



Berkeley Township
MUNICIPAL UTILITIES AUTHORITY

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

A Public Meeting of the Berkeley Township Municipal Utilities Authority was held on **Thursday, April 24, 2014** at 7:00 pm at the Berkeley Township Municipal Utilities Authority at 42 Station Road, Bayville, NJ 08721. Presided by Chairman Pizzi-present, Vice-Chairman-Mr. Hale-present, Mr. Mullikin-present, Mr. Askew-absent, Mrs. Davis-present, Mr. Buscio-absent.

Also present: Mr. Budesa-Attorney, Mr. Chiaravallo-Engineer, Mr. Conaty-Accountant, and Mrs. Nugent-Executive Director.

Motion to approve the minutes from the Public Meeting on March 27, 2014: Mr. Hale, second, Mr. Mullikin. The motion was approved by voice vote. There were no "nay" votes. Motion Carried.

Motion to approve the minutes from the Executive Session on March 27, 2014: Mr. Hale, second, Mrs. Davis. 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 March 27, 2014: Mrs. Davis, second, Mr. Mullikin. 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 March 27, 2014: Mrs. Davis, 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 March 27, 2014: Mr. Hale, second, Mr. Mullikin. The motion was approved by voice vote. There were no "nay" votes. Motion Carried. Mr. Mullikin and Mr. Buscio abstained.

Motion to approve the Attorney's Report from the meeting on March 27, 2014: Mr. Hale, second, Mrs. Davis. 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 (03/29/14-04/25/14) four weeks. The payroll expenses were in the amount of \$32,744.14. The operating expenses were in the amount of \$57,236.45.

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

Executive Director's Report:

Amend the Authorization of the Issuance of Subordinated Bonds:

Mrs. Nugent requested of the Board authorization to amend the authorization the Board had granted in December 2013 towards the issuance of Subordinate Bonds. In December 2013 the Board authorized the issuance of four Subordinate Bonds for the New Jersey Environmental Infrastructure Trust Program (NJEIT). Mrs. Nugent stated two of those Subordinate Bonds were for Phase V because of the two part loan offered (25% of the loan will be at market rate and 75% at 0% interest rate). The other two Subordinate Bonds are for the Well #4 project and will be issued in 2015. Mrs. Nugent stated since that time the Authority learned it will receive \$500,000.00 in principle forgiveness for the Phase V financing from the NJEIT. Part of the requirement from the NJEIT is that the Authority will list this as an issuance of four bonds. Mrs. Nugent stated the Authority Bond Counsel corrected and recommends approval of this resolution reflecting the corrected information.

Mrs. Davis questioned if the four bonds are only for Phase V. Mrs. Nugent stated yes, the resolution allows for the issuance of six bonds, four being for Phase V and two for the Well #4 project. Mrs. Davis questioned if the A1 and A2 portion are for the trust fund and the B1 and B2 portion are for the \$500,000.00 split. Mrs. Nugent stated this was correct.

Motion to approve the amendment to the authorization for the issuance of Subordinate Bonds: Mr. Hale, second, Mrs. Davis. All in favor. Roll Call. Mr. Hale-yes, Mr. Mullikin-yes, Mrs. Davis-yes, Mr. Pizzi-yes. Motion Carried.

Authorization to Advertise and Bid Well #4:

Mrs. Nugent stated it is anticipated the Well #4 project will be going out to bid approximately in 30 days. This resolution, prepared by the Authority Attorney, will authorize the advertisement and receipt of bids for that project. Mrs. Nugent stated CME will prepare the bid. The Authority will advertise and accept bids for the Well #4 project.

Motion to authorize and bid Well #4: Mrs. Davis, second, Mr. Hale. All in favor. Roll Call. Mr. Hale-yes, Mr. Mullikin-yes, Mrs. Davis-yes, Mr. Pizzi-yes. Motion Carried.

Progress Report:

Phase IV- Crystal Lake Rehabilitation Center (CLRC):

Mrs. Nugent stated the Authority received the connection application and plans from CLRC which were provided to CME for review. Mrs. Nugent stated the plans require more information and provisions, but are appropriate to the Authority's requirements in getting the building connected. Mrs. Nugent stated with the recommendations of Mr. Koutsouris (Conflict Attorney),

CME, and Mr. Pizzi, the court complaint was dismissed. Mrs. Nugent stated CLRC's attorney informed the Authority that CLRC has every intention of progressing the project to connect with the Authority's water system. Mrs. Nugent added all parties involved are acting in good faith and the Authority showed its good faith by withdrawing the court complaint.

Phase V:

Mrs. Nugent stated the NJEIT Trust loans and Fund loans closed on April 11, 2014. Construction for Phase V is set to begin in May 2014.

NJUAJIF MEL Training Seminars:

Mrs. Nugent stated it is last call for the online training for the NJUAJIF. Instructions are on the back of the Progress Report.

Employee Manual Review:

Mrs. Nugent stated the Employee Manual is still under review and is not ready to be presented before the Board yet.

Reorganization:

Mrs. Nugent stated the executions of the professional agreements were completed with the exception of the Labor and Conflict Attorney.

Financial Disclosure:

Mrs. Nugent stated the Township Clerk gave notification that the requirement for the Commissioners to submit Financial Disclosures to the State are still delayed until further notice due to the new electronic filing system.

First Quarter 2014 Billing:

Mrs. Nugent stated the first quarter 2014 billing was mailed on April 3, 2014. The amount billed was \$368,294.54 for 3,179 customers. Mrs. Nugent compared this to last year's first quarter 2013 billing which had 53 more customers and billed out at \$1,284.00 more than currently.

NJSEM (New Jersey State Energy Meeting) Energy Co-ops:

Mrs. Nugent stated the Authority is a member of the NJSEM Energy Co-op for both the natural gas and electrical energy co-ops. Mrs. Nugent stated she periodically reviews the bills to evaluate cost benefit of the NJSEM membership. The review for this month proves a savings for both bills.

Certificates of Deposits:

Mrs. Nugent stated the Authority purchased CDs for its accounts.

Wire Transaction:

Mrs. Nugent stated authorization was given in April 2014 for a \$100,000.00 wire transfer from Ocean First Revenue to the TD Bank debt service accounts.

Hurricane Sandy:

Mrs. Nugent updated the Board on the status of residents affected by Hurricane Sandy. Mrs. Nugent stated there were 100 full disconnects from the Authority's water system. Disconnects are no longer billed while in that status. Mrs. Nugent stated there are 55 homes that are uninhabitable, but still connected to the water system. These homeowners are unsure yet if the homes will be demolished, raised or repaired. These residents receive the Sandy service fee relief program. Mrs. Nugent stated the criteria for this program requires no water usage because the water is shut off at the curb. They are required to request relief and provide a status update on the house every quarter to remain in the relief program.

Station Road Well #4 Transmission Line:

Mrs. Nugent stated the transmission line for Well #4 was installed across Station Road and pressure tested. Mrs. Nugent stated 50 ft of piping was installed as part of the Township's Station Road Improvement Paving project.

Mr. Pizzi requested there be a plan in place for replacing the damaged Sandy meters with the new water meters as the weather is starting to get nicer. Mrs. Nugent replied installation of the new meters had already begun, but had to stop temporarily due to billing, bad weather, and hydrant flushing. Mrs. Nugent added appointments will resume for the new meter change outs next week (first week of May). Mrs. Nugent stated FEMA will allow the Authority employees to perform the installation. The benefit is FEMA will reimburse the Authority for the employees' time including the fringe benefits percentage and any overtime for Saturdays worked. Mrs. Nugent added Mr. Blair is more at ease with the Authority's employees doing the installation. He believes the customers will be more receptive to an Authority Representative in their home rather than an outside company.

Mr. Mullikin questioned if the utility employees were involved in today's (04/24/14) firefighting efforts. Mrs. Nugent replied three of the utility employees are volunteer firefighters for the Township. Due to the massive fire in the Pinewald area all three were very involved in the firefighting efforts Mrs. Nugent stated the Authority closely monitored the Northern Blvd Tank due to its proximity to the fire, but there were no concerns throughout the duration.

Engineer's Report:

Phase V Water Main Improvement Project:

Mr. Chiaravallo stated the Phase V project is progressing and construction is scheduled to begin in May 2014 to start the installation of the water mains. Mr. Chiaravallo stated initial notification has been delivered to the residents and the owners of vacant lots in the Phase V area. Mr. Chiaravallo stated it is projected the water main installation will be completed in the early fall.

Well #4:

Mr. Chiaravallo stated CME reviewed the results of the Authority's system computer model. The model simulates the addition of the new well and its effects on the existing wells. Mr. Chiaravallo stated the new well will pump one million gallons daily. Mr. Chiaravallo stated the advantage to the addition of the new well is it will add to the firm capacity. More capacity will allow more connections to the water system. Mr. Chiaravallo stated currently there are approximately 300 connections available within the allocation now. The new well will increase the available connections within the allocation to 900.

Mr. Mullikin questioned if more firm capacity would result in supporting potential growth. Mr. Chiaravallo stated yes, it will increase the capacity to allow for future growth.

Mr. Chiaravallo stated it is anticipated the Authority will advertise the bids for the test well portion of the project in approximately one month.

Crystal Lake Rehabilitation Center (CLRC):

Mr. Chiaravallo stated CME has received revised plans from CLRC and upon review it appears CLRC has addressed most of the main issues. Mr. Chiaravallo stated the plans show a separate connection for the fire service, the size of the pumps for the sprinkler system and how they plan to operate the system. Mr. Chiaravallo stated there are still a few details that are missing, but CLRC has addressed the major concerns. Mr. Chiaravallo stated the information provided by CLRC was inputted into the system's computer model.

Mr. Pizzi questioned Mr. Chiaravallo on the status of the Eagles Nest project. Mr. Chiaravallo stated the bonds still need to be posted. CME's inspector is in contact with the site contractor. Mr. Pizzi stated at this point there is no pipe in the ground. Mr. Chiaravallo stated the road was cleared and the storm water catch basins were installed.

Accountant's Report:

Mr. Conaty stated in his report:

Cash Position Report for March:

Total All Cash Fund Balance:	\$3,762,896.24
Total Restricted Balances:	\$2,491,695.52
Total Fund Available for Disbursement:	\$1,271,200.72

Mr. Conaty of Holman, Frenia & Allison (HFA) presented the 2013 Audit of the Berkeley Township Municipal Utilities Authority. HFA issued an unmodified opinion and reported no comments or recommendations. Mr. Conaty stated an unmodified opinion reflects a compliant audit. He further reported no concerns or improper practices were discovered during the audit. Mr. Conaty reviewed the audit in detail with the Board. Mr. Conaty notified the Board members that each will be asked to sign an affidavit stating they have reviewed the audit and specifically the general comments and recommendations found on page 33 of this report. (See attached report)

Attorney's Report:

Acquisition of Berkeley Township Board of Education (BTBOE) Property:

Mr. Budesza stated the acquisition of the BTBOE property is still progressing.

Committee Reports:

Old Business:

Mr. Mullikin stated it is concerning that CLRC is still not connected and the complaint was dismissed. Mr. Budesza explained the complaint was "dismissed without prejudice" meaning it could be brought back to court if CLRC fails to connect.

Mr. Hale stated he attended an Engineering Meeting held at the Authority office and was given a tour of the Eagles Nest, Phase V site, and the Northern Blvd Tower.

New Business:

No Report.

Mr. Pizzi announced there is no Executive Session.


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

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

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

The meeting adjourned at 7:52 pm.

Respectfully Submitted,


Sandra J Walker
Office Clerk

The next meeting of the Berkeley Township Municipal Utilities Authority will be held on Thursday, May 22, 2014 at 7:00 pm at the Berkeley Township Municipal Utilities Authority located at 42 Station Road, Bayville, NJ 08721.