

12/15/11

Chairman Allmann called the meeting to order.

Flag Salute

Management Assistant read the following statement: "My name is Joan Haltigan, Administrative Assistant of the Jackson Township Municipal Utilities Authority. It is 5:30 p.m. and we will commence with the public portion of the regularly scheduled Public Meeting of December 15, 2011."

Chairman Allmann requested a roll call.

The December 15, 2011 Public Meeting of the Jackson Township Municipal Utilities Authority was called to order at 5:30 P.M. Present were Members Blake, Borys, Clayton, Rickabaugh, Chairman Allmann, Alternate Members Cladek and Sturmfels, along with the Assistant Executive Director, James Diaz, Administrative Assistant, Joan Haltigan, Executive Director, David Harpell and Principal Engineer, Earl Quijano. Also in attendance were Authority Engineer, Felipe Contreras and Authority Counsel, William Hiering.

As Administrative Assistant, I publicly announce that in compliance with the provisions of the "Open Public Meetings Act," adequate notice of the Public Meeting has been advertised in the manner prescribed by law, and that this statement would be entered in the minutes of this meeting.

At this time, Mr. James Moore, HomeServe USA, presented the charitable contribution to the Veterans of Foreign Wars. The total contribution of \$5,300.00 was split between the Jackson Women of Today Food Pantry and the VFW.

1. Rate Hearing

Chairman Allmann called the 2012 Rate Hearing to order. The minutes of the rate hearing are transcribed under a separate cover.

2011-131 Resolution Adopting 2012 Rate Schedule

Mr. Borys made a motion to approve Resolution No. 2011-131. Mrs. Blake seconded the motion and it was passed unanimously.

Following the 2012 Rate Hearing, the December 15, 2011 Public Meeting of the Jackson Township Municipal Utilities Authority resumed at approximately 5:50.

Chairman Allmann requested a roll call.

2. Approval of the Minutes of the Open Session Public Meeting of November 17, 2011.

Mrs. Rickabaugh made a motion to approve the minutes of the Open Session Public Meeting of November 17, 2011. Mrs. Blake seconded the motion and was passed unanimously.

3. Questions/Comments from the Public

With no one present from the public, Chairman Allmann closed the public portion of the meeting noting he would reopen it if needed.

4. Review of Executive Director's Report
 - Engineering Committee Report
 - Public Relations Committee Report
 - Administrative Committee Report

Mr. Harpell discussed the following items from the Executive Director's report.

- Mr. Harpell discussed the Developer's Agreement on the agenda this month with Advanced Spine Care which was discussed earlier this week with both the Engineering and Finance Committees. Advanced Spine Care installed a new sewer main from Manhattan Street to their facility and as part of this construction they installed a new lateral for the LPL Financial property. They have requested a credit against their future utility bills for this work which benefited a third party. The staff agrees they should be credited at a cost of \$4,290.31 for future utility bills.
- Mr. Harpell mentioned it was nice to see representatives from HomeServe USA here this evening to present a check to the VFW. Mr. Harpell noted that it is a great process and hopes the contribution continues to go up each year also noting that he and Mr. Diaz met earlier today with HomeServe USA to discuss some changes in their marketing approach. One request from the Authority was to minimize the solicitations/mailings per year and HomeServe USA is proposing three mailings in 2012.
- Mr. Harpell stated the Holiday Luncheon will be held on Thursday, December 22nd and hopes everyone can attend.
- Mr. Harpell discussed the status of the solar project at the Hyson Road Water Treatment Plant with Barrier Electric noting that they are looking to have the project completed by July of next year. It was also noted they will be applying for permits in the next few weeks and are looking forward to moving ahead with the project.
- The next item discussed was the article distributed this evening regarding New Jersey American's recent rate increase.
- Mr. Harpell discussed the Notice of Violation received on November 22, 2011 for exceeding our Middle PRM Aquifer Allocation in 2010, which is based on New Jersey American Water Company interfering with our wells. Mr. Harpell stated he is confident that this will be resolved but wanted to inform the Board and has spoken with the NJDEP to assure this is removed from the Authority's record. It was also noted, that Mr. Felipe Contreras has been working with the Authority as Project Manager on increasing our allocation and this study is looking very promising.
- Mr. Harpell updated the Board on the work being done on County Line Road by Monmouth Excavators. It was noted that Monmouth Excavators has had some financial difficulties early on in this job and have not been able to pay some of their subcontractors. If the Board does not object, Mr. Harpell requested permission for the Authority to pay the subcontractors directly and would discuss with Mr. Hiering's office to obtain an assignment of contract rights

agreement. For the record the Board approved this request and the Authority will formalize next month if needed. Mr. Borys commented on a job well done by Monmouth and infrared paving on this particular project and requested the public become aware of such projects possibly by posting on the JTMUA Website.

- The last item discussed was a recent meeting with the Jackson Board of Education with regard to unusually high usage at Memorial High School and low usage at Liberty High School. Mr. Harpell stated that during the upcoming winter break, our Meter Readers will inspect both schools to verify the metering. It was also noted that there was a leak found outside Memorial High School, but it was discovered that most of the water is being used in the summer, which would lead us to believe it was for irrigation. The Authority will continue to monitor the situation and we will keep the Board informed.

Administrative Committee Report

There was no Administrative Committee this month.

Public Relations Committee Report

There was no Public Relations Committee Meeting this month.

Engineering Committee Report

Mr. Quijano discussed the following:

- Closeout of Contract for Bennetts Mills Sewer Repair Work. TriState Grouting has provided all the closeout documents which have been reviewed and found to be in compliance with the Authority's Specifications. We are recommending that the contract be closed, retainage paid and the performance bond released.
- Authorization of Award to O'Donnell, Stanton & Associates (OSA) for the Sanitary Sewer Rehabilitation Projects. It was noted that OSA did our sewer evaluation Phase 1 – Phase 6 and had identified the problematic areas in our sewer system. The recommended rehabilitation work consists of CIP sewer main lining, CIP sewer main spot repairs, manhole rehabilitation, sewer service lateral repair and cleanout installation. The proposal was received from O'Donnell, Stanton and Associates in the amount of \$67,500.00. As soon as the design documents are received, this project will be submitted to the State for NJEIT Funding. Chairman Allmann noted that the CIP process allows for the pipes to be lined instead of replaced. Mr. Harpell stated that it is a great process, it's approximately half the price of open cut construction. We're getting to the end of the list of many of the problems in the system.

Mr. Harpell also discussed the cleaning of Six Flags Great Adventure's Meters which did increase the flows, another issue that might be part of the discrepancy with OCUA.

- Authorization of the Second Extension to D&D Trenchless Solutions for Sewer/Water Emergency Repairs and Service Contract. The present contract expires at the end of 2011 and the Authority is very satisfied with their performance. The contract allows for two (2) one-year extensions. We are recommending renewal for year 2012 to D&D Trenchless Solutions under contract C2-23216 in an amount not to exceed \$239,755.15. Mr. Quijano noted that to date, the Authority has spent \$154,583.00 in service and repairs on the contract awarded last year in the amount of \$239,000, which is about 66% of the contract amount. It was also noted that some services are now being performed in-house which also contributes to a savings this year.

- Granting a Sewer and Water Performance Bond Release for Heritage Estates. Heritage Estates has completed all the items on the punch list and we are recommending release of their performance guarantee release upon receipt of their maintenance bond.
- Release of Cash Maintenance Guarantee for Cranberry Harvest Estates. The Authority is holding a cash maintenance guarantee in the amount of \$19,178.10. The two-year (2) time limit has expired and we are returning this amount back to the developer.
- Release of Performance Bond for Jewel Ridge Estates. This development is a three lot subdivision off Green Valley Road and Brewers Bridge. The developer had already built one house and will not be developing on the additional two lots. Part of the approvals was to install a dry water main but in lieu of installation, the developer has requested they make a contribution in the amount of \$19,000.00. Chairman Allmann noted that there will be no water or sewer in this area in the near future. The Authority staff is requesting approval to closeout and release the Performance Bond as posted by Jewel Ridge Estates in the amount of \$41,529.60 upon receipt of the developer's contribution of \$19,000.00 and would like to waive the requirement for a maintenance bond since no off-site improvements were installed.

With no questions, Mr. Quijano concluded the Engineering Report.

DEVELOPER PROJECT

On behalf of Remington, Vernick & Vena Engineers, Mr. Felipe Contreras discussed the following:

- Recommendation of release of the off-site performance guarantee and reduction of the off-site sewer performance guarantee for Windsor Crescent, Blocks 6501, 6502 & 6503, various lots. This was recommended to the Board in our December 7, 2011 letter.
- Preliminary Water and Sewer Approval for Jackson Woods. The Developer is Mitch Leigh, Leigh Realty, and is proposing to construct 1,541 residential units and three club houses located between Jackson Mills, Cedar Swamp Road and East Commodore Blvd. This is a 610 acre property, proposing three sections, southeast, southwest and center for the water with three loops, two connecting on the south end of the property to a 12" main. The second section will be connected to our 16" water main on West Commodore Blvd. With regard to sewer there is a mixed system of gravity and force main. In the southeast, gravity to a pump station and central section to West Commodore Blvd and southwest gravity to another pump station. We recommend preliminary water and sewer approval to our December 5, 2011 letter to the Board.

5. Assistant Executive Director's Report
Finance Committee Report
Personnel Committee

Mr. Diaz stated that the Authority has received funds from the Township in the amount of \$151,200 for the Community Block Grant. These funds are earmarked for the Patterson Road project which is scheduled to go out to bid next year.

Mr. Diaz stated that the Finance Committee met on Monday, December 12, 2011. The total amount presented on the bill list was \$1,105,505.92 and will be drawn from the following funds:

1. Capital Reserve Fund in the amount of \$161,804.54 for Capital Projects;
2. Escrow Funds in the amount of \$15,919.44 for Developer Work;
3. Customer Deposit in the amount of \$19,178.10 for Deposit Refund;
4. Revenue General Fund in the amount of \$908,603.84 for Operating Expenses.

The operating expense of \$908,603.84 includes \$225,000.00 for funding the payroll account and the reduced amount of \$486,045.56 for OCUA's 4th quarter 2011 installment. As you may recall, we've been working with OCUA for some time and we did receive the deficiency notices and they did deduct it off our 4th quarter bill, which is typically \$717,000.00.

- Mr. Diaz discussed the transfer reported last month of a transfer from the Capital Reserve Fund of \$338,413.01, noting that part of that capital pertains to the Maple Glen Account in the amount of \$25,219.00. This reduced the Capital Reserve Fund amount to \$313,194.01.
- Mr. Diaz stated that the 2012 Water/Sewer Operating/Capital Budget was signed off by the State yesterday and returned to the Authority today. The Authority will request approval this evening to adopt the 2012 budgets.
- Mr. Diaz discussed the Annual Chemical Contract for various vendors and chemicals used throughout the year. The total 2012 contract amount is \$318,333.83, which is an increase of \$10,583.48 from 2011 noting this increase is minimal from 2011 due to the management of the chemicals for running the plants.
- Mr. Diaz discussed the annual renewals for meters, noting there are two kinds of meter used, Neptune and Sensus. The first contract is for RIO Supply who supplies Neptune Meters in the amount of \$119,527.00 and the second is for HD Supply Water Works, LLC who supplies Sensus Meters for \$21,121.25
- Annual Renewal of Risk Management Consultant Agreement. The Authority is proposing to continue with Conner Strong & Buckelew who has been working for the Authority for a number of years. Their fees are paid out of the Authority's annual premiums to the JIF in the amount of 6% of the JIF premium
- Mr. Diaz discussed the rest of the annual renewals. Group Dental with Horizon, with a 3% increase, total amount of \$70,000.00. Life AD&D by the Guardian, with no increase and the amount remaining at \$7,000.00. Accounting/Billing Service Agreement with Edmunds for 2012 with a zero percent increase and will remain at \$11,924.00. Cleaning Services is a one-year (1) contract with CleanNet of New Jersey for a not to exceed \$13,000.00. The Authority went out to bid for Uniform Services which is a three-year (3) contract with American Wear. Mr. Diaz stated that the Authority has saved quite a bit with this contract. Last year's annual contract was in the amount of \$15,000.00 and 2012 is a three-year (3) contract in the amount of \$16,000.00.
- Short Term Disability by The Hartford, increased from \$9,000.00 to \$13,000.00. This is based on the Authority's experience rating.
- Mr. Diaz discussed the 457b Deferred Compensation Plan being presented this evening for approval. It was noted this plan has not been completely updated for some years except by amendments and addendums. The Hartford has now requested that all plans be updated mostly due to IRS changes and additions that need to be incorporated into the plan. Mr. Diaz and Mr. Hierung have reviewed the plan and it basically reiterates that it is based on

IRS requirements. This plan needs to be approved by December 31st to stay in compliance with the IRS rules.

- Mr. Diaz discussed the Authority's Section 125 Cafeteria Plan. This was required when employee contributions were being mandated in June during the reform of the Pension and Benefits. The Authority has received the Section 125 Cafeteria Plan from Conner Strong & Buckelew who prepared the plan who also incorporates the Flexible Spending Account and the Authority's Opt-Out Policy, both previously approved. This plan will also allow for pre-tax deductions for employees as they make their contributions to benefits starting January 1, 2012. Mr. Diaz noted that this plan will also be subject to review by Mr. Harpell, Mr. Hiering and himself. Mr. Diaz informed the Board that the plan needs to be in place by December 31st to allow for the pretax deduction. Chairman Allmann stated that the Authority has prefunded the Flexible Spending Account as required to be reimbursed by the enrolled employees in order to prepare for employees who may request reimbursement in the first quarter. Lastly, Mr. Diaz stated that he has reached out to Benefits Express, who is managing the plan for the Authority, to see if they would do a one-time interim change, possibly July of 2012. The employees were asking, if possible, that the plan be at the maximum of \$2,500.00 for medical and \$5,000.00 for dependent care for a total amount of \$7,500.00. If not, the plan would change for 2013.

6. Consent Resolution

- 2011-132 Resolution Ratifying Cash Management Report for October 2011.
- 2011-133 Resolution Ratifying Cash Management Report for November 2011.
- 2011-134 Resolution Authorizing Execution of a Sanitary Sewer Service Agreement for Advanced Spine Care, Block 8201, Lot 30.01.
- 2011-135 Resolution Granting a Sewer and Water Performance Bond Release to Heritage Estates, Block 5812, Lots 43-52 (f/k/a Block 127.01, Lot 10).
- 2011-136 Resolution Granting a Performance Guarantee Release for Off-Site Water and a Performance Guarantee Reduction for Off-Site Sanitary Sewer to Windsor Crescent, Blocks 6501, 6502 and 6503, Various Lots, on the Tax Map of the Township of Jackson.
- 2011-137 Resolution Granting Preliminary Sewer and Water Approval to Jackson Woods, Block 4101, Lots 2-13, 15 & 16, Block 4102, Lots 27-32, 52-54 & 58-60, on the Tax Map of the Township of Jackson.
- 2011-138 Resolution Granting a Cash Water Maintenance Guarantee Release to Cranberry Harvest Estates Water Improvements, Block 19601, Lots 1-11, 13 & 14.
- 2011-139 Resolution Authorizing the Closeout and Release of Performance Bond for Jewel Ridge Estates at Jackson, LLC, Block 13401, Lots 4.01 – 4.03 (F/K/A Block 71, Lot 18.03) Upon Acceptance of a \$19,000.00 Contribution in Lieu of the Installation of Off-Site Water Improvements.

Mrs. Rickabaugh made a motion to approve Resolutions 2011-132 to 2011-139. Mrs. Blake seconded the motion and it was passed unanimously. Chairman Allmann abstained from Resolution 2011-138.

Chairman Allmann also stated that if any of the Board Members have a voucher with their name on it, please show for the record that they abstain from it on bill list.

7. Resolutions Offered:

2011-140 Resolution Authorizing Payment of Vouchers, Deposit Refunds and Payroll.

Mrs. Clayton made a motion to approve Resolution 2011-140. Mr. Borys seconded the motion and it was passed unanimously.

2011-141 Resolution Authorizing Closeout and Release of Performance Bond for Bennetts Mills Road Sewer Repair Work, Contract No. C1-13533 with TriState Grouting, Inc.

Mrs. Rickabaugh made a motion to approve Resolution 2011-141. Mrs. Clayton seconded the motion and it was passed unanimously.

2011-142 Resolution Authorizing Award of Engineering Services for Sanitary Sewer Rehabilitation Projects Contract C1-16156 to O'Donnell, Stanton & Associates, Inc. in an Amount Not to Exceed \$67,500.00.

Mrs. Blake made a motion to approve Resolution 2011-142. Mrs. Rickabaugh seconded the motion and it was passed unanimously.

2011-143 Resolution Authorizing a Second Extension to Sewer/Water Emergency Repairs and Service, Contract No. C0-03205 to D&D Trenchless Solutions, Inc., the Successor to D&D Utility Contractors, Inc.

Mrs. Blake made a motion to approve Resolution 2011-143. Mr. Borys seconded the motion and it was passed unanimously.

2011-144 Resolution Authorizing Software Support Agreement with Edmunds & Associates C2-00006 in the amount of \$11,924.00.

Mrs. Rickabaugh made a motion to approve Resolution 2011-144. Mr. Borys seconded the motion and it was passed unanimously.

2011-145 Resolution Authorizing Renewal of Annual Guardian Life and AD&D Contract C2-00007 in an Amount Not to Exceed \$7,000.00.

Mrs. Clayton made a motion to approve Resolution 2011-145. Mr. Borys seconded the motion and it was passed unanimously.

2011-146 Resolution Authorizing Renewal of Horizon Group Dental Plan C2-00009 for January 1, 2012 to December 31, 2012 in an Amount Not to Exceed \$70,000.00.

Mrs. Blake made a motion to approve Resolution 2011-146. Mrs. Clayton seconded the motion and it was passed unanimously.

2011-147 Resolution Authorizing Execution of a Risk Management Consultant's Agreement to Conner Strong & Buckelew.

Mrs. Clayton made a motion to approve Resolution 2011-147. Mr. Borys seconded the motion and it was passed unanimously.

2011-148 Resolution Authorizing Contract with CleanNet of NJ for Cleaning Services C2-00008 in an Amount Not to Exceed \$13,000.00.

Mrs. Rickabaugh made a motion to approve Resolution 2011-148. Mrs. Blake seconded the motion and it was passed unanimously.

2011-149 Resolution Awarding a Contract to American Wear for Uniform Cleaning C2-00004 for a Three-Year Period in Accordance with Their Quotation and Not to Exceed the Sum of \$16,000.00 for Three (3) Years.

Mr. Borys made a motion to approve Resolution 2011-149. Mrs. Rickabaugh seconded the motion and it was passed unanimously.

2011-150 Resolution Awarding 2012 Sensus Water Meter Acquisition C2-23002 to H. D. Supply Waterworks, LTD in the amount of \$21,125.00

Mrs. Rickabaugh made a motion to approve Resolution 2011-150. Mrs. Blake seconded the motion and it was passed unanimously.

2011-151 Resolution Awarding 2012 Neptune Water Meter Acquisition C2-23103 to Rio Supply, Inc. in the amount of \$119,527.00.

Mrs. Blake made a motion to approve Resolution 2011-151. Mrs. Rickabaugh seconded the motion and it was passed unanimously.

2011-152 Resolution Awarding Chemical Supply Contracts C2-00010 through C2-00015 in the Total Award Amount of \$318,333.83.

Mr. Borys made a motion to approve Resolution 2011-152. Mrs. Rickabaugh seconded the motion and it was passed unanimously.

2011-153 Resolution Authorizing Execution of a Deferred Compensation Plan with The Hartford.

Mrs. Blake made a motion to approve Resolution 2011-153. Mr. Borys seconded the motion and it was passed unanimously.

2011-154 Resolution Authorizing the Renewal for The Hartford Short Term Disability Plan Contract C2-00017 in an Amount Not to Exceed \$13,000.00.

Mrs. Blake made a motion to approve Resolution 2011-154. Mrs. Rickabaugh seconded the motion and it was passed unanimously.

2011-155 Resolution Adopting Section 125 Cafeteria Plan Through Conner Strong Buckelew.

Mrs. Clayton made a motion to approve Resolution 2011-155. Mrs. Rickabaugh seconded the motion and it was passed unanimously.

2011-156 Resolution Adopting 2012 JTMUA Sewer Operating Capital Budget – STATE FORM

Mrs. Rickabaugh made a motion to approve Resolution 2011-156. Mrs. Blake seconded the motion and it was passed unanimously.

2011-157 Resolution Adopting 2012 JTMUA Water Operating Capital Budget – STATE FORM

Mrs. Blake made a motion to approve Resolution 2011-157. Mr. Borys seconded the motion and it was passed unanimously.

8. Other Matters

Mr. Borys proposed some information on the HomeServe USA Contributions and the paving on County Line be posted on the Website. Such positive information should be made known to the public. Mr. Harpell suggested this information for the next JTMUA Newsletter. All agreed.

With no further matters to discuss, Mrs. Rickabaugh made a motion to adjourn. Mrs. Blake seconded the motion and it was passed unanimously. Chairman Allmann declared the December 15, 2011 Public Meeting adjourned.

End of Minutes