



Berkeley Township MUNICIPAL UTILITIES AUTHORITY

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A Regular Meeting of the Berkeley Township Municipal Utilities Authority was 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. Presided by Chairman Pizzi-present, Mr. Mullikin-present, Mr. Thiemer-present, Mrs. Davis-present, Mr. Sudia-absent.

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

Motion to approve the minutes from the Caucus Meeting on April 12, 2012: Mr. Thiemer, second, Mrs. Davis. 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 (04/14/12-04/27/12) two weeks. The payroll expenses were in the amount of \$16,684.60. The operating expenses were in the amount of \$142,108.82.

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

Mr. Pizzi requested the record show that Mr. Sudia arrived at the meeting at 7:03 pm.

Executive Director's Report:

Mrs. Nugent stated that the Authority has gone green in keeping with environmental standards. Your meeting packets are now printed on both sides of the paper, as opposed to single-sided, as per Mr. Pizzi's suggestion.

Authorize the lease of a postage machine (\$130 a month x 5 years):

Mrs. Nugent requested of the Board authorization to lease a postage machine. Mrs. Nugent stated that her recommendation is to lease from Pitney Bowes model# DM400C postage machine at \$130.00 per month for five years. The current lease will expire in June 2012.

Mrs. Nugent stated that she investigated three vendors and recommends the Pitney Bowes lease. The Pitney Bowes lease is a state contract.

Mrs. Davis questioned if this new machine will be less expensive than the one the Authority currently has. Mrs. Nugent replied yes. The current lease is \$140.00 per month for five years. The current machine was a rebuilt one when the Authority acquired it five years ago. Mrs. Nugent added that it is at the end of its life span. The machine from Pitney Bowes is brand new at the cost of \$130.00 per year.

Mrs. Nugent stated that the Pitney Bowes machine has a buy-out option at the end of its lease. However, the company could not reference the price as they won't know the value of the machine until it approaches the end of its lease.

Mr. Mullikin questioned what the \$130.00 cost will actually cover. Mrs. Nugent stated that it covers the lease, the equipment, and the maintenance on the equipment. This will include service, training, and installation.

Mr. Mullikin questioned if this would include the postage. Mrs. Nugent stated that it will not as the postage has to be downloaded from an outside source into the machine.

Mr. Mullikin stated that Pitney Bowes is a good company and has a very good reputation.

Mr. Pizzi stated that as Mrs. Davis pointed out, there is a savings associated with leasing this machine. This is another example that the Authority is reducing its line item costs. Mr. Pizzi added that although this is a minor decrease it is still better than an increase. It all adds up to savings for the Authority. Mr. Pizzi thanked Mrs. Nugent for her expertise in reducing the cost on this machine.

Motion to authorize the lease of the Pitney Bowes postage machine: 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.

Authorize purchase of surveillance equipment Northern Blvd site. \$4,879.00:

Mrs. Nugent requested of the Board authorization to purchase surveillance equipment for the Northern Blvd. site. The recommendation for the Northern Blvd. site is a wide view color camera that would be installed on the tower facing the fence line by the driveway. The 2nd camera offers a narrow, black and white view. This offers definition to view license plates. The recording device for this equipment will be located inside the tower. It will not have an internet connection and therefore, not be connected or viewable at the BTPD. The recording device will be secured inside the tower. We reviewed two quotes and my recommendation for the purchase of this equipment is from our current vendor, AVS Technologies and is in the amount of \$4,879.00.

Mr. Pizzi stated that we have never had security out at the Northern Blvd. site. We are being proactive to protect the Authority's assets.

Motion to approve the purchase of the surveillance equipment for the Northern Blvd.: 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.
Authorize purchase of surveillance equipment Station Road site. \$7,572.00:

Mrs. Nugent requested of the Board authorization to purchase surveillance equipment for the Station Road site. Mrs. Nugent stated that the recording device is failing. Therefore, the purchase recommendation is for an upgraded recording device and an upgraded camera. The upgraded camera will view the driveway from the building out toward Station Road. This higher pixel camera would be able to view license plates of vehicles entering the property. The camera that is currently in place at the driveway would be moved to the well #3 camera view. The current well #3 camera is also failing. The current vendor is AVS Technologies and the amount for this equipment is \$7,572.00.

Mr. Mullikin questioned if the system will be linked to the Township. Mrs. Nugent stated the current system is linked to the Township through a Comcast internet connection. When the cameras are upgraded the Berkeley Township Berkeley Township Police Department will get the same views they are currently receiving for Station Road. The BTPD will still receive 24 hours per day, seven days per week surveillance from Station Road.

Motion to approve the purchase of the surveillance equipment for the Station Road site: Mr. Thiemer, second, Mrs. Davis. All in favor. Roll Call. Mr. Mullikin-yes, Mr. Thiemer-yes, Mrs. Davis-yes, Mr. Sudia-yes, Mr. Pizzi-yes. Motion Carried.

Berkeley Township request to put surveillance camera antennas on the Station Road Tower and for the Authority to absorb up to \$10,000.00 in soft costs:

Mrs. Nugent requested guidance from the Board regarding the Township's request to install surveillance equipment antennas on the Station Road Tower. The Township is requesting to put at least two antennas on there now. In the future, the Township may request to install additional antennas also. The initial request would allow the completion of a circuit loop. This loop will allow camera views in areas such as Veterans Park and Manitou Park to be transmitted to the BTPD.

Mrs. Nugent stated that the Township has received a grant to purchase this surveillance equipment. The grant does not include funding to cover the Authority's soft costs. It is estimated that the soft costs the MUA will incur could be approximately \$5,000.00.

Mrs. Nugent stated that she spoke with the Police Officer who is the liaison between the Township and the Authority. The Police Officer informed her that United Water has the water tower in South Toms River. United Water estimated its soft costs at \$7,750.00. Mrs. Nugent added that United Water will not charge the Township for the soft costs, but will absorb it instead.

Mrs. Nugent stated that she believes the consensus amongst the Board Members is that they want the Authority to work with the Township and allow the installation of these antennas. The Board is willing to absorb the soft costs up to \$10,000.00. The Township has requested an answer from the Authority.

Mr. Pizzi stated that he does not want to leave this matter open-ended regarding how much of the soft costs the Authority will be willing to absorb. Mr. Pizzi agreed with Mrs. Nugent that the Authority will work with the Township and will absorb the soft costs up to a maximum limit of \$10,000.00.

Mr. Mullikin questioned if the Authority could or did request if the Township explored whether they have funding to cover the soft costs of this project.

Mrs. Nugent stated she approached the Township several times in regard to this matter. The Chief Finance Officer stated the grant received is \$500,000.00 and the Township has additionally allocated approximately \$86,000.00 to this project. The CFO stated there is no extra money to reimburse the Authority for the soft costs.

Mrs. Nugent stated that the soft costs are for the engineering reviews of plans, meetings, etcetera. Mrs. Nugent stated that Mr. Koutsouris will prepare a written agreement that will detail who owns the equipment, who will remove the equipment when the tower needs to be painted, give assurance to the other cellular tenants that there will not be any interference due to these antennas, performance bonds, etcetera.

Mr. Sudia questioned if interference could be an issue for our other cellular tenants. Mrs. Nugent stated no. The engineers informed her that the cellular antennas are on a very high frequency and the Township's antennas are on a very low frequency. It is very clear that there will be no issues with interference, but that it should be included in the written agreement regardless.

Mr. Thiemer questioned if there will be any welding. Mrs. Nugent replied that the vendor has assured the Authority that there will be no welding. Mrs. Nugent stated that because there is no welding, CME no longer recommends that TIC (Tank Industry Consultants) be involved with the oversight of the installation. Mrs. Nugent stated if the Authority had to hire TIC that this would have moved the estimate closer to \$10,000.00.

Mr. Sudia questioned if the antennas are going to be bolted onto the tower. Mrs. Nugent replied that is correct and that it will be going on the handrails. They are running the cables underneath the catwalk and down the lines. The vendor understands that the BTMUA wishes to keep the tower neat with no loose cables.

Mr. Pizzi stated that the cables will be encased in some type of conduit.

Mr. Mullikin stated that he would be in support of the project as long as the soft costs do not exceed \$10,000.00. Mr. Mullikin stated that there needs to be the understanding that any future expenses will belong to the Township. If anything should need to be taken

down, repaired, or upgraded, the Authority should not have to absorb any of these recurring costs.

Mr. Pizzi agreed and stated a written agreement is required. Mr. Pizzi stated that he will confer with Mr. Koutsouris and Mrs. Nugent.

Mrs. Davis stated that she agreed with this recommendation and asked if there is enough room in the budget this year to absorb these soft costs.

Mrs. Nugent stated that the money will come out of the engineering fees budget and the attorney's fees budget.

Mrs. Davis stated that she is in agreement with Mr. Pizzi in regard to the maximum amount of \$10,000.00.

Mr. Koutsouris questioned Mrs. Nugent if the Township has given a deadline to the Authority for a response. Mrs. Nugent stated that they have not given a deadline, but they would like to receive direction from the Authority. The Township cannot move forward until they have assurances that they have a loop for the information to flow. Mrs. Nugent stated if the Authority does not let them on the tower then they will have to find an alternate plan.

Mr. Pizzi stated that the other tower that is proposed in the loop is at Central Regional High School. This tower has not been built yet. Mrs. Nugent agreed and stated that the Township has already received authorization from CRSD to install the antennas. Once the tower is built, the vendor can go ahead with the installation.

Mr. Koutsouris stated that he needed to explore this issue more to see if the Authority will or will not need Mr. Tier's expertise as a conflict attorney as opposed to his own. Mr. Koutsouris added that it is not a problem to take a vote tonight as this is a very general issue.

Motion to authorize Berkeley Township to install surveillance antennas on the Station Road Tower with a \$10,000.00 soft cost limit: 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.

Mr. Pizzi requested of Mrs. Nugent to inform the Township of the Authority's decision regarding this project.

Progress Report:

Mrs. Nugent updated the Board members on the following topics as highlighted in her Progress Report.

Phase IV Central Regional School District:

Mrs. Nugent stated that the meter and backflow preventer to the Central Regional High School and auxiliary buildings were installed. An estimated bill (from September to April) will be prepared based on its metered amount of May's usage. We will calculate and back bill CRSD for the prior months. An easement and the turnover of the project are the next steps to be discussed. The easement is required for Authority access to the mains.

BTMUA Additional Water Allocation:

Mrs. Nugent stated the preliminary information that was requested by the DEP in regard to the Authority's request for increased water application has been mailed.

New Jersey Sustainable Energy Meeting:

Mrs. Nugent stated that the Authority participated in the NJSEM electric energy co-op auction that was held on April 4, 2012. The result of this auction was very favorable. The co-op was hoping for \$.093 per kilowatt hour and received \$.075 per kilowatt hour for generation of electricity from Hess. Mrs. Nugent stated that JCP&L will continue to be the Authority's distributor and Hess will generate our electrical energy. If compared against a recent JCP&L bill this means almost a 4 cent per kilowatt hour savings. The co-op pricing will be effective with the June usage.

Chief of Operations' Vehicle:

Mrs. Nugent stated that the Board authorized the purchase of a 2013 State Contract Explorer. The vehicle was ordered and delivery is expected in July.

Certificate of Deposits:

Mrs. Nugent stated that the Authority has purchased certificates of deposits.

BTMUA Sewer System:

Mrs. Nugent stated that CME made a presentation at a prior meeting with suggestions on how to clean out the pipe to the sewer system. This project is in progress.

Employee Recognized for Town Service:

Mrs. Nugent stated that one of the Authority's operational employees, Steven Kasper, was recognized by Mayor Amato for his volunteer fireman service. Mr. Kasper has responded to 320 of the 511 fire calls in 2011.

1st Quarter 2012 Billing:

Mrs. Nugent stated that the meter reading and billing were completed on March 29, 2012. The amount billed was \$354,110.87 for 3,234 customers. Mrs. Nugent stated that this is approximately 3% less than last year.

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

Mrs. Nugent stated there will be an Executive Session after tonight's meeting.

Engineer's Report:

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

Accountant's Report:

Mr. Holman stated that copies of the 2011 Audited Financial Statements Draft have been distributed to each Board member's packets. This was reviewed in detail with the Finance Committee last week (week of 04/16/12).

Mr. Holman stated that the audit was done in a timely manner. This is a good control that we are reporting to the commissioners within four months of year end. Mr. Holman stated that this is a good practice because if there is a problem the commissioners will be made aware of it in a timely basis. The state timeline for this document is the end of April.

Mr. Holman stated that the first eight pages are opinions that his office has to provide. It states a clean audit opinion meaning that the numbers are presented fairly. They have been presented to us and your financial statements are presented here. The Authority complies with the statutes and regulations of the state of NJ.

Mr. Holman stated that on page nine is the balance sheet. This is called a Statement of Net Assets when you are a Utility Authority.

Mr. Holman referenced the Management Discussion and Analysis on page five. Mrs. Davis helped put this together which highlights the Authority's performance for the year. If you are a publicly held company this is what you are looking for in the Annual Report for the President of a company. This is from your management describing what took place during the year.

Mr. Holman referenced the key financial ratios and on page seven is the Condensed Financial Statements.

Mr. Holman stated the Statement of Net Assets is of most interest to the public is on page nine. The first subtotal that is reviewed is the current unrestricted assets. For December 31, 2011 that number is \$3,044,876.00.

Mr. Holman referred to page ten for the current unrestricted liabilities of \$122,254.00. If you take the first number of \$3,044,876.00 and subtract from it the \$122,254.00 you have the amount of \$2,922,622.00. Mr. Holman stated that this means that the Authority is very solvent. There is over \$3,000,000.00 to fund a \$122,254.00 debt service payment that will be coming due next year. This is a very good position for the Authority to be in.

Mr. Holman referred back to page nine and stated that \$3,044,876.00 is well represented in cash and investments also. This is not a current receivable where you wait to get paid. Most of this money is already in the bank.

Mr. Holman stated the user fees receivable are about the same as the year before. Currently it is \$609,610.00 for 2011 as compared to \$599,970.00 for 2010. In this economy, this is something that we watch for in all of the Authorities. Some of them have risen quite a bit due to people having a tough time paying their bills. For the BTMUA, comparing 2010 to 2011, we have stayed about the same.

Mr. Holman stated that the connection fee receivable for Crystal Lake Rehabilitation Center is on a payment plan for its connection fee. Mr. Holman stated that this is fine because the Authority will make money on that.

Mr. Holman stated the Authority is in good shape. It has \$3,044,876.00 in current assets.

Mr. Holman stated under the current restricted assets the next subtotal is the bond estimated requirements. This is monies that the commissioners may have set aside. There is \$1,590,161.00 there. Last year the Authority had the NJEIT receivable which was due to come in, but that was spent at completion of the project. That money does not end up in the first subtotal because it cannot be used for operations, but it is an asset for the Authority.

Mr. Holman stated that near the bottom of the page it shows that property, plant and equipment was slightly less than the year before because of depreciation. There is \$24,502,926.00 in total assets. This is a good size operation.

Mr. Holman stated that the Authority has to provide for the restricted liability payments. The current portion amount of \$324,434.00 under restricted liabilities is what is due on the bonds for the next year. Mr. Holman stated that the loan payment due in the next year is for \$206,480.00. These two payments are the total of the principal payments due in the next year. Mr. Holman stated that he thinks it is a very good amortization and that about \$500,000.00 per year is being paid down on the debt. Mr. Holman added that this is a very good schedule.

Mr. Holman stated that the long term liabilities are \$10,675,896.00 and the total liabilities are \$11,673,900.00. There are \$24,502,926.00 in assets. After you provide for all of the liabilities, there are \$11,673,900.00. Therefore, the Authority has net assets for a net worth at \$12,829,026.00.

Mr. Holman stated the net assets were broken down into what the debt service requires and you set aside \$911,744.00 capital. The Board has set aside \$440,000.00 to have the towers painted. For unreserved the amount is for \$2,556,203.00. Mr. Holman stated that the Authority has a very strong statement in that asset as the debt is being paid in large amounts. After all of the liabilities are provided for there is \$12,829,026.00 left over.

Mr. Holman stated that page 11 is the Statements of Revenue, Expenses and Changes in Net Assets. In this recessionary economy the operating expenses are the most important statement due to the difficulties that everyone is encountering.

The user charges are about the same as the year before in the amount of \$1,682,119.00 as compared to \$1,717,693.00. This is almost an immaterial change.

Mr. Holman stated that the connection fees are very good. For the Authority this results in \$2,071,325 for the total operating revenues for the year.

Mr. Holman stated the total operating expenses were in the amount of \$1,684,886.00. Therefore, the operating revenues over expenses have a margin of \$386,439.00 which is good, and is better than last year.

Mr. Holman stated the expenses were only up about 2.2% overall. That \$1,684,886.00 compared to the \$1,647,141.00 which the cost of providing service was most of that. This is really not very discretionary because you have to provide what you need to in that area.

Mr. Holman stated that the administrative and general are more discretionary. They are just about flat. The amount for last year was \$490,707.00 and for this year the amount is \$495,115.00.

Mr. Holman stated that the Authority has a very good, firm operation. The revenues were up; the expenses were up, but only by 2.2%. The rest of the non-operating revenues/ (expenses) took away \$276,633.00 of that operating revenue. Most of that was for interest expense on the bonds. Mr. Holman stated there was an operating margin, but interest had to be paid to the bank for the bonds. Mr. Holman stated that the water tower rental was higher than the year before which helps to offset that.

Mr. Holman stated the interest income of \$29,446.00 is holding steady which appears to be about 1% of what is available to invest.

Mr. Holman stated that the Authority has \$109,806.00 positive change in net assets. This is good because the Authority is a non-profit entity and is not supposed to make a lot of money. There is some margin here for this.

Mr. Holman stated on page 17 refers to compensated absences. The Authority has provided for compensated absences. If all of the staff had retired at the end of 2011 the Authority would owe \$29,434.00 for accumulated sick and vacation time. This has been

provided for in the liabilities which is included. Mr. Holman stated that this is about the same as last year. It has not grown by very much, approximately \$2,000.00 higher.

Mr. Holman stated on page 18 included in those expenses is the Township Appropriation. Once the Townships get started with appropriations it becomes routine of providing for that. This is included in the expenses. There was a positive margin after providing for the payment to the Township.

Mr. Holman stated on page 19 is the Authority's cash and investments. All this language refers to is that the Authority is fully protected either by the FDIC or by the Government Unit Protection Deposit Act (GUPDA). Mr. Holman stated that the Authority does not have any money in the stock market so it is fully collateralized and secure.

Mr. Holman stated on page 20 is the Certificates of Deposit which are the Authority's main investment vehicle.

Mr. Holman referred to note six on page 22 regarding the NJEIT loan. The receivable has been paid and the 2007 project is completed. Mr. Holman commended the Authority for this because he has seen this can go on for years. Mr. Holman stated that it is impressive that the Authority got a good deal and it was applied to the left over receivable all within a three year period.

Mr. Holman stated that page 23 refers to the bonded debt. The Finance Committee discussed refunding those interest rates in this financial environment. There may be an opportunity there because the rates are all good. The prime is 3.25% because this is an unusual time for the market. Refunding should be considered. The subtotal is \$7,832,715.00 and the current portion is \$324,434.00 which will be paid off this year.

Mr. Holman stated page 24 refers to Loans Payable. The subtotal amount is \$3,344,581.00. One of the interest rates starts at 2% and the others are between 4% and 5%. With this interest rate the Authority may want to consider the possibility of refinancing.

Mr. Holman referred to page 28 and stated this is the most important compliance document is the budget to actual. Mr. Holman had the Board note that on this page the chart has 2011 on the left side and 2010 on the right side.

Mr. Holman stated that the commissioners give Mrs. Nugent a budget at the beginning of each year to work with. Mr. Holman commended her for always being diligent on staying within that budget.

Mr. Holman stated that the first positive variance is the operating revenues were budgeted at \$2,094,000.00 and the Authority came in at \$2,325,463.00.

Mr. Holman stated that the connection fees were the biggest surprise here. There was \$231,463.00 positive variance on the revenues. Most of this was coming from the Crystal Lake Rehabilitation Center connection fee.

Mr. Holman referred the Board to the subtotals after that on the expense side. The cost of providing services was budgeted at \$607,000.00 and the Authority came in at \$492,113.00. The positive was \$114,887.00.

Mr. Holman referred the Board to page 29 for the next subtotal. The administrative expenses at \$593,350.00 were budgeted and the actual was \$495,115.00.

Mr. Holman stated that if you look at each of these subtotals with the total capital outlay, when you did the amended budget you expected to have a loss of \$298,927.00. Instead, the Authority actually earned \$248,701.00. Mr. Holman stated that this is a positive budget variance of \$547,245.00. Mr. Holman stated that this very, very good. The commissioners can look at that and state that the Authority has more than stayed within its budget.

Mr. Holman stated the next couple of schedules that the state likes to see are the cash receipts and disbursements. On page 34 are the general comments and recommendations. There are the positive assurances that the state asks us to report on. We looked at your contracts and agreements. We selected samples for your quotations. A payroll fund is set up. Prior year's findings there were none. Mr. Holman stated that his office has no recommendations to offer. Mr. Holman added that the auditors worked very hard to come up with something, but there was nothing worth reportable to the commissioners.

Mr. Holman stated that what is found in the Audit are all positive assurances to the State. There are no findings after that. Mr. Holman stated that this is a very positive feature as well.

Mr. Holman stated that the final points that were made is the timely filing of the reports which is a very good internal control in itself. Reporting to the commissioners is the final internal control. Mr. Holman thanked Mrs. Nugent for being right on that because the commissioners have timely information. Once the resolution is passed the file copy will be sent to the Township Clerk. The state will get a copy and then the synopsis will be printed in the newspaper. This will give the Authority full transparency.

Mr. Holman thanked the Finance Committee and Mrs. Nugent.

Mr. Pizzi thanked Mr. Holman and his organization. Mr. Pizzi stated that he was at the Authority several times during the Audit and that that the Auditors are a very professional staff to work with. Mr. Pizzi stated that they did a very thorough job. They interviewed several of the commissioners to get their opinions on how the Authority is run and if there are any problems. None were found.

Mr. Mullikin stated that the loan the Authority is paying is at 4 ½% and should be reviewed for a lower rate. Mr. Holman agreed and stated that this has been discussed with the Financial Committee. Mr. Holman added that Mrs. Davis who is the financial advisor is the right person to review this. The Finance Committee will look into several possibilities.

Mr. Holman stated that this is the right time to look at refinancing. Mr. Holman stated that he has been working with Lacey Township and they were seeking a loan for \$2,000,000.00 with Ocean First Bank. Mr. Holman stated that he has not seen rates this low in his career. They have actually gone down below the tax free municipal bond rates. Mr. Holman stated the commercial prime rates are at 3 ¼% now. Mr. Holman stated that the market is getting stronger over time and there will be more deals being offered. The Financial Advisor will meet with the Finance Committee and Mrs. Nugent and will present all the terms here and compare them with the market. If the bonds have been refunded once already you can not do it again. This is worth reviewing at as these rates are very doable.

Mr. Pizzi stated that the Authority has been moving forward in regard to this already. Mrs. Nugent has been doing preliminary research in regard to refinancing.

Mr. Pizzi stated regarding the Township's request for the 5% appropriation he found that when he attended the AEA meeting (April 2012) that the majority of the towns have already been paying the 5% based on their mayor's request. This has been happening for quite a while and has just started with Berkeley in the last couple of years.

Mr. Pizzi referred to the first line in the middle of the page 24 of the Audit. The maturity date is June 23, 2012. The Authority will be retiring that debt this year. According to the notes it is \$27,686.00 semi annual. We will be saving that from the budget process next year by reducing our budget based on that.

Mrs. Davis questioned that there are no comments that were incorporated into the report and that there were no issues that came to your attention for the separate management letter. Mr. Holman stated there were none.

Mr. Holman stated that the Authority has a very good environment. Mrs. Davis agreed and stated that it is a good tone at the top.

Mr. Pizzi stated that the commissioners will need to sign an affidavit by the next meeting (05/10/12) that they have read the Audit.

Mr. Holman stated that his office will then provide a synopsis of the report for its publication. Mr. Pizzi stated that this will be done by the next meeting.

Motion to accept the 2012 Audit Report: 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.

Motion to accept the Accountant's Report: Mr. Thiemer, second, Mrs. Davis. The motion has been approved by voice vote. There were no "nay" votes. Motion Carried.

Attorney's Report:

Lease agreement with Pitney Bowes:

Mr. Koutsouris stated that he has reviewed the lease agreement with Pitney Bowes which is a state contract and recommends acceptance.

Purchase of Surveillance Equipment at Station Road and Northern Blvd Site:

Mr. Koutsouris stated that he has reviewed the two proposals with AVS Technology for the surveillance equipment on the Station Road and Northern Blvd sites and recommends acceptance.

Mr. Koutsouris stated the written opinion from the Ocean County Board of Construction of Appeals regarding the Pine Crest Developers matter was received. This report identifies what happened and explains the rationale for their decision to reduce CME's bill to Pine Crest Developers by \$900.00.

Mr. Koutsouris stated the Ocean County Board of Construction of Appeals stated that there is no doubt that the work was performed adequately by CME. The major concern was that the BTMUA Rules and Regulations did not state that the engineer would be observing all of the installations. This was the OCBOC's rationale, that the full time consultation with CME should be addressed. Also, that in the future, this should be addressed by a written waiver signed by the applicants.

Mr. Koutsouris stated that he discussed this topic with CME and other engineers. Because it is water it is so important that it gets done right the first time. The water lines are always observed by the engineer. It is shocking that the Construction Board of Appeals have decided that it is not that important for an engineer to be out watching this work being done. Mr. Koutsouris stated that this is the decision that the OCBOC has made. Therefore, Mr. Koutsouris recommended that this issue really needs to be addressed in the Rules and Regulations as it probably will happen again.

Mr. Sudia stated that it seemed that Pine Crest Developers felt they had chosen a contractor who is familiar with the BTMUA requirements.

Mrs. Nugent stated that Pine Crest Developers was satisfied with the results of the Construction Board of Appeals' decision and has submitted payment.

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

Committee Reports:

Old Business:

Mr. Pizzi requested of each commissioner to stay on top of their particular committees. There are projects pertaining to the plant that need to be accomplished, therefore the commissioners on the Buildings and Ground Committee will be having reports coming up. There will be personnel decisions and it is hoped that the Personnel Committee will resolve any issues in a timely manner.

Mr. Mullikin stated that in regard to the Engineering Committee, the Authority is reviewing the possibility of installing a new water supply well on Emory Avenue. The Township will be resurfacing Station Road in the fall of 2012. The Authority is going to run a main across Station Road going west and then again cross Station Road heading back to the BTMUA property. The Authority will be planning to address this matter before the Township starts its resurfacing project.

Mrs. Nugent stated that CME has been directed to speak with Remington-Vernick, who is the town engineer. Mr. Mullikin added that this discussion was at the recommendation of Mayor Amato.

Mr. Pizzi stated that he has spoken with Mr. Blair about who will do the work. Mr. Mullikin has been in discussion with Mayor Amato about the possibility of having the work included with the Town's grant money for their project. Mr. Pizzi stated that if this can't be done he has spoken with Mr. Blair to see if the Authority's utility crew can install the pipe prior to the Township's resurfacing project. Mr. Pizzi stated that if our utility crew performs the work it will only be for the cost of the piping and parts that may be needed. This project could be accomplished at a relatively inexpensive cost.

Mr. Pizzi stated that in regard to this particular report, the Authority is anticipating approval for water allocation and hoping for a positive response from the DEP. Mr. Blair asked Mr. Roth to chart all of the back lines, water lines, and electrical lines in the back of the plant. Mr. Roth has already begun marking out all of the lines in the back of the plant. The utility staff is very proactive. As the Authority moves forward with this project all of the information will be available to our engineers and attorneys so that this project can be accomplished as effortlessly as possible for the DEP. We are updating all of our charts to show where these markings are for the wires, the pipes, and anything else that may be buried in the ground.

Mr. Sudia stated there is a moratorium to be aware of once the road has been repaved. Mr. Mullikin stated that the time frame for that would be approximately five years.

Mr. Pizzi stated that he requested of Mrs. Nugent to set up a tour with the commissioners, Mr. Blair, Mr. McClelland, CME and himself of the windmills that are located in Ocean Gate. The purpose is to see any new innovations that may be going on in the other towns

and if any of this could be applied to Berkeley Township. If not, then we have been diligent in exploring the different options that are out there and can make an educated decision by following through with this.

New Business:

No Report.

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

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

Motion to open Executive Session: Mr. Thiemer, second, Mr. Mullikin. The motion was approved by voice vote. There were no "nay" votes. Motion Carried.

Motion to close Executive Session: Mr. Mullikin, second, Mr. Thiemer. The motion was approved by voice vote. There were no "nay" votes. Motion Carried.

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

Personnel Matters Discussed:

Motion to advance five day earned time off to Michael Middleton: Mr. Sudia, second, Mr. Thiemer. 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,



Sandra J Walker

The next meeting of the Berkeley Township Municipal Utilities Authority will be held on Thursday, May 10, 2012 at 7:00 pm at the Berkeley Township Municipal Utilities Authority located at 42 Station Road, Bayville, NJ 08721.