



## Berkeley Township MUNICIPAL UTILITIES AUTHORITY

42 Station Road  
Bayville, NJ 08721  
(732) 237-0100  
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A Public Meeting of the Berkeley Township Municipal Utilities was held on Thursday, January 24, 2013 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-absent, Mr. Sudia-present.

Also present: Mr. Koutsouris-Attorney, Mr. McClelland-Engineer, Mr. Chiaravallo-Engineer, Mr. Haines-Accountant, Mr. Blair-Chief of Operations, and Mrs. Nugent-Executive Director.

Motion to approve the minutes from the meeting on December 13, 2012: Mr. Sudia, second, Mr. Mullikin. The motion was approved by voice vote. There were no "nay" votes. Motion Carried. Mr. Thiemer abstained.

Motion to approve the Executive Director's Report from the meeting on December 13, 2012: Mr. Sudia, second, Mr. Mullikin. The motion was approved by voice vote. There were no "nay" votes. Motion Carried. Mr. Thiemer abstained.

Motion to approve the Engineer's Report from the meeting on December 13, 2012: Mr. Sudia, second, Mr. Mullikin. The motion was approved by voice vote. There were no "nay" votes. Motion Carried. Mr. Thiemer abstained.

Motion to approve the Accountant's Report from the meeting on December 13, 2012: Mr. Sudia, second, Mr. Mullikin. The motion was approved by voice vote. There were no "nay" votes. Motion Carried. Mr. Thiemer abstained.

Motion to approve the Attorney's Report from the meeting on December 13, 2012: Mr. Mullikin, second, Mr. Sudia. The motion was approved by voice vote. There were no "nay" votes. Motion Carried. Mr. Thiemer abstained.

### Treasurer's Report:

Mr. Thiemer presented the payroll and operating expenses for (12/15/12-01/25/13) six weeks. The payroll expenses were in the amount of \$47,111.89. The operating expenses were in the amount of \$84,692.80.

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

### Executive Director's Report:

Mrs. Nugent stated that the agenda format has changed because the BTMUA meetings will be held once per month instead of twice.

Mrs. Nugent stated for the record that the December 28, 2013 BTMUA meeting was cancelled.

Authorizing Berkeley Township to install & maintain surveillance camera antennas on Station Road Tower with BTMUA paying up to \$10,000.00 soft costs (to memorialize April 2012 authorization):

Mrs. Nugent requested of the Board authorization for Berkeley Township to install the Berkeley Township Police Department (BTPD) surveillance camera antennas at the Station Road Tower. Mrs. Nugent stated that the resolution references the limitations of the Authority's absorption of soft costs in the amount of \$10,000.00. The review process for the installation plans is still progressing. Mrs. Nugent added that this was originally addressed in April 2012, but was not formally memorialized. Mr. Koutsouris agreed this was necessary so that the Board will be able to vote on this resolution.

Mr. Mullikin questioned if it is this equipment that the Authority is paying for. Mrs. Nugent replied that Berkeley Township owns it and is paying for the installation. Mrs. Nugent added that the Authority is allowing it to be installed on the Station Road Tower, but there are concerns about the soft costs, such as the review of the plans and attorney fees.

Motion to approve the authorization to install and maintain surveillance camera antennas on the Station Road Tower with the BTMUA paying up to \$10,000.00: Mr. Mullikin, second, Mr. Thiemer. All in favor. Roll Call. Mr. Mullikin-yes, Mr. Thiemer-yes, Mr. Sudia-yes, Mr. Pizzi-yes. Motion Carried.

Ramos Acceptance of Cash Performance Bond (as required by lease):

Mrs. Nugent requested of the Board acceptance of the Performance Bond for the Ramos family. They are building a single family home which requires an extension to the main for water service. John and Chere Cambra remitted a check for cash deposit in the amount of \$24,655.11. The check was deposited and has cleared.

Motion for approval of the Cash Performance Bond: Mr. Mullikin, second, Mr. Sudia. All in favor. Roll Call. Mr. Mullikin-yes, Mr. Thiemer-yes, Mr. Sudia-yes, Mr. Pizzi-yes. Motion Carried.

Acceptance of Central Regional School District blanket easement:

Mrs. Nugent requested of the Board acceptance of a blanket easement for Central Regional School District (CRSD). Central Regional installed the water system, the punch list items are completed, and the water system is fully operational. CRSD's attorney has prepared an easement which the Authority Attorney and CME have reviewed and both recommend acceptance of this blanket easement.

Mr. Koutsouris stated that the property where the school is located is fairly vast. The easement is a blanket easement for the entire property so that the Authority's utility employees can fully access it for any work that may need to be done on the potable water system now and if it should ever be expanded in the future. Mr. Koutsouris added that the easement should probably extend to that infrastructure as well because it is a complete blanket easement to the property.

Motion to accept the CRSD blanket easement: Mr. Thiemer, second, Mr. Mullikin. All in favor. Roll Call. Mr. Mullikin-yes, Mr. Thiemer-yes, Mr. Sudia-yes, Mr. Pizzi-yes. Motion Carried.

Acceptance of Metro Northern Blvd Performance Bond (as required by lease):

Mrs. Nugent requested of the Board acceptance for Metro PCS to post a \$10,000.00 Performance Bond as required by the lease to assure restoration for the site. Mrs. Nugent stated that Metro PCS has cellular antennas on the Northern Blvd Tower. Mrs. Nugent added that the \$10,000.00 is posted as an annual bond which means that this bond needs to be reviewed annually. Mr. Koutsouris has reviewed and recommends acceptance of the Performance Bond.

Motion to approve the Metro Northern Blvd Performance Bond: Mr. Mullikin, second, Mr. Sudia. All in favor. Roll Call. Mr. Mullikin-yes, Mr. Thiemer-yes,

Designate Executor Director as authorized signer to NJEIT Well #4 application:

Mrs. Nugent stated authorization was given to proceed with the NJEIT application for financing the Well #4 project. The due date for this application is March 4, 2013. Mrs. Nugent stated that to progress this application she needs to be designated as an authorized signer.

Motion to authorize the Executive Director as an authorized signer to NJEIT Well #4 application: Mr. Mullikin, second, Mr. Thiemer. All in favor. Roll Call. Mr. Mullikin-yes, Mr. Thiemer-yes, Mr. Sudia-yes, Mr. Pizzi-yes. Motion Carried.

Designate Executor Director as authorized signer to NJEIT Phase V application:

Mrs. Nugent stated authorization was given to proceed with the NJEIT application for financing the Phase V water main infrastructure project. The due date for this application is March 4, 2013. Mrs. Nugent stated that to progress this application she needs to be designated as an authorized signer.

Motion to authorize the Executive Director as an authorized signer to NJEIT Phase V application: Mr. Thiemer, second, Mr. Mullikin. All in favor. Roll Call. Mr. Mullikin-yes, Mr. Thiemer-yes, Mr. Sudia-yes, Mr. Pizzi-yes. Motion Carried.

Progress Report:

Mrs. Nugent updated the Board on her progress report. Highlights of the Executive Director's Report are as follows:

Hurricane Sandy:

Mrs. Nugent stated that the losses from Hurricane Sandy, specifically the meters, overtime, etcetera, were reported to the insurance company and the Federal Emergency Management Assistance (FEMA). Mrs. Nugent informed the Board that to date there are 97 Hurricane Sandy related turn offs which the service charges continue. Mrs. Nugent stated there were six Hurricane Sandy related cut and caps which is a full disconnect to the water system and the service charges stop.

Wire Transaction:

Mrs. Nugent stated that a \$150,000.00 wire transfer from Ocean First Bank to TD Bank was authorized.

Township Appropriation:

Mrs. Nugent stated that the Township has formally requested the 5% appropriation in the amount of \$88,100.00.

NJUAJIF:

Mrs. Nugent notified the Commissioners that the Elected Official Training Seminar is accessible online and provided them instructions.

NJSEM:

Mrs. Nugent stated that the Authority executed the documents to join the natural gas co-op. The bid is scheduled for January 30, 2013.

Mr. Pizzi referenced the date of completion for the training seminars of May 31, 2013. Mr. Pizzi encouraged the Commissioners to attend the seminars online which will help reduce the Authority's budget.

Mrs. Nugent stated that Crystal Lake Rehabilitation Center (CLRC) lost the use of their well last night (01/23/13). Mrs. Nugent stated that the Fire Department responded and utilized the BTMUA's fire hydrant water to boost the tank that is located on top of their roof. The Fire Department had to go back and refill it again the next morning (01/24/13). Mrs. Nugent stated that CLRC's well is operational now and that their potable water system is being fully serviced by their well. Mrs. Nugent stated that the Berkeley Township Police Department and the Office of Emergency Management wrote a report which states that CLRC is under a mandatory requirement to connect to the Authority's water system which is fully able to provide them with potable water. Mrs. Nugent added that this was reported to the state and local Health Departments.

Mr. Mullikin questioned if this could compel them to connect. Mrs. Nugent replied that they get a reminder of this through their connection fee which they pay on a quarterly basis.

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

Mrs. Nugent stated that the Engineering Committee recommends that the Authority should also make application with the USDA towards finance opportunities for the Well #4 and Phase V projects. Mrs. Nugent stated that the Authority has given CME authorization to start the application process for these projects.

Mr. Pizzi referenced that the schedule of the 2013 BTMUA Meeting Dates are in all the packets.

**Engineer's Report:**

**Well #4:**

Mr. Chiaravallo stated that CME is preparing the preliminary plans, specifications, and NJEIT documents for the Well #4 project for submittal to the NJDEP by March 4, 2013. Mr. Chiaravallo stated that he met with the Authority staff to collect data for the proposed well site and the connection at the existing water treatment plant. Mr. Chiaravallo stated that the status of the NJEIT funding and additional funding options were also discussed with the Executive Director and the Engineering Committee.

**Phase V Water Main Improvements Project:**

Mr. Chiaravallo stated that CME is preparing the preliminary plans, specifications, and NJEIT documents for the Phase V Water Main Improvements project for submittal to the NJDEP. Mr. Chiaravallo stated that he met with Mr. Blair to collect data for each of the proposed water main locations. Mr. Chiaravallo stated that the status of the NJEIT funding and additional funding options were also discussed with the Authority staff.

**Station Road Tank – Berkeley Township Antennas:**

Mr. Chiaravallo stated that CME has received a submittal from the Township's antenna installation contractor for the proposed antennas on the Station Road Tank. The submittal is being reviewed and comments will be provided to the Authority and the contractor.

**Annual Engineer's Report:**

Mr. Chiaravallo went over the highlights for the Annual Engineer's Report that CME prepared. A copy of the report was provided to each Board member.

Mr. Pizzi asked Mr. McClelland to update the Board members on the USDA application.

Mr. McClelland wanted the Board to be aware that the new census data may affect the Authority's eligibility for funding from the USDA because of changes in density in the population of its franchise area. Mr. McClelland stated that this could influence the Board's decisions regarding any future projects. Mr. McClelland stated that other options for submittal may need to be looked at for the Phase V and Well #4 projects.

Mr. Koutsouris stated that the current application and submittal will be able to go through under the last census data. Mr. Koutsouris added that this may be the last time the Authority will be eligible.

Mr. McClelland agreed and stated arrangements are being made to keep the Authority in that program for funding, but there is the possibility that there may not be another chance.

Mr. Pizzi questioned if it is still being pursued through the USDA. Mr. McClelland stated yes for Phase V and Well #4 and that CME is in the process of preparing the application. The Board discussed possibly including the Buckley Lane water main extension to the USDA application.

**Accountant's Report:**

Mr. Haines stated in his report:

**Cash Position Report for December 2012:**

Total All Cash Fund Balance:	\$3,876,537.49
Total Restricted Balances:	\$2,527,334.08
Total Fund Available for Disbursement:	\$1,349,203.41

**Attorney's Report:**

Mr. Koutsouris referred to the adoption of the blanket easement for the Central Regional School District (CRSD) that the Board had approved. Mr. Koutsouris stated that there is still an issue with the acceptance of the improvements that are on the site at the CRSD property. Mr. Koutsouris stated he was in discussions with CRSD's attorney, engineer and Executive Director regarding the required acceptance of ownership agreement.

Mr. Koutsouris stated that he had discussions with the Executive Director in regard to the Re-organization. Mr. Koutsouris stated that the Authority will undergo new changes in regard to having an alternate Commissioner. Mr. Koutsouris stated that this will require a bit of modifications with the by-laws and will be prepared in anticipation of this at the Re-organization Meeting.

Mrs. Nugent stated that AC Schultes came to the Station Road Plant to test the sand media that is inside the filters. AC Schultes performed the test and stated that just from viewing the samples the sand looked very good. Mrs. Nugent emphasized that the sand is being tested for consideration in the future.

Mr. Mullikin questioned if this test is performed annually. Mr. Blair replied that it is done every ten years.

Mr. Pizzi stated there were prior discussions regarding washing out the filters, changing the sand, etcetera and found that it could cost anywhere between \$25,000.00 and \$30,000.00. Mr. Pizzi added that he discussed with Mrs. Nugent whether it should be added to the budget, but at this point it is not needed yet. Mrs. Nugent stated that once the report comes back she will update the Board with the results.

**Old Business:**

Mrs. Nugent presented Mr. Thiemer with a plaque thanking him for his ten years of service. Mrs. Nugent stated that he served as both Secretary and Treasurer. During his tenure over 1,000 users were added to the Authority's water system. He helped extensively with his recommendations for the treatment plant

and administrative office expansion. Mrs. Nugent stated that during her time at the Authority, Mr. Thiemer had become a very good friend and mentor. Mrs. Nugent stated that on behalf of the Board, everyone wishes him the best in everything that he may do in his future.

Mr. Thiemer thanked everyone and stated that it has been a pleasure to work for the Authority and to be associated with such nice colleagues.

Mr. Pizzi thanked Mr. Thiemer for his friendship and service. Mr. Thiemer was a great Commissioner and was very involved. Mr. Pizzi wished Mr. Thiemer good luck.

Mr. Pizzi stated that tonight's meeting is his last as Chairman for the current year. Mr. Pizzi thanked the Commissioners and the Professional staff for their help. Mr. Pizzi thanked the office personnel for their support. Mr. Pizzi added that the entire Authority staff works very well together as a group and has accomplished a lot in the last year (2012).

Mr. Pizzi stated that when he came in as Chairman he had a two year plan. The first year was for consideration of financial and the second year was for infrastructure. Mr. Pizzi added that the infrastructure work can not be accomplished unless there is a financially set house. Mr. Pizzi stated that he wanted to ensure that the budget was sound and that any savings that could be had were in place.

Mr. Pizzi stated that his hallmark is to reduce costs. Mr. Pizzi and Mrs. Nugent went through the line items and started with penny costs and ended up saving thousands of dollars where possible. The small savings all added up for refinancing. Mr. Pizzi stated that the refinancing saved 14% of the Authority's debt last year and over the life of the existing debt. Mr. Pizzi stated that this will save the Authority up to \$40,000.00 each year until 2035.

Mr. Pizzi stated that with the help from Mrs. Nugent with the co-op, the Authority saves approximately \$12,000.00 to \$15,000.00 each year on electric. Mr. Pizzi stated that the budget is in good shape and has been reduced as much as it could be during that period of time. Mr. Pizzi added that Mrs. Nugent was a great help in reducing the budget.

Mr. Pizzi stated that for 2013 the Authority's focus will be on the infrastructure. Mr. Pizzi stated that the Authority is in the process of purchasing the lot next door for future use. Mr. Pizzi added that there is the possibility that it may be used for alternative energy. Mr. Pizzi stated that the Authority is also in the process of getting a well location with land from the Town. Mr. Pizzi stated that the Authority is in the process of applying for NJEIT and USDA loans to be able to finance the well. Mr. Pizzi stated that the Authority is in the process of getting the additional water allocation from the EPA.

Mr. Pizzi stated that in addition to the Authority saving \$40,000.00 each year from the electric co-op for its debt services, the Authority is looking into possibly joining a co-op for gas to reduce more expenses. Mr. Pizzi stated that when the Authority refinanced he and Mrs. Nugent went over each bond to see if it would be worthwhile to refinance that debt. It was discovered that one bond is coming due this year (2013). This was not included in the refinance so that the debt could be retired without having to spread out its payments. Mr. Pizzi stated that along with this, the Authority will be saving another \$40,000.00 per year in payments. The next year, possibly an additional \$76,000.00 for the coming year because the debt will be paid off. Mr. Pizzi stated the Authority is possibly receiving a windfall of \$200,000.00 from

its debt service reserve. When these loans are in place a certain amount of money is put away to ensure a guarantee of that money. This is referred to as a debt service reserve. Mr. Pizzi stated that the Authority is looking forward to getting that back into its general fund.

Mr. Pizzi stated that 2012 was a good year for the Authority and the groundwork is set for the coming year. Mr. Pizzi stated that he is proud of all the effort put forth by the staff and that this coming year is going to be a busy one. Mr. Pizzi added that all this is being taken in consideration for 2013 which will be the year for planning ahead. Mr. Pizzi stated that he welcomes any suggestions and any new agendas will be considered for 2014.

Mr. Mullikin stated that this past year was an extraordinary year in how the professional staff, office staff, and field employees handled themselves in regard to Hurricane Sandy. Mr. Mullikin added the employees are dealing with people who are still suffering from the hurricane. Mr. Mullikin stated that this may affect the Authority's ratable in the coming year. Mr. Mullikin stated that the Authority's customers are happy with the service that they are receiving. Mr. Mullikin commended everyone for doing an extraordinary job.

Mr. Mullikin questioned if there is a chance that things will progress enough to allow for work to actually begin on Well #4. Mr. McClelland stated that this might be possible by the end of the year. It is unknown how long the approval process and fees will be. Once the application gets through the trust, then the permits begin and that process may take a little longer. Mr. McClelland stated that CME will have the permits and plans ready by April 1, 2013 which is the deadline. Mr. McClelland stated that the Authority can request from the trust is a bridge loan until they actually sell their bonds. This will probably happen in 2014. A bridge loan can be requested so that the financing will be there until the actual approval.

**New Business:**

No Report.

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

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

**Executive Session:**

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

Topics Discussed:

Employee # 1 Request for 90 Day Family Leave Act.

Litigation:



An Update to the Foxmoor/GS Realty was provided.

The Mandatory Connection for Crystal Lake Rehabilitation Center was discussed.

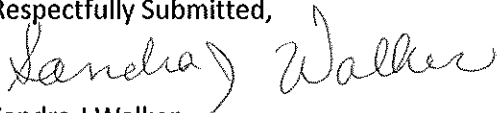
Motion to close the Executive Session: Mr. Sudia, second, Mr. Mullikin. The motion was approved by voice vote. There were no "nay" votes. Motion Carried.

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

Motion to approve Employee # 1 granting 90 Day Family Leave Act: Mr. Mullikin, second, Mr. Sudia. The motion was approved by voice vote. There were no "nay" votes. Motion Carried.

Motion to adjourn: Mr. Mullikin, 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, February 28, 2013 at 7:00 pm at the Berkeley Township Municipal Utilities Authority located at 42 Station Road, Bayville, NJ 08721.