

TOMS RIVER MUNICIPAL UTILITIES AUTHORITY

Meeting Number Twelve Hundred Three

Agenda

March 27, 2018

The regular meeting of the Toms River Municipal Utilities Authority was held on Tuesday, March 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, Chairman
- Deborah L. Clement, Vice-Chairperson
- Joseph G. Bilotta, Commissioner
- Charles S. Valvano, Commissioner
- Tariq M. Siddiqui, Commissioner
- 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 -Absent
- Georgia Benyola, Executive Secretary/Assistant Sec’y.

Meeting #1203 was called to order at 4:30 p.m., March 27, 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. Siddiqui, Mr. Valvano, Mr. Bilotta, Mrs. Clement and Mr. Memoli were present.

Election of Officers for 2018

2A-1 Chairperson

Mr. Valvano made a motion to appoint Carmen J. Memoli to serve as Chairman for 2018 and was seconded by Mr. Bilotta. A roll call vote was taken with Mr. Valvano, Mr. Bilotta, Mrs. Clement, Mr. Memoli and Mr. Siddiqui all casting affirmative votes.

2A-2 Vice-Chairperson

Mr. Bilotta made a motion to appoint Deborah L. Clement to serve as Vice-Chairperson for 2018 and was seconded by Mr. Siddiqui. A roll call vote was taken with Mr. Bilotta, Mr. Siddiqui, Mr. Valvano, Mrs. Clement and Mr. Memoli all casting affirmative votes.

At this point, Mr. Acropolis asked if it was appropriate for him to speak before the Board. Chairman Memoli approved his request. As Mr. Acropolis stood and handed a letter to each of the Board members, he proceeded to say that this was his letter of retirement from the MUA as of September 30, 2018. Mr. Acropolis stated that with the change of leadership and his upcoming retirement, he thought it would be a good idea to make some remarks publicizing some of the good work we've done. Mr. Acropolis mentioned that over the past eight years since he and the Board have worked together, they accomplished many things. As per prior to his arrival, he said he would leave it up to other Board members that were here in the past to mark those past accomplishments. The Director went over some of the accomplishments that they were able to do in the last eight years. They are mentioned below:

No Lost Time Accidents

Six out of the last eight years, we've had no lost time accidents. What that means is that no one has gotten hurt here bad enough to miss one day of work. That is really a phenomenal accomplishment. A lot goes to our Safety/Compliance Officer, Mr. Rutkowski and our employees for buying in to the safety of construction. A lot of people get hurt in construction and although we cannot eliminate all accidents, we have done much better than in the past.

Solar Panels

We have been able to put up solar panels. Having solar panels installed at the MUA sets a good example of environmental stewardship. Additional savings to the ratepayers were a prime factor in the installation of the panels.

Wave Awards at the NJEA

We have received three WAVE Awards in the last eight years. They are permanently displayed in the lobby.

Governor Safety Award

We have gotten the Governors Safety Award numerous times. Again it goes to the Lost Time Accidents. We also qualified for the NJUA Jif Safety Incentive Program each and every year.

Parking Lot Upgrades

The parking lots at the MUA had been in need of paving and had been in the planning stages since 2000. We were able to get that done during his tenure.

Fuel Pump Canopy

A canopy was installed over the fuel pumps that adds to the safety factor of refueling and also provides another environmental upgrade which can reduce fuel spills and keep the people dry when refueling.

OCUA Savings

A lot of this goes to Mr. Otten and Operations in a lot of things we've done, we are saving approximately 1.5 million dollars a year. That is by far our largest pass through item to the OCUA, it's 65% of our budget. We collect it and it goes directly to the OCUA.

Infrastructure Upgrades

Infrastructure upgrades including relining, dig & replace and more. During this time period, we have seen significant upgrades to the capital plant of the MUA. These upgrades have been an ongoing process and will lead to further savings.

Infiltration Clamp Installations

This was approved by the Board and we were the first utility in the State of New Jersey to use this type of clamp procedure to eliminate infiltration. It eliminates the need to dig and replace pipe, that's where the camera pulls in that stainless steel clamp, a balloon inflates, ratchets open and stops the infiltration. There was an article written recently about that as well. We do it better than and more than anybody else in the State.

Parallel Force Mains

The NJDEP came out with a recommendation to have a parallel force main for all pump stations to facilitate cleaning and potential emergency situations. The MUA now has more parallel force mains than probably any other utility in the State of New Jersey.

Pump Station Upgrades

All pump stations have been upgraded and are producing savings not only in man hours and maintenance costs but also electricity savings as well. This past three day duty, we had nine hours of callout, so that was only three calls for our guys.

Pump Station Alarm Systems

The MUA upgraded alarm systems to better determine the issues when an alarm comes in. This allows personnel to respond with the right resources in a timelier manner and saving money.

No Union Grievances Filed in 8 Years

Grievances normally detail moral issues sometimes general negative issues with the employee workforce. Mr. Acropolis was pleased to say that no grievances were filed during his tenure. He believed that his open door policy and his hands on management style contributed to that positive atmosphere at the MUA. As you know prior to his arrival, there were many issues. Some resulted in major accidents, injury and even death. No grievances filed in eight years. None.

All Contracts Settled Within Their Time Frame

Prior to Mr. Acropolis' arrival, Union contract negotiations dragged on, in some cases for years, leading to unknown budgetary numbers, making it difficult to plan. He was pleased to say that all contracts were settled in the time allotted for the new contract to take effect.

Pole Barn Approved to Protect MUA Assets

After spending money on upgrading equipment, it is imperative that the equipment is protected. The pole barn will help us elongate the life of a lot of equipment that we own.

Security Cameras Approved at All Pump Stations

With the potential for intrusions in our pump stations, possibly causing health, safety and welfare issues, the MUA is in the process of installing cameras and alarm notification at all of our stations. As you know prior to having it done, maybe a month before, we had vandalism at two of our pump stations, one being spray painted and the other having issues with kids.

New Mechanical Plant Approved to Replace 40 Year Old System

Our current boiler is over 40 years old so we have embarked on some information to see which way we are going to move.

New Efficiency Lighting Partially Paid for Through Grant Programs

The MUA has upgraded all of our lighting to take advantage of grant opportunities that were available which will again lead to savings for our ratepayers and reduce maintenance costs and man hour costs.

Qualified Purchasing Agent

We now have a Qualified Purchasing Agent on staff that allows us to have a higher bid threshold that permits us to take advantage of savings during the bidding process.

New Internal Purchase Controls to Comply with State Requirements

These were approved probably the second year Mr. Acropolis was here. The QPA instituted the IPCs, that lead to savings during the purchasing process. Quote and bid threshold numbers have increased for use during every day purchasing situations. The threshold now is \$40,000, because we have QPAs on staff and because the State keeps increasing those numbers.

Numerous Articles on the MUA

As you know, we've been published recently in many different forms, the Asbury Park Press, ARC news and other industry related publications. While publicity is not always what a utility wants, we have been written up in many publications. Mr. Acropolis mentioned that during his term, there was an article after Super Storm Sandy when an Asbury Park Press reporter was called with a potential problem at pump station 16. When they went out there it actually turned into a very positive piece for the MUA.

Super Storm Sandy

One of the things that often is neglected because we forget about it, is Super Storm Sandy. This utility and this Board was able to weather the worst storm ever in New Jersey's history. We provided emergency service personnel with a backup in providing rescues, generator support, pipe and street locations, when there were no streets there. Then when the rebuild happened, we were a main source of information during this process that is still going on today. We were able to reduce or eliminate charges for affected ratepayers for several years until repairs were made to their homes and businesses, all while maintaining a stable rate. There had been no greater event that occurred than Super Storm Sandy during his career.

Super Storm Sandy and Our GIS

The TRMUA was recognized nationally as the leading GIS system in the State in reference to Storm information. We were contacted by many in State and out of State organizations asking how we used our system and what could be learned to help with events of this magnitude in the future.

Cutting Edge HoloLens Technology

This technology was initiated by the TRMUA and developed with the help of an outside vendor. This technology is historical and ground breaking and even today we are being contacted. Most recently, we were contacted by people in Texas wanting to come up and see what we are doing. We were recently published in the ARC News which is distributed to over 1.2 million readers.

Transitioned Two Forman Positions

We were able to promote two employees to two forman positions after retirements. Mr. Acropolis mentioned that prior to his arrival and prior to these promotions made from within, a newly hired forman resigned after about two weeks on the job due to friction with other employees.

New Formen Offices

We were able to reconstruct and reconfigure the formen's offices with all of the work being done by our in-house construction crew. This reconfiguration led to facilitating more crew communication which inevitably leads to greater productivity and cost savings.

Transition of Health Insurance Fund

This has allowed us to save hundreds of thousands of dollars of ratepayer money while still providing the same level to our employees.

Township Appropriation

This Board has approved almost \$9,000,000.00 paid to the Township from ratepayer funds as part of the Township appropriation over the past 8 or 9 years.

Mr. Acropolis proceeded to say that while he was only carrying out policy set forth by this Board during these past several years and while some have recently said "we need to go in a different direction", he does not believe that. He believes that this partial list of our accomplishments together and the Board always setting a good example with all of us working together, we have made the TRMUA the best MUA in the State. That doesn't happen with only one person doing all of the work but with many people in many different positions doing many different things to accomplish a shared vision and ultimately a shared goal. He also stated that we have had many great employees here at the MUA and he has been privileged to lead them these past almost eight years.

With that, the Director stated that the Board has his retirement letter and he will be looking forward to the next six meetings. The Director thanked Chairman Memoli for indulging him in a little trip down memory lane. It's been a very fun 8 years.

2B Appointment of Professionals for 2018

Chairman Memoli asked for a motion to award all the professionals, which was agreed upon by Counsel. A motion was made by Mr. Valvano and seconded by Mr. Bilotta to accept the appointment of

the Professionals, as noted in the resolutions and agenda as 2B, 1-7. Counsel asked if there were any questions. The Director commented that when we request proposals and professionals send their proposal documents to us, as long as they meet our requirements and abide by the hourly rates that have been set, they are approved. If you remember about three years ago, there was an issue when the Board decided to exclude one engineering firm. That firm then asked on what basis did you say you approve or disapproved people and so instead of getting into a back and forth situation, which could open us up to potential litigation, we accept anyone who applies, as long as they meet the requirements; unless of course, it's a profession which we can only accept one. Mr. Siddiqui also asked when we award contracts, he would like to look into establishing procedures on how to award contracts during the year. With no abstains or other questions, a roll call vote was taken with Mr. Valvano, Mr. Bilotta, Mrs. Clement, Mr. Siddiqui and Mr. Memoli all casting affirmative votes.

2G Committee Appointments for 2018

Chairman Memoli introduced his 2018 Committees to the Board referring to agenda item 2G from last month. Since there were no questions or conflicts to discuss, the Committees, which will be subject to change as needed, will stand as presented. The appointed committees are as follows:

- Legal - Deborah Clement, Chair; Tariq Siddiqui
- Finance - Charles Valvano, Chair; Joseph Bilotta
- Personnel - Joseph Bilotta, Chair; Charles Valvano
- Engineering & Technology - Tariq Siddiqui, Chair; Deborah Clement
- Liaison to Township - Carmen Memoli, Chair
- User Charge - Deborah Clement, Chair
- Land - Joseph Bilotta, Chair
- AD HOC/Union Contracts - Carmen Memoli, Chair
- Regionalization - Deborah Clement, Chair; Tariq Siddiqui

Minutes of Meetings for Approval

A. Meeting #1202 February 27, 2018 - New Submission

A motion was made by Mr. Valvano and seconded by Mr. Bilotta to approve the minutes of Meeting #1202 February 27, 2018 as written. A roll call vote was taken with Mr. Valvano, Mr. Bilotta, Mr. Siddiqui and Mr. Memoli all casting affirmative votes. Mrs. Clement abstained as she was not in attendance.

Disbursements

A motion was made by Mrs. Clement and seconded by Mr. Siddiqui to approve payment of the disbursements as listed in the amount of \$1,186,265.82. A roll call vote was taken with Mrs. Clement, Mr. Siddiqui, Mr. Valvano, Mr. Bilotta and Mr. Memoli, all casting affirmative votes with Mr. Memoli abstaining on payment to Dynamic Testing Service.

Additional Disbursements

There were no additional disbursements.

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, Mr. Bilotta, Mr. Siddiqui and Mr. Memoli all casting affirmative votes.

Financial Reports

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

Finance & Investments:

Mr. Valvano started by saying that he and Mr. Bilotta had an outstanding finance meeting that included Executive Director Acropolis, Mrs. Rosetto, Mr. Lee, and Mr. Rutkowski. Mr. Valvano and Mr. Bilotta agreed that this was probably the best meeting they've ever been to at the MUA. Mr. Valvano proceeded to say the Finance Committee over the years had really been the Investment Committee and now things have changed and are slowly changing to where we have to start thinking about Bonding, AKA Debt Financing, in the future. He also mentioned that it's not something that is 100% certain until the Finance Committee can meet with employees and professionals for further discussions. The Committee is leaning towards a bonding in the future. The meeting has been scheduled by Mrs. Rosetto for late April. Both Mr. Valvano and Mr. Bilotta are looking forward to the meeting. Mr. Valvano stated that there will be many qualified people in the room, including the Committee members, giving their opinions of how we can go forward.

The Committee also talked about how the employees have done such an outstanding job in saving the Authority money. Mr. Valvano has heard that employees have done seminars where they can repair things underground for as little as \$500.00 instead of expensive \$35,000.00 dig ups. Again Mr. Valvano noted, the Finance Committee is slowly not the Investment Committee anymore we're the Money Committee. Mr. Valvano and Mr. Bilotta noted that they never left a meeting where everyone was extremely happy and would like to thank the employees there and the employees that are saving the Authority money. The Committee members are looking forward to working with the professionals and employees in the future and they also wanted to say that they are very respectful of the employees' time and will only have these meetings with the employees when it's absolutely necessary, as they do not want to take up their valuable time. With that being said, we will need them though in the near future.

As to the regular committee reporting, Mr. Valvano stated that the Federal Reserve has raised rates five times in the past year and a half and according to their new Chair, they are going to raise rates three times this year and three times next year, which sort of morphed into his previous comment that if we are going to Bond, we need to start thinking about it because the Fed Chair is clearly letting the financial community know rates are going up.

At this time, Mr. Valvano took a moment to compliment his fellow Commissioner on the Finance Committee. When the Finance Committee was the Investment Committee, in the private sector Mr. Valvano stated that he was an equity finance guy. Mr. Valvano stated that Mr. Bilotta taught him about CMOs and people over the years always complimented Mr. Valvano. Mr. Valvano mentioned that not only is Mr. Bilotta a good colleague, he's also his friend. When they do have a difference of opinion, they quickly work it out. They both work well together. They also do their best for the Authority. Mr. Valvano thanked Mr. Bilotta. Both were happy that they were appointed to be on the Finance Committee together again, and thanked Chairman Memoli for keeping them there.

Mr. Valvano mentioned that since we are not investing in CMOs at the present time and we are looking in a different direction, he made a motion, seconded by Mr. Bilotta, to reinvest the available funds of \$33,975.76 in the Ocean First Trust Custodial Account. A roll call vote was taken with Mr. Valvano, Mr. Bilotta, Mr. Siddiqui, Mrs. Clement and Mr. Memoli all casting affirmative votes.

Operating Reports

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

Development Applications-Major Sub Divisions

There were no applications submitted for approval.

Authority Meeting

The next Authority meeting was confirmed for Tuesday, April 24, 2018 at 4:30 p.m.
Appointed Official Training for Commissioners/Executive Director will also take place on Tuesday, April 24, 2018 at 4:00 p.m.

Adoption of Resolutions Authorizing Capital Purchases

A motion was made by Mr. Valvano and seconded by Mrs. Clement approving the following resolutions, 9A-2A through 9A-5:

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

9A-3 - Authorization was given to approve a subsidiary contract for the Purchase and Delivery of Regulatory Signs awarded to Garden State Highway Products, Inc., 301 Riverside Drive, Millville, NJ 08322 in an amount not to exceed \$2,000.00 and that the Executive Director is authorized to execute and the Assistant Secretary to attest to the proposed form of agreement; and

9A-4 - Authorization was given for a Shared Services Agreement between the Toms River Municipal Utilities Authority and the South Toms River Sewerage Authority; and

9A-5 - Authorization was given for a Shared Services Agreement between the Toms River Municipal Utilities Authority and the Lakewood Township Municipal Utilities Authority.

Mr. Valvano and Mrs. Clement had questions regarding shared services. Mr. Valvano asked if we were to perform work on someone else's system, can they ever come back and say we did poor work and can there be a legal case against us. Counsel stated that they certainly could but there is an indemnification clause in the agreement. Mrs. Clement commented that we had always included in our past agreements that we would not just hand over our equipment. Mr. Gluck stated that we operate the equipment but Mrs. Clement stated she could not find it mentioned in the two documents. Mr. Acropolis mentioned that there are so many hypotheticals that it's an understood rule. Mrs. Clement asked Counsel if he was alright with that and he agreed.

With no further questions, a roll call vote was taken with Mr. Valvano, Mrs. Clement, Mr. Siddiqui, Mr. Bilotta and Mr. Memoli all casting affirmative votes.

9A-6 - A motion was made by Mr. Valvano and seconded by Mr. Siddiqui terminating Executive Director's additional duties, responsibilities, title and stipend as Acting Director of Operations effective October 1, 2018. Mr. Valvano questioned if this was even applicable with the Executive Director retiring. Mr. Gluck explained that the Executive Director's contract currently goes beyond his retirement date and he could at some point, if circumstances change, decide not to retire. The intent of the Board would be to eliminate the Director from having to do both jobs. The Director noted that the Board would actually have to approve him changing the retirement date, as per State Law. A roll call vote was taken with Mr. Valvano, Mr. Siddiqui, Mrs. Clement, Mr. Bilotta and Mr. Memoli all casting affirmative votes.

9A-7 – The resolution for the standard operating policies and procedures for Commissioners contact with Authority staff was not adopted. No motion was made. Mr. Siddiqui commented that first of all, he agrees with that protocol and as the Director knows, he follows that protocol. He stated that as a courtesy he will do it but he does not want to be told to do it. Mr. Valvano stated former Chairman Bellu asked everyone to kindly inform the Executive Director when they were going to talk to an employee and at the time all the Commissioners agreed upon it and it sounded good.

Unfinished Business

Mr. Acropolis commented that the unfinished business referred to 2D Upgrade of HVAC Project that was on the agenda last month and was tabled 2-27-18.

At the time, Mr. Siddiqui wanted to have the project reviewed by a consultant engineer. The Director held a meeting with all concerned and Mr. Siddiqui came up with some good points and others had some more questions. The engineer came up with a revised proposal for professional services. The Director stated that everybody can take a look at it and hold it if they want and do whatever the Board would like to do somewhere down the road or if the Board would like to move on it now, that can be done also. At first, Mr. Siddiqui commented that he wasn't very comfortable with it but today he is ready to go forward with phase one of the new proposal.

A motion was made by Mr. Siddiqui and seconded by Mrs. Clement, approving the engineer's proposal to proceed with phase one and not to exceed \$25,900.00. Mr. Valvano was concerned about the time frame. He said our employees are doing a great job and he does not want them to go into heat shock if we have a problem with the system. Mr. Siddiqui did not know how long it would take but mentioned that it should be done the right way. The Director mentioned that the engineers had said it would take three or four weeks to do the study and they can have a recommendation to the Board by the next meeting. Mrs. Clement asked if it would be planned accordingly so that no one is inconvenienced. Director noted the engineer was going to oversee the project. Once they decide what they are going to do, there will be an outside set of eyes overseeing whoever gets the work. If new duct work goes up, it will be a long process. If it's split units, it will be a shorter process with less disturbance. Mr. Siddiqui stated that it might go through the summer. Mrs. Clement just wanted to make sure that someone would be coordinating/scheduling the study. Mr. Valvano, for the record, wanted to say that the old refrigerant is being outlawed. A roll call vote was taken with Mr. Siddiqui, Mrs. Clement, Mr. Valvano, Mr. Bilotta and Mr. Memoli all casting affirmative votes. Counsel will prepare the resolution ratifying the above.

Committee Reports

Legal

1. Mr. Gluck mailed out the litigation and status letter today to Holman & Frenia for the audits.
2. There's no threat of potential litigation, other than we already have.
3. Mr. Gluck took care of the two shared services agreement that were approved tonight. He is also talking to Peter Van Dyke and Brian Kubiak about re-doing the Board of Fire Commissioners, as they're looking to tweaking it a little. Counsel will be sending out a draft in about a week or the next meeting.
4. On Manchester, Mr. Gluck is still looking to hear back from Mr. Dasti as to what they want to do with their new agreement.
5. Counsel will go to executive session to update the Board on the AM Liner East contract.
6. The status on the Earle litigation is that they still have not received the final judgement from Monmouth County.

Finance

Mr. Valvano stated that everything was said in the Finance report.

Engineering

Mrs. Clement and Mr. Otten had a meeting via telephone on Friday, April 23, 2018. The following are highlights from the engineering report submitted by Mr. Otten:

1. Pump Station 15 and 20 suffered some delay due to weather scheduling concerns. The FM 15 is essentially complete (Strickland Blvd); however, FM 20 (W. Pt. Island) work has to begin and be completed by mid-May 2018.

2. The two remaining lining contracts, SR-01-16B & SR-01-16C, have completed the following: 2 miles of 8", 10" & 12" 0 pipe, 40 laterals.

3. The interior mechanical repair clamps have been utilized with great success by our rehab crew. These clamps are installed as an interior sleeve within a pipe, as a means of covering, repairing cracks and holes, therefore, adding structural support, as well as preventing groundwater infiltration, root intrusion, etc. The MUA began implementing this repair method in December 2016, and has installed 104 at various separate pipe locations throughout the collection system.

Land

None

Personnel

None

Correspondence

None

Public Comment

Chairman Memoli opened the meeting to comments from the Public. Anthony Benyola introduced him and stated that he had a couple of things to say. Mr. Benyola stated that he is a Township employee in Toms River. He mentioned that he deals a lot with the MUA in many different ways: ie, shared services, snow plowing and he wanted to commend the Board for the relationship they've had between Public Works and TRMUA.

Mr. Benyola is very sadden to hear that Mr. Acropolis is actually leaving and retiring in September. Mr. Benyola knows everyone on the Board, he's worked and sat on that commission. He stated that they've did a lot of good things when Mr. Acropolis became the Director and he still continues to do great things. Under Mr. Acropolis' leadership, Mr. Benyola stated that whenever he made phone calls or asked for his assistance, he would always be there. He has always done the right thing, including his staff, particularly Bernie, who Mr. Benyola deals with a lot. Mr. Benyola wants to make sure that the Authority understands and knows that under his leadership, as Deputy Director, he's had many, many good dealings with Mr. Acropolis. He applauded Mr. Acropolis for all that he has done here and he is sadden that Mr. Acropolis is leaving. Mr. Benyola said, to be honest with everybody, this is the first he's hearing about it. There was some talk in the past but to actually see it happen will be a sad day for everyone. He hopes that Mr. Acropolis' successor is half as good as he.

On that note, Mr. Benyola thanked the Authority for all they've done and continue to do for Public Works and him, as it makes his job a lot easier as he is responsible for all the EMSs, First Aids and Fire Departments in clearing those particular situations every snow storm. Mr. Benyola said that dealing with the MUA men and what they do for him and the communication with them is incredibly the best. He can't ask for better men and employees that we have, that work directly for him during the snow storms. Mr. Benyola added "Steve I hate to see you leave and I thank you for all the support you gave Public Works and to me". Mr. Memoli and Mr. Valvano thanked Mr. Benyola for his comments.

With no other public comments, Mr. Memoli closed the public portion of the meeting.

Correspondence

None

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 5:31 p.m. to discuss personnel matters, litigation and potential litigation. The motion was carried by a unanimous voice vote.

Public Session Reconvened at 5:45 p.m.

A motion was made by Mr. Valvano and seconded by Mr. Bilotta to rescind last month's vote on the appointment of the special counsel. A roll call vote was taken with Mr. Valvano, Mr. Bilotta, Mr. Siddiqui and Mr. Memoli all casting affirmative votes. Mrs. Clement abstained.

With no further business to come before the Board, a motion was made by Mr. Siddiqui and seconded by Mrs. Clement to adjourn the meeting at 5:46 p.m. The motion was carried by unanimous voice vote.

TOMS RIVER MUNICIPAL UTILITIES AUTHORITY
Meeting Number Twelve Hundred Three

Executive Session

Executive Session convened at 5:32 p.m.

March 27, 2018

The following were present:

Carmen J. Memoli, Chairman

Deborah L. Clement, Vice-Chairperson

Joseph G. Bilotta, Commissioner

Charles S. Valvano, Commissioner

Tariq M. Siddiqui, Commissioner

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 - Absent

Georgia Benyola, Executive Secretary/Assistant Secretary

Mrs. Rosetto was excused from the meeting and Mr. Acropolis had a previous engagement.

While waiting for Mrs. Rosetto to get signatures from both Chairman Memoli and Vice Chairman Clement for the bank, Mr. Acropolis stated that Mr. Otten and Mr. Rutkowski will remain to discuss the AM Liner East, Inc. contract that Mr. Gluck noted in his report at the public meeting. Mr. Acropolis had a previous engagement and had to leave at this point.

AM-Liner East, Inc. - As you know, we terminated the A-M Liner East, Inc. contract. The contract specs that was put on the record allowed the Authority to "terminate for convenience". They were an inconvenient contractor for everybody involved with multiple issues with their work, their performance, their timeliness, the way they handled the job, the way they handled traffic flow and numerous others. They are certainly entitled to get paid for something. Counsel asked them for a demand and the response was for \$237,000.00. They had Mr. Otten and Mr. Rutkowski look at it and determined the cost to be \$164,000.00. We responded and AM-Liner then asked for \$200,000.00. That demand includes items that they are not necessary entitled to be paid. Mr. Leone and Mr. Otten have been going back and forth and Counsel thinks that Mr. Otten is in the position to relook at this and come back with a range for a recommended settlement. Counsel will get back to the Board at the next meeting with their recommendation.

Just to be clear for the record, Counsel stated that we did not pass the resolution to award Bahr the contract for the upgrade of the HVAC project. It was only to start phase one of the engineer's proposal.

At this point, Chairman Memoli excused Mr. Otten and Mr. Rutkowski from the meeting.

The other issue Mr. Gluck wanted to bring up was left unfinished from the last meeting. Mr. Gluck stated that there was a presentation by Mr. Acropolis of an incident that occurred in Lake Ridge, which we now know was in November of 2017 not December of 2017. There was an email that was presented from Bill McDonald. It was dated February 20th, some four months later after the incident. It was really a hear-say email. He was reporting what supposedly somebody else told him happened out on the site. It was initially a recommendation that a special counsel be hired to investigate the matter and make recommendations to the Board.

Mr. Gluck took the opportunity to speak to Mrs. Clement about incident. He read the email again, spoke to counsel from Lake Ridge and spoke to the Chairman and Mr. Acropolis, in a separate meeting, to try to come up with a resolution for this rather than go out to counsel to see if there was something that everybody could come to an agreement on.

Based upon that at this point, Mr. Gluck did not think that the facts were as clear cut as they were when presented to the Authority. He thinks that the way it went down out in the field is probably on par with what would have happened even if it happened at a homeowner's house with somebody who wasn't a commissioner at the site. There is an account in Lake Ridge that they have with the Authority, so they are a ratepayer for us. Mr. Gluck's recommendation at this point, would be to rescind the vote to hire a special counsel to investigate, to send a bill for the overtime that was incurred for the response to Lake Ridge, which Counsel said was 3 man hours, and to just reiterate that if it's a private system, the private system owner should have contracts in place to deal with this, if it's determined that it is not the MUA's problem or the MUA could look into whether or not they want to be a contract service provider to these different entities.

At this point, Mr. Gluck doesn't think that there should be any admissions on anybody's part for anything. He thinks this was candidly mishandled, especially coming four months after it happened. Mr. Gluck noted that Mr. Acropolis is in agreement that this should move forward and terminate at this point. The Chairman asked and Counsel replied that a motion will have to be made to rescind the resolution when we reconvene.

Mr. Gluck stated that he is completely comfortable with that as he is saying that it's his recommendation to the Board. At this point, even though he didn't want to, having to investigate it himself and listen to all the sides and come to a determination and recommendation to the Board. He tried to be completely hands off but that wasn't going to work. The Chairman thanked Counsel.

Mr. Siddiqui mentioned that he felt they rushed that night. After leaving here that night, he felt that he wanted to ask if he could rescind his vote because he didn't have anything to look at or to investigate. There was no paper given for them to read, insufficient facts, it was just a bad day and he wanted to forget it. Counsel agreed that it was a bad day along with everyone else. The Chairman and the Commissioners apologized to Mrs. Clement for the rough two weeks regarding this matter. Mrs. Clement thanked them.

Mrs. Clement wanted to say just so that everyone was clear, that day was Veterans Day and she didn't realize that it was a holiday for the office. She only showed up because at Lake Ridge they have alarm duty and she was on alarm duty for November and December. She was outside of Lake Ridge coming back when she got the call. She didn't want them to think that she showed up at this call saying they have a possible back-up call for sewerage coming from the guard and the plumbers that were there. She only showed up because she got called and was coming back in. That's all she wanted to say. She did not show up by any means as a commissioner.

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 5:45 p.m. The motion was carried by a unanimous voice vote.