

TOMS RIVER MUNICIPAL UTILITIES AUTHORITY

Meeting Number Twelve Hundred Four

Agenda

April 24, 2018

The regular meeting of the Toms River Municipal Utilities Authority was held on Tuesday, April 24, 2018 at 4:30 P.M. at the office of the Authority, 340 West Water Street, Toms River, New Jersey 08753.

The following were present:

Carmen J. Memoli, Chairman	Rodney R. Haines/HFA
Deborah L. Clement, Vice-Chairperson	Dana Montanelli/HFA
Joseph G. Bilotta, Commissioner - Absent	
Charles S. Valvano, Commissioner	
Tariq M. Siddiqui, Commissioner - Absent	
Stephen C. Acropolis, Executive Director/Sec'y.-Treas.	
James Gluck, Esquire, Counsel	
Rosemary Rosetto, Chief Financial Officer	
Nicholas Otten, Authority Engineer	
Bernard Rutkowski, Regulatory Compliance/Safety Officer	
Cindy Toye, Administrative Bookkeeping Specialist	
Georgia Benyola, Executive Secretary/Assistant Sec'y.	

Meeting #1204 was called to order at 4:30 p.m., April 24, 2018 by Chairman Memoli.

Ms. Benyola, Assistant Secretary, reported that in accordance with the Open Public Meetings Law, P. L. 1975, c. 231, notice of this meeting was posted on the Township Bulletin Board, the Authority Bulletin Board, filed with the Clerk's Office, and published in the Asbury Park Press.

Ms. Benyola called the roll. Mr. Valvano, Mrs. Clement and Mr. Memoli were present. Mr. Bilotta and Mr. Siddiqui did not attend due to illness.

2A Audit Draft for 2017

At this time, Chairman Memoli introduced Mr. Rodney Haines and Ms. Dana Montanelli, from the firm of Holman Frenia & Allison. Mr. Haines noted that the audit is still in draft form because the State has not yet released the pension liability numbers. Once they are released from the State of New Jersey, they will adjust the numbers to the draft audit and re-submit for the next meeting. Ms. Montanelli began her presentation and started by mentioning that the report was an Unmodified Audit Opinion which is the highest rating we could receive, we had a clean audit. After the discussion was over, Mr. Valvano

had some questions which were clarified by Mr. Haines. At the end, Mr. Haines noted that his auditors received the complete cooperation of all the Authority officials and employees and they greatly appreciated the courtesies extended to all the members of the audit team.

Minutes of Meetings for Approval

A. *Meeting #1203 - March 27, 2018 - New Submission*

A motion was made by Mr. Valvano and seconded by Mrs. Clement to approve the minutes of Meeting #1203 March 27, 2018 as written. A roll call vote was taken with Mr. Valvano, Mrs. Clement and Mr. Memoli all casting affirmative votes.

Disbursements

A motion was made by Mrs. Clement and seconded by Mr. Valvano to approve payment of the disbursements as listed in the amount of \$1,160,078.24. A roll call vote was taken with Mrs. Clement, Mr. Valvano and Mr. Memoli all casting affirmative votes.

Additional Disbursements

A motion was made by Mrs. Clement and seconded by Mr. Valvano to approve payment of the additional item in the amount of \$713.00. A roll call vote was taken with Mrs. Clement, Mr. Valvano and Mr. Memoli all casting affirmative votes.

Ratification of Investment & Transfer Resolutions

A motion was made by Mrs. Clement and seconded by Mr. Valvano to ratify the monthly transfer and investment resolutions. A roll call vote was taken with Mrs. Clement, Mr. Valvano and Mr. Memoli all casting affirmative votes.

Financial Reports

A motion was made by Mr. Valvano and seconded by Mrs. Clement to enter the financial reports 6A-6F into the record. A roll call vote was taken with Mr. Valvano, Mrs. Clement and Mr. Memoli all casting affirmative votes.

Finance & Investments: 6G

Mr. Valvano reported that the Finance Committee is meeting this Thursday with professionals and employees. It should be a very good meeting talking about bonding and future cash needs and they are greatly looking forward to it. Mr. Valvano stated that the Federal Reserve keeps raising interest rates. The 10 year Treasury went over 3% today momentarily and then went right back down. Clearly rates are going up but who knows how high. They are saying that they are going to raise rates three times this year and three times next year.

Mr. Valvano made a motion, seconded by Mrs. Clement, to reinvest the available funds of \$37,277.15 in the Ocean First Trust Custodial Account. A roll call vote was taken with Mr. Valvano, Mrs. Clement and Mr. Memoli all casting affirmative votes.

Operating Reports

A motion was made by Mrs. Clement and seconded by Mr. Valvano that the operating reports 7A-7G were accepted as presented. A roll call vote was taken with Mrs. Clement, Mr. Valvano and Mr. Memoli all casting affirmative votes.

Chairman Memoli also commented on the two engagements that Mr. Bundra was invited to speak at this year. Mr. Acropolis stated that the City of Philadelphia's GIS Department invited Mr. Bundra to speak to their staff about the TRMUA's GIS in May and ESRI invited him to speak at this year's Esri International Users Conference in San Diego in July. Esri is planning a separate Q&A session dedicated to TRMUA's work in this area, with media in attendance. Mr. Acropolis noted that we are getting a lot of interest and press, not only around the country but around the world.

Mr. Rutkowski received a dispute letter from a ratepayer and asked to bring it before the Board. Back in 2005, their home was being built. The builder completed a TRMUA Sewer Computation record indicating the fixtures in the home which also included three bidets. The homeowners paid the sewer bill without question until 2018 when a re-survey was requested. At the time of the survey, the Authority determined no bidets were present and removed them from the billing effective 1/1/2018. The ratepayers maintain that the bidets never existed and are seeking reimbursement, back to the 2006 CO date. The Board feels that we should continue doing what we have done in the past in situations like this. They feel that it's really between the builder and the homeowner and not any mistake on our part.

Mr. Acropolis mentioned we discuss the church as well since we are talking about rates. Mr. Rutkowski reported that we recently received a request for a fixture re-survey for the Church of Grace and Peace out on Whitesville Road by Whitty Avenue. At some point and time, they were placed on residential billing for the church and school, so they had 45 commercial fixtures in the unit and the rest 95 were billed as residential, which is a substantial difference. Mr. Rutkowski went and looked at all the buildings and was able to make that correction. He did not know who decided to put them on, this has been going on for a while as far as he could tell. The fixture survey that was last done for that location was done by Mike Ballina and he noted them as commercial. At some point, somebody mistakenly listed them as residential. The only reason Mr. Rutkowski could come up with is that there used to be a farmhouse there that may had been considered residential and when they switched the accounts over they left that designation there. Their billing will probably increase by \$3000.00 a year. Mr. Acropolis mentioned that we have not been contacted as yet but he wanted the Board to be aware. The Authority will address it when it happens.

Development Applications-Major Sub Divisions

A motion was made by Mrs. Clement and seconded by Mr. Valvano to approve the preliminary application for Sub-Division #D-1055. A roll call vote was taken with Mrs. Clement, Mr. Valvano and Mr. Memoli all casting affirmative votes.

Authority Meeting

The next Authority meeting was confirmed for Tuesday, May 22, 2018 at 4:30 p.m.

Adoption of Resolutions Authorizing Capital Purchases

There were no purchases for ratification.

9A-3 Resolution – Sonar Inspection of 20’-36” Diameter Sanitary Sewer Pipe

A motion was made by Mr. Valvano and seconded by Mrs. Clement to approve Change Order No. 1-Final be authorized and that the Contract No. SC-01-17A issued to Pipe and Plant Solutions be decreased by \$55,660.00 and the contract be commensurately decreased from \$151,500.00 to \$95,840.00. A roll call vote was taken with Mr. Valvano, Mrs. Clement and Mr. Memoli all casting affirmative votes.

9A-4 Resolution – Shared Services TRFC1

A motion was made by Mrs. Clement and seconded by Mr. Valvano authorizing Shared Services Agreement between the Toms River Municipal Utilities Authority and the Toms River Township Board of Fire Commissioners, District 1. A roll call vote was taken with Mrs. Clement, Mr. Valvano and Mr. Memoli all casting affirmative votes.

Unfinished Business

Upgrade of HVAC Project – Mr. Acropolis stated that at the last meeting the Board approved the engineer’s proposal to proceed with phase one, not to exceed \$25,900.00. The engineers said it would take three or four weeks to do the study and they would have a recommendation for the Board at the next meeting. Engineers have been in and said they will have something for us in two to three weeks, so we should receive something at the next meeting.

Committee Reports

Legal

1. The status on the Earle litigation is that they still have not received the final judgement. Monmouth County is still in back logged and will get to it when they can.
2. Mr. Gluck stated that West Bay View should be ready to kick off soon. They switched lawyers so they never executed the agreement but Mr. Leone is on top of it and has the new law firm and the lawyer taking care of it.
3. Fire Company agreement was received today and will be sent for execution from the Director. The resolution for Shared Services was approved tonight.
4. Mr. Gluck reported that there was a discussion with Rich MacDonald about the agreement this week. Apparently, it was executed in 1991 between the MUA and the Manchester MUA, which has since folded into the Township. The agreement was based upon the flows and the capacity at that time. There is some question whether those flows have increased in order to change our agreement with them. Mr. Otten noted that he and Mr. MacDonald had a brief discussion and there are about two dozen contributors that we need to check to see if it has changed. Mr. Gluck mentioned that we could round table that or have a conference call.
5. Regarding the Jackson MUA, Mr. Gluck stated that they were in contact with Bill Herring. He is going back to Jackson Township to see if they had a need to upgrade our agreements with them.
6. Mr. Gluck mentioned that they provided the litigation and status letter to Holman & Frenia for the audits.
7. Counsel will go to executive session for the AM Liner East contract.

Engineering

Mrs. Clement commented that Mr. Siddiqui was not here this evening however, Mr. Otten’s submitted report was very detailed and there was no need to discuss it further.

Land
None

Personnel

Mr. Valvano commented that Mr. Bilotta called a meeting yesterday so that Mr. Valvano could get a better feel of what goes on at the meeting, since it was his first time being on the personnel committee. Mr. Valvano was listening and learning. He highlighted that they reviewed the updated organization chart and the Executive Director was kind enough to explain that the different crews do very different things, which was highly interesting. Mr. Valvano found it very informative talking about the crews and the foremen. In general, nothing major needed to be discussed but Mr. Valvano, being new, stated that it was extremely helpful and informative to him.

Financial

Mr. Valvano had one more comment to make. He reviewed the audit draft and he was extremely pleased that we got a clean audit with no comments. His remark about the Township appropriation was neither pro or con. It's a lot of money and if we did not have that in there, we are running a profit operation. We would have a great overall profit. Mr. Valvano made a comment to the auditor that depreciation is a non-cash expense. If you factor out the depreciation expense and Township appropriation, we are doing outstanding and any member of the public has any questions, he needs to be told about our clean audit with no comments. Mr. Valvano is immensely happy at this. Mr. Acropolis stated that Mrs. Rosetto and her staff do a fantastic job, making sure the work is done and getting all the information to the auditors on time. Mr. Acropolis noted that one of the audit comments back about four or five years ago was the inventory system. Since Joe Young took that over, it has become a non-comment item. For the record, Mr. Acropolis stated that it's hard to compare us with other utilities. For example, if you look at the OCUA and you look at the TRMUA, nobody writes a check to the OCUA. Some people say that we should run it more like the OCUA. The OCUA runs really well but nobody writes a check to the OCUA. If you ever go down there to look at their facilities, it is palatial. Their employee kitchen is absolutely gorgeous because nobody writes a check to the OCUA. In addition to that if you go over the last 25 to 30 years of the OCUA, they have raised rates every 4 to 5 years. They have probably raised rates about 5 to 6 times over that period of time. The TRMUA has raised rates 2 times. Everyone says we should be more like OCUA but maybe, the OCUA should be a little bit more like us. As mentioned before, the staff does a fantastic job, led by the Board who sets policy, and we try to carry out the policy. Mr. Acropolis thanked the Commissioners for the words and he knows the staff appreciates them.

Public Comments

Chairman Memoli opened the meeting to comments from the Public. With no public comments, Mr. Memoli closed the public portion of the meeting.

Correspondence

An appreciation letter was received from a ratepayer on West Briar commending both Mr. Collier and Mr. McHugh for their knowledge, assistance and professionalism during a recent stoppage.

Resolution to Enter Executive Session

A motion was made by Mrs. Clement seconded by Mr. Valvano to adopt the resolution to enter Executive Session at 5:10 p.m. to discuss personnel matters, litigation and potential litigation. The motion was carried by a unanimous voice vote.

Public Session Reconvened at 5:14 p.m.

With no further business to come before the Board, a motion was made by Mrs. Clement and seconded by Mr. Valvano to adjourn the meeting at 5:14 p.m. The motion was carried by unanimous voice vote.

TOMS RIVER MUNICIPAL UTILITIES AUTHORITY
Meeting Number Twelve Hundred Four

Executive Session

Executive Session convened at 5:10 p.m.

April 24, 2018

The following were present:

Carmen J. Memoli, Chairman

Deborah L. Clement, Vice-Chairperson

Joseph G. Bilotta, Commissioner - Absent

Charles S. Valvano, Commissioner

Tariq M. Siddiqui, Commissioner - Absent

Stephen C. Acropolis, Executive Director/Sec'y.-Treas.

James Gluck, Esquire, Counsel

Rosemary Rosetto, Chief Financial Officer

Nicholas Otten, Authority Engineer

Bernard Rutkowski, Regulatory Compliance/Safety Officer

Cindy Toye, Administrative Bookkeeping Specialist

Georgia Benyola, Executive Secretary/Assistant Secretary

Mrs. Rosetto and Mrs. Toye were excused from the meeting.

AM-Liner East, Inc.

Mr. Gluck reported that they have been going back and forth with the contractor. Counsel mentioned that Mr. Otten pointed out a lot of things that need to be technically corrected based upon their hours and the like. Counsel stated that we are about \$40,000 apart right now. Our current offer was at \$175,000, they're at \$217,000. We can try to meet them in the middle without arguing technicalities and see if they will take \$200,000. The Executive Director asked Counsel for his opinion. Counsel said he would take it at this point and write it up as a resolution in settlement. The Director noted the contractor did do work, so we will have to pay them for the work they did. Counsel noted they have approximately 20 to 30 hours into it already, which is about \$5,000 even before they get a lawsuit. The Director said it's up to the Board but he believes that our number is correct. Counsel thinks so too. The Director stated that our guys have done what they need to do but the problem is if you litigated you're splitting the difference of \$40,000 that's \$20,000 and you would spend at least \$10,000 litigating it, so is it worth wild. That's the question the Board will have to decide.

Counsel feels they have done all their homework and is comfortable with everything they have done to have these guys go through their numbers and pick it apart. They've done a fantastic job. Counsel will continue negotiations and if resolved by the next meeting, he will write it up as a resolution in settlement and it will be contingent upon the Board passing the resolution.

With no further business to discuss, Chairman Memoli called for a vote to close Executive Session and re-open Public Session at 5:14 p.m. The motion was carried by a unanimous voice vote.