

WESTERN MONMOUTH UTILITIES AUTHORITY

WORKSHOP MEETING

June 5th, 2014

Chairman Rosen called the Western Monmouth Utilities Authority's Public meeting to order at 7:33PM. 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 Home News and Tribune, 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, Mendez, Pernice and Rosen
Absent:	None
Also in Attendance:	J. Wisniewski, Wisniewski & Associates I. Chou, Wisniewski & Associates T. Gillen, CME Associates K. Henderson, T&M, Engineer G. Stankiewicz, Auditor D. Martindell, Facilities Manager R. Smith, Plant Superintendent J. Sawicki, Collections Supervisor G. White, Assistant Collections Supervisor K. Leatherman, General Manager M. Seidenberg, Director of Finance A. Finnerty, Authority Clerk M. Musich, Manalapan Liaison

All present cited the Pledge of Allegiance.

Chairman Rosen asked if there was any public comment.

John Buccellato, a resident of Manalapan stated that he recently applied for a sewer connection. He asked if the Commissioners would consider lowering the amount of the connection fee. He stated that many years ago a pumping station was installed on his street and he believes that there was some reduction in fees offered at that time. Some customers also received new wells for water. Ms. Leatherman stated that the Authority does not dig wells and perhaps it was the water company at the time that offered the free wells. Chairman Rosen stated that we have no evidence regarding any reduction in connection fees. Chairman Rosen stated that we have policies and procedures in place, the Authority cannot reduce the amount of the connection fee. He stated we can offer Mr. Buccellato a connection fee payment plan. Mr. Buccellato thanked the Commissioners for their consideration.

Chairman Rosen proceeded with the meeting.

- Chairman Rosen asked for any comment regarding the Audit Report of 2014. Gerry Stankiewicz stated that the records as presented by the finance office were in very good condition. We have a very good audit environment and very good controls at the Authority. The records are properly documented and we are in compliance with the Local Public Contracts Law. The next meeting will include a Resolution/Certification stating that the Commissioners have reviewed the Audit Report. Mr. Stankiewicz thanked the entire Authority staff for their help during the Audit.
- Chairman Rosen asked for any comment regarding the Connection Fee. Mr. Stankiewicz stated that this is an annual statutory required calculation that was established back in the early 1970's during the development phase. This was a court ordered formula that is designed to put new customers of an Authority on an equal footing and basis with the old customers. Our formula is comprised of capital investments which are, principal, interest, capital outlay and other debt service related costs (\$123,000,000.00); these are divided by our Equivalent Domestic consumer Units (30,081). This results in our connection fee of \$4,092.00. Commissioner Mendez asked if this was an increase from last year. Mr. Stankiewicz stated that this is increase of \$127.00.
- Chairman Rosen asked for any comment regarding the takeover of the Grande at Battleground Pump Station. Mr. Henderson stated the ninety day trial period is over and the deficiencies have been addressed. Commissioner Pernice stated that we should confirm that all the utilities have transferred over into the Authorities name. John Sawicki stated that the Authority has been operating the station during the ninety day trail period and everything is running smoothly.
- Chairman Rosen asked for any comment regarding the K. Hovnanian settlement. John Wisniewski stated that some minor technical issues will be addressed in closed session.
- Chairman Rosen asked for any comment regarding the new Commissioner Policy. There were none.
- Gerry Stankiewicz stated that he needed to discuss a meeting that occurred one month ago regarding a capital budget meeting. He stated that we should arrange another meeting just to fine tune the budget and address some concerns that he had. Ms. Leatherman stated that the professionals will probably be the only people needed to attend with the finance department. Commissioner Pernice stated that the budget is still a work in progress. Our debt obligation is going down and we need to prioritize the projects we need to do.

Chairman Rosen asked if there were any other questions and asked for a motion on Resolutions #14-82 through 14-86. The vote was as follows:

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| 14-82 | Authorizing Connection Fee Payment Plan |
| 14-83 | Awarding Truck Mounted Combination Jet/Vac Sewer Cleaner |
| 14-84 | Authorizing Takeover of the Grande at Battleground Pump Station #2, (201PS2) |
| 14-85 | Authorizing Settlement with K. Hovnanian (TABLED) |

Chairman Rosen asked for any comment on Resolution 14-82, there were no comments. Commissioner Mendez moved, seconded by Commissioner McEnergy. Upon roll call the vote was as follows:

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

Chairman Rosen asked for any comment on Resolutions 14-83. Commissioner Pernice stated that we are awarding the bid to the second lowest bidder. The lowest bidder did not meet all of the specifications of the bid. The second lowest bidder did not include his business registration certificate but this is not considered a fatal defect. Ms. Leatherman stated that it was only mandatory on the WMUA check list, but the statute does not require this information in the bids. John Wisniewski, the WMUA attorney confirmed that the statue is different than the Authority's check list. Commissioner Mendez moved, seconded by Commissioner Pernice. Upon roll call the vote was as follows:

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

Chairman Rosen asked for any comment on Resolution 14-84, there were no comments. Commissioner Mendez moved, seconded by Commissioner McEnergy. Upon roll call the vote was as follows:

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

Chairman Rosen stated that Resolution 14-85, Authorizing the Settlement with K. Hovnanian will be tabled.

Chairman Rosen asked for any comment on Resolution 14-86, there were no comments. Commissioner Mendez moved, seconded by Commissioner Pernice. Upon roll call the vote was as follows:

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

Chairman Rosen asked if there were any comments on the bill list. Commissioner Mendez moved the bill list, seconded by Commissioner McEnery. All present voted aye.

Chairman Rosen asked if there was other Authority business.

Chairman Rosen asked if a letter was sent to Osteria Restaurant in Marlboro. Isabel Chou confirmed that a letter was mailed. Tim Gillen had a meeting with the plumber of Osteria. They met at the site and told the plumber what to do. He is waiting for the plumber to call to arrange the inspection upon completion of the work. John Sawicki attended the meeting. Chairman Rosen asked that we follow up as soon as possible.

Chairman Rosen wanted to confirm that a letter was sent to Marlboro Township regarding fines for sewer spillage due to grease trap maintenance. John Wisniewski stated we can just amend the Authority's Rules and Regulations. John Sawicki stated that the Rules and Regulations really need to be revised and addressed due to the recent amount of inspections. Our DEP inspector is not unhappy with our system at all, but he doesn't like the fact that we are just going to bill accounts for clean-ups; he wants us to be more proactive. The regulations do not to require us to do inspections, all we are doing is cleaning up messes and eventually the Authority will be fined. Mr. Sawicki stated that these restaurants do not really know how to maintain their own grease traps. Commissioner Mendez stated that we should stay in touch regularly with these customers. Ms. Leatherman stated that we have so many commercial customers and it is so difficult to stay on top of this situation as businesses keep opening and closing.

Commissioner Pernice stated that we talked previously with Keith Henderson of T&M Associates and Tim Gillen of CME Associates about taking over pump stations. One idea that we discussed was having a list of additional parts. Tim Gillen stated that discussion included an amendment of the Rules and Regulations because you can't require additional parts after the fact. Ms. Leatherman stated that we now own all the pump stations, going forward we can address this situation. Chairman Rosen stated we can't ask for a monetary amount but we can come up with a parts list.

At 8:08 pm Chairman Rosen asked for a motion to go into Closed Session.

14-87 Authorizing the Commissioner to go into Closed Session for the purpose of Discussing Litigation, and Contract Negotiations and they will not return to public session. Commissioner Mendez moved, seconded by Commissioner Pernice. All present voted aye. The public portion of the meeting was adjourned.

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