

# TOMS RIVER MUNICIPAL UTILITIES AUTHORITY

## Meeting Number Twelve Hundred Two

Agenda

February 27, 2018

The 2018 re-organization meeting of the Toms River Municipal Utilities Authority was held on Tuesday, February 27, 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, Acting Chairman

Tariq M. Siddiqui, Acting Vice-Chairman

Joseph G. Bilotta, Commissioner

Deborah L. Clement, Commissioner - Absent

Charles S. Valvano, Commissioner

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

James Gluck, Esquire, Counsel

Rosemary Rosetto, Chief Financial Officer

Nicholas Otten, Authority Engineer - Absent

Bernard Rutkowski, Regulatory Compliance/Safety Officer

Cindy Toye, Administrative Bookkeeping Specialist

Georgia Benyola, Executive Secretary/Assistant Sec'y.

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The re-organization Meeting #1202 was called to order at 4:30 p.m., February 27, 2018 by Vice-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. Siddiqui, Mr. Valvano, Mr. Bilotta and Mr. Memoli were present. Mr. Siddiqui was appointed a member of the Toms River Municipal Authority by the Town Council on January 23, 2018 for a term of five years, expiring January 31, 2023. Mrs. Clement was absent.

### **Election of Officers for 2018**

For the record, Mr. Gluck stated that this is the re-organization portion of the meeting for 2018 as required under statute. Every year you need to conduct a re-organization meeting within the month of February. This reorganization meeting is required to be held according to state statute.

Mr. Memoli asked if he could get a motion to table the election of officers for 2018 at this time. A motion was held by Mr. Bilotta to table the election of officers until the March meeting seconded by Mr. Valvano. Mr. Acropolis questioned whether we should at least do the Secretary-Treasurer, Assistant Secretary and Assistant Treasurer positions since this is a re-org meeting or does this not matter? Mr. Gluck's advice to the Board was to appoint "acting" members to those positions, so that there wouldn't be any interruptions. Counsel proceeded to say that all positions right now are expired; however, we can leave the same positions as they are now but they have to be in an acting form for 2018 until further action. Counsel stated the only positions that need to be filled are the Chairman and Secretary/Treasurer. Mr. Gluck asked Mr. Bilotta to withdraw his motion. Mr. Bilotta withdrew his motion to table the election of officers.

#### **Acting Chairman**

Mr. Gluck asked for nominations for the position of Acting Chairperson.

Mr. Valvano nominated Carmen J. Memoli to serve as Acting Chairman until the March 27<sup>th</sup> meeting for 2018 and was seconded by Mr. Bilotta. A roll call vote was taken with Mr. Valvano, Mr. Bilotta, Mr. Siddiqui and Mr. Memoli all casting affirmative votes.

#### **Acting Vice-Chairman**

Mr. Gluck asked for nominations for the position of Acting Vice-Chairperson.

Mr. Bilotta nominated Tariq M. Siddiqui to serve as Acting Vice-Chairman for 2018 and was seconded by Mr. Valvano. A roll call vote was taken with Mr. Bilotta, Mr. Valvano, Mr. Siddiqui and Mr. Memoli all casting affirmative votes.

#### **Secretary-Treasurer**

Mr. Gluck asked for nominations for the position of Secretary/Treasurer.

Mr. Siddiqui nominated Stephen C. Acropolis to serve as Secretary/Treasurer for 2018 and was seconded by Mr. Valvano. A roll call vote was taken with Mr. Siddiqui, Mr. Valvano, Mr. Bilotta and Mr. Memoli all casting affirmative votes.

#### **Assistant Secretary**

Mr. Gluck asked for nominations for the position of Assistant Secretary.

Mr. Bilotta nominated Georgia Benyola to serve as Assistant Secretary for 2018 and it was seconded by Mr. Siddiqui. A roll call vote was taken with Mr. Bilotta, Mr. Siddiqui, Mr. Valvano and Mr. Memoli all casting affirmative votes.

#### **Assistant Treasurer**

Mr. Gluck asked for nominations for the position of Assistant Treasurer.

Mr. Bilotta nominated Rosemary Rosetto to serve as Assistant Treasurer for 2018 and it was seconded by Mr. Valvano. A roll call vote was taken with Mr. Bilotta, Mr. Valvano, Mr. Siddiqui and Mr. Memoli all casting affirmative votes.

### **Appointment of Professionals**

A motion was made by Mr. Bilotta and seconded by Mr. Valvano to hold over all the current Professionals, noted on agenda 2B, 1-7, under the same terms of their contracts until the next meeting on March 27, 2018. Mr. Siddiqui questioned why Risk Management Consulting Services was not listed on the agenda. Mr. Acropolis noted that Risk Management is not a yearly appointment but it's listed every three years according to their contract. Mr. Acropolis also noted that he received a call from Mrs. Clement questioning why we have an engineering pool, as if this was the first time. The Director mentioned that we've had the pools for the past eight years. Mrs. Clement then asked about the financial advisors, two were listed. The Director proceeded to explain that the MUA advertises a Request for Proposals for any services we may need. Anybody can put in a proposal for services. In the past, this Board has been very open to their appointments. All professionals that basically meet our requirements will get approved, as has been done in the past eight years. A roll call vote was taken with Mr. Bilotta, Mr. Valvano, Mr. Siddiqui and Mr. Memoli all casting affirmative votes.

The next appointment on agenda 2B, #8a-b, was for Depository Institutions. A motion was made by Mr. Bilotta and seconded by Mr. Valvano to adopt the following depository institutions for year 2018 as presented below:

Amboy National Bank  
Investors Bank  
TD Bank  
Bank of America  
JP Morgan Chase  
Wells Fargo Bank  
PNC Bank  
Provident Bank  
Sun National Bank  
Santander Bank  
Lakeland Bank  
Ocean First Bank – Custodial Services

A roll call vote was taken with Mr. Bilotta, Mr. Valvano, Mr. Siddiqui and Mr. Memoli all casting affirmative votes.

### **Newspapers of Record**

A motion was made by Mr. Bilotta and seconded by Mr. Siddiqui to appoint the official newspapers of record for 2018. They are as follows:

- Asbury Park Press
- The Star Ledger
- Ocean Signal

A roll call vote was taken with Mr. Bilotta, Mr. Siddiqui, Mr. Valvano and Mr. Memoli all casting affirmative votes.

### **2018 Annual Meeting Schedule**

A motion was made by Mr. Bilotta and seconded by Mr. Valvano to adopt the 2018 Annual Meeting Schedule as presented. It was unanimously approved.

**2018 PACO Officer**

A motion was made by Mr. Siddiqui and seconded by Mr. Bilotta to designate Bernard Rutkowski as the 2018 Public Agency Compliance Officer for the Toms River Municipal Utilities Authority for a period of one year as presented in the resolution. A roll call vote was taken with Mr. Siddiqui, Mr. Bilotta, Mr. Valvano and Mr. Memoli all casting affirmative votes.

**Cash Management Plan**

Mr. Gluck asked for a motion to re-adopt the 2018 Cash Management Plan as amended. A motion was made by Mr. Bilotta and seconded by Mr. Valvano to re-adopt the Cash Management Plan. Mr. Siddiqui asked to amend the paragraph by adding the limit amounts into the Procurement Cardholder Agreement. Mr. Bilotta amended his motion to include the limit amounts to the Procurement Cardholder Agreement. Addendum "A", should read "An individual transaction shall not exceed the limit of \$1,000.00 as set by the Board"; and "Total transactions during a 30 day cycle shall not exceed the limit of \$3,000.00 as set by the Board per card". Mr. Memoli noted that a copyright symbol in the document should be removed. A roll call vote was taken with Mr. Bilotta, Mr. Valvano, Mr. Siddiqui and Mr. Memoli all casting affirmative votes.

Mr. Acropolis suggested that when the Commissioners receive their packets on Friday, and if they have questions or comments, it would be helpful in the future to call prior to the meeting to speak with the Director so that we can get answers to the questions immediately. In a case where it is a detailed question, we would have some time to get the information, answers to questions and or corrections to the Board before the meeting begins so that all the information will be available.

**Committee Appointments for 2018**

A motion was made by Mr. Bilotta and seconded by Mr. Siddiqui to table agenda #2G until the March meeting. A roll call vote was taken with Mr. Bilotta, Mr. Siddiqui, Mr. Valvano and Mr. Memoli all casting affirmative votes.

**Minutes of Meetings for Approval**

- A. Meeting #1201                      January 23, 2018                      -                      New Submission
- B. Ex. Session #1201                      January 23, 2018                      -                      New Submission

A motion was made by Mr. Bilotta and seconded by Mr. Valvano to approve the minutes of Meeting #1201 January 23, 2018 and the minutes of Ex. Session #1201 January 23, 2018 as written. A roll call vote was taken with Mr. Bilotta, Mr. Valvano, Mr. Siddiqui and Mr. Memoli all casting affirmative votes.

**Disbursements**

A motion was made by Mr. Valvano and seconded by Mr. Bilotta to approve payment of the disbursements as listed in the amount of \$3,719,437.98. A roll call vote was taken with Mr. Valvano, Mr.

Bilotta, Mr. Siddiqui and Mr. Memoli, all casting affirmative votes with Mr. Memoli abstaining on payments to Juan Bellu and Dynamic Testing Service.

Additional Disbursements

A motion was made by Mr. Bilotta and seconded by Mr. Valvano to approve payment of the disbursements as listed in the amount of \$133.00. A roll call vote was taken with Mr. Bilotta, Mr. Valvano, Mr. Siddiqui and Mr. Memoli all casting affirmative votes.

**Ratification of Investment & Transfer Resolutions**

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

**Financial Reports**

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

Finance & Investments:

Mr. Valvano reported that the Finance Committee met several times during the past month discussing a variety of items. Mr. Valvano mentioned that today the new Federal Reserve Chairman gave testimony before Congress. He is sticking by the assumption that the Fed will raise interest rates three times but is not ruling out a fourth. Mr. Valvano & Mr. Bilotta also spoke about our last meeting. The Committee is looking forward to meeting with our Auditor, Mr. Holman, CFO, Mrs. Rosetto and our Executive Director to go over the Capital Budget, Cash Management and potentially using Bonding in the future.

A motion was made by Mr. Valvano and seconded by Mr. Bilotta to reinvest the available funds of \$36,046.53 in the Ocean First Trust Custodial Account. A roll call vote was taken with Mr. Valvano, Mr. Bilotta, Mr. Siddiqui and Mr. Memoli all casting affirmative votes.

In reference to Mr. Valvano's report, Mr. Acropolis noted that in his Director's report, he mentioned that he received a phone call from our Auditor, Mr. Holman, stating that Councilman Hill wanted Mr. Holman to meet with Mr. Acropolis and talk about numbers for the MUA. Mr. Acropolis told Mr. Holman at that time, that we as a Board had discussed that over the next two years we can go without a rate increase. Mr. Holman suggested that we look at a 5 year plan. Mr. Acropolis thought it was a good idea; however at that point, the Director mentioned that he does not know who the Chairman is going to be, he does not know if the same people are going to be on the Finance Committee or not on the Finance Committee, so it would be premature for him to talk about anything in reference to this. Our best bet is to get a hold of whoever the Finance Committee people are after the Board reorganizes and that the Finance Committee and the staff should meet and have a stakeholder's meeting with everyone

involved and Mr. Holman agreed. Mr. Acropolis also mentioned that he knows there was some questions from Board members about the Director meeting with people prior to the reorg meeting, however, the Director stated it was a limited meeting. The Director's request to the new Finance Committee is that he would like to have MUA staff involved in committee meetings in the future. He believes that if Mr. Valvano and Mr. Bilotta meet on a regular basis, it would be important either if they hold the meeting here at the MUA or staff can go where the Commissioners are meeting, so they can participate. Recently, another meeting was confirmed with the financial advisor, however, the Director cancelled that meeting until the full Board and the committees have been chosen. At this point, it seems that it would be sometime in April. The Director asked Mrs. Rosetto if she could call each Commissioner and give them an overview of the finances of the Authority between now and March 27<sup>th</sup>.

### **Operating Reports**

A motion was made by Mr. Bilotta and seconded by Mr. Valvano that the operating reports, 7A through 7H, were accepted as presented. Mr. Siddiqui had a question regarding the Safety Report and wanted to have more information in the report. Counsel stated that the report was in good order and that having any more information in the report could cause issues later during any potential litigation. A roll call vote was taken with Mr. Bilotta, Mr. Valvano, Mr. Siddiqui and Mr. Memoli all casting affirmative votes.

### **Development Applications-Major Sub Divisions**

A motion was made by Mr. Bilotta and seconded by Mr. Valvano to approve the tentative/final application for Sub-Division D-1053, Church Road-west adj. to Ferro Lane and Old Freehold Road-north adj. to W. Todd Road. With no objections, a roll call vote was taken with Mr. Bilotta, Mr. Valvano, Mr. Siddiqui and Mr. Memoli all casting affirmative votes.

### **Authority Meeting**

The next Authority meeting was confirmed for Tuesday, March 27, 2018 at 4:30 p.m.

### **Adoption of Resolutions Authorizing Capital Purchases**

A motion was made by Mr. Valvano and seconded by Mr. Bilotta approving the following resolutions, 9A-2A through 9A-2C:

9A-2A - The Board approved the Capital Asset Reserves; and

9A-2B - Authorization was given to ratify the IPC Purchases; and

9A-2C - Authorization was given to purchase (1) Celestix Security Appliance at a total cost not to exceed \$4,849.61 from Celestix, 215 Fourier Avenue, #140, Fremont, CA 94539.

A roll call vote was taken with Mr. Valvano, Mr. Bilotta, Mr. Siddiqui and Mr. Memoli all casting affirmative votes.

9A-2D - A motion was made by Mr. Siddiqui and seconded by Mr. Bilotta to table the upgrade of the HVAC Project for additional evaluation. Mr. Siddiqui stated he wanted it reviewed by an engineer. The Director stated that he would get that process started and will schedule a meeting with Mr. Siddiqui.

A roll call vote was taken with Mr. Siddiqui, Mr. Bilotta, Mr. Valvano and Mr. Memoli all casting affirmative votes.

A motion was made by Mr. Bilotta and seconded by Mr. Valvano approving the following resolutions, 9A-3 through 9A-12:

9A-3 - Authorization was given to approve Change Order No.1 and that the contract issued to C&H Industrial Services, Inc. be decreased by \$4,195.75 and the contract be commensurately decreased from \$143,500.00 to \$139,304.25; and

9A-4 - Authorization was given to approve Change Order No.1 - Final and that the contract SR-01-15A, Sewer & Manhole Rehabilitation, issued to North American Pipeline Services be decreased by \$72,164.62 and the contract be commensurately decreased from \$1,048,440.30 to \$976,275.68; and

9A-5 - Authorization to award emergency contract to M.C. Messina, Inc. in the amount of \$44,132.07 and the Executive Director is hereby authorized to execute, and the Assistant Secretary to attest thereto, a form of contract and any necessary and related documents pursuant to this award. Mr. Siddiqui mentioned that in the future, emergency contracts should require a more detail breakdown of their quantities and pricing either in their proposal or on their invoice to justify payment. The Board agreed along with Counsel; and

9A-6 - Authorization was given for award of contract for the Purchase and Deliver of Various Parts/Supplies for Public Works and Water & Sewer Departments through the Ocean County Co-Operative Pricing System to Water Works Supply Company, Inc., 660 State Highway 23, PO Box 306, Pompton Plains, NJ 07444 in an amount not to exceed \$30,000.00; and

9A-7 - Authorization was given to approve Change Order No.1 and that the contract issued to Defino Contracting Company be increased by \$154,404.00 and the contract be commensurately increased from \$473,400.00 to \$627,804.00; and

9A-8 - Authorization was given to approve Change Order No.1 and that the contract SR-01-15C issued to North American Pipeline Services be increased by \$63,474.00 and the contract be commensurately increased from \$1,140,098.60 to \$1,203,572.60; and

9A-9 - Authorization was given to approve Change Order No.1 and that the contract SR-01-15C issued to North American Pipeline Services be increased by \$2,384.44 and the contract be commensurately increased from \$1,203,572.60 to \$1,205,957.04; and

9A-10- Authorization was given for a Shared Services Agreement between the Toms River Municipal Utilities Authority and the Beachwood Sewerage Authority; and

9A-11- Authorization was given for a Shared Services Agreement between the Toms River Municipal Utilities Authority and the Borough of Ocean Gate; and

9A-12 - Authorization was given for a Shared Services Agreement between the Toms River Municipal Utilities Authority and the Seaside Heights Board of Ed.

A roll call vote was taken with Mr. Bilotta, Mr. Valvano, Mr. Siddiqui and Mr. Memoli all casting affirmative votes.

9A-13 – A motion was made by Mr. Bilotta and seconded by Mr. Valvano authorizing a Shared Services Agreement between the Toms River Municipal Utilities Authority and the Toms River Parking Authority. A roll call vote was taken with Mr. Bilotta and Mr. Valvano all casting affirmative votes. Mr. Siddiqui abstained, as he is a member of the parking authority and Mr. Memoli abstained, as he is the special accountant at special services.

### **Unfinished Business**

None

### **Committee Reports**

#### **Legal**

1. Shared Services Agreements: Mr. Gluck stated that they took care of the four shared services agreements that were approved tonight.

2. Jackson Township MUA: Mr. Gluck reached out to Bill Hiering, Authority Attorney, to discuss the existing agreement. He has not returned Counsel's calls. Mr. Rutkowski reached out to Dave

Harpell, Executive Director and he has indicated that he is willing to review any changes that we want to make so if there are any changes or suggestions, Counsel would like to know. Mr. Acropolis noted that Mr. Otten, who was involve in that is not here tonight but we will look into it.

3. Lakewood Township MUA: Mr. Gluck mentioned the Lakewood MUA would like to enter into a Shared Service Agreement for Jet-Vac services. Counsel doesn't know if the Board would want to just enter into an agreement limiting just those services or if they want a blanket one.

4. Manchester Township: The Manchester MUA is no longer in existence, as they were taken over by the Township. Mr. Dasti, Township Attorney, is supposed to review their files to see what kind of agreement was in place and if anything needs updating. Mr. Siddiqui mentioned that they had a three party flow agreement with OCUA. Counsel will contact OCUA.

5. So. Toms River Sewerage Authority: Mr. Gluck contacted STRSA's Attorney, who works for Mr. Gilmore's office and they are going to discuss a potential Shared Services Agreement at their next meeting on March 14<sup>th</sup>.

6. Mr. Gluck noted that the Change Order for the West Bay View Project so that should get kicked off shortly. Mr. Acropolis mentioned that this is a project that should have been done years ago when a sewer main was put in & manholes raised and the Authority never went back to pave the roads.

7. Mr. Gluck mentioned that he is still reviewing their response to AM Liner East and their demand for payment on the contract termination.

8. The Earle Litigation: Counsel contacted the Judge's Chambers twice and their response each time was that they were very back logged and they have not gotten to sign the judgement yet.

9. Counsel noted that we have not been sued this past month.

#### Engineering

Mr. Siddiqui mentioned that with Mr. Otten being away no meeting was held. His report was sufficient.

#### Personnel

Mr. Memoli noted that there were no personnel matters up for discussion.

#### Land

Mr. Bilotta noted that no meeting was held.

#### Correspondence

None

#### Public Comment

Acting Chairman Memoli opened the meeting to comments from the Public. Gus Kakavas wanted to say "Thank You" to the MUA for the great work that they do. Mr. Kakavas is a life-long resident of Toms River. He dates back to the days when they had cesspools in their back yard. He mentioned that Sue Fellows, who is Mr. Fellows daughter, was a classmate of his all through school and remembers that Mr. Fellows did a lot of work on the design and installation of the sewer. Mr. Kakavas also noted that the MUA is one of the agencies in the County that keeps working and does a great job staying under the radar. "Keep it up", he said and thanked everyone once again. Anthony Benyola, who was also there, was happy to echo his comments. Mr. Memoli thanked both Mr. Kakavas and Mr. Benyola for their comments, it was much appreciated. With no other public comments, Mr. Memoli closed the public portion of the meeting.

**Resolution to Enter Executive Session**

A motion was made by Mr. Valvano and seconded by Mr. Bilotta to adopt the resolution to enter Executive Session at 5:40 p.m. to discuss personnel matters, litigation and potential litigation. The motion was carried by a unanimous voice vote.

**Public Session Reconvened at 6:04 p.m.**

Mr. Gluck asked for a motion to hire special counsel to investigate events from December 2017 of a jet vac response to Lake Ridge adult community. The motion was made by Mr. Valvano and seconded by Mr. Bilotta. A roll call vote was taken with Mr. Valvano, Mr. Bilotta, Mr. Siddiqui and Mr. Memoli all casting affirmative votes. Motion carried 4-0.

With no further business to come before the Board, a motion was made by Mr. Valvano and seconded by Mr. Bilotta to adjourn the meeting at 6:06 p.m. The motion was carried by unanimous voice vote.

**TOMS RIVER MUNICIPAL UTILITIES AUTHORITY**  
**Meeting Number Twelve Hundred Two**

**Executive Session**

Executive Session convened at 5:40 p.m.

February 27, 2018

**The following were present:**

Carmen J. Memoli, Acting Chairman

Tariq M. Siddiqui, Acting Vice-Chairman

Joseph G. Bilotta, Commissioner

Deborah L. Clement, Commissioner - Absent

Charles S. Valvano, Commissioner

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

James Gluck, Esquire, Counsel

Rosemary Rosetto, Chief Financial Officer

Nicholas Otten, Authority Engineer - Absent

Bernard Rutkowski, Regulatory Compliance/Safety Officer

Cindy Toye, Administrative Bookkeeping Specialist

Georgia Benyola, Executive Secretary/Assistant Secretary

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Mrs. Rosetto, Mr. Rutkowski and Mrs. Toye were excused from the meeting.

Mr. Acropolis asked if a commissioner has a business relationship or had a business relationship with a specific vendor, is it a conflict for them to continue to participate in the discussions here? If a commissioner is on a board at another place and they do work with a vendor and then that vendor comes here, would that be a conflict or will they still be able to participate in those discussions? Mr. Gluck stated that if they have a business relationship outside the Authority, they should recuse themselves. The question the Director had was that if a commissioner has a business relationship with a vendor outside the Authority, for example, they have done work for them either at their home or on a board they represent, then they would have to recuse themselves from having that discussion here.

Mr. Siddiqui stated that if you go for a public bidding, then there's no conflict. Mr. Acropolis said the commissioner can't participate in a discussion or involvement in preparing the bid documents because they have a conflict. Mr. Acropolis asked Counsel for a written opinion on that in an email because Mr. Siddiqui, who is an engineer, disagrees with Counsel's legal opinion. Mr. Siddiqui accused the Director of not wanting to listen. The Director responded that he is listening. Mr. Siddiqui said if it was a public bid and the contract was awarded and voted on then there's no conflict because it was a public bid. Mr. Gluck stated it depends on the nature of the relationship outside of the Authority that creates the conflict. Even though it's a public bid, it may still be a conflict at some point to vote on depending on what the relationship is. Mr. Siddiqui said he has hours of public bids but there was never any conflict. Mr. Gluck disagreed and said he would rather see him err on the side of caution so that there would not be any challenge to that to say there was a conflict or a potential ethical breach. Mr. Siddiqui said he was fine with that.

Mr. Acropolis asked Mr. Siddiqui if he had any discussions with Mrs. Clement about the HVAC contract. Mr. Siddiqui said no. Mr. Acropolis asked if she has ever talked to him about anything like that, Mr. Siddiqui said no but this HVAC project just came up two days ago. Mr. Acropolis said we talked about this months ago it's been in the process for months. Mr. Siddiqui mentioned that the Director only spoke about the need of the HVAC but not anything about the contract. Mr. Acropolis stated the reason this doesn't have to go through a bidding process is because both of these vendors are on the county co-op. The county has already bid these projects, so to save the Authority money and engineering costs, we use these vendors. If we go to bid, we have to hire engineers and plan a design which costs the Authority

more money. The reason a co-op is done is that it saves the Authority money because you don't have to do those things. If the Board agrees to spend the money on that it's fine, it can be done.

Mr. Acropolis had a discussion in December about an issue that happened at the Lake Ridge gate shack that had an overflow of sewage. Mrs. Clement called Mr. Acropolis and said there's an issue here and it's overflowing, can you send someone out here. Mr. Acropolis said yes we can do that, we do that for everybody and we'll figure out if the issue is on your side or our side. Mr. Acropolis dispatched the duty man to the gate shack, and he stated it was on their side. Normally, the duty man would then leave. The duty man had a commissioner come and say "what would you do for this problem?" The duty man said he would have to vac down the well to find out what the problem is with the pump. Mrs. Clement directed the employee to call for the jet truck to come out to a private system and to vac out a private system for which she sits on the board. The Director did not dispatch the jet truck and the Foreman did not dispatch the truck but Mrs. Clement asked the duty man to call for the jet truck. Mr. Acropolis told her that she should not have done that.

Mr. Bilotta asked if his house backed up, he calls the MUA and they come out, what would happen? Mr. Acropolis said the duty man would pop the clean out and if there's water in the clean out it's usually on our side. If the clean out is clear then that means the clog is someplace in your system in the house and you would need to call your plumber. That's what should have happened in this situation but because our man was there and the jet truck had been dispatched to the gate shack, we had to pay overtime. In the meantime, the duty man noticed a reset button or something like that and was able to push the button, which cleared the overflow.

Mr. Acropolis stated he has a problem with that. He has been in public service for 20 plus years and that's either a criminal referral or a censure by this Board, or the removal of this member. Mr. Acropolis mentioned that there was a public works director who had \$200 worth of stone delivered to his house, he actually went to jail for that. Mr. Acropolis stated that all of you serve with this Commissioner, he does not, he works for the board, he does not serve with this Commissioner. Mr. Bilotta asked when this happened. Mr. Acropolis stated he believed it happened in December and he alerted the Chairman at that time of the facts. He recently alerted the acting Chairman and acting Vice-Chairman of the facts and the attorney of the facts of the case. Mr. Acropolis said the reason he didn't bring it up in December or January when it happened was because Mrs. Clement was here and he didn't want to go into closed session before the reorg meeting, because whoever becomes chairman will have to deal with this. Mr. Siddiqui remembers Mr. Acropolis bringing this up and Mr. Siddiqui remembers joking about this. Mr. Acropolis remembers him laughing about it, but Mr. Siddiqui didn't think it was a big deal. Mr. Siddiqui asked if it was definitely a private system. Mr. Acropolis said yes. Mr. Bilotta asked if it was the private bathroom at the gate. Mr. Acropolis said yes, and it's a private system not the MUAs. Mr. Siddiqui said the MUA doesn't own the pipe. Mr. Acropolis said if the Board decides not to do anything about this, then at least he fulfilled his responsibilities as a Director. Mr. Bilotta interrupted and asked about the reset switch. Mr. Acropolis asked if Mr. Bilotta was really going to interrupt him talking about this and joking about what a reset switch is. Then Mr. Bilotta told him to calm down and continue. Mr. Acropolis said that the Board has to make the decision. Mr. Acropolis has protected himself by notifying the Board and the attorney of what he believes to be an official misconduct by having a commissioner use TRMUA assets for personal gain. Mrs. Clement sits on the board, she had us come over and dispatched a jet truck to come out and pump down the system.

Mr. Acropolis said the Board can let our attorney handle it, refer to the labor attorney or to the OC prosecutor's office. Mr. Acropolis noted that the commissioners can smile and laugh about it. Mr. Siddiqui suggested we ask Mrs. Clement to explain. Mr. Acropolis said he has statements from both the foreman and the employee stating that she told him to call for the jet truck. Mr. Acropolis said he's going to be hard pressed to move forward without a resolution in this issue. Mr. Acropolis noted that he has been in this business a long time, longer than most at this table, and he is not going to put his pension and integrity on the line for someone that thinks the MUA is their personal worker group.

This is not the only issue the Director had. Mr. Acropolis stated he has 21 emails from Mrs. Clement to Len Bundra to have him go over to her house to do computer work for her sometimes paying and sometimes not paying. This is not an isolated incident. Mr. Siddiqui stated he didn't do it on company time. Mr. Acropolis said he was told to pick up a fax machine on company time and bring it to her house at the end of the night to put it in. This was a few years ago. The Director just discovered this because when this issue happened, he went back to the archives and looked at emails because he had heard these rumors over the years. It is an issue. People don't think that picking up the phone and calling the director of public works to say they need stone, come over and dump some stone. This is the same thing. Mr. Acropolis said he has 7 months and he's not going to sit and have this authority questioned. Mr. Acropolis thinks the Board should know this and whatever they decide to do, they do.

Mr. Memoli asked the attorney for a quick synopsis. Mr. Gluck stated he concurs with the potential actions that Mr. Acropolis indicated could be taken, as far as official misconduct charges censure by the Board or the removal of this member's position pending due process and investigation. Mr. Gluck would recommend special counsel to do that, as he represents the Authority, and the special

counsel could make recommendations to the Board as to what action they should take. That way the Board is protected by counsel as he is completely independent. Mr. Bilotta asked Mr. Gluck now that he is aware of the situation, what is his responsibility. Mr. Gluck advised that he has an obligation to the public and the ratepayers to investigate the situation. Mr. Siddiqui asked who would investigate. Mr. Gluck said special counsel. Mr. Bilotta stated he has a responsibility to follow up because he now knows about this. Mr. Gluck agreed. Mr. Gluck said if you are aware and you do nothing about it you're complicit. Mr. Acropolis stated the official misconduct statute is very clear. He was involved with this for four years because of the former mayor. People have gone to jail for a lot less than this, but I'm not saying this rises to that level. Mr. Acropolis said he had to make sure everyone was aware of it and tonight he got the opportunity. Mr. Siddiqui asked if Mr. Acropolis talked to Mrs. Clement about it. Mr. Acropolis said he spoke to her last week when they were discussing hiring practices here at the MUA. Mr. Acropolis said he told her she called a jet truck out and she said she didn't do that. Mr. Acropolis said he had a statement from the employee that said she did. Mr. Siddiqui said he was just wondering if she was aware.

Mr. Valvano stated we need to do a special counsel. Mr. Siddiqui stated we have no choice. Mr. Siddiqui said it's difficult because it's a fellow commissioner. Mr. Gluck said he could give the Board the names of 3 people for special counsel then the Board would approve it. Mr. Acropolis asked if the people here can talk about this outside of this, and Mr. Gluck advised against discussing anything, and said anything talked about in executive session is confidential unless it's made public. Mr. Siddiqui asked Mr. Gluck if someone is going to tell Mrs. Clement. Mr. Gluck said yes he will discuss this with her. Mr. Memoli stated he would defer to counsel to refer someone qualified.

Mr. Valvano asked if we need a motion. Mr. Acropolis said we have to come out of closed to make a motion. Mr. Memoli stated he's very concerned about this situation. Mr. Siddiqui asked legal if there would be more than just this one thing or other incidents. Mr. Gluck said in the course of the investigation other things may come out and that would be investigated. Mr. Valvano asked to go back into public session. Mr. Acropolis said you have to go back into public session to vote on a special counsel. Mr. Gluck stated you can say you're going to vote to have a special counsel to investigate a response incident from December 2017.

With no further business to discuss, a motion was made by Mr. Valvano seconded Mr. Bilotta to close the Executive Session and re-open Public Session at 6:07 p.m. The motion was carried by a unanimous voice vote.