

August 23, 2007

Chairman Allmann called the meeting to order.

Flag Salute

Administrative 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 regular scheduled Public Meeting of August 23, 2007."

Chairman Allmann requested a roll call.

The August 23, 2007 Public Meeting of the Jackson Township Municipal Utilities Authority was called to order at 5:30 P.M. Present were Members Blake, Borys, Clayton, and Chairman Allmann, Alternate Member Garofano and Lundy along with the Business Administrator, James Diaz, Administrative Assistant, Joan Haltigan and Executive Director, David Harpell. Also in attendance were Authority Engineer, Alan Dittenhofer, and Authority Counsel, William Hierung. Member Rickabaugh is presently in transit.

Administrative Assistant stated that this meeting was in compliance with the provisions of the "Open Public Meetings Act," with adequate notice of the Public Meeting having been advertised in the manner prescribed by law, and that this statement would be entered in the Minutes of this meeting.

1. Approval of the Open Session Maple Glen Rate Hearing Transcripts of July 26, 2007

Mrs. Blake made a motion to approve the minutes of the Open Session Maple Glen Rate Hearing Transcripts of July 26, 2007. Mrs. Clayton seconded the motion and was passed unanimously. Mr. Borys and Mr. Lundy abstained.

2. Approval of the Minutes of the Open Session Public Meeting of July 26, 2007

Mrs. Blake made a motion to approve the minutes of the Open Session Public Meeting of July 26, 2007. Mrs. Clayton seconded the motion and was passed unanimously. Mr. Borys and Mr. Lundy abstained.

Questions/Comments from the Public

Chairman Allmann opened the floor to the public.

With no questions from the public, Chairman Allmann closed the public portion of the meeting, noting that he will reopen the meeting if someone from the public should arrive.

3. 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.

- Hyson Road Water Treatment Plant Emergency Repair. Mr. Harpell discussed the pressure surge or "water hammer", which occurred on July 29th, which caused extensive damage. The Authority was very fortunate that D&D Utility Contractors did an excellent job getting the plant back on line by August 2nd. It was noted that the Authority did not have to implement any significant water restrictions. Metedeconk Lakes and South Knolls were called to stop irrigating for a few days, but overall we did very well. Mr. Harpell stated that the estimated damage claims for this incident could be up to \$35,000.00, which will be submitted to the insurance company, but the claim has not yet been finalized. The MUA is hoping to get most of this cost reimbursed. Mr. Harpell noted that the Authority, along with O'Brien & Gere, is still looking at the exact cause of this incident. It was stated that it's tough to pinpoint the cause of these water hammer incidents. A filter panel lost power and came back on so all of the valve position data was lost which would have helped O'Brien & Gere's evaluation. Mr. Lundy asked exactly what property this incident took place. Mr. Harpell stated that it was inside the plant, all public property, basically a 16" pipe pulled out of a joint and a static mixer shattered, so it was rather substantial. Chairman stated that the Authority was fortunate not to have more damage which would have caused the plant to be off line for a longer length of time, noting that it is even more cause for the proposed new water treatment plant on Manhattan Street. Mr. Harpell stated that some minor facility modifications would be made in 2007 or 2008, with Chairman Allmann noting that these modifications are already made in the new plant.
- Ocean County Utilities Authority. Mr. Harpell discussed the deficiency charge of \$225,000.00 from OCUA. The Authority and OCUA met on August 2, 2007 and they have put the deficiency charges in abeyance while they look into the situation. Mr. Harpell stated that the Authority does not anticipate paying much on this claim and both parties are looking for a long-term solution to this problem.
- Mr. Harpell would like to thank the Township, the Board and Mr. Hiering for offering some relief on the payment terms for water connection fees. The Township passed Ordinance 23-07 on July 24, 2007, which will allow up to five years for residents to pay water connection fees if they demonstrate a hardship. It was noted that to demonstrate that hardship, the Board would have to adopt a resolution so it will be a fairly formal process. The staff is working with the Finance Committee to develop hardship criteria.
- Mr. Harpell discussed a request from a resident on Pinecrest Avenue, which is part of the Lakeland Shores Project. This particular resident has two properties on Pinecrest Avenue which she committed to connect to the system, one to water and one to the sewer system. This resident recently came into the Authority with her concern that sewer work was more expensive than she thought, and would like to ask for delay in her water service connection. A letter from the resident was forwarded to the Board and we are requesting that the Board consider giving her more time to make the water connection. Chairman Allmann stated that the new ordinance to extend payments might be an option for this resident. The Board agreed to grant a year extension or let her apply for the five-year payment term.

Chairman Allmann stated for the record that Mrs. Rickabaugh arrived.

- Mr. Harpell discussed the Westlake irrigation meter issue noting that Sensus Metering sent a new meter with the idea that it could handle high air pressures. Unfortunately the new meter was also ineffective and overheated. Mr. Harpell stated that the Authority is now of the opinion that we will have to winterize these meters each year. Mr. Harpell indicated that currently it costs between \$5,000.00 to \$10,000.00 each year to replace meters which have been damaged and is a liability for the Authority. If the meters are winterized, it could be done for approximately \$2,500.00 per season which is much more reasonable. Discussion ensued regarding whether the Authority charges the residents to pull the meters or should the MUA incur the cost. It was noted that there are 261 residents. After much discussion, it was agreed by the Board that it is the Authority's responsibility to incur the cost for pulling the meters, noting that overall it will be a savings cost to the Authority. Chairman Allmann stated that a letter will be sent the 261 residents notifying them and will reinforce in their October bill that they have still have to winterize. . It was also noted that if the meters are pulled and residents want to continue watering their lawn, then they would not have this usage deducted from their bill. Mr. Garofano suggested that the Authority attend one of the Westlake Club meetings explaining to the residents exactly what will be done and what the cost savings will be Mr. Harpell thanked the Board for their consideration and thinks the Westlake residents will be pleased with this approach.
- Mr. Harpell discussed a letter received from the Township regarding service line problems in Westlake on the homeowner's side of the curb stops. There was some thought that it could be an issue with the Authority's work but it is on the service line into the home and this portion of the service is not inspected by the MUA. It was stated that we will get a letter back to the association letting them know that it beyond our responsibility but would be happy to talk to them if there is anything that we can do to assist with the situation. Chairman Allmann stated that we met with Lennar and Toll Brothers who are addressing those issues and are covering the costs.
- Mr. Harpell discussed a letter received from Jackson Colonial Arms. Mr. Monjoy was looking for relief from connection fees, which is what prompted the ordinance change. It was noted that Mr. Monjoy has indicated that he still can't afford the connection fees and has asked for permission not to connect to the system. Chairman Allmann stated that his connection fees have already been cut back from \$90,000.00 to \$27,000.00, noting that it is not fair to the ratepayers. Chairman Allmann also stated that his recommendation is to give Colonial Arms 60 days to hook up or meet the demands of the rates that are dictated by the Ordinance. The Board agreed that 60 days is fair and the Authority will notify Mr. Monjoy of such.

Engineering Committee Report

Mr. Harpell discussed the following action items this month.

- Hampshire Hills Pump Station Renovation, Contract No. C7-00027. This project has been on-going for approximately a year. A design contract was put out earlier this year and this is the award of the bid for D&D Utility Contractors to rehabilitate that station.

They will change the pumps out, and change the controls in the station. The Engineer's estimate was \$250,000.00 so D& D's quote of \$189,000.00 appears reasonable and we are recommending it be awarded. Mr. Harpell stated that the Authority has been pleased with the work D&D Utility Contractors has been doing on other projects.

- Rehabilitation of Wells 1, 3, 13 & 15, Contract No. C7-00012. Mr. Harpell stated that the Authority had some issues with Well 15 where it was pumping sand and Unitech helped absorb some of the costs of rehabilitation since they drilled the well. The well is working now but there are some extra costs for this rehabilitation. The proposed change order is \$43,247.85, which is strictly for their extra time in rehabilitating the well. Mr. Harpell discussed the two options with this contract, if we decide not to rehabilitate Well 13, which has just had the pump changed; the contract can still be brought in with little or no cost increase. If the Authority decides to rehabilitate Well 13, the project will exceed the original contract amount. The Authority is still evaluating our options.
- Sanitary Sewer System Evaluation – Phase IV, Contract No. 05-125. The Authority is presenting both the final quantities change order and project closeout for National Water Main Cleaning. Mr. Harpell stated that we are getting close to getting most of the sanitary sewer evaluations completed at this point. At last count, approximately 88% of the town was done. It was noted that we have not found many problems, so there are some credits coming back on this job of \$30,038.94, mainly because they did not find problems in the systems and did not have to do any repairs.
- SCADA System and Control/Instrumentation Improvements – Phase 3. Mr. Harpell stated that we are proposing competitive contracting for this project, which was Mr. Hering's recommendation, rather than going out for a normal bid. To utilize competitive contracting we have to adopt a resolution authorizing this method before we issue the contract. Mr. Harpell stated that we would like the Board to approve the competitive contracting approach and the Authority will probably bid the job next month.

Other Items

- Lakeland Shores Water and Sanitary Sewer Systems, Contract No. 05-139 – Change Order No. 3. This was approved last month. Mr. Canal wanted to make everyone aware there was a typo on the resolution. The dollar and change order amounts were correct but the final quantities were incorrectly totaled.
- Supplemental Chemical Supply Contract No. C7-00037 and C7-00038. One of the major issues last year was controlling odors in the system. Because of the additional usage of sodium hypochlorite for odor control as well as some demand at Hyson Road we have run out of money in the one contract so would like to reissue this contract. It was noted that the odor control has been very effective with almost no complaints this year.

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

Mr. Alan Dittenhofer of Remington, Vernick & Vena Engineers discussed the following development applications on the Engineers Report of August 23, 2007 and requesting approval from the Board.

- BMJ of Jackson is proposing a 6-unit subdivision on the south side of Bennetts Mills Road west of Johnson Lane. The applicant is applying for preliminary utility services at this time and is proposing to connect to extend an existing 6" water main to service the unit. The applicant is proposing to install septic systems for each unit. We have recommended preliminary approval in our letter dated August 13, 2007 to the Board.
- Preliminary and Tentative Water and Sewer application for Charlie Brown's Office Building. Mr. Dittenhofer mentioned last month there was companion application next to this for Charlie Brown's Restaurant. This office building is located immediately adjacent to that project and the applicant, David Cooper, is proposing to construct 12,000 sq foot two story office building on the west side of Kingston Drive, south of the proposed Charlie Brown's Restaurant. We recommended this approval in our letter dated August 13, 2007 letter to the Board.

Mr. Dittenhofer discussed the two bond reductions on the agenda for this evening. The first is a 50% performance bond reduction for Westlake Mews sewer system, which was recommended in our July 24, 2007 letter to the Board. The second is Westlake II , which is a water and sewer performance bond reduction with a recommendation of 50% which was made in our letter of August 22, 2007 letter to the Board.

Public Relations Committee Report

Mr. Harpell stated that the Public Relations Committee will meet following this evening's meeting mainly to prepare for Jackson Day which is scheduled for September 8th with a rain date of September 9th. We will finalize preparations, including handouts, noting that the MUA has a new banner this year.

Administrative Committee Report

Mr. Harpell stated that the Administrative Committee did not meet this month.

4. Business Administrator's Report
Finance Committee Report
Personnel Committee

Mr. Diaz stated that the Finance Committee met on Monday, August 20, 2007, discussing and recommending approval of items on the agenda this evening, as well as the Total Voucher list amount submitted this evening in the amount of \$1,374,395.24 with the funds being drawn against the following accounts:

1. Capital Reserve Fund in the amount of \$223,919.59 for capital projects;
2. Escrow Funds in the amount of \$91,853.30 for developer work;

3. Revenue General Fund in the amount of \$1,058,622.35 for operating expenses.

Mr. Diaz stated that the total operating expenses of \$1,058,622.35 includes \$160,000.00 for funding the Payroll account and \$703,600.00 for third quarter 2007 OCUA installment.

Mr. Diaz discussed the following items:

- Mr. Diaz discussed the capital purchase this month for a new engineering workstation. Workstations were purchased for the new Engineering Office in the basement of the Administration Building, which was completed last year. It was decided that when we added new employees to the Engineering Department, we would purchase the additional workstations that followed the Engineering Office plans. The new station is being added for a new employee for a total of \$5,932.95. This is a state contract for Affordable Interior Systems. The Finance Committee is recommending approval this evening.
- Mr. Diaz discussed the interlocal agreement for fuel charges. The agreement between the JTMUA and the Jackson Township expires this year, December 31, 2007, and we are looking to have another agreement for three years running from 2008 through 2010. The Finance Committee is recommending approval this evening.
- Mr. Diaz discussed the resolution on the agenda this evening for the NJEIT, noting that this resolution is confirming that the Commissioners have read and reviewed the Local Finance Board Findings. Mr. Diaz also stated that there is a certificate this evening that needs to be signed by all the Board Members. This certificate will then be forwarded to Bond Counsel.
- The next item discussed was an amendment to the 2004 Bonds. Last month the Authority awarded to the Bond Counsel to go ahead with the process of amending the 2004 bonds to include the Hampshire Hills Project. Mr. Diaz stated that this month is to formalize that amendment adding Hampshire Hills project to the 2004 bonds. The Finance Committee reviewed and is looking for approval from the Board this evening.
- Mr. Diaz updated the 2007 tax liens, stating that the Authority is down to about 171 accounts and progressing well. The Tax Sale is scheduled for October 2008.

Personnel

The Personnel Committee met this evening with one item on the agenda. Mr. Diaz discussed the contract for Michelle DeFrancis who has been working as our Purchasing Assistant, filling in while our Purchasing Agent was out. Mr. Diaz stated that the Authority separated the Purchasing Agent in June 2007. This agreement will formalize Mrs. DeFrancis' position with the Authority. Mrs. DeFrancis will now be overseeing the Purchasing Department with a salary of \$27,000.00. The Personnel Committee reviewed and is recommending approval from the Board this evening. Mr. Diaz stated that there is a copy of the agreement and resolution which will be effective August 27, 2007 through December 31, 2007, at which time this employee will be put on the same calendar year schedule as all the non-union contracts. Mr. Borys questions whether this was considered management and Mr. Diaz stated that it is a supervisory position. This has been discussed with the union and this is a non-union position.

Chairman Allmann entertained a motion to accept all the reports discussed this evening from all the Committees. Mr. Borys made a motion to approve. Mrs. Blake seconded the motion and it was passed unanimously.

At this time, Mr. Dittenhofer made a correction regarding the performance bond reduction for Westlake Mews, previously discussed in his report this evening. The performance reduction is 70% rather than 50%.

5. Consent Resolutions 2007-150 to 2007-155:

- 2007-150 Resolution Ratifying Cash Management Report for July 2007
- 2007-151 Resolution Granting Sewer and Water Performance Bond Reduction to Lennar for Westlake Mews Sewer System and Pump Station, Block 80, Lots 6.01 and 7.01.
- 2007-152 Resolution Granting Sewer and Water Performance Bond Reduction for Westlake II, LLC.
- 2007-153 Resolution Granting Preliminary and Sewer and Water Approval to Charlie Brown's Office Building, Block 111.03, Lot 107.02 on the Tax Map of the Township of Jackson.
- 2007-154 Resolution Granting Preliminary Sewer and Water Approval to BMJ of Jackson Subdivision, Block 82.01, Lot 8 & 9.01 on the Tax Map of the Township of Jackson.
- 2007-155 Resolution Authorizing Competitive Contracting for SCADA System and Control/Instrumentation Improvements – Phase 3.

Mr. Borys made a motion to approve Resolutions 2007-150 through 2007-155. Mrs. Clayton seconded the motion and it was passed unanimously.

6. Resolutions Offered:

- 2007-156 Resolution Authorizing Payment of Vouchers, Deposit Refunds & Payroll

Mrs. Blake made a motion to approve Resolution 2007-156. Mrs. Rickabaugh seconded the motion and it was passed unanimously.

- 2007-157 Resolution Awarding Hampshire Hills Pump Station Renovation, Contract No. C7-00027 to D&D Utility Contractors, Inc., in the Amount of \$189,421.00.

Mrs. Blake made a motion to approve Resolution 2007-157. Mrs. Clayton seconded the motion and it was passed unanimously.

2007-158 Resolution Approving Change Order No. 1 to Unitech Drilling Co., Inc. for the Rehabilitation of Wells 1, 3, 13 & 15, Contract No. C7-00012 in the amount of \$43,247.85.

Mrs. Blake made a motion to approve Resolution 2007-158. Mrs. Rickabaugh seconded the motion and it was passed unanimously.

2007-159 Resolution Awarding Supplemental Chemical Supply Contract No. C7-00037 & C7-00038, in the Total Award Amount of \$77,256.25.

Mrs. Blake made a motion to approve Resolution 2007-159. Mrs. Rickabaugh seconded the motion and it was passed unanimously.

2007-160 Resolution Approving Final Quantities Change Order No. 1 to National Water Main Cleaning Co., for Sanitary Sewer System Evaluation – Phase IV, Contract No. 05-125, Providing a Reduction In The Amount of \$30,038.94.

Mrs. Rickabaugh made a motion to approve Resolution 2007-160. Mrs. Clayton seconded the motion and it was passed unanimously.

2007-161 Resolution Granting A Closeout & Performance Bond Release to National Water Main Cleaning Co., in Connection with Sanitary Sewer System Evaluation, Phase IV, Contract 05-125.

Mrs. Blake made a motion to approve Resolution 2007-161. Mrs. Rickabaugh seconded the motion and it was passed unanimously.

2007-162 Resolution Authorizing State Contract Purchase of Engineer's Office Workstation for Administration Building Basement Offices from Affordable Interior Systems Contract No. C7-00036, in the Amount of \$5,932.95.

Mrs. Blake made a motion to approve Resolution 2007-162. Mrs. Clayton seconded the motion and it was passed unanimously.

2007-163 Resolution Amending a Resolution Authorizing the Issuance of Water & Sewer Revenue Bonds of the Jackson Township Municipal Utilities Authority Finally Adopted May 6, 2004 as Amended and Supplemented, in Order to Amend the Project Description.

Mr. Borys made a motion to approve Resolution 2007-163. Mrs. Blake seconded the motion and it was passed unanimously.

2007-164 Resolution Ratifying the Non-Union Contract of a Classified Utilities Authority Employee.

Mrs. Blake made a motion to approve Resolution 2007-164. Mrs. Rickabaugh seconded the motion and it was passed unanimously.

2007-165 Resolution of the JTMUA Concerning Review of Findings of the Local Finance Board Made at a Meeting of Said Board On July 11, 2007 in Accordance with the Provisions of N.J.S.A. 40A:5A-6 and N.J.S.A. 58:11B-9

Mr. Borys made a motion to approve Resolution 2007-165. Mrs. Clayton seconded the motion and it was passed unanimously.

2007-166 Resolution Authorizing an Interlocal Services Agreement Between the Township of Jackson and the Jackson Municipal Utilities Authority Concerning Petroleum Products Contract No. C7-00040.

Mrs. Blake made a motion to approve Resolution 2007-166. Mrs. Clayton seconded the motion and it was passed unanimously. Mr. Harpell stated that he would like to thank Commissioner Garofano for pointing out that this agreement was going to expire this year so that we had time to enter into a new agreement.

There was no closed session.

7. Other Matters

Mr. Diaz noted the Statement of Revenues and Expense Report were distributed this evening for the Board's review.

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 August 23, 2007 Public Meeting adjourned.

End of Minutes

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