

TOMS RIVER MUNICIPAL UTILITIES AUTHORITY

Meeting Number Eleven Hundred Ninety

Agenda

February 28, 2017

The 2017 re-organization meeting of the Toms River Municipal Utilities Authority was held on Tuesday, February 28, 2017 at 4:30 P.M. at the office of the Authority, 340 West Water Street, Toms River, New Jersey 08753.

The following were present:

- Juan Carlos Bellu, Chairman
- Carmen J. Memoli, Vice-Chairman
- Joseph G. Bilotta, Commissioner
- Deborah L. Clement, Commissioner
- Charles S. Valvano, Commissioner
- Tariq M. Siddiqui, Alt. Commissioner
- Stephen C. Acropolis, Executive Director/Sec'y.-Treas.
- Robert Allen, Esquire, Counsel
- Rosemary Rosetto, Controller
- Nicholas Otten, Authority Engineer
- Bernard Rutkowski, Regulatory Compliance/Safety Officer
- Cindy Toye, Administrative Bookkeeping Specialist
- Georgia Benyola, Executive Secretary/Assistant Sec'y.

The re-organization Meeting #1190 was called to order at 4:30 p.m., February 28, 2017 by Executive Director, Stephen C. Acropolis.

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, Mrs. Clement, Mr. Bilotta, Mr. Memoli and Mr. Bellu were present.

Election of Officers for 2017

Chairman

Mr. Acropolis asked for nominations for the position of Chairman.

Mr. Valvano nominated Juan Carlos Bellu to serve as Chairman for 2017 and it was seconded by Mr. Bilotta. A roll call vote was taken with Mr. Valvano, Mr. Bilotta, Mr. Memoli, Mr. Bellu and Mrs. Clement all casting affirmative votes. Mr. Bellu thanked everyone for their support and proceeded to officiate the meeting.

Vice-Chairman

Mr. Bellu asked for nominations for the position of Vice-Chairman.

Mr. Valvano nominated Carmen Memoli to serve as Vice-Chairman for 2017 and it was seconded by Mr. Bilotta. A roll call vote was taken with Mr. Valvano, Mr. Bilotta, Mr. Memoli, Mrs. Clement and Mr. Bellu all casting affirmative votes.

Secretary-Treasurer

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

Mr. Bilotta nominated Stephen Acropolis to serve as Secretary/Treasurer for 2017 and it was seconded by Mr. Valvano. A roll call vote was taken with Mr. Bilotta, Mr. Valvano, Mrs. Clement, Mr. Memoli and Mr. Bellu all casting affirmative votes.

Assistant Secretary

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

Mr. Valvano nominated Georgia Benyola to serve as Assistant Secretary for 2017 and it was seconded by Mr. Memoli. A roll call vote was taken with Mr. Valvano, Mr. Memoli, Mr. Bilotta, Mrs. Clement and Mr. Bellu all casting affirmative votes.

Assistant Treasurer

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

Mr. Bilotta nominated Rosemary Rosetto to serve as Assistant Treasurer for 2017 and it was seconded by Mr. Memoli. A roll call vote was taken with Mr. Bilotta, Mr. Memoli, Mrs. Clement, Mr. Valvano and Mr. Bellu all casting affirmative votes.

Appointment of Professionals

Mr. Bellu went on to address the appointment of professionals for year 2017 and asked for a motion for General Counsel. A motion was made by Mr. Memoli and seconded by Mr. Bilotta to award a professional contract to Gluck & Allen, LLC as General Counsel for year 2017 as presented in the resolution. A roll call vote was taken with Mr. Memoli, Mr. Bilotta, Mrs. Clement, Mr. Valvano and Mr. Bellu all casting affirmative votes.

The next professional appointment was for Labor Counsel. A motion was made by Mr. Memoli and seconded by Mr. Valvano to award a professional contract to Citta, Holzapfel & Zabarsky for Labor Counsel for year 2017 as presented in the resolution. A roll call vote was taken with Mr. Memoli, Mr. Valvano, Mrs. Clement, Mr. Bilotta and Mr. Bellu all casting affirmative votes.

The next professional appointment was for Bond Counsel. A motion was made by Mr. Memoli and seconded by Mr. Bilotta to award professional contracts for Bond Counsel to the following firms for year 2017 as presented in the resolutions:

Hawkins, Delafield & Wood
Waters, McPherson, McNeill, P.C.
Gluck Walrath, LLP

McManimon, Scotland, Baumann
DeCotiis, Fitzpatrick & Cole
Capehart, Scatchard, Attorneys at Law

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

The next professional appointment was for Authority Auditor. A motion was made by Mr. Memoli and seconded by Mr. Valvano to award a professional contract to the firm of Holman, Frenia, Allison, P.C., for Auditing services for year 2017 as presented in the resolution. A roll call vote was taken with Mr. Memoli, Mr. Valvano, Mr. Bilotta, Mrs. Clement and Mr. Bellu all casting affirmative votes.

The next professional appointment was for Financial Consultants. A motion was made by Mr. Bilotta and seconded by Mr. Valvano to award a professional contract to the following firms for Financial Consultants for year 2017 as presented in the resolution:

Acacia Financial Group
NW Financial Group, LLC
Phoenix Advisors, LLC

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

The next professional appointment was for Underwriter Consultants. A motion was made by Mr. Memoli and seconded by Mr. Valvano to award a professional contract to NW Capital Markets for Underwriter Consultants for year 2017 as presented in the resolution. A roll call vote was taken with Mr. Memoli, Mr. Valvano, Mrs. Clement, Mr. Bilotta and Mr. Bellu all casting affirmative votes.

The next professional appointment was for Consulting Engineers. A motion was made by Mr. Bilotta and seconded by Mr. Memoli to award a professional contract to the following firms for Consulting Engineers for year 2017 as presented in the resolution:

Maser Consulting
T&M Associates
Remington & Vernick & Vena
Owen Little & Associates
D. Desmond Corp.
Mott MacDonald
Suburban Consulting Engineers
VanCleeef Engineer
PS&S
Alaimo Group Consulting Engineers
GTS Consultants, Inc.
French & Parrello Associates
CME Associates
Roberts Engineering Group
Matrix New World Engineering

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

The next professional appointment was for Risk Management Consultants. A motion was made by Mr. Memoli and seconded by Mr. Valvano to award a professional contract to Connor Strong & Buckelew for Risk Management Consultants for year 2017 as presented in the resolution. A roll call vote was taken with Mr. Memoli, Mr. Valvano, Mrs. Clement, Mr. Bilotta and Mr. Bellu all casting affirmative votes.

The next appointment was for Depository Institutions. A motion was made by Mr. Bilotta and seconded by Mr. Valvano to adopt the following depository institutions for year 2017 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, Mrs. Clement, Mr. Memoli and Mr. Bellu all casting affirmative votes.

Newspapers of Record

A motion was made by Mr. Valvano and seconded by Mr. Bilotta to appoint the official newspapers of record for 2017. They are as follows:

- Asbury Park Press
- The Star Ledger
- Ocean Signal

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

2017 Annual Meeting Schedule

A motion was made by Mr. Valvano and seconded by Mr. Bilotta to adopt the Annual Meeting Schedule as presented. A roll call vote was taken with Mr. Valvano, Mr. Bilotta, Mr. Memoli, Mrs. Clement and Mr. Bellu all casting affirmative votes.

2017 PACO Officer

A motion was made by Mr. Bilotta and seconded by Mr. Memoli to designate Bernard Rutkowski as the 2017 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. Bilotta, Mr. Memoli, Mrs. Clement, Mr. Valvano and Mr. Bellu all casting affirmative votes

2017 Emergency Purchasing Policy

A motion was made by Mr. Memoli and seconded by Mr. Valvano to adopt the Emergency Purchasing Policy, as presented in the resolution. A roll call was taken with Mr. Memoli, Mr. Valvano, Mr. Bilotta, Mrs. Clement and Mr. Bellu all casting affirmative votes.

Cash Management Plan

Mr. Bellu asked for a motion to re-adopt the Cash Management Plan. A motion was made by Mr. Bilotta and seconded by Mr. Valvano to re-adopt the Cash Management Plan as presented for the year 2017. A roll call vote was taken with Mr. Bilotta, Mr. Valvano, Mrs. Clement, Mr. Memoli and Mr. Bellu all casting affirmative votes.

5 Year Capital & Rate Stabilization Plan

Mr. Bellu asked for a motion to adopt the updated 5 year Capital and Rate Stabilization Plan. A motion was made by Mr. Bilotta and seconded by Mr. Memoli to adopt the updated 5 year Capital and Rate Stabilization Plan as presented for the year 2017. A roll call vote was taken with Mr. Bilotta, Mr. Memoli, Mr. Valvano, Mrs. Clement and Mr. Bellu all casting affirmative votes.

The Director asked if he could have the floor for a moment before the Chairman went on to the Committee appointments. Mr. Acropolis wanted everyone to know that as per N.J.S.A. 19:44a-20.5 et. seq., the Authority did go through the procedure for soliciting proposals through a “fair and open process” for all our professional appointments.

Committee Appointments for 2017

Chairman Bellu introduced his 2017 Committees to the Board. Since there were no questions or conflicts to discuss, the Committees will stand as presented by the Chairman. The appointed committees are as follows:

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

Minutes of Meetings for Approval

A. Meeting #1189 January 24, 2017 - New Submission

A motion was made by Mr. Valvano and seconded by Mr. Bilotta to approve the minutes of Meeting #1189 January 24, 2017 as written. A roll call vote was taken with Mr. Valvano, Mr. Bilotta, Mr. Memoli, Mrs. Clement and Mr. Bellu all casting affirmative votes.

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 \$3,674,226.15. A roll call vote was taken with Mr. Bilotta,

Mr. Valvano, Mrs. Clement, Mr. Memoli and Mr. Bellu all casting affirmative votes.

Additional 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 \$4,073.00. A roll call vote was taken with Mr. Valvano, Mr. Bilotta, Mr. Memoli, Mrs. Clement and Mr. Bellu all casting affirmative votes.

Ratification of Investment & Transfer Resolutions

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

Financial Reports 6A-6F

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

Finance & Investments: 6G

Mr. Valvano reported that presently we are building our reserves and we are not in the market for collateralize mortgage obligation. As a reminder to the Board, all of our investments are guaranteed by the Federal Government whether they are CMOs or whether they are a deposit in one of our financial institutions. There is absolutely no risk to ratepayers for any of our investments. They are all guaranteed either by Gudp, which is a form of FDIC that backs governmental deposits. Our CMOs are very similar to a Ginnie Mae, which is backed by the full faith and credit of the United States. Interest rates should be going up at least three times this year according to the Federal Reserve. The Fed Chair even speculated that there could be an increase in a couple of days and again in March. The Finance Committee will keep their eye on what's going on with interest rates and all our investments that are guaranteed for the ratepayers.

Mr. Valvano then asked that a motion be made to reinvest the available funds with Ocean First Trust Custodial Account. A motion was made by Mr. Valvano and seconded by Mr. Bilotta to reinvest the available funds of \$46,956.10 in the Ocean First Trust Custodial Account. A roll call vote was taken with Mr. Valvano, Mr. Bilotta, Mr. Memoli, Mrs. Clement and Mr. Bellu all casting affirmative votes.

Operating Reports

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

Development Applications-Major Sub Divisions

There were no applications or approvals reported at this time.

Authority Meeting

The next Authority meeting was confirmed for Tuesday, March 28, 2017 at 4:30 p.m. Mr. Avalone, from Connor Strong, will conduct the Appointed and Elected Officials Training prior to the meeting @ 4:00 p.m.

Adoption of Resolutions Authorizing Capital Purchases

A motion was made by Mr. Bilotta and seconded by Mr. Valvano approving the following resolutions, 9A-2A through 9A-8:

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

9A-3 - Authorization was given to ratify the award contract to Meemin, Inc. for procurement, consulting and implementation of consulting and GIS visualization software development services; and

9A-4 - Authorization was given to ratify the awarding of the emergency contract to Montana Construction for the repair of the section of pipe damaged as a result of a pipe break; and

9A-5 - Authorization was given to approve total amount of \$4,512,429 from FY2016 Budget for Capital Expenditures in the Capital Asset Reserve Account; and

9A-6 - Authorization was given for an Interlocal Services Agreement between the Toms River Municipal Utilities Authority and the Beachwood Sewerage Authority; and

9A-7 - Authorization was given for an Interlocal Services Agreement between the Toms River Municipal Utilities Authority and the Borough of Ocean Gate; and

9A-8 - Authorization was given for an Interlocal Services Agreement between the Toms River Municipal Utilities Authority and the Seaside Heights Board of Education.

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

Unfinished Business

None

Committee Reports

Legal – As mentioned at the last meeting, Mr. Gluck was unavailable to attend this month. His Associate, Mr. Allen came in his place. Mr. Allen noted that everything was status quo; there was really no new updates to report. Mr. Allen did mention, however, that Mr. Gluck recommended that we take action against the contractor who damaged the manhole frame and made repairs utilizing t-shirts.

Engineering - Mrs. Clement noted that a meeting was held on Friday, February 24, 2017, with Mr. Siddiqui, Mr. Acropolis, Mr. Otten and herself. Highlights from the Committee Meeting were as follows:

1. The Pump Station 15 & 20 Supplemental Force Mains NJEIT Project is awaiting authorization to re-advertise from NJDEP.
2. The 3 lining rehabilitation projects, SR-01-15A+B+C, have been ongoing since May/June 2016 and are now nearing completion. When completed, the projects will have rehabilitated 4 miles of pipe plus 125 manholes and 190 laterals.

3. The 3 new rehabilitation contracts, SR-01-16A+B+C, are ready to go and the first contract was advertised Feb.24, 2017. The 3 contracts will rehabilitate 5 miles of pipe + 20 manholes + 206 laterals.

4. The PS 16 Structural Storage Room Floor & Wetwell Staircase Replacement is substantially complete, with only a few minor items remaining. The structural improvements made to PS 16 include the following:

- a. Replaced existing concrete storage room floor slab (ceiling over wetwell) & support beams
- b. Provided/installed new access hatch in storage room floor slab
- c. Installed overhead support I-beam for use with gantry crane for comminutor removal/maintenance
- d. Removed and replaced wetwell metal staircase
- e. Removed and replaced supply fan

5. Mrs. Clement had some very good news regarding the OCUA metered flows but requested that Mr. Otten present it to the Board. Mr. Otten mentioned that the flows have been significantly lower than the metered flows reported between 1991 through 2010. Between the years 1991-2010, the annual TRMUA flows averaged 3,215 MG. Since the year 2011 to the end of 2016, the metered flows have been decreasing. The total metered flow for the year 2016 was 2,768 MG, the lowest flow in 20 years. Mr. Otten proceeded to say that when he compares the difference in treatment cost between 3,215 MG and 2,768 MG, the savings is about \$1.7M. Mr. Bellu mentioned that we have been investing a lot of money through infrastructure repairs that we have been doing and with the \$10M from NJEIT plus some additional repairs, to get a return on our investment in five years is really phenomenal. The Director stated that it's about the Board being pro-active and not waiting for things to break that made the difference. Being pro-active and going and looking for possible problems is what allows us to keep the rates stable for so many years in a row. Kudos to the Board. The Chairman just wanted to make sure with all the work we've been doing and all the infrastructure repairs we're doing that it would really pay off. Mr. Bellu thought we were and it was confirmed by the Engineering Committee.

Personnel

Mr. Memoli reminded the Commissioners that they were all sent an Employee Manual that had recently been updated. He would like everyone to review it thoroughly as we will be voting to adopt it at next month's meeting. Mr. Acropolis noted that a copy had also been sent to Counsel, Labor Counsel and Union Representative.

Land

Mr. Bilotta reported that 'Hovson's Easement to Access Road' is out for bid today. The project will entail re-construction in the wetlands area of the roadway that will allow access to the sewer main. Through our consultant, we will be obtaining a DEP permit that would allow the MUA to maintain the easements throughout the Township. We are looking to get a five year maintenance permit. Our

consultant is going to inspect all the easements in these areas and give them to the DEP to approve all of them at the same time for the obtaining of the permit.

Mr. Bilotta also reported that the fence company and engineering company will open up the back yard so that the crews will be able to pass directly through to the main yard. Mr. Acropolis noted that we will be meeting with them sometime in March to go over plans and hopefully have it done sometime in the third or fourth quarter.

Regionalization

The Director commented to the Chairman that he has not as yet heard back from any of the surrounding towns.

General Business

The Director had a couple of items he wanted to share with the Board. First, Mr. Acropolis mentioned that we were notified that we would be receiving two awards from the AEA. One was the “Forward Thinking Award” for the ESRI GIS & MS HoloLens integration for utilities and the second was the “Energy Savers Award” for the Photovoltaic Solar System. The AEA will present the awards to TRMUA at their Spring Conference on March 14-15, 2017.

Secondly, Mr. Acropolis wanted to inform the Board that we received a subpoena, that we believe might be a Sandy related case, where someone has been getting their utility bills mailed to a house in North Jersey but has told FEMA that the house in Toms River is their primary residence. Hence, they were able to get grants/awards when in fact, it was not their primary home. Federal Agents also came and asked for the same information. The Director wanted the Board to know that those people that took advantage of insurance programs that were meant for people that were damaged in their primary home, are now being sought. Even though we have spoken about fraud before, we still seem to get this time after time.

Correspondence

An appreciation letter was received from one of our ratepayers. Even though the crew could not take care of the problem, since it was on her property, the ratepayer was very appreciative that the crew was very helpful in leading her in the right direction to resolve the issue. Kudos to Ed Saverino and Ed Olson. The Director sent a memo thanking the Forman and his crew for their professionalism and courtesy.

Mr. Acropolis also noted that we all try to tell our ratepayers to “Call Us First” for a sewer backup emergency. We’re available 24 hours a day, 365 days per year. We try to emphasize it on both the billing and the Chairman’s Letter; however, some people still have issues with contractors, plumbers or service companies that handle sewer emergencies. Once they go to the ratepayer’s home, there’s always a charge. We’ve had some ratepayers tell us that they have paid a substantial amount of money just to find out they still have the problem. The point of the story is “Call Us First”!

Public Comment

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

Executive Session

None

With no further business to come before the Board, a motion was made by Mr. Bilotta and seconded by Mr. Valvano to adjourn the meeting at 5:09 p.m. The motion was carried by unanimous voice vote.