



## 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 Authority was held on **Thursday, October 24, 2013** at 7:00 pm at the Berkeley Township Municipal Utilities Authority at 42 Station Road, Bayville, NJ 08721. Presided by Chairman Pizzi-present, Vice-Chairwoman Davis-absent, Mr. Mullikin-present, Mr. Hale-present, Mr. Sudia-present, Mr. Buscio-present.

Mr. Pizzi stated for the record Mr. Buscio will be sitting in as an acting Commissioner with all the associated rights due to Mrs. Davis' absence.

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

Motion to approve the minutes from the Public Hearing for Phase V and Well #4 on September 26, 2013: Mr. Mullikin, second, Mr. Buscio. The motion was approved by voice vote. There were no "nay" votes. Motion Carried.

Motion to approve the minutes from the Public Meeting on September 26, 2013: Mr. Buscio, second, Mr. Hale. The motion was approved by voice vote. There were no "nay" votes. Motion Carried.

Motion to approve the minutes from the Executive Session from the meeting on September 26, 2013: Mr. Hale, second, Mr. Sudia. The motion was approved by voice vote. There were no "nay" votes. Motion Carried.

Motion to approve the Executive Director's Report from the meeting on September 26, 2013: Mr. Hale second, Mr. Buscio. The motion was approved by voice vote. There were no "nay" votes. Motion Carried.

Motion to approve the Engineer's Report from the meeting on September 26, 2013: Mr. Mullikin, second, Mr. Hale. The motion was approved by voice vote. There were no "nay" votes. Motion Carried.

Motion to approve the Accountant's Report from the meeting on September 26, 2013: Mr. Sudia, second, Mr. Buscio. The motion was approved by voice vote. There were no "nay" votes. Motion Carried.

Motion to approve the Attorney's Report from the meeting on September 26, 2013: Mr. Buscio, second, Mr. Sudia. The motion was approved by voice vote. There were no "nay" votes. Motion Carried.

**Treasurer's Report:**

Mr. Hale stated he and Mr. Mullikin reviewed the payroll and operating expenses for (09/28/13-10/25/13) four weeks. The payroll expenses were in the amount of \$31,413.42. The operating expenses were in the amount of \$92,093.12.

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

**Executive Director's Report:**

**Release Largo Estates Performance Bond:**

Mrs. Nugent requested of the Board authorization to release the Largo Estates Performance Bond and to allow the waiver for the maintenance bond. Mrs. Nugent stated the performance bond settlement was accepted at the prior meeting. This project consists of 14 single family homes and is located off of Harbor Inn Road. This resolution calls for the release of the performance bond and allows for the waiver of the maintenance bond posting.

Motion to release the Largo Estates Performance Bond and allow waiver of maintenance bond: Mr. Hale, second, Mr. Buscio. All in favor. Roll Call. Mr. Mullikin-yes, Mr. Hale-yes, Mr. Sudia-yes, Mr. Buscio-yes, Mr. Pizzi-yes. Motion Carried.

**Release Livingston Ave Performance Bond:**

Mrs. Nugent requested of the Board authorization to release the Livingston Ave. Performance Bond and allow the acceptance of cash for the two year maintenance bond. Mrs. Nugent stated CME has reviewed and recommended the release of the performance bond as the project is completed.

Motion to release the Livingston Ave. Performance Bond and allow the acceptance of cash for the two year maintenance bond: Mr. Hale, second, Mr. Mullikin. All in favor. Roll Call. Mr. Mullikin-yes, Mr. Hale-yes, Mr. Sudia-yes, Mr. Buscio-yes, Mr. Pizzi-yes. Motion Carried.

**Revise New Jersey State League of Municipalities (NJSLOM) expense reimbursement policy:**

Mrs. Nugent requested of the Board approval for revision to the NJSLOM expense reimbursement policy. Mrs. Nugent stated the standard policy set in 1995 was to purchase the convention floor passes and provide a stipend of \$300.00 to pay hotel, meals, and transportation costs. Mrs. Nugent stated the new policy will allow a direct expense from the Authority to pay

the hotel fees and convention floor passes. The stipend of \$300.00 will now cover food, transportation, and etcetera. Mrs. Nugent added receipts will be required.

Mr. Koutsouris stated the policy anticipates all receipts are to be given to the Executive Director. Mr. Koutsouris stated the Executive Director will have the discretion to approve or deny the expenses. Any denied expenses can be brought before the Board for review. Mr. Koutsouris stated the League of Municipalities is a state wide conference intended for local government officials and offers great educational opportunities. Mr. Koutsouris stated management is invited which is beneficial for the Authority as it helps maintain qualified and trained professionals. Additionally, a cost savings seminar is also offered for the Authority's JIF and Risk Management attendants.

Motion to approve the revised NJSLOM expense reimbursement policy: Mr. Buscio, second, Mr. Hale. All in favor. Roll Call. Mr. Mullikin-yes, Mr. Hale-yes, Mr. Sudia-yes, Mr. Buscio-yes, Mr. Pizzi-yes. Motion Carried.

Execute NJ Environmental Infrastructure Trust (NJEIT) Engineering Agreement Phase V:

Mrs. Nugent requested of the Board approval to allow the appointment of CME Associates to act as Consulting Engineers for the bid and construction phases for Phase V. Mrs. Nugent stated CME is the Authority's named engineers, but the NJEIT requires this formal agreement to be included in the funding documents. The Authority Attorney has reviewed and recommends the execution of this agreement. Mrs. Nugent added the rates stated in the agreement are the same rates CME accepted for their 2013 appointment.

Motion to approve authorizing the appointment of CME Associates to act as the Authority's Consulting Engineers for the bid and construction phases for Phase V as required by the NJEIT: Mr. Hale, second, Mr. Mullikin. All in favor. Roll Call. Mr. Mullikin-yes, Mr. Hale-yes, Mr. Sudia-yes, Mr. Buscio-yes, Mr. Pizzi-yes. Motion Carried.

Execute NJ Environmental Infrastructure Trust (NJEIT) Engineering Agreement Well #4:

Mrs. Nugent requested of the Board approval to allow the appointment of CME Associates to act as Consulting Engineers for the bid and construction phases for Well #4. The Authority Attorney has reviewed and recommends this agreement.

Motion to approve authorizing the appointment of CME Associates to act as the Authority's Consulting Engineers for the bid and construction phase for Well #4 as required by the NJEIT: Mr. Hale, second, Mr. Mullikin. All in favor. Roll Call. Mr. Mullikin-yes, Mr. Hale-yes, Mr. Sudia-yes, Mr. Buscio-yes, Mr. Pizzi-yes. Motion Carried.

Approve 2014 Budget:

Mrs. Nugent requested of the Board approval of the 2014 budget. Once approved, the budget will be forwarded to the State for its review and approval. The approved budget then comes back to the Authority for formal adoption at the December 2013 meeting. Mrs. Nugent referred to the one page budget worksheet included in the meeting packets. The budget will be formally prepared and sent to the State.

Mrs. Nugent reviewed the main topics of the budget with the Board. Mrs. Nugent referred to the revenue section and stated excluding the surplus anticipated to balance the budget and the NJEIT funding expected to cover the planned capital projects, a 1% decrease is anticipated in revenues. Mrs. Nugent stated hydrant fees are not anticipated. Mrs. Nugent stated the operational expenses increased 2%. The debt service has a 27% decrease. This decrease is related to the 2012 refunding, the payoff of a loan, and the payoff of a bond during 2013. Mrs. Nugent stated the appropriation for the Township will decrease by 7% because the formula includes bond principal, which decreased. Mrs. Nugent stated the overall budget is representative of a 10% decrease from the 2013 budget. This is taking everything into account, except for the capital projects. Mrs. Nugent stated Mr. Hale, Mr. Mullikin, and Mr. Pizzi participated in the discussion for the 2014 budget.

Mr. Hale stated he was very appreciative the Executive Director took the time to explain everything regarding the 2014 Authority budget. Mr. Hale added the 2014 budget makes sense and takes into account the normal, small increases and decreases.

Mr. Pizzi stated everybody worked hard the last two years as a group to try to reduce expenses and a fabulous job was done. Mr. Pizzi added the refinancing and reduction in bond debt will also allow savings of \$200,000.00 in the debt service reserve account line item after the November 1, 2013 payment. Mr. Pizzi added the 2012 budget was \$2,400,000.00 compared to the 2013 budget at \$5,300,000.00 counting the \$3,200,000.00 of the two projects the Authority is doing. If you subtract out the \$3,200,000.00, account for the \$200,000.00 decrease in the debt service reserve line, and the decrease in surplus required to balance the budget, the budget has \$521,000.00 in savings than last year.

Motion to approve the 2014 budget for the BTMUA: Mr. Hale, second, Mr. Buscio. All in favor. Roll Call. Mr. Mullikin-yes, Mr. Hale-yes, Mr. Sudia-yes, Mr. Buscio-yes, Mr. Pizzi-yes. Motion Carried.

Progress Report:

Crystal Lake Rehabilitation Center (CLRC):

Mrs. Nugent stated CLRC requested a court extension. The new date is Wednesday, November 13, 2013 at 8:00 am. Mrs. Nugent stated CLRC's engineers contacted CME for project information.

Well #4:

Mrs. Nugent stated the Local Finance Board (LBF) meeting is scheduled for November 13, 2013 for a review of the funding application.

Phase V:

Mrs. Nugent stated the LBF meeting is scheduled for November 13, 2013 for a review of the funding application.

Semi-annual Hydrant Flushing:

Mrs. Nugent stated the hydrant flushing is progressing with no problems or complaints from any of the residents.

NJ State League of Municipalities (NJSLOM):

Mrs. Nugent stated the NJSLOM is scheduled for November 19-21, 2013. Trump Plaza reservation information and conference packets will be provided ahead of time.

Wire Transaction:

Mrs. Nugent stated the Board Secretary and the Treasurer authorized a \$150,000.00 wire transfer from Ocean First revenue to the TD Bank debt service accounts.

**Engineer's Report:**

Well #4 & Phase V Water Main Improvements Projects:

Mr. Chiaravallo stated the permits for the Well construction and the Phase V water main construction were submitted to the Bureau of Water Systems Engineering (BWSE). The BWSE application was declared administratively complete by the NJDEP and both projects are in the technical review phase. Mr. Chiaravallo stated representatives from the NJDEP have been working with CME with the funding and have helped to expedite some of the review processes

for the permit. In addition, the permits were also submitted to the Ocean County Soil Erosion and Sediment Control for both projects. The permits were required because the disturbance is over 5,000 square feet for each of the projects.

Mr. Chiaravallo stated the NJDEP has issued the Environmental Decision Document for both projects which is a part of the financial application process. This document approves the planning information for the project. Mr. Chiaravallo stated essentially it compiles all the information, the data, and the history of the project, but is not a commitment for any funds. Mr. Chiaravallo stated CME continues to get the plans ready for final submittal to the NJDEP and is looking forward to the authorization to advertise the projects.

Mr. McClelland stated he discussed the Trust Program with the NJDEP. The NJDEP offers two options for well construction. The first option A is the 2014 loan program for the construction of a test well. In 2015 another loan closing would pay for the test well transition into a production well and for a building to enclose the well. The second option B offers interim financing at 0% during 2014 for test well construction. After all permits and approvals are issued, a traditional loan in 2015 would pay for the transition, the building, and the payoff of the interim loan. The is leaning toward the interim financing option B for the well project.

Mr. McClelland stated the NJDEP is guiding the Authority into the interim financing option. The NJDEP would like the Authority to drill the test well, as was discussed at a prior NJDEP meeting. Once the drilling of the test well is completed, the NJDEP will put the Authority into the 2015 financing program. Mr. McClelland stated the interim financing program is at 0% interest at no other cost to the Authority except for the principal. Mr. McClelland added payments will not begin until the start of the 2015 cycle. The complication is the Division of Bureau of Water Allocation has to issue a permit, but they can't issue a permit until the test well is drilled. Mr. McClelland stated at a meeting held several weeks ago (October 2013), it was discussed to try and find a way around it, but as of now there is none. Mr. McClelland explained this is more of a catch-22 in the regulations than anything else. This won't be a hindrance to the Authority in regard to the project. The Authority will get interim funding at 0% in year 2014 and close in 2015.

Mr. Mullikin questioned if a test well could be put in with the same standards as a production well. Mr. McClelland affirmed that was correct. Mr. McClelland stated the drilling would be done the same way with very little difference in the overall options. Mr. McClelland stated the contractor would drill the well, do the test, then provide results to the NJDEP. Mr. McClelland stated the NJDEP wants the Authority go with limited interim funding of their financing program rather than the standard loan funding. Mr. McClelland stated in the end nothing really changes, the Authority will be closing at 2015 instead of 2014. Mr. McClelland stated there is a possibility the rates may higher because of the 2015 closing, but that remains unknown until next year. Mr. McClelland added there will be no change for the Authority in terms of the progress or when it will bid, it only changes the category.

Mr. Koutsouris questioned what if the Authority wanted to go with the two year/two closing program. Mr. McClelland stated if the Authority really wants to go with the standard program it can still do that. Mr. McClelland stated the Authority would go with the standard program with the well construction. Mr. Koutsouris asked if the Authority would need to reapply for the 2015 program. Mr. McClelland stated it is in the same cycle. It is the same well that will be drilled, but the Authority will apply for the 2015 program in October of 2014. Mr. Koutsouris stated it will be a drawback for either option because the interest rates will be a gamble whether it is for option A or option B. Mr. Chiaravallo stated the first option is basically two loan closings. Mrs. Nugent stated the interim financing will save the Authority from one of those closings. Mr. McClelland stated it is not definite and CME will get back to the Board with the information next week (week of October 28, 2013).

Mr. Mullikin stated the Bureau of Water Allocation is on board as long as the standards are met for a production well. Mr. McClelland stated one of the conditions is a water production well must be installed as the guide states. Mr. McClelland added there are no foreseeable problems with the well, but it is preferable for the Bureau to see the well test results before the Authority receives approvals.

Mr. Pizzi questioned if the project is financed with the interim loans, when does the Authority start to pay the loans. Mrs. Nugent replied the loan would close and pay off the interim financing of the construction. The Authority would start pay back in 2015.

Mr. Koutsouris questioned if formal approval is required to be able to negotiate the financing on behalf of the Authority. Mr. McClelland replied no, the Executive Director has the authorization to do so.

Mrs. Nugent questioned if CME and the other professionals could get together for a conference call with the Authority Bond Counsel when firm guidance from the NJDEP is provided. Mr. McClelland replied yes.

Mr. Koutsouris stated these circumstances may have limited the well project from advancing until 2015. The Authority's engineers were able to get the project back on track. Mr. Koutsouris stated this was accomplished much to the credit of the Authority's engineers because they contacted the NJDEP and were able to progress the project for 2014. Mr. Koutsouris added otherwise this project would have been pushed off for a year.

Mr. Pizzi extended his thanks to the engineers on behalf of the Board for their standard of excellence.

Mr. Pizzi asked about the environmental study for the Well #4 site. Mr. Chiaravallo stated a Letter of Interpretation was submitted to the NJDEP. We are waiting for an update on the status.

Mr. Chiaravallo stated he will contact a representative from the NJEIT for help with pushing this forward as was done with the permits. Mrs. Nugent stated technically the Authority does not own that property yet.

**Accountant's Report:**

Mr. Haines stated in his report:

**Cash Position Report for September:**

Total All Cash Fund Balance:	\$3,895,570.61
Total Restricted Balances:	\$2,628,682.83
Total Fund Available for Disbursement:	\$1,266,887.78

Mr. Haines stated the 2013 budget was reviewed and everything is in order. Mr. Haines stated Mrs. Nugent provided the 2014 budget numbers which were reviewed and are in order. Mr. Haines stated his office will ensure the state documents for the approved budget will be prepared properly and submitted by the end of the month (October).

Mr. Haines stated he received the packet that will be submitted to the Local Finance Board for this project which is on track to be heard next month (November).

Mr. Pizzi questioned if Mr. Haines was overseeing the submission of the 2014 budget. Mr. Haines replied Mrs. Nugent is completing most of the work and his office will be reviewing the budget to ensure it matches the document that was approved.

**Attorney's Report:**

**Berkeley Township Board of Education (BTBOE) property:**

Mr. Koutsouris stated he contacted the BTBOE Attorney, Mr. Thompson. Mr. Thompson confirmed to Mr. Koutsouris the documents required to transition the BTBOE property to the Authority are still in the office of the State Commissioner of Education. There has been no response. Mr. Koutsouris stated approval is anticipated as no school construction dollars were utilized in connection with the procurement of the property. Mr. Koutsouris added the Commissioner of Education needs to sign papers stating this. The matter will be brought before the Planning Board for a cursory review of the subdivision. The property will then be owned by the Authority. Mr. Koutsouris summed it up by stating the Township gave this property to the BTBOE, after it was acquired through foreclosure. The school was built without school construction dollars. Therefore, this property will be quite easy for the Authority to acquire.



Central Regional School Board (CRSD) blanket easement:

Mr. Koutsouris stated CRSD submitted the blanket easement which will go to the Executive Director and CME who will sign off on the letter. Mr. Koutsouris stated the Authority will receive a maintenance bond for CRSD if required. Mr. Chiaravallo will inform the Authority how much will be needed for the bond.

**Committee Reports:**

Old Business:

No Report.

New Business:

Mr. Pizzi stated the Township Council had its first hearing on the resolution to increase the salaries for the Commissioners of the Township's Authorities. Mr. Pizzi stated it will be from the current rate to \$5,000.00 annually for every Commissioner. Mr. Pizzi stated in the past the Secretary would receive an additional amount. Mr. Pizzi stated the topic will be brought up again at the next Township hearing scheduled for November 1, 2013. Mr. Pizzi stated if the resolution goes through the assumption is the Authority Commissioners will be getting an increase.

Mr. Koutsouris stated the Township is required to set salaries of the Township Authority Commissioners by ordinance and statute, although not paid by the Township. Mr. Koutsouris stated the Township sets the salaries of the Commissioners because they are appointed by the municipality. Mr. Koutsouris added the revision requires an introductory reading of the ordinance. This puts the public on notice the revision exists. One month later, the municipality can have a second reading of the ordinance and take a vote on it. The vote formalizes the ordinance and places it into law.

Mr. Koutsouris stated it should be noted for the record, the Chairman of the Board or any of the Commissioners, have no say regarding the salaries. Mr. Koutsouris added this is the law as passed by the municipality and is to be abided by. Mr. Koutsouris stated the Commissioners are the alter ego of the municipality, but are not of the municipality. Mr. Koutsouris reiterated the salaries are set by ordinance. Mr. Koutsouris stated he is aware the Commissioners are required to work extra hours or weekends at times, but this is part of the job.

Mr. Mullikin questioned if the number set for the increase is the state maximum. Mr. Koutsouris replied there probably is no ceiling or floor limits. The stipend provided is set by law and the law is an ordinance set by the municipality. Mr. Koutsouris emphasized the BTSA Commissioners and the BTSA members were completely unaware of this until it was published in the paper. Mr. Koutsouris emphatically stated the salary increase is not voted on by the Commissioners, nor is it

requested or decisions made on it. This resolution for the increase is scheduled because of the municipality.

Mr. Mullikin questioned when the last time there was a change in salary. Mr. Pizzi stated he is not aware of any increase in salary from his experience as a Commissioner or prior to his tenure.

Mr. Pizzi stated there are negative comments, specifically in the Berkeley Patch, which is trying to minimize the work the Commissioners are doing for the Authority. Mr. Pizzi added he takes it personal the way the paper expresses what we as Commissioners do. Mr. Pizzi referenced the paper's comment of Commissioners working just one meeting a month, which is not true. Mr. Pizzi added many hours are spent at the Authority every week. Mr. Pizzi referenced the time spent on the phones, reviewing projects, offering assistance and expertise to the Executive Director and the Authority staff. Mr. Pizzi stated he takes personal offense to the article that infers the Commissioners are receiving increases for only working one meeting per month. Mr. Pizzi asked his fellow Commissioners that if they are contacted by Ms. Pat Miller, or any member of the press, to not give a comment and refer her to the Executive Director.

Mr. Pizzi stated the Board has done so many positive things for the Authority and its rate payers. Mr. Pizzi stated not one article ever has referenced how the Authority has refinanced its debt to save over 50% for the life of the loan or how the line items are reduced monthly on the budget. Mr. Pizzi added the Authority has given relief to its rate payers that were affected by Superstorm Sandy through its Sandy forgiveness program. Mr. Pizzi summed it up by stating it is a shame the press could not give one word for all of the positive things the Authority and its Commissioners have accomplished and how it has cared about its ratepayers over the years.

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

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

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

The meeting adjourned at 7:45 pm.

Respectfully Submitted,



Sandra J Walker  
Office Clerk

The next meeting of the Berkeley Township Municipal Utilities Authority will be held on November 21, 2013 at 7:00 pm at the Berkeley Township Municipal Utilities Authority located at 42 Station Road, Bayville, NJ 08721.