

A Public Hearing for the 2015 Connection Fee of the Eatontown Sewerage Authority was held at 5:00 P.M. on January 12, 2016 in the Borough Hall, 47 Broad Street, Eatontown, New Jersey. The 2015 connection fee was increased from \$1,607.00 to \$1,660.00 and adopted on a unanimous voice vote. No public attended the Hearing. The Minutes of the Hearing were transcribed by Betsy Condiotti & Associates, Court Reporting Services.

The regular meeting of the Eatontown Sewerage Authority was held at 5:05 p.m. on January 12, 2016 in the Borough Hall, 47 Broad Street, Eatontown, New Jersey. The Chairman, Brian Charnick, called the meeting to order by making the following statement: "This is a regular meeting of the Eatontown Sewerage Authority made pursuant to Chapter 291 of the Public Meeting Act by declaring notice thereof at least 48 hours prior to this meeting to The Link News and to the Borough Clerk. Notice has also been posted in the public corridor of this Borough Hall."

ROLL CALL

MEMBERS PRESENT: Brian Charnick
 Ben Caviglia
 Anthony Gaetano
 Herman Redd

MEMBERS ABSENT: Peter Berkley

ALSO PRESENT: Robert Oliwa, Auditor
 Steve Colvelle, Auditor's Assistant
 Ted Lewis, Executive Director
 John Bonello, Authority Attorney
 John McKelvey, Authority Engineer
 Richard Johnson, Superintendent
 Anita Andrus, Treasurer
 Michelle Hu, Assistant Treasurer

CITIZENS PRESENT No One

APPROVAL OF MINUTES

Mr. Caviglia moved to approve the minutes of the regular monthly meeting held on December 8, 2015 as submitted. The motion was seconded by Mr. Redd and adopted on a unanimous voice vote.

REPORTS OF COMMITTEES, MEMBERS, & ENGINEER

Engineering Committee

There was no Committee's Report.

Executive Director's Report *

Mr. Lewis offered his report with the following addition.

- **Cleaning Out Files**

Ms. Andrus reported that the office staff came in one Saturday and finished cleaning half of the files. It was estimated that it will take one more Saturday to complete the work.

Superintendent's Report *

Mr. Johnson offered his report with the following additions:

- **Old Deal Road Pump Station**

Mr. Johnson reported that on Saturday, January 2, 2016, Mr. Volner and Mr. Carrino were called in by the Eatontown Police Department for a manhole overflowing on Ash Street. They found out that the Old Deal Road Pump Station was not running, and the phone line was not working either. Both pumps and control panel parts were burnt due to an electrical surge. Mr. Volner and Mr. Carrino were cleaning the wetwell with the Vac-Con truck before Municipal Maintenance, the Authority Pump Station Emergency Contractor, installed an electrical pump in the wetwell and a diesel bypass pump on site. But after 7 days, their electrical pump burned out on January 9, 2016. Mr. Johnson and Municipal Maintenance are investigating the cause. On the other hand, the diesel bypass pump has been operating in the station since. Municipal Maintenance is installing an electrical power monitor to record the power coming into the station over a period of time to find out when the surges are happening.

Back in June of 2014, the two pumps damaged by a power transformer explosion were sent to Pilot Electric for an evaluation, and they rebuilt the pumps and installed new control coils and line load breakers to prevent the same situation happening in the future. However, it didn't protect the pumps from being damaged again on Saturday. Mr. Johnson reported that the warranties cover parts, labor, and manufacture defects, but do not cover the damage caused by the electrical surge. JCP&L referred Mr. Johnson to contact the Authority's insurance company to file a claim for the damage.

T&M Associates will send an electrical engineer to examine the problem and find out what caused it. Mr. Charnick indicated that there are two issues which could have caused the pumps to burn out. One issue is the surge protector that was not installed on the Old Deal Road Pump Station. The second issue is that the source of the power is not regulated properly. Mr. Johnson reported that there are six older stations including Old Deal Road Pump Station. None of them were upgraded with 2009 Pump Station Improvement Project and do not have surge protectors (Transient Voltage Surge Suppression) installed. Mr. Charnick and Mr. Johnson suggested that

the Old Deal Road Pump Station and five other stations should be included in the new capital improvement program to be upgraded to the current electrical protection standards. So it is a high priority to install surge protection devices (TVSS) in these stations.

Mr. Gaetano offered a Resolution authorizing the Authority Engineer to examine the Old Deal Road Pump Station electrical problem immediately and provide a report to the Board. The Resolution was seconded by Mr. Charnick and adopted on the following roll call vote:

ROLL CALL

AFFIRMATIVE: Brian Charnick, Ben Caviglia, Anthony Gaetano, and Herman Redd

NEGATIVE: None

ABSTENTION: None

ABSENT: Peter Berkley

Since the Authority does not have a bypass pump, the Authority is paying \$1,300.00 a week to Municipal Maintenance for renting their pumps. Mr. Johnson suggested the Authority purchase a new portable diesel bypass pump that will serve all the stations when there is a power surge. Since each station has a different dynamic head, Mr. Johnson wants the new pump be able to connect to all the force mains. He will work with Mr. McKelvey to find a compatible pump that will serve all the stations and make a recommendation to the Board.

- **34 Heritage Road**

The house located at 34 Heritage Road had several sewer back-ups. There is a dip in the lateral from the cleanout to the main line in the cul-de-sac causing the back-ups. The Authority owns this lateral. About 20 feet of the lateral is needed to be re-laid. Mr. Johnson will contact Mr. McKelvey to discuss the repair.

Engineer's Report *

Mr. McKelvey presented the report with the following addition.

- **Discussion of Future Capital Projects**

There are five (5) potential future capital projects discussed at the meeting. They are the manhole rehabilitation, lining of all sanitary sewers in Easements, Brookwood Pump Station upgrades, force main inspections, and two diesel generators' upgrades at Deepwood and Old Deal Road Pump Stations. Lining of all sanitary sewers in Easements is considered a lower priority. Manhole rehabilitation is not an emergency and is not critical to proceed now. Brookwood Pump Station replacement, diesel generator upgrades, and force main inspections are considered a high priority. Mr. Caviglia suggested that Brookwood Pump Station would be the first priority and the diesel generator upgrade is the second priority. However, because of the emergency electrical issue in Old Deal Road Pump Station and the need of a new bypass pump, the Board would like to have the engineer's report as soon as possible analyzing the electrical problem at the Old Deal Road Pump Station. Based on the report, the Board will indentify the priority of the repairs and decide whether or not the Authority can afford to repair both Old Deal Road and Brookwood Pump Stations at the same time.

UNFINISHED BUSINESS

- **Route 35/Mall Jug Handle Repair Issue**

Mr. McKelvey reported that Kiely completed final paving associated with the filling and abandonment of the two sewer sections on Highway 35/Mall Jug Handle in late December. Mr. McKelvey will review Kiely's payment request and send it to the Authority for a final payment. The Authority will work with the NJDOT to close out this project.

- **Steve Patterson's Trailer Donation**

Mr. Johnson reported that Red Bank Recycling delivered the other trailer to the Authority maintenance yard on January 12, 2016.

- **Additional Space Issue**

Mr. Lewis has sent a formal letter to the Mayor and Council regarding the space issue. Ms. Virginia East, the newly elected councilwoman, would like to work with Mr. Lewis on the space the Authority is interested in.

NEW BUSINESS

- **Approval of 2015 Connection Fee**

Mr. Oliwa has proposed an increase in the Authority's connection fee from \$1,607.00 to \$1,660.00 per unit. The calculation utilizes an estimate of the service units at December 31, 2014. The Board approved the 2015 connection fee in the amount of \$1,660.00.

Based upon Mr. Oliwa's recommendations, Mr. Redd offered a Resolution adopting the 2015 connection fee of \$1,660.00. The Resolution was seconded by Mr. Caviglia and adopted on the following roll call vote:

ROLL CALL

AFFIRMATIVE: Brian Charnick, Ben Caviglia, Anthony Gaetano, and Herman Redd

NEGATIVE: None

ABSTENTION: None

ABSENT: Peter Berkley

- **Discussion and Adoption of 2016 Budget**

A Public Hearing for the adoption of the 2016 Budget of the Eatontown Sewerage Authority was also held on January 12, 2016 in the Borough Hall, 47 Broad Street, Eatontown, New Jersey. No one from the public attended the Hearing.

Mr. Oliwa reported that the 2016 Budget was introduced and reviewed by the Authority in November. The Capital Budget as presented for adoption reflects Total Capital Appropriations of \$250,000, and \$250,000 of unrestricted net position was utilized to fund the 2016 capital

program. The Operating Budget for adoption reflects Total Revenues of \$3,376,160. Total Appropriations include any accumulated deficit of \$3,441,160 and unrestricted net position of \$65,000 utilized to balance the Operating Budget.

Overall, the 2016 budget appropriations have increased by 1.2%, or \$41,600, over the 2015 level. The largest budgeted increase for 2016 is for maintenance and repairs in the amount of \$30,000. The majority revenue of the budget is funded by service fees of \$3,300,000. There is no need for a rate increase in 2016. In addition, Mr. Oliwa indicated that a potential credit in the regional disposal fees will result in a surplus.

Based on Mr. Oliwa's recommendations, Mr. Caviglia offered a Resolution to adopt the Operating Budget and Capital Budget of the Eatontown Sewerage Authority for the fiscal year beginning January 1, 2016, and ending December 31, 2016. The Operating Budget and Capital Budget as presented for adoption reflects each item of revenue and appropriation in the same amount and title as set forth in the introduced and approved budget. The Resolution was seconded by Mr. Gaetano and adopted on the following roll call vote:

ROLL CALL

AFFIRMATIVE: Brian Charnick, Ben Caviglia, Anthony Gaetano, and Herman Redd
NEGATIVE: None
ABSTENTION: None
ABSENT: Peter Berkley

- **Presentation of 2014 Audit**

Mr. Oliwa reported that the Authority's realized net income was \$378,747 in 2014 and \$228,154 in 2013. The largest expense decreases were for regional disposal charges which were down \$115,493 from 2013. Maintenance and repairs were down \$25,855 from 2013. The Authority could use the generated net income and cash in reserve to fund the capital projects and stabilize the rate. The last rate increase was in January 2013 from \$360 to \$380.

In the 2014 audit report, Mr. Oliwa has no comments and recommendations. The Authority has no violations of laws, no complaints, and other liabilities. However, Mr. Oliwa has two suggestions to the members. They are segregation of duties and timely review of general ledger. After the first quarter collection, Mr. Lewis and Mrs. Andrus will set up a meeting with the Authority Auditor and the Accountant to establish a schedule for the 2015 audit.

- **Resolution #2016-1-1: Approval of Lightbridge Academy, Block 3502, Lot 2, Wyckoff Road (Subject to payment of all fees)**

Hope Property, LLC has submitted plans for the construction of a two-story building to be used as a daycare center known as Lightbridge Academy. The improvements will include a new sanitary sewer connection. The applicant has submitted the appropriate site plans, architectural plans and engineering specifications for the connection of their premises to the sewer system. The Authority Engineer, John McKelvey, P.E. of T&M Associates, has reviewed the plans

submitted and found that they have met the engineering requirements set forth in the Eatontown Sewerage Authority Rules and Regulations.

Based on the Authority Engineer's recommendation, Mr. Gaetano offered a Resolution granting approval of the Lightbridge Academy project subject to the payment of all application, review, and connection fees and providing the Authority with two full sets of signed and sealed final plans. The Resolution was seconded by Mr. Caviglia and adopted on the following roll call vote:

ROLL CALL

AFFIRMATIVE: Brian Charnick, Ben Caviglia, Anthony Gaetano, and Herman Redd

NEGATIVE: None

ABSTENTION: None

ABSENT: Peter Berkley

- **Resolution #2016-1-2: Group Affidavit for 2014 Audit**

The board members certified that they have personally reviewed and are familiar with the contents of the Eatontown Sewerage Authority's 2014 Audit and executed the Group Affidavit for 2014 Audit at the January 12, 2016 meeting.

BILLS

Resolution to authorize paying the bills in the amount of \$981,563.51 including two (2) quarters of 2015 TRWRA disposal charges as submitted from the operating account in Central Jersey Bank was offered by Mr. Charnick, seconded by Mr. Gaetano, and adopted on the following roll call vote:

ROLL CALL

AFFIRMATIVE: Brian Charnick, Ben Caviglia, Anthony Gaetano, and Herman Redd

NEGATIVE: None

ABSTENTION: None

ABSENT: Peter Berkley

APPROVAL OF TRANSFERS FROM THE FOLLOWING ACCOUNTS

TD Revenue Trust to Central Jersey Bank Operating Account:
(January, 2016 Operating Expenses including two (2) quarters
of 2015 TRWRA Disposal charges) \$ 981,563.51

TD Revenue Trust to Central Jersey Bank Payroll Account:
(February, 2016 Salaries) + \$ 34,410.12

Total Transfers: \$1,015,973.63

Resolution to authorize the monthly transfers from TD revenue trust account to Central Jersey Bank operating account to pay the bills in the amount of \$981,563.51 including two (2)

quarters of 2015 TRWRA disposal charges, and to Central Jersey Bank payroll account for the payroll of February, 2016 in the amount of \$34,410.12 was offered by Mr. Charnick, seconded by Mr. Redd, and adopted on the following roll call vote:

ROLL CALL

AFFIRMATIVE: Brian Charnick, Ben Caviglia, Anthony Gaetano, and Herman Redd
NEGATIVE: None
ABSTENTION: None
ABSENT: Peter Berkley

Resolution to authorize payments for capital improvements from Central Jersey Bank operating account to T&M Associates for Year 2 sanitary sewer improvements in the amount of \$1,221.30 and for Highway 35 sewer repair contract administration and inspection in the amount of \$177.00 was offered by Mr. Charnick, seconded by Mr. Redd, and adopted on the following roll call vote:

ROLL CALL

AFFIRMATIVE: Brian Charnick, Ben Caviglia, Anthony Gaetano, and Herman Redd
NEGATIVE: None
ABSTENTION: None
ABSENT: Peter Berkley

EXECUTIVE SESSION

A motion to go into Executive Session at 5:57 p.m. for the purpose of discussing a personnel matter was offered by Mr. Gaetano and adopted on a unanimous voice vote.

Upon completion, the Executive Session was closed. The board members returned to the Regular Session at 6:05 p.m.

ADJOURNMENT

With no further business to address, Mr. Charnick adjourned the meeting at 6:05 p.m.

Assistant Treasurer

**** All reports of Committees, Members & Engineer are available for the public to review in the Authority's office and can also be reviewed online.***