

WESTERN MONMOUTH UTILITIES AUTHORITY

PUBLIC MEETING

May 16<sup>th</sup>, 2013

Chairman Pernice called the Western Monmouth Utilities Authority's Public meeting to order at 7:32PM. It was announced that pursuant to the Open Public Meeting Act and N.J.S.A. 10:4-6 et seq., adequate notice of this meeting has been sent to the Asbury Park Press, The Star Ledger, Clerks of Manalapan and Marlboro Townships, and is posted in the lobby of the Western Monmouth Utilities Authority ("W.M.U.A.")

Upon roll call:

Present:	Messrs. McEnery, Musich and Pernice
Absent:	Commissioner Rosen
Also in Attendance:	J. Miller, Wisniewski & Associates T. Gillen, CME Associates K. Henderson, T&M, Engineer G. Stankiewicz, Auditor R. Smith, Plant Superintendent G. Kasternakis, Maintenance Supervisor M. Seidenberg, Director of Finance K. Leatherman, General Manager A. Finnerty, Authority Clerk

All present cited the Pledge of Allegiance.

Chairman Pernice asked if there was any public comment.

Bhasker R. Halari of Concept Engineering addressed the meeting representing Antonio Pereira, developer of Pear Tree Plaza, project #469. He is asking on behalf of Antonio Pereira for reduced connection fees. Mr. Halari stated he will turn the meeting over to Mr. Pereira and answer any technical questions the commissioners may have. Antonio Pereira addressed the commissioners. He stated that Pear Tree Plaza has a failing septic system. In 2009, he sent fees to the Authority to connect to the sewer. The connection fee has been reassessed and the EDCU count is higher. Mr. Halari stated that the water consumption is considerably less and feels that the connection fee should be lower. Chairman Pernice stated that our connection fees are not based on water usage but he asked Mr. Gillen to explain. Tim Gillen stated that CME took over the application process from the Authority's previous engineer. The plans were submitted by John Ploskonka of Concept Engineering and Pear Tree Plaza was supposed to tie in the Wawa facility. A directional drill was to be used across Route 33 to connect to a manhole that was being constructed by Wawa and an extension up to the property to service each individual building. Those structures lead to a central septic facility/ field. As a result of that, each building has a lateral that goes to the septic field which is now experiencing problems. Our rules and regulations require each structure or structure that is occupied by multiple tenants be considered on an individual basis. The connection fee is based on the number of structures on the property and/or the number of tenants in each

building. Concept Engineering is requesting that we base the connection fee on the calculation of water flow from each building. CME has yet to ascertain where the calculated meter flows are coming from. CME ultimately based the connection fee calculation based on our rules and regulations. Keith Henderson stated that when this project first came to the attention to the authority many years ago, they had the option of running a line to Wawa; they made the decision to construct a septic system instead. Chairman Pernice addressed Mr. Pereira and stated that we are currently aware of the state of the economy but we cannot alter our rules and regulations. Chairman Pernice stated that Mr. Pereira can send a written request for a connection fee payment plan up to 36 months.

Chairman Pernice closed the public portion of the meeting.

Chairman Pernice proceeded with discussion.

- Chairman Pernice asked for comment on the Connection Fee Calculation. Gerry Stankiewicz stated that the connection fee will increase from \$3,907.00 to \$3,973.00. The connection fees go up every year. It is based on debt service and a statute that must be followed. When the debt service slows down, the connection fee calculation is different. The public hearing is scheduled for June 20<sup>th</sup>, 2013. Mr. Stankiewicz stated at the June 6<sup>th</sup>, meeting he will address any questions that the commissioners may have.
- Chairman Pernice asked for comment on the Energy Auction. Ms. Leatherman stated that the energy auction was conducted at 11AM. We were at .8025 which was now reduced to .0765 for 24 months which is about a \$45,000.00 annual savings.
- Chairman Pernice asked for comment on Meadow Creek @ Manalapan, project #372. Keith Henderson stated that T&M has advised a reduction in performance bonds and cash surety.
- Chairman Pernice asked for comment on the new employee. George Kasternakis stated that we have hired a licensed electrician with an extensive electrical background in industrial and residential service. His salary has been confirmed by the terms of the union contract.
- Chairman Pernice asked for comment on the website. Ms. Leatherman stated that she provided a proposal for all the commissioners. Chairman Pernice wants to make the website more user friendly for our customers. Chairman Pernice provided the contact from Marlboro Township for Ms. Leatherman and Ms. Seidenberg. Chairman Pernice requested that our website be equipped with alert notifications for our customer. Ms. Leatherman stated that this was provided in the proposal.
- Chairman Pernice asked for comment on the pump stations. Tim Gillen and Keith Henderson researched the pump stations and provided a report for the Authority. Chairman Pernice would like to have some meetings with the professionals to create some pump station changes in our rules and regulations. Tim Gillen suggested that we have our financial advisor involved with these meetings. We would like new developers to offer some bonds before any new pump stations are built. Mr. Stankiewicz stated we should try and do a 15 year capital budget. Tim Gillen stated that for several clients they do a long term capital budget and you have to ascertain current situations, for example, Super

Storm Sandy really caused many financial issues for many authorities. Chairman Pernice would like to be prepared to present this information to the townships.

- Chairman Pernice asked for comment regarding the grease traps. He asked John Miller to revise the language for the new grease trap regulations to enter into our rules and regulations. Tim Gillen stated that 99 % of the time the blockages are attributable to inappropriate maintenance of the grease traps. Cleaning products also play a large part in grease trap maintenance. The determination of a bill to clean up a blockage is based on the union contract. Tim Gillen stated that wording should also encompass any other ancillary costs to the authority because we may have to bring in a second contractor to clean or remove a blockage.

Chairman Pernice asked if there were any other questions and asked for a motion on Resolutions #13-68 thru 13-75.

13-68	Accepting Minutes of April 4 <sup>th</sup> , 2013
13-69	Accepting Minutes of April 18 <sup>th</sup> , 2013
13-70	Authorizing Budget Transfer #2
13-71	Authorizing the Reduction of Performance Bond and Cash Surety for Wawa, Inc. #439
13-72	Granting Approval to American Plaza, LLC #532
13-73	Authorizing Public Hearing to Set New Connection Fee 2013-2014
13-74	Authorizing Employment of Robert Pala as Maintenance Operator
13-75	Amending Personnel Manual

Chairman Pernice asked for any comment on Resolution 13-68, there were none. Commissioner Musich moved, seconded by Commissioner McEnergy. Upon roll call the vote was as follows:

AYES:	Messrs.' McEnergy, Musich and Pernice
NAYS:	None
ABSENT:	Commissioner Rosen
ABSTENTIONS:	None

Chairman Pernice asked for any comment on Resolution 13-69. Chairman Pernice moved, seconded by Commissioner McEnergy. Upon roll call the vote was as follows:

AYES:	Messrs.' McEnergy and Pernice
NAYS:	None
ABSENT:	Commissioner Rosen
ABSTENTIONS:	Commissioner Musich

Chairman Pernice asked for any comment on Resolution 13-70. Ms. Leatherman stated that we are just moving money from one line item to another. Commissioner Musich moved, seconded by Commissioner McEnergy. Upon roll call the vote was as follows:

AYES:	Messrs.' McEnergy, Musich and Pernice
NAYS:	None

ABSENT: Commissioner Rosen  
ABSTENTIONS: None

Chairman Pernice asked for any comment on Resolution 13-71. Commissioner Musich asked if the issues were resolved. Keith Henderson stated that we are still holding \$60,000.00 to address infiltration issues. Commissioner Musich moved, seconded by Commissioner McEnergy. Upon roll call the vote was as follows:

AYES: Messrs.' McEnergy, Musich and Pernice  
NAYS: None  
ABSENT: Commissioner Rosen  
ABSTENTIONS: None

Chairman Pernice asked for any comment on Resolution 13-72. Tim Gillen stated that the project is moving along which is on the same property as Costco, tributary to a private pump station. Commissioner Musich moved, seconded by Commissioner McEnergy. Upon roll call the vote was as follows:

AYES: Messrs.' McEnergy, Musich and Pernice  
NAYS: None  
ABSENT: Commissioner Rosen  
ABSTENTIONS: None

Chairman Pernice asked for any comment on Resolution 13-73. Commissioner McEnergy moved, seconded by Commissioner Musich. Upon roll call the vote was as follows:

AYES: Messrs.' McEnergy, Musich and Pernice  
NAYS: None  
ABSENT: Commissioner Rosen  
ABSTENTIONS: None

Chairman Pernice asked for any comment on Resolution 13-74. Commissioner Musich moved, seconded by Commissioner McEnergy. Upon roll call the vote was as follows:

AYES: Messrs.' McEnergy, Musich and Pernice  
NAYS: None  
ABSENT: Commissioner Rosen  
ABSTENTIONS: None

Chairman Pernice asked for any comment on Resolution 13-75. This Resolution is for the PTO and vacation accrual for management. Commissioner Musich moved, seconded by Commissioner McEnergy. Upon roll call the vote was as follows:

AYES: Messrs.' McEnergy, Musich and Pernice  
NAYS: None  
ABSENT: Commissioner Rosen  
ABSTENTIONS: None

Gerry Stankiewicz stated that he is required to discuss the "Theory of Constructive Receipt" in regard to the management PTO Resolution #13-75. If an employee has the option to take the money or leave it with the Authority and accrue it - that creates a taxable event. When the employee has the option to defer, it's a taxable event to that person. If the WMUA has the option then it is not a taxable event.

Chairman Pernice asked if there were any comments on the bill list. There were none. Chairman Pernice asked for a motion to move the bill list. Commissioner Musich moved the bill list, seconded by Commissioner McEnery. All present voted aye.

Chairman Pernice asked if there was other Authority business.

Gerry Stankiewicz stated that he will be submitting the Authority Audit and will make it available in a PDF version so that it can be easily posted to our website as required by law. A township clerk has requested that we forward it to them. Mr. Stankiewicz stated he does not want to forward the audit till the commissioners have accepted the audit. Chairman Pernice stated that they will be able to access the audit on our website upon approval of the commissioners. We are required to send a hard copy to the clerks but only upon the approval of the commissioners.

Kathy Leatherman stated that we approved the purchase of the vehicle for \$21,181.00. The options that we wanted are all on state contract. The total price of the truck is \$30,348.00.

Robbie Smith stated that the plant trial of Magnesium Hydroxide has begun. We need a chance to go through all the seasons to really assess the attributes of Magnesium Hydroxide. The DEP requests a year analysis. Tim Gillen stated the concern from the DEP is seasonal fluctuations, temperature changes, etc.

At 8:38 pm Chairman Pernice asked for a motion to close the meeting.

13-76 Authorizing the Commissioner to go into Closed Session for the purpose of Discussing Litigation, Personnel and Contract Negotiations and they will not return to public session. Commissioner McEnery moved, seconded by Commissioner Musich. All present voted aye. The meeting was adjourned.

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