

The regular meeting of the Eatontown Sewerage Authority was held at 5:00 P.M. on October 8, 2019 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  
                                     Herman Redd  
                                     Matthew Jacobs

ALSO PRESENT:                Ted Lewis, Executive Director  
                                     Herb Volner, Superintendent  
                                     John Bonello, Attorney  
                                     Christine Ballard, Authority Engineer  
                                     Michelle Hu, Treasurer  
                                     Gloria Aderton, Assistant Treasurer  
                                     Steven Colvell, Auditor, representing Oliwa & Company  
                                     Anthony Talerico, Mayor, Eatontown Borough

MEMBERS ABSENT:            Peter Berkley  
                                     Jeanna Migliaccio

**CITIZENS PRESENT**            None

## **APPROVAL OF MINUTES**

Mr. Charnick moved to approve the minutes of the regular meeting held on September 10, 2019. 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 Report.

### **Executive Director's Report \***

Mr. Lewis presented his report with the following additions:

- **Sun Eagles Area**

Mr. Lewis met with Eatontown's mayor, Anthony Talerico, and the attorney representing FMERA earlier today to discuss the proposal as submitted by Tinton Falls's attorney. At this time, Mr. Talerico was invited into the meeting to provide information regarding Eatontown Borough's perspective on the development. As the proposal exists now, the Authority would charge the Sun Eagles' commercial properties the Authority's standard rate based on usage. Tinton Falls would in turn bill the Authority for those properties at the Tinton Falls commercial rate, which is significantly higher than the Authority's rate, and then use a portion of that money to pay TRWRA their usage fee. Tinton Falls would then return one-half of the money left after paying TRWRA back to the Authority. Using this formula with estimated flows, the Authority would lose money every

year while Tinton Falls would make a profit. While it is not the Board's desire to delay this development, it would not be prudent to agree to the current proposal which results in an annual net loss for the Authority.

Example of current proposal with estimated usage:

- 1) Authority charges Sun Eagles commercial properties \$15,000 in fees based on usage.  
ESA: \$15,000      Tinton Falls: \$0
- 2) Tinton Falls charges the Authority \$26,000 in fees for the same properties with same usage as their commercial fee is significantly higher than the Authority's fee.  
ESA: (\$11,000)      Tinton Falls: \$26,000
- 3) Tinton Falls pays TRWRA \$8,000 in treatment fees for these commercial properties.  
ESA (\$11,000)      Tinton Falls: \$18,000
- 4) Tinton Falls returns 50% of remaining funds back to the Authority.  
ESA: (\$2,000)      Tinton Falls: \$9,000

Mr. Talerico is going to have further discussions with Tinton Falls' Borough Administrator in the hopes of developing options for either a unique fee structure for this property or the inclusion of off-site improvements, i.e. upgrading a pump station, in order to eliminate or offset the financial loss. He will contact Mr. Lewis as talks progress.

**[Executive Director's Report paused]**

**Change in Order of Agenda Items**

Mr. Charnick moved to present the 2018 audit at this point rather than waiting until the New Business portion of the meeting. There were no objections.

- **Presentation of 2018 Audit**

Mr. Colvell presented the 2018 audit, noting these highlights:

- Net income for 2018 is approximately \$276k with revenues remaining essentially the same while expenses increased slightly.
- The Authority has a healthy unrestricted net position of approximately \$2.4M.
- The Authority should budget the usual \$2.1M for regional sewerage authority costs for 2020.
- Mr. Lewis mentioned that there are the same two recommendations which the auditing firm makes every year which is to have more people in the office to segregate the handling of funds and also getting the audit completed earlier in the year. Progress was made on the latter recommendation this year.

**[Executive Director's Report resumed]**

- **Vac-Con Truck**

The Vac-Con truck is back in service and working well, however, given the advanced age (22 years) and condition of the truck, it is anticipated that maintenance costs will become more frequent and eventually cost prohibitive. Mr. Lewis said that he registered with Sourcewell, formerly NJPA, which is the cooperative purchasing program which allows government agencies to purchase items on state contract without having to go through the bid and solicitation process. He and Mr. Volner then spoke with a representative from Pierce-Eagle to work up the specifics of a new Vac-Con truck to be purchased on the Sourcewell contract. Financing

would be done through the Monmouth County Improvement Authority and Mr. Lewis is in the process of submitting the necessary paperwork to the MCIA in order to be included in this year's funding initiative. This will allow the Authority to purchase a new Vac-Con truck next year if the Board ultimately decides to do so.

- **Old Orchard Pump Station**

Mr. Lewis and Mrs. Ballard met with one of the owners of Old Orchard Country Club (Mr. Kiely) on October 3, 2019 at the pump station location to discuss the particulars of the easement and replacing the pump station. Overall, Mr. Kiely was amenable to the proposed plans and will be discussing it with the other owners. He did not want the existing driveway, which currently provides access to the pump station, specifically included in the proposed easement as that might interfere with future development and would rather move ahead with the understanding that access will always be provided but that the specifics will be dependent on surrounding development.

- **DCH Easement**

Mr. Lewis and Mr. Volner are working with the contractor and property owner on a solution to the problem accessing the Authority's easement behind DCH Auto. Currently, the expectation is that the Authority should be able to access the easement from a corner of the owner's property and may need to remove only a few dead trees from the middle area of the easement.

#### **Superintendent's Report \***

Mr. Volner presented his report with the following addition:

- **Fort Monmouth Easement Excavation**

Parsons, the contractor in charge of environmental remediation on Fort Monmouth, will be digging again on the Authority's easement on October 16, 2019, as there are two locations which still showed contaminants in soil samples. T&M will have an engineer on site to observe.

#### **Engineer's Report \***

Mrs. Ballard presented the engineer's report with no additions.

### **PROGRESS OF PROJECTS**

- **Old Orchard Pump Station Wet Well Replacement**

Status as noted previously.

### **UNFINISHED BUSINESS**

- **NJEIT Application and Asset Management Program**

If the Authority applies for funding through this program, there will need to be an asset management program in place. Ongoing issue.

- **Emergency Incident Plans**

Mr. Berkley continues to work on the plans and anticipates having a first draft ready soon.

- **75 Tinton Avenue Emergency Lateral Repair**

Mr. Lewis noted that there has been no additional communication from JCP&L regarding the Authority's claim for damages. Mr. Bonello will work up the numbers to determine if filing a suit is the appropriate next step.

- **Jamie Pavlis, 75 Highway 35, Block 1007, Lot 2**

Mr. Pavlis submitted a letter from New Jersey American Water Company detailing a water usage credit to his account of 195,000 gallons. He requested a corresponding monetary credit to his sewer bill as it is calculated based on water usage. Using the Authority's standard equivalency of 80,000 gallons=\$380, a credit of \$926.25 was calculated and will be applied to the account for the property located at 75 Highway 35.

***Mr. Charnick offered a Resolution to apply a credit of \$926.25 to the sewer account for the property located at 75 Highway 35 based on a 195,000 gallon usage credit from New Jersey American Water Company. The resolution was seconded by Mr. Redd and adopted on the following roll call vote:***

ROLL CALL

AFFIRMATIVE: Brian Charnick, Herman Redd, and Matthew Jacobs  
NEGATIVE: None  
ABSTENTION: None  
ABSENT: Peter Berkley and Jeanna Migliaccio

## NEW BUSINESS

- **Presentation of 2018 Audit**

Audit was presented earlier in meeting to accommodate auditor's schedule.

- **Resolution #2019-10-01: Group Affidavit for 2018 Audit**

The 2018 audit has been completed and the Board members are able to certify that they have reviewed and are familiar with the contents of the audit.

***Mr. Charnick offered a Resolution to execute the group affidavit for the 2018 audit. The resolution was seconded by Mr. Redd and adopted on the following roll call vote:***

ROLL CALL

AFFIRMATIVE: Brian Charnick, Herman Redd, and Matthew Jacobs  
NEGATIVE: None  
ABSTENTION: None  
ABSENT: Peter Berkley and Jeanna Migliaccio

- **Resolution #2019-10-02: Approving the 2018 Audit**

The 2018 audit has been completed, reviewed by the Board members, and they are prepared to approve and submit the audit to the State Finance Board.

***Mr. Charnick offered a Resolution certifying the 2018 audit. The resolution was seconded by Mr. Redd and adopted on the following roll call vote:***

ROLL CALL

AFFIRMATIVE: Brian Charnick, Herman Redd, and Matthew Jacobs  
NEGATIVE: None  
ABSTENTION: None  
ABSENT: Peter Berkley and Jeanna Migliaccio

- **Resolution #2019-10-03: Close-out of 63-67 Route 35 Commercial Building Project and Return Remaining Escrow to 63-67 Route 35 Associates, LLC, 63-67 Route 35, Block 301, Lot 4**

63-67 Route 35, LLC, had submitted application for the construction of a two-story, 15,936 sf building consisting of ten rental units at 63-67 Route 35. The application included approval from the Eatontown Sewerage Authority for a new 6-inch lateral to connect to the existing 8" ACP sewer main within the right-of-way of Route 35, which approval was granted in 2008. The property in question has never been developed and the owner is no longer desirous of proceeding with the project and has requested the return of escrow funds.

***Mr. Charnick offered a Resolution to approve the close-out of the project located at 63-67 Route 35, Block 301, Lot 4, and return remaining escrow to 63-67 Route 35 Associates, LLC. The resolution was seconded by Mr. Redd and adopted on the following roll call vote:***

**ROLL CALL**

- AFFIRMATIVE: Brian Charnick, Herman Redd, and Matthew Jacobs
- NEGATIVE: None
- ABSTENTION: None
- ABSENT: Peter Berkley and Jeanna Migliaccio

- **Elected Officials Risk Management Training Class at the NJ State League of Municipalities Convention, November 19-21, 2019, Atlantic City Convention Center**

Mr. Charnick encouraged the Board members to either attend one of the local Risk Management training classes offered by the JIF or to complete the online version of the course. For each member that goes through the course, the Authority receives a \$250 credit on its insurance bill.

**BILLS**

***Resolution to authorize paying the bills in the amount of \$487,678.88 as submitted from the operating account in Kearny Bank was offered by Mr. Charnick, seconded by Mr. Redd, and adopted on the following roll call vote:***

**ROLL CALL**

- AFFIRMATIVE: Brian Charnick, Herman Redd, and Matthew Jacobs
- NEGATIVE: None
- ABSTENTION: None
- ABSENT: Peter Berkley and Jeanna Migliaccio

**APPROVAL OF TRANSFERS FROM THE FOLLOWING ACCOUNTS**

TD Revenue Trust to Kearny Bank Operating Account and Payroll Account:	
(October 2019 Operating Expenses)	\$ 487,678.88
(November 2019 Salaries)	+ \$ 30,682.41
	\$ 518,361.29
Total Transfers:	\$ 518,361.29

***Resolution to authorize the monthly transfers from the TD Bank revenue trust account to Kearny Bank operating account to pay the bills in the amount of \$487,678.88, to Kearny Bank payroll account for the payroll of November, 2019 in the amount of \$30,682.41 was offered by Mr. Charnick, seconded by Mr. Redd, and adopted on the following roll call vote:***

**ROLL CALL**

**AFFIRMATIVE:** Brian Charnick, Herman Redd, and Matthew Jacobs

**NEGATIVE:** None

**ABSTENTION:** None

**ABSENT:** Peter Berkley and Jeanna Migliaccio

**ADJOURNMENT**

With no further business to address, Mr. Charnick moved to adjourn the meeting at 5:59 p.m.

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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.***