

**MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY
REGULAR MEETING
JUNE 9, 2011**

The regular meeting of the Mount Holly Municipal Utilities Authority was held at 37 Washington Street on Thursday, June 9, 2011; at 6:00 PM. Chairman Edwards called the meeting to order with the following roll call:

PRESENT: Mr. Jason R. Carty, Commissioner
Mr. Jules K. Thiessen, Commissioner
Ms. Jacquelyn Perinchief, Commissioner
Robert Silcox, Vice Chairman
Mr. John R. Edwards, Chairman

ALSO William G. Dunn, Executive Director
PRESENT: Stephen J. Mushinski, Esq., Solicitor
Edward A Kondracki, Esq., Special Counsel
Tracey Giordano, Deputy Director of Finance and Administration
Andrew Doyle, Assistant Executive Director
Joel Hervey, Deputy Director of Plant Operations
Anthony Stagliano, Deputy Director of Regulatory Affairs
Richard A. Alaimo, Engineer, R.A. Alaimo Associates
Debra E. Fortner, Secretary

VERIFICATION OF NOTICE

Executive Director Dunn verified that "In compliance with the Open Public Meetings Act, this is to announce that adequate notice of this meeting was provided in the following manner: Notice of this meeting was published in the Burlington County Times on February 14th, 2011, April 20th, 2011, and May 18, 2011, and the Courier Post on February 15th, 2011, April 20th, 2011, and May 19, 2011. On Tuesday, June 07, 2011, advanced written notice of this meeting was posted on the Administrative Bulletin Board at the Township Building and advanced written notice of this meeting was mailed to all persons who, according to the records of the Authority, requested such notice."

MANDATORY AFFIRMATIVE ACTION COMPLIANCE NOTICE

Any contracts awarded tonight, and between now and the next meeting, the contractor, company or firm must comply with the requirements of N.J.S.A. 10:5-31 et seq. (P.L. 1975, C.127) N.J.A.C. 17:27.

PLEDGE OF ALLIEGIENCE TO THE FLAG

APPROVAL OF MINUTES

Commissioner Silcox moved for the approval of regular minutes of May 12, 2011. Commissioner Carty seconded the motion. Motion carried.

Commissioner Silcox moved for the approval of executive session minutes of May 12, 2011. Commissioner Carty seconded the motion. Motion carried.

Commissioner Thiessen abstained.

OLD BUSINESS

RATE HEARING

Chairman Edwards turned the meeting over to Special Counsel Edward A. Kondracki, who conducted the Public Hearing. A court stenographer was present to record the hearing. A copy of the transcript is attached and made part of the minutes.

RESOLUTION 2011-61

**A RESOLUTION OF THE MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY
APPROVING THE AMENDED RATE SCHEDULE**

Chairman Edwards asked if there were any public comments in regards to the Rate Hearing. Mr. Luis Lopez of 370 South Martin in Mount Holly asked what percentage of an increase the new rate is. Deputy Director of Finance and Administration, Giordano responded it is a 6% increase from last year. Commissioner Carty asked if the 6% increase is an average or an across the board 6% increase. Deputy Director of Finance and Administration, Giordano, stated the increase is across the board and based on the State's statutory formula.

Commissioner Silcox moved for the approval of Resolution 2011-61. Commissioner Thiessen seconded the motion. At the call of the roll, the vote was:

AYES: Commissioner Thiessen, Commissioner Perinchief, Commissioner Silcox,
Chairman Edwards

NAYS: Commissioner Carty

RESOLUTION 2011-62

**A RESOLUTION OF THE MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY
APPROVING A CONTRACT WITH J.C. SEAL LANDSCAPING FOR LAWN
CUTTING AND TRIMMING OF PUMP STATIONS AND TREATMENT PLANTS**

Chairman Edwards asked for clarification of where the Authority stands on the issue of this contract prior to the resolution being passed. Deputy Director of Regulatory Affairs, Stagliano reported at the recommendation of the Solicitor, the Authority readvertised the bid for the lawn cutting contract. The mulching of flower beds was removed from the original bid and grass cutting at the Rancocas Road Plant and the Maple Avenue Plant was added based on a recommendation by the Deputy Director of Plant Operations. The bid opening was on June 7, 2011 with two bids which were \$117.00 apart. The entity with the lowest bid was J.C. Seal Landscaping. Solicitor Mushinski stated that all mandatory documents were included with both of the second bids and based on the fact that this was a public bid, it is ok to award the bid to an employee.

Commissioner Silcox moved for the approval of Resolution 2011-62. Commissioner Perinchief seconded the motion. At the call of the roll, the vote was:

AYES: Commissioner Perinchief, Commissioner Silcox, Chairman Edwards

NAYS: Commissioner Thiessen, Commissioner Carty

When asked to vote on the motion Commissioner Carty stated he still had questions about this contract and its award that he raised in the May meeting. He said since there is no conflict because it was a public bid, he would like to know what that process entails. Also, he wanted to know if our bid threshold is different because the Authority has a QPA. Deputy Director of Finance and Administration, Giordano, stated the bid specifications had been posted on the Authority's website and through the RFP process which doesn't require us to publish in newspapers. Commissioner Carty responded that while we are not required, we could, and we should advertise in newspapers. He feels publishing the bid specifications only on the website may be legal, but is not good enough. Commissioner Carty then asked for an explanation for the current contract being \$5,000 more than the original contract. Deputy Director of Regulatory Affairs, Stagliano, explained the flower bed mulching was removed and grass cutting was added at the Rancocas Road and Maple Avenue Plants. Currently the Authority

has a shortage of personnel so employees do not have time to operate the plants effectively and cut the grass. Director of Regulatory Affairs Stagliano reported this addition was a result of discussion between himself, the Deputy Director of Plant Operations, the Executive Director, and the operating staff. Commissioner Carty asked, then, if there was more work involved with this contract. Deputy Director of Regulatory Affairs Stagliano responded that yes, there is more acreage involved to maintain which means there will be more hours involved to provide services. Commissioner Carty then stated that this issue was raised in the May Board Meeting so he was surprised to find out two days ago, via his pre board packet, that the contract had been rebid. He thought the issue would be discussed further, when instead, the board went from questioning the validity, to now, where a bid opening and memo is in front of him. Chairman Edwards replied that he assumed the contract had been rebid because the Authority Solicitor had provided an opinion on May 18th with the bid following shortly thereafter. Deputy Director of Finance and Administration, Giordano, confirmed that was what had transpired. Commissioner Carty asked if it would be advantageous to hire an employee to handle grass cutting along with other tasks. Deputy Director of Regulatory Affairs Stagliano responded that possibility had been considered, but after discussion with the Deputy Director of Finance and Administration, Giordano, it was concluded that it would add expenses to the Authority. Rather than take on the added expense at this time, the Authority will try it this way, with a contract, for this year and then readdress the situation next year if necessary. Commissioner Carty asked if a \$24,000.00 salary would be a lot for the budget. Ms. Giordano replied that the cost would actually be double that when adding in benefits such as health care.

When asked to vote on the motion, Commissioner Thiessen commented that in his opinion, while he has no problem awarding the bid to an employee, the Authority should go above and beyond what is legally required to stay above reproach for the bidding process when an employee may be involved. He suggested competitively advertising in newspapers in addition to the website in order to receive 3 bids to choose from.

When asked to vote on the motion, Chairman Edwards stated he is confused why the board is concerned about something that was done according to the requirements of the law and based on past practice. If at any time someone feels that a change in processes is needed, they need to advise the Board.

NEW BUSINESS

RESOLUTION 2011-63

A RESOLUTION OF THE MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY AUTHORIZING APPOINTMENT OF HOLMAN & FRENIA, P.C., AS AUDITOR FOR THE AUTHORITY FOR A ONE-YEAR TERM BEGINNING JULY 1, 2011 THROUGH JUNE 30, 2012

Chairman Edwards asked that, in the absence of Executive Director Dunn, the Deputy Director of Finance and Administration, Giordano, make a recommendation for the award of appointment since she has the most contact with the auditor. Deputy Director of Finance and Administration, Giordano, reported two proposals, one from Holman and Frenia who the Authority has a 13 year history with, and one from Brent Lee, who was previously employed by Holman and Frenia and has now started his own firm. She stated it is the recommendation of the Authority to stay with the current auditor, Holman and Frenia.

Commissioner Carty questioned why Holman and Frenia would be awarded the bid when Mr. Lee's proposal was less. Special Counsel Kondracki pointed out this is not a bid per se, but rather a proposal. Commissioner Silcox commented a proposal is based on hourly fees; it is just an estimate.

Commissioner Silcox moved for the approval of Resolution 2011-63. Commissioner Thiessen seconded the motion. At the call of the roll, the vote was:

AYES: Commissioner Thiessen, Commissioner Perinchief, Commissioner Silcox,
Chairman Edwards

NAYS: Commissioner Carty

Commissioner Thiessen commented before voting that in his opinion the Authority is very familiar with both firms and the appointment is being given to the lowest qualified bidder.

EXECUTIVE DIRECTOR DUNN ARRIVED AT 6:25 PM

RESOLUTION 2011-59

**A RESOLUTION OF THE MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY
AUTHORIZING CHANGE ORDER NO. 2 TO CONTRACT 2006-2A FOR UPGRADE
OF THE EDWARD STREET PUMPING STATION (DECREASE OF \$2,453.00)**

Deputy Director of Finance and Administration, Giordano, reported this decrease is a result of the wrap up of Quad Construction. Credits are being given back to the Authority as the project is finalized.

Commissioner Silcox moved for the approval of Resolution 2011-59. Commissioner Thiessen seconded the motion. At the call of the roll, the vote was:

AYES: Commissioner Carty, Commissioner Thiessen, Commissioner Perinchief,
Commissioner Silcox, Chairman Edwards

NAYS: None

RESOLUTION 2011-60

**A RESOLUTION OF THE MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY
AUTHORIZING CHANGE ORDER NO. 18 TO CONTRACT 2006-1 FOR THE
MAPLE AVENUE AND RANCOCAS ROAD, WWTP PROJECT
(DECREASE OF \$196,390.91)**

Deputy Director of Finance and Administration, Giordano, reported the Authority is at the end of this contract so adjustments are being given back. Executive Director Dunn stated there will be more forthcoming.

Commissioner Thiessen moved for the approval of Resolution 2011-60. Commissioner Silcox seconded the motion. At the call of the roll, the vote was:

AYES: Commissioner Carty, Commissioner Thiessen, Commissioner Perinchief,
Commissioner Silcox, Chairman Edwards

NAYS: None

RESOLUTION 2011-54

**A RESOLUTION APPROVING THE OPERATING EXPENSES FOR
THE MONTH OF MAY 2011**

Commissioner Silcox moved for the approval of Resolution 2011-54. Commissioner Thiessen seconded the motion. At the call of the roll, the vote was:

AYES: Commissioner Thiessen, Commissioner Perinchief, Commissioner Silcox,
Chairman Edwards

NAYES: Commissioner Carty

Commissioner Carty questioned a \$109.16 charge to Sam's Club on the Bill List for May. Deputy Director of Finance and Administration, Giordano, explained this charge was used to purchase supplies for a DEP meeting held at the Rancocas Road Plant. Commissioner Carty asked if that meant that we were not only educating them, but supplying them with food as well? Ms. Giordano responded the supplies were items such as paper cups and napkins.

Commissioner Carty also questioned two charges; one for \$198.00 and one for \$505.00. Deputy Director of Finance and Administration explained those fees were for Executive Director Dunn to attend a seminar in Atlantic City for a week and the Assistant Executive Director, Doyle, for one day. Commissioner Carty also questioned a charge for Christopher's Deli for \$217.95. Executive Director Dunn explained that was the food for the DEP meeting but that the attendees from the DEP paid \$5.50 each for the meals to cover the cost of the food.

Commissioner Carty asked how the healthcare costs are broken down on the bill list. The Deputy Director of Finance and Administration, Giordano, explained each department is cost coded by employee.

RESOLUTION 2011-54A

A RESOLUTION APPROVING THE SEWER REFUNDS FOR THE MONTH OF MAY 2011

Commissioner Thiessen moved for the approval of Resolution 2011-54A. Commissioner Silcox seconded the motion. At the call of the roll, the vote was:

AYES: Commissioner Carty, Commissioner Thiessen, Commissioner Perinchief,
Commissioner Silcox, Chairman Edwards

NAYS: None

RESOLUTION 2011-55

A RESOLUTION APPROVING THE EXPENDITURES FOR THE MONTH OF MAY 2011 FROM THE ESCROW FUND

Commissioner Silcox moved for the approval of Resolution 2011-55. Commissioner Thiessen seconded the motion. At the call of the roll, the vote was:

AYES: Commissioner Carty, Commissioner Thiessen, Commissioner Perinchief,
Commissioner Silcox, Chairman Edwards

NAYS: None

RESOLUTION 2011-56

A RESOLUTION APPROVING THE EXPENDITURES FOR THE MONTH OF MAY 2011 FROM THE IMPROVEMENT AND REPLACEMENT FUND

Commissioner Silcox moved for the approval of Resolution 2011-56. Commissioner Thiessen seconded the motion. At the call of the roll, the vote was:

AYES: Commissioner Carty, Commissioner Thiessen, Commissioner Perinchief,
Commissioner Silcox, Chairman Edwards

NAYS: None

RESOLUTION 2011-57

**A RESOLUTION APPROVING THE EXPENDITURES FOR THE MONTH OF
MAY 2011 FROM THE 2007-2010 PROJECT CONSTRUCTION FUND
(PLANT EXPANSION)**

Commissioner Thiessen asked the Deputy Director of Finance, Giordano, if these expenditures have all been in line with what was expected. Ms. Giordano reported that the project ended up being just \$17,000.00 over budget on a \$30,000,000.00 project.

Commissioner Silcox moved for the approval of Resolution 2011-57. Commissioner Thiessen seconded the motion. At the call of the roll, the vote was:

AYES: Commissioner Thiessen, Commissioner Perinchief, Commissioner Silcox,
Chairman Edwards.

NAYS: Commissioner Carty

RESOLUTION 2011-58

**A RESOLUTION APPROVING THE EXPENDITURES FOR THE MONTH OF
MAY 2011 FROM THE 2007-2010 CONSTRUCTION FUND
(EDWARD STREET PUMP STATION)**

Commissioner Carty asked if this project is on budget as well. Deputy Director of Finance and Administration confirmed that it is.

Commissioner Silcox moved for the approval of Resolution 2011-58. Commissioner Thiessen seconded the motion. At the call of the roll, the vote was:

AYES: Commissioner Carty, Commissioner Thiessen, Commissioner Perinchief,
Commissioner Silcox, Chairman Edwards.

NAYS: None

COMMUNICATIONS

Executive Director Dunn reported he received an e-mail from Mount Holly Township stating there was a sink hole on Washington Street with a request for the Authority to fix it.

Executive Director Dunn reported that about a month ago the Authority was contacted by the New Jersey Department of Environmental Protection. They are going through a transition, and as a result of the Authority's record, asked if the Authority would conduct a training/information session for several State Enforcement Department employees spread throughout the State. Joel Hervey, Andy Doyle, Bob Maybury, and David Reich, put together a presentation. In the meantime, the size of the trainee group grew to include attendees from the Engineering Department, Permits, and Research and Development, amongst others. In addition, attendees received a tour of the Authority's facilities. The Authority was solicited to conduct this training because the 1949 facilities are still in use, the 1956-1960 addition of plant II, and the 1978-1982 plant III expansion, the Zimpro process, and today's new odor control system at the Rancocas Road and Maple Avenue plants. Executive Director Dunn has received many positive comments in regards to the training from various attendees and reported the Authority has been solicited for some of the paper work procedures we use.

MATTERS TO BE PRESENTED BY THE PUBLIC

Mr. Luis Lopez of 370 S. Martin in Mount Holly asked to have "Matters to be Presented by the Public" moved on the agenda to take place before "New Business." This would allow discussion on the new business before it is voted on. Mr. Lopez thanked Commissioner Carty for the nice job he is doing for the Authority. Mr. Lopez asked about the

status of the money for Mount Holly Township. Executive Director Dunn reported that the Authority gives the Township \$218,000.00, payable in December. In addition to that cash amount, the Authority does approximately \$100,000.00 worth of work per year. Also, there has not been any formal request for additional funds from the Mount Holly Township. Mr. Lopez then inquired about the report of the new facility. Deputy Director of Finance and Administration, Giordano, explained that report is addressed further down in the agenda. Mr. Lopez asked for clarification of the connection fee increase of the rate hearing. He wanted to know the difference between the 2010 and 2011 rates. Deputy Director of Finance and Administration, Giordano, responded there is a 6% difference. She stated the Mount Holly connection fee went from \$3663.00 up to \$3899.00; an increase of \$236.00. This only applies to new construction. Chairman Edwards added the calculation for the increase is determined by the State. Deputy Director of Finance and Administration bases the numbers she uses for the calculation from the audit report. Mr. Lopez asked what the status of sewer in The Gardens is. Executive Director Dunn stated the only current activity is in regards to the demolitions. Mr. Lopez asked Commissioner Thiessen where he was last meeting. Commissioner Thiessen stated he had been delayed at his job by his new Vice President of Marketing.

Mr. Tim Young of 158 Mill Street in Mount Holly stated that although the Authority has met State requirements for requests for proposals, going forward he would like to see three bids and the Authority advertise in two local papers and one Statewide.

Mr. Rich Difulco of 18 Winding Way in Mount Holly stated it is hard for the public to hear in the back. He asked for an explanation of the flat fee that appears on the Authority's bills. Special Counsel Kondracki explained the Authority's bills are comprised of two portions. The first portion is a flat fee the second portion is based on utilization. The State Statute provides that an Authority has to impose charges that will meet all expenses. Each year the Authority looks at it's budget to determine what it's expenses are, and if rates are sufficient to cover those expenses. The Mount Holly Municipal Utilities Authority has not had an increase in service charges for several years. An Authority has many options of ways to implement charges. Special Counsel Kondracki stated this Authority looked at the nature of it's expenses, a lot of which are fixed, such as, insurance, labor costs, etc. which make up the bulk of the Authority's expenses. The service charges reflect that. The Authority's flat fee charges are designed to recapture fixed expenses while volumetric charges cover those expenses which are variable. Mr. Kondracki stated that once the Authority receives the funds they are allocated through a flow of funds established by the Authority's bond resolution which dictates the funds to be used in very specific ways. The flow of funds is well documented in the Authority's "Cash Management Plan" which is adopted yearly. He suggested Mr. Difulco request a copy to review from the Authority to see where those funds are designated. Mr. Difulco asked if the increase in connection fees affects all Townships. Executive Director Dunn, responded yes.

Mr. Richard Dow of 232 Rutland Avenue in Mount Holly stated he believes the criticism by Commissioner Carty of the bidding process for the lawn cutter is valid. Mr. Dow also concurred with Mr. Difulco about the difficulty with hearing in the back. He asked, since there is no microphone, can he yell out when he cannot hear the board. Chairman Edwards stated that would be fine.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Dunn stated the project was a good, well organized job, with a minimum amount of problems. He also stated the cost of the project was very successful.

REPORT OF THE ENGINEER

The report of the Engineer was received.

REPORT OF THE DEPUTY DIRECTOR FOR PLANT OPERATIONS

The Report of the Deputy Director for Plant Operations was received.

Chairman Edwards noted the last violation at the plant was in 1997.

REPORT OF THE DEPUTY DIRECTOR FOR REGULATORY AFFAIRS

The Report of the Deputy Director for Regulatory Affairs was received.

REPORT OF THE SOLICITOR

Special Counsel Kondracki stated there is a Shared Services Agreement to discuss. Chairman Edwards responded that the agreement will be brought up during matters to be presented by the commissioners.

REPORT OF THE DEPUTY DIRECTOR OF FINANCE AND ADMINISTRATION

The Report of the Deputy Director of Finance and Administration was received.

REPORT OF TREASURER

There was nothing further to report.

AUTHORITY STATUS REPORT OF NEW TREATMENT FACILITY

There was nothing further to report in regards to the status of the new treatment facility.

OTHER NEW BUSINESS

There was no other new business.

MATTERS TO BE PRESENTED BY THE COMMISSIONERS

Commissioner Silcox reported there have been discussions with Mount Holly Township and the Authority's committee comprised of himself and Commissioner Perinchief and the Authority has a proposed agreement for shared services concerning payroll. It has been decided the cost currently associated with the Authority taking over the Township's payroll is \$60,000.00. Commissioner Silcox also stated there have been meetings with the Township Manager and two of their Council members for the take over of the Township's Finance Department. The Township was supposed to provide the Authority with a proposal. Currently, the Township Manager has stated this is no longer being pursued.

RESOLUTION 2011-64

**A RESOLUTION APPROVING A SHARED SERVICES AGREEMENT
BY AND BETWEEN THE TOWNSHIP OF MOUNT HOLLY AND
THE MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY
(PAYROLL SERVICES)**

Commissioner Silcox moved for the approval of Resolution 2011-64. Commissioner Thiessen seconded the motion.

Special Counsel Kondracki stated he prepared this agreement in accordance with the shared services statute in New Jersey. This agreement complies with the requirements of that statute. The Deputy Director of Finance and Administration, Giordano, constructed a list accurately depicting the duties of both the Authority and the Township in relation to payroll services assigning a cost to the Authority of \$60,000.00. Commissioner Carty asked if half of that \$60,000.00 is costs that are attributable to the initial set up of payroll services with the Authority. Ms. Giordano explained that while that is true, there are other costs that have not been incurred yet, such as end of quarter pension reports, etc. which will replace that dollar amount in the future. Commissioner Carty stated the agreement expires in February of 2012 at which point either party can choose not to renew the agreement. Commissioner Silcox thanked the Deputy Director of Finance and Administration, Giordano, for all her hard work during these many months of rough transition; she has done a great job!

At the call of the roll, the vote was:

AYES: Commissioner Carty, Commissioner Thiessen, Commissioner Perinchief,
Commissioner Silcox, Chairman Edwards.

NAYS: None

Commissioner Carty reiterated the need for a microphone for the public. Commissioner Carty stated he is hearing phrases thrown around during the meeting such as “lowest qualified firm” “required by law” and “the way we do things.” Commissioner Carty went on to say as far as bidding contracts go, until recently there was no law mandating a web site. Special Counsel Kondracki pointed out that even currently there is no requirement for a website; it is proposed legislation. The Authority is actually ahead of the curve on this issue. Commissioner Carty responded that he understands this but sometimes the Authority needs to go above and beyond. Deputy Director of Finance and Administration, Giordano, stated using the website to advertise Requests for Proposals is a huge cost savings measure. The cost to advertise a bid in one newspaper would range between \$300.00 and \$500.00. Commissioner Carty asked if the Ribbon Cutting Ceremony for the new plant was open to the public. Ms. Giordano advised him a press release had been sent to the Authority’s designated newspapers. Commissioner Carty stated he would like it advertised on the Authority’s website as well. Executive Director Dunn reported this has already been addressed with the technology department.

Commissioner Thiessen asked about odor control at the new plant and if the Authority would consider odor control, pending financial consideration, for pump stations; particularly in Lumberton. Executive Director Dunn stated there has been conversation regarding this issue but he is currently trying to balance operating costs. He also reported the Authority is currently looking at implementing a solar power system. Commissioner Thiessen commended board members, contractors, Executive Director Dunn, and governmental agencies, for finishing the project early and nearly on budget. Commissioner Thiessen advised the Board he will not be at the July meeting since he will be in Alaska.

ADJOURNMENT

Commissioner Silcox moved for adjournment. Commissioner Carty seconded the motion. Chairman Edwards adjourned the meeting at 7:35pm.

Respectfully submitted,

Debra E. Fortner

