Motion to approve the minutes from the Regular Meeting of March 22, 2012: Mr. Thiemer, 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 of March 22, 2012: Mr. Sudia, second, Mr. Thiemer. The motion was approved by voice vote. There were no "nay" votes. Motion Carried.

#### **Treasurer's Report:**

Mrs. Davis stated that she and Mr. Thiemer reviewed the payroll and operating expenses for (03/24/12-04/13/12) three weeks. Mrs. Davis questioned the payroll amount written on the agenda and stated the gross payroll was in the amount of \$15,997.57. The net payroll was in the amount of \$11,336.03. The Employer Liabilities were in the amount of \$4,200.37. The operating expenses were in the amount of \$18,608.43. This will be reviewed with Mrs. Nugent.

Motion to approve the Treasurer's Report based on the new facts and figures: Mr. Mullikin, second, Mr. Sudia. The motion was approved by voice vote. There were no "nay" votes. Motion Carried.

#### **Executive Director's Report:**

Mr. Pizzi stated that Mrs. Nugent is on vacation this week. Mr. Koutsouris will present the Executive Director's report in lieu of her absence.

#### **Appointment of Labor Attorney-Tier & DiStefano, LLC:**

Mr. Koutsouris requested of the Board the appointment of Labor Attorney to Mr. Michael Tier, Esq. of Tier & DiStefano, LLC. The rates are set forth in the contracts which are attached to the resolutions.

Motion to accept the appointment of Mr. Tier Esq. of Tier & DiStefano, LLC as the Labor Attorney: Mrs. Davis, second, Mr. Mullikin. All in favor. Roll Call. Mr. Mullikin-yes, Mr. Thiemer-yes, Mrs. Davis-yes, Mr. Sudia-yes, Mr. Pizzi-yes. Motion Carried.

Appointment of Conflict Attorney-Tier & DiStefano, LLC:

Mr. Koutsouris requested of the Board the appointment of Conflict Attorney to Mr. Michael Tier, Esq. of Tier & DiStefano, LLC. The rates are set forth in the contracts which are attached to the resolutions.

Motion to accept the appointment of Mr. Tier Esq. of Tier & DiStefano, LLC as the Conflict Attorney: Mr. Mullikin, second, Mr. Thiemer. All in favor. Roll Call. Mr. Mullikin-yes, Mr. Thiemer-yes, Mrs. Davis-yes, Mr. Sudia-yes, Mr. Pizzi-yes. Motion Carried.

Appointment of Broker of Record for Employee Benefits-Conner Strong & Buckelew:

Mr. Koutsouris stated that the Authority has a Risk Manager which is an appointed position. It differs from a broker which relates to health benefits issues. Currently, the Authority participates in the State Health Benefits Program and the State Prescription Benefits Program.

Mr. Koutsouris stated that Conner Strong is recommended for the appointment as the Broker of Record for the Employee Benefits. This appointment is not for representing the Authority with regard to being a broker for health benefits at this time. However, in addition to the appointment of the broker, at the next re-organization meeting the Board may appoint Conner Strong as a Consultant in regard to the health benefits.

Mr. Koutsouris stated the advantage to this is that at no charge to the Authority, Conner Strong checks the rates that are currently being paid for health benefits and prescription benefits. Conner Strong will shop around to see if there is an advantage to leaving the State Health Benefits Program and going to a more equivalent plan at a potential cost savings for the Authority. If the Authority should do this, then the agreement with Conner Strong will be re-negotiated to reference that they shall receive the customary broker's commission which is typical. This commission is not paid by the Authority, but is paid directly from the health insurer. Conner Strong becomes the broker of record and they negotiate with the insurer. This is obviously passed down through the rate, but if it is a more beneficial rate to the Authority, then this will be something to consider at that time.

The current agreement does reference the equivalent of Conner Strong as the dental broker record for the Authority. Currently, there is no broker of record and Conner Strong will thereafter attempt to negotiate an agreement. That agreement will then be presented to the Authority with a dental insurer for consideration of execution of that agreement. If this occurs then Conner Strong will be reimbursed again as the broker from the health

insurer directly at no cost to the Authority. This is something that is incorporated into the rate which will be negotiated between the Authority and that dental insurer.

Mr. Thiemer questioned if the Authority ever had a dental broker. Mr. Pizzi replied that the Authority has never had a broker of record which has been assigned to us. Mrs. Nugent individually has taken care of all the communication between the agencies and the Authority. The representative from Conner Strong will be the go between person who will be able to answer questions for us and also inform us of any changes to state plans. None of this will cost the Authority any money. Mr. Pizzi added that this could be very beneficial for the Authority. Mrs. Nugent has already been in contact with a representative from Conner Strong whose name is Scott Davenport.

Mr. Sudia questioned if Conner Strong looks at different plans, brings them to the Authority with a savings, then this won't be money coming from the Authority.

Mr. Koutsouris replied any compensation is negotiated into the rate that is negotiated by Conner Strong with whichever insurer that may be. They are paid with the industry's usual customary rate by the insurer to that broker. For example, if they should go to Horizon Blue Cross and if they have a dental plan they will negotiate a rate. Conner Strong & Buckelew will then be paid by Horizon Blue Cross directly.

Motion to appoint the Broker of Record for Employee Benefits to Connor Strong & Buckelew: Mr. Sudia, second, Mr. Thiemer. All in favor. Roll Call. Mr. Mullikin-yes, Mr. Thiemer-yes, Mrs. Davis-yes, Mr. Sudia-yes, Mr. Pizzi-yes. Motion Carried.

Resolution Memorializing State Contract Purchase of Vehicle from Beyer-Warnock Fleet:

Mr. Koutsouris presented a memorializing resolution in written form which was authorized at the last meeting, but was not in written form. This action authorizes the state contract purchase of the 2013 Ford Explorer.

Motion to memorialize the resolution for the state contract purchase of the 2013 Ford Explorer: Mrs. Davis, second, Mr. Thiemer. All in favor. Roll Call. Mr. Mullikin-yes, Mr. Thiemer-yes, Mrs. Davis-yes, Mr. Sudia-yes, Mr. Pizzi-yes. Motion Carried.

Resolution Memorializing the Transfer of Requested Funds to Berkeley Township:

Mr. Koutsouris presented a memorializing resolution in written form which was authorized at the last meeting, but was not in written form. The Township requested the appropriation of \$88,547.00 in accordance with the N.J.S.A. Statute 40A:5A-12.1 from the BTMUA for 2012. This action authorizes \$88,547.00 to be paid to the Township.

Mrs. Davis reiterated that these two matters have already been approved at the BTMUA meeting of March 22, 2012 and that the Board members do not have the written resolutions their packets.

Mr. Koutsouris stated that copies of the resolutions should be in the Commissioner packets.

Motion to memorialize the transfer of funds to the Township of Berkeley for the amount of \$88,547.00: Mr. Thiemer, second, Mr. Mullikin. All in favor. Roll Call. Mr. Mullikin-yes, Mr. Thiemer-yes, Mrs. Davis-yes, Mr. Sudia-yes, Mr. Pizzi-yes. Motion Carried.

### **Engineer's Report:**

#### **Central Regional School District:**

Mr. Chiaravallo stated that the new water meter and backflow preventer were installed at the Central Regional High School this week (04/09/12). Mr. Blair was on-site during the installation.

Mr. Mullikin questioned if the meter was installed inside the building. Mr. Chiaravallo replied that the meter is inside the building and located within a small room off the woodshop in the back area.

Mr. Sudia questioned if all the meters are installed at the CRSD complex. Mr. Chiaravallo stated that this is correct.

Mr. Mullikin questioned if this is a desirable location for the meters versus the meter being installed in the pit in the ground. Mr. Chiaravallo replied yes and stated that normally a backflow preventer would not be installed in a pit in the ground. The reason for this is that potentially it could accumulate ground water and become cross contaminated. The meter has been installed inside where it is heated and easy to get to. This also ensures that no one will have to enter a confined space in order to access the meter.

Mr. Pizzi stated that he and Mrs. Nugent have been discussing the CRSD project and have been waiting for its completion. There are two items that still need to be progressed. The first item is CRSD turning over the system to the Authority. The second item is identifying the easements and turning the easements over to the Authority.

Mr. Pizzi stated that when Mrs. Nugent comes back from her vacation she will contact CRSD to review this to get it finalized.

Mr. Mullikin questioned if the Authority is taking everything over from the meter or beyond the meter. Mr. Pizzi replied from the curb stop and that everything from the curb stop in is considered school property.

Mrs. Davis questioned if there is any back billing that will be due based on the installation of the meter.

Ms. Segreto replied the Authority will estimate the usage for July and prorate that to their billing.

Mr. Pizzi stated that this was an agreement the Authority came up with to estimate when all the meters were on line.

Mr. Sudia stated that the estimate will be accomplished while school is still in session.

Mr. Mullikin questioned if there has been any feedback about the quality of the water. Mr. Mullikin added that there have been concerns about the well water that CRSD had been using.

Mrs. Davis stated that Dr. Parlapanides drinks from the water fountains whenever he has the opportunity to demonstrate to the students that it is good safe water to drink now.

#### Additional Allocation:

Mr. Chiaravallo stated that CME has been preparing a response to the DEP's request for the calculated water demand projections for the additional allocation that was requested. A draft letter has been prepared for the Authority to review.

#### Livingston Avenue/Pine Crest Developers:

Mr. Chiaravallo stated that CME attended the Ocean County Board of Appeals hearing on March 15, 2012 regarding a project by Pine Crest Developers that includes a water main extension along Livingston Avenue.

#### Station Road Treatment Plant Floor Drains:

Mr. Chiaravallo stated CME has reviewed the NuFlow Pipe Lining information provided by Mr. Blair for lining the existing floor drains for the Station Road Plant. The manufacturer recommended using a structural liner to be installed for the buried pipe. This would require the floor to be opened at each end and pulling it through the base liner. There is an epoxy coating system that is used, but this is only for above ground piping. The manufacturer is not recommending the epoxy coating system for buried piping because of any deterioration that may have occurred to the outside of the pipe which would lose any structural integrity.

Mr. Pizzi questioned if the flooring will be opened in certain locations. Mr. Chiaravallo replied with that type of liner, yes.

Mr. Chiaravallo stated this was discussed with Mr. Blair and he informed him that a camera was run from the manhole that is out in the back of the treatment plant and into the building which is about 10 or 15 feet. The pipe turns towards where the bathrooms connect. A plumber may have a smaller camera that they might be able to run from the

hypo-chloride room to see what kind of damage has occurred to the rest of the pipe before the floor is opened up.

Mr. Chiaravallo stated that he will need to discuss this with a plumber to see how small a camera they have. There are traps on all of the openings and this is the problem if it can't get through the trap.

Mr. Pizzi suggested that this needs to be discussed with Mr. Blair about getting a plumber. Mr. Chiaravallo agreed with this to see about getting a video all the way up that line.

Mr. Pizzi questioned if there are any estimated prices for this project. Mr. Chiaravallo stated that it all depends on how much we end up lining. There is not a good estimation of the cost yet because there will be floor openings and how we will have to proceed that way. It will also depend on how many openings that will be needed.

Mr. Pizzi questioned if there are any recommendations on who should do the work, and if it should be accomplished in house or be sent out.

Mr. McClelland stated that getting through the floor may be difficult and could require the use of a jack hammer. It may require that the Authority will need to borrow one from the Township. Another possibility may be that the Authority may need to rent a saw so that it can be cut through. This will be a difficult thing to accomplish.

Mr. Chiaravallo stated that he looked at some of the old plans and found that the floor may be 12 inches thick out there. Actually, the generator pad may be on top of that drain at one of the bends. It is hard to tell exactly where it falls according to the original plumber's drawings.

Mr. Pizzi stated that it will be discussed with Mr. Blair to see what his recommendations are.

Mr. Mullikin questioned if it would be easier to run a new pipe. Mr. McClelland agreed that it might be because it is an old pipe. Lining small lines like that can be difficult. This is a floor drain system that was put in when the original building was constructed. It is not that old, but it is problematic.

Mr. Sudia questioned if the pipe has to be clear to send the lining through. Mr. Chiaravallo replied yes. The other problem with lining which they tend to do on the larger sewer mains is that there are other lines that connect into that. The main line runs from the hypo-chloride room in the corner of the building out to where the bathroom area is. There are also floor drains that run from where the filters are up into there and there are a couple of sinks in the back. There are other lines that are coming in to that main line.

Mr. Sudia questioned the size of the line. Mr. Chiaravallo replied that it is a four inch line.

Mr. Chiaravallo stated with a larger size they can put a machine in there that cuts out the liner from the laterals coming in. This is not possible for the smaller lines as it can dig up the connections in order to cut the liner.

Mr. McClelland stated that CME will look at the possibilities as to which is the best way that this can be accomplished. Mr. Pizzi agreed it will be good to get an estimate for both ways.

Mr. Sudia questioned if it is something that is going down the drain from the treatment room that could be affecting the pipe. Mr. McClelland replied that it is chloride, but that it is not a lot that is going to seep through steel. PVC is a product that is preferable to use, but wasn't when this building was built.

**Accountant's Report:**

Mr. Holman stated in his report:

**Cash Position Report for February 2012:**

Total All Cash Fund Balance:	\$3,993,098.96
Total Restricted Balances:	\$2,414,045.08
Total Fund Available for Disbursement:	\$1,579,053.88

Mr. Holman stated he reviewed the bank reconciliations of the statements and correlated with the bank statements. The Authority is in good shape with cash.

Mr. Holman stated he has a meeting next week (week of 04/16/12) with Mrs. Davis to go over the draft audit report. Mr. Pizzi stated that he will be in attendance for that meeting also.

Mr. Holman stated the deadline with the state in regard to the audit report is April 30, 2012 and will therefore, be done in plenty of time.

Mr. Holman stated that he will be at the next month's meeting (May) to present the audit report to the Board. Mr. Holman stated that he will go over the audit report in fine detail with the Finance Committee.

Mr. Pizzi requested of Mr. Holman if he could e-mail a copy of the audit report before Wednesday's (04/18/12) meeting. Mr. Holman replied that he would e-mail a copy to him by Friday (04/13/12), no later than Monday (04/16/12).

### **Attorney's Report:**

This report was already discussed during the Executive Director's Report.

### **Committee Report:**

#### **Old Business:**

Mr. Mullikin stated there has been some discussion regarding possible well locations. One of the possibilities, if the Township is conducive, is for us to take the easement that is over to the side of the Authority building. This property can be used for either a well or a protective enclosure for the BTMUA vehicles. An enclosure could accommodate four vehicles instead of leaving them out in the weather all of the time.

Mr. Mullikin stated that the DEP was requesting the Authority put a second well at least one thousand feet away from the building. Mr. Mullikin stated that for many reasons, it is felt that Emory Avenue would be the best possible site for a well. At the end of Emory Avenue there are three or four lots that are owned by the Township that the Authority may be able to take ownership of. This would be a great site because of security reasons and because the street already has power, water, etcetera. This would be very easy to do in regard to drilling and the piping could run out to Station Road.

Mr. Mullikin stated that he discussed this with Mr. Blair. A main could cross Station Road over to the South side of the road because utilities are buried on the north side of Station Road. It would then come back across. Mr. Mullikin added that the reason this topic came up is because Station Road is going to be repaved. If it is decided to put a well in at this location, then a pipe should be buried along these two crossing points before the road is repaved. Mr. Mullikin added that he was under the assumption that a newly paved road could not be dug up within five years after paving. Mr. McClelland stated that is correct depending on what town you are in.

Mr. Pizzi stated that he, Mr. Mullikin, Mr. Blair, and Mrs. Nugent checked the circle radius of 1,000 ft., which the DEP recommends, and walked about the referenced area to try and determine a good location for the second well. This was done to try and decide where the well should go. Behind the Authority property there is a ball field and the second well may be able to be put back there.

Mr. Pizzi stated that Mr. Mullikin had suggested that the second well could be placed in the back area. But, access would be limited. Mr. Pizzi stated that Mr. Blair suggested if the second well is installed off Emory Avenue then it could be encased in a building with a roof.

Mr. Mullikin stated that the elevation over there is high and at the end of the road. It is quite a bit above the stream. Mr. Mullikin added that the amount of pipe that it would take to get the water here would not require a booster pump. The Authority would not need to lift the water or push it all that far.



Mr. Mullikin stated that security is always a big concern. Mr. Mullikin stated he looked at everything from a drilling or constructive perspective. For these reasons Emory Avenue is an ideal site. At the end of this project, a 72 hour aquifer test may be required. It will be easy to discharge water directly into the stream from there.

Mr. McClelland stated that water would need to be pumped from the ground through the plant, and to the top of the tanks. Depending of the flow, there is quite a bit of loss, which you pump through the filters and up to the tanks.

#### Old Business:

Mr. Pizzi stated that the Authority joined a co-op for our electrical energy. Mr. Pizzi stated that Mrs. Nugent sent him an e-mail that contained a lot of information and that it appears to be very favorable.

Mr. Pizzi stated that from the figures he has viewed, it appears that it will be four cents cheaper per kilowatt than what we are paying now. Mr. Pizzi added that this could prove to be a sizeable savings. It could bring it down from a little over eleven cents down to seven cents.

Mr. Pizzi stated that the new copier has come in and questioned how it seemed to be working. Ms. Segreto stated that a technician from Ricoh should be in the next few weeks to demonstrate all of the different functions of the copier. Ms. Segreto added that it is working out fine, but the staff is not familiar with all of its functions yet. Mrs. Nugent will be making an appointment for Ricoh to come to the Authority.

Mr. Mullikin questioned if the Authority saves money on the electrical co-op would this be something for us to be sharing with the rate-payers?

Mr. Pizzi stated that he would not advise bringing awareness to our rates at this point. Mr. Mullikin stated that he was referring to the overhead costs for the Authority. Mr. Pizzi pointed out that if the Authority announces that it is reducing its overhead some customers may question if their rates can be reduced.

Mr. Sudia stated that the Authority does not know what the electrical rates could end up being for the next year. Mr. Pizzi stated these co-op rates for the Authority are only for a one year period.

Mr. Pizzi stated that the Authority is looking to reduce overhead costs with small savings where it can. Mr. Pizzi stated an example of this is the Comcast charge for the Authority. It has been reduced and the savings are approximately \$100.00. With the electrical co-op the savings could be more. Mr. Pizzi added that the Authority will be looking into its phone usage to see if there could be any reductions there.

Mr. Pizzi stated that he discussed with Mrs. Nugent about reviewing the line items in the budget and to see if there can be any savings based on reviewing those items. Mr. Pizzi stated that if we can't, at least we did our due diligence to see if there could be any reduction in our overhead cost.

Mr. Pizzi stated that the new copier has the capability of making double-sided copies and that he will discuss with Mrs. Nugent about trying to save a few cents on items such as paper, etcetera. The meeting minutes can be double-sided along with the resolutions and the like. Mr. Pizzi added that he even saving a few hundred dollars yearly on just paper is beneficial.

#### New Business:

Mr. Pizzi stated that he discussed with Mrs. Nugent and Mrs. Davis about refinancing and the proposal received with R.B.C. Capital Projects. R.B.C. went to the DEP and got all of the MUAs and Sewerage Authorities debt and came up with a proposal to show us how we can refinance. Mr. Pizzi added that we are in the process of reviewing this. There have been prior discussions with Mrs. Nugent about refinancing and we will continue to review this. Mr. Pizzi stated that R.B.C. gave the preliminaries that show how the Authority, over a twenty year period, could save several million dollars.

Mr. Holman stated that the Lacey Twp MUA made a deal today to finance a project. The rates are so strange right now the commercial prime rate is still approximately 3 ¼%. It is a small deal so you save your bond issuance costs. Ocean First Bank has an interest of 4.25% for ten years, which is something to look at.

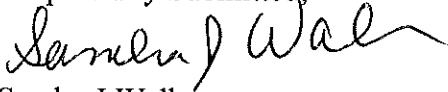
Mr. Pizzi stated that he would welcome opinions from the professionals and any ideas on how the Authority might be able to refinance as opposed to going to a bank. This will be something that we can coordinate with the professionals before we move forward with this.

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

Motion to close the public portion: Mr. Thiemer, second, Mrs. Davis. The motion was approved by voice vote. There were no "nay" votes. Motion Carried.

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

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Sandra J Walker". The signature is written in a cursive style with a long, sweeping tail on the "W".

Sandra J Walker

The next meeting of the Berkeley Township Municipal Utilities Authority will be held on Thursday, April 26, 2012 at 7:00 pm at the Berkeley Township Municipal Utilities Authority located at 42 Station Road, Bayville, NJ. 08721.