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ATLANTIC CITY MUNICIPAL UTILITIES AUTHORITY
BOARD OF DIRECTORS MEETING

Wednesday, March 18, 2015

G. Bruce Ward, Executive Director
Linda R. Bazemore, Deputy Executive Director
Garth Moyle, Deputy Executive Director
Fredric L. Bor, Esquire, Board Solicitor
Andrew Weber, Esquire
Claude Smith, Engineer
Stella Johnson, Board Administrator

B E F O R E:

Milton L. Smith, Chairman
Gary L. Hill, Vice Chairman/Secretary
John McGettigan, Treasurer
William Lea
Edmund J. Colanzi

TAKEN BEFORE: JACQUELINE M. ZARRILLO,
Certified Court Reporter of the State of New Jersey,
License No. XI01786, at the ATLANTIC CITY MUNICIPAL
UTILITIES AUTHORITY, 401 North Virginia Avenue,
Atlantic City, New Jersey 08404, commencing
at 10 a.m.

JACQUELINE M. ZARRILLO, CCR
CERTIFIED COURT REPORTER
1724 TILTON ROAD
NORTHFIELD, NEW JERSEY 08225
(609) 641-6640

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1 MR. SMITH: Adequate notice of this
2 meeting has been provided, as required by law, by
3 mailing to the Press a list of the regularly
4 scheduled meetings of the Board of Directors,
5 including the notice for the regular meeting
6 scheduled March the 18th, 2015, at 401 North Virginia
7 Avenue, conference room, Atlantic City, New Jersey.
8 Copy of said notice was sent to city clerk to be
9 posted. All of the aforesaid complies with Chapter
10 231 of the laws of 1975, known as open public meeting
11 laws.

12 Roll call?

13 MR. BOR: Mr. Lea?

14 MR. LEA: Here.

15 MR. BOR: Colanzi?

16 MR. COLANZI: Here.

17 MR. BOR: McGettigan?

18 MR. MCGETTIGAN: Here.

19 MR. BOR: Hill?

20 MR. HILL: Here.

21 MR. BOR: Smith?

22 MR. SMITH: Here.

23 MR. BOR: I take it the Members of the
24 Board have received the minutes? Motion on the
25 minutes of last meeting?

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1 MR. SMITH: No objection, move them.

2 MR. HILL: Second.

3 MR. BOR: Mr. Lea?

4 MR. LEA: Yes.

5 MR. BOR: Colanzi?

6 MR. COLANZI: Yes.

7 MR. BOR: McGettigan?

8 MR. MCGETTIGAN: Yes.

9 MR. BOR: Hill?

10 MR. HILL: Yes.

11 MR. BOR: Smith?

12 MR. SMITH: Yes.

13 MR. BOR: Mr. Ward?

14 MR. WARD: First order is the
15 Metropolitan Business and Civic Association annual
16 spring scholarship luncheon. We received an
17 invitation for Wednesday, April the 15th. We hope to
18 have good attendance. We have moved the date for the
19 engineering meeting to accommodate Miss America's
20 needs for this event, and we look for it.

21 MR. HILL: You mean the Board meeting?

22 MR. SMITH: I thought it was the
23 engineering.

24 MR. HILL: You have to move the
25 engineering meeting, remember, because the Board was

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1 scheduled for April 15th, I believe, and we moved it
2 to the 16th, but we also have to move the engineering
3 because of you.

4 MS. JOHNSON: Yes.

5 MR. HILL: And the Board meeting will
6 be the 16th.

7 MR. CLAUDE SMITH: I thought it was the
8 week after.

9 MR. HILL: Because you were away prior.

10 MR. SMITH: Let's get this clear. The
11 meeting for April Board meeting is the 16th?

12 MR. WARD: Yes.

13 MR. SMITH: As opposed to the 15th, all
14 right.

15 MR. WARD: Number two, I appeared on
16 Pinky's Corner to discuss utility worker
17 impersonations. We had talked about the article that
18 appeared in New Jersey News with regard to Bayonne,
19 New Jersey. And in that article the police officer
20 said that these individuals move around. Once they
21 hit one city, they move around. Subsequently, there
22 was an attempted robbery in Galloway Township, so I
23 did go on Pinky's Corner. I spent maybe about 45
24 minutes speaking with the public.

25 In addition, the item of fluoridation

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1 came up. There was an article that Egg Harbor City
2 had terminated fluoridating its water based on some
3 of the equipment concerns, and we did discuss that.
4 And subsequent to that there were a number of
5 dentists, in fact the president of the Atlantic
6 County Dental Association wrote in the Press
7 newspaper that fluoride is a very very rewarding
8 substance with respect to dental, so we felt good
9 about kind of being able to discuss this. We didn't
10 get many calls, but we tried to get the information
11 out.

12 Today is the New Jersey Chapter of the
13 American Water Works Association conference. We have
14 a few of our attendees going and we are also
15 submitting to the water taste contest they will be
16 having. I believe it's at Borgata today and
17 tomorrow.

18 On the 22nd of April, we're going to
19 participate with the Earth Day celebration here in
20 Atlantic County. Had a meeting with Mr. Rick Dovey,
21 Executive Director of the Atlantic County Utility
22 Association and we'll be working with them to promote
23 our water to the public.

24 Financial report is available, and I
25 see we have a gentleman from the public. Maybe we

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1 would shift to speak to the gentleman from the
2 public.

3 MS. JOHNSON: Before we do that, can we
4 explain the NJEIT resolution, because that was pre
5 numbered for the State for approval. That's the
6 resolution in front of you, right behind your agenda.

7 MS. BAZEMORE: They're making
8 application to the State regarding getting funding
9 for the project painting the tank, and when we did
10 the application, they needed a resolution, so we used
11 the very first number of our next Board meeting.

12 MR. BOR: Are we moving on 8.e.(1),
13 identified as 8.e.(1) on the agenda?

14 MS. JOHNSON: 8.e.(1), right in the
15 front, right after the Board minutes.

16 MR. WARD: It is not in the front of
17 mine.

18 MR. HILL: I see it now.

19 MR. WARD: Okay. 8.e.(1), I might have
20 put it in the right place. 8.e.(1).

21 MR. BOR: Mine appears on the agenda on
22 page two.

23 MR. SMITH: It is page two, right at
24 the top.

25 MR. BOR: 8.e.(1).

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1 MR. HILL: But they're moving it up
2 front.

3 MS. JOHNSON: Yes, everyone's is up
4 front.

5 MR. WARD: Again, this is resolution to
6 submit to the New Jersey Environmental Interest Trust
7 Fund for the one million gallon storage tank.

8 MR. BOR: This is a motion on 8.e.(1)
9 that's being moved up on this point.

10 MR. HILL: I motion to accept.

11 MR. MCGETTIGAN: Second.

12 MR. BOR: Mr. Lea?

13 MR. LEA: Yes.

14 MR. BOR: Colanzi?

15 MR. SMITH: What is this motion for?

16 MR. COLANZI: Did you need a copy?

17 MR. SMITH: What does it read? What's
18 it for?

19 MS. BAZEMORE: Authorization to
20 complete the application with the State to receive
21 finance and funding to clean and inspect our tank.
22 It's about \$1.6 million if it goes through, so we're
23 in the process.

24 MR. MCGETTIGAN: It's a grant?

25 MS. BAZEMORE: Loan.

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1 MR. WARD: Loan.

2 MR. SMITH: What's the motion?

3 MR. BOR: Motioned and seconded. Mr.
4 Lea voted in the affirmative. We are up to Mr.
5 Colanzi. Colanzi?

6 MR. COLANZI: Yes.

7 MR. BOR: McGettigan?

8 MR. MCGETTIGAN: Yes.

9 MR. BOR: Hill?

10 MR. HILL: Yes.

11 MR. BOR: Smith?

12 MR. SMITH: Yes.

13 MR. BOR: 8.e.(1) carries.

14 MR. WARD: 8.b.(1), this would be an
15 abatement necessary to appear and we have
16 Mr. Mohammed Alam. It's a 8.b.(1).

17 MR. SMITH: Have him come up.

18 MR. WARD: Mr. Alam?

19 MR. ALAM: Yes.

20 MR. SMITH: Grab a chair.

21 MR. WARD: This would be an abatement
22 for \$790.74.

23 MR. HILL: Wow.

24 MR. SMITH: Why so much? What's this?

25 MR. COLANZI: Water leaks.

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1 MR. ALAM: There was a huge amount of
2 water that came in over the last three or four, I
3 believe payment. And that was due to the -- we found
4 that it's due to some leak that has been fixed and it
5 was really unusual. I mean, even the technician went
6 from here, they didn't find that much leak. It was
7 very minimal for some reason, that came out very very
8 high.

9 MS. BAZEMORE: It's for two quarters.

10 MR. HILL: Two quarters combined?

11 MS. BAZEMORE: Yes.

12 MR. WARD: Any further questions?

13 MR. HILL: I'll move it to accept

14 8.b.(1).

15 MR. MCGETTIGAN: Second.

16 MR. BOR: Mr. Lea?

17 MR. LEA: Yes.

18 MR. BOR: Colanzi?

19 MR. COLANZI: Yes.

20 MR. BOR: McGettigan?

21 MR. MCGETTIGAN: Yes.

22 MR. BOR: Hill?

23 MR. HILL: Yes.

24 MR. BOR: Smith?

25 MR. SMITH: Yes.

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1 MR. BOR: Carries.

2 MR. ALAM: Thank you, very much.

3 MR. WARD: Okay. Director's Forum --
4 no, let's go back, I'm sorry, shut offs. Any
5 questions on shut offs?

6 MS. BAZEMORE: We just started the
7 process the 15th of the month, so we'll be actively
8 shutting off then.

9 MR. LEA: 700 block of North Indiana
10 Avenue, Raymond Bethea. That house been closed for a
11 while, so I'm going to tell him to come in and talk
12 to you about it. It has been closed. He had a fire,
13 been shut down, so he been getting notices and I
14 think he forgot, so I told him, You got to come by
15 and see Bruce. Find out what's happening because
16 it's been shut down for a while. It's been closed,
17 700 block North Indiana Avenue, Raymond Bethea.

18 MR. WARD: When you say the house has
19 been closed, he didn't know that he needed to come by
20 and submit a termination?

21 MR. LEA: I don't think so. He got a
22 note. He disregarded it, and I told him he got to
23 come in. He had a fire and it's been closed, so I'm
24 going to get him to come by and see someone here so
25 he can get that straight.

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1 MR. WARD: Personnel committee meeting.

2 MS. BAZEMORE: Back up to the financial
3 section, just a couple things I wanted to mention.
4 At the last Board meeting, I think Mr. Colanzi had a
5 question regarding our rating drop from Standard and
6 Poor's and Moody's, and I didn't have that
7 information at that time, so I just wanted to give
8 you what our current rating is and how it dropped.

9 Moody's, our current rating is B2; it
10 dropped four levels. And Standard and Poor's is
11 triple B; it drops three levels. Standard and Poor's
12 rating shows us looking a little better than Moody's,
13 but it a significant drop. At the time Standard and
14 Poor's said they will actually take a look at what
15 continues to happen in the City and make a
16 determination if we could be upgraded, so I wanted to
17 give that information, what our current rate is.

18 And the other thing, Revel, we did
19 receive payment. We talked about having a lien
20 established. Back in November they owed about
21 91,000. We got a check from the City like a week or
22 so ago, and we sent over Caesars properties special
23 charges to the City. That's about 125,000, so we're
24 waiting for receipt of those.

25 MR. WARD: And we received a notice

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1 from bankruptcy court that the Caesars utility bills
2 are preserved in their process because that's
3 bankruptcy across their entire spectrum, but the
4 order is that all the utility bills must be paid.

5 MR. SMITH: Caesars is not in trouble
6 here, are they?

7 MR. WARD: It's a corporate wide. It
8 could effect Bally's, it could effect.

9 MS. BAZEMORE: That's the total, it was
10 Harrah's, Bally's and Caesars, about 126,000.

11 MR. SMITH: Okay.

12 MR. WARD: Okay. Moving on, personnel
13 committee meeting. Any questions on the minutes?
14 Okay. Director's Forum.

15 MR. SMITH: I would like to
16 congratulate John on his appointment for the next
17 five years.

18 MR. HILL: Congratulations, John.

19 MR. WARD: Five more years.

20 MR. SMITH: Anyone else?

21 MR. WARD: Members of the public, no
22 members of the public.

23 Okay. Old Business 7.a.(1), repairs to
24 utility road openings. That would be Resolution
25 7.a.(1), in favor of Weco. We had two bids, a very

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1 distinct difference between the pricing, between the
2 two bids, one being about three times higher.

3 MR. HILL: Somebody didn't want to do
4 the job.

5 MR. WARD: I guess they had to account
6 for the tolls coming down from Brick.

7 MR. HILL: Make a motion to accept
8 Weco.

9 MR. MCGETTIGAN: Second.

10 MR. BOR: Weco, the one for \$341,958
11 and change as opposed to \$982,000.

12 Mr. Lea?

13 MR. LEA: Yes.

14 MR. BOR: Colanzi?

15 MR. COLANZI: Yes.

16 MR. BOR: McGettigan?

17 MR. MCGETTIGAN: Yes.

18 MR. BOR: Hill?

19 MR. HILL: Yes.

20 MR. BOR: Smith?

21 MR. SMITH: Yes.

22 MR. BOR: Carries.

23 MR. WARD: 7.b I would like to move to
24 Executive Session so we can discuss -- those are
25 personnel matters.

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1 And 7.c engineering, Mr. Smith?

2 MR. CLAUDE SMITH: At the last Board
3 meeting, we informed the Board that we were going to
4 be approaching Hazen and Sawyer, is the engineer for
5 the ASR well, in regards to the final payment of
6 \$25,000. We actually did and they accepted, so that
7 is now cleared so we're done with that.

8 On the other aspect of the project
9 itself, in regards to construction of the project
10 with the contractor, of course we're still working
11 through some of the other final aspects of that, so
12 that's still ongoing at the moment.

13 The annual engineering report is
14 completed. It's done. I think the Board Members
15 should have actually received a copy of that, so you
16 have that at your disposal to review and look at and
17 that's it.

18 MR. WARD: I would like to also, while
19 we're here, commend Mr. Smith's support with respect
20 to the solar energy project that we've been doing.
21 We're going to be talking about that in a meeting a
22 little later on. His assistance has been invaluable.

23 New Business, 8.a.(1). The staff found
24 that there was an addition mistake with respect to
25 the contract price, and 8.a.(1) will reverse the

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1 resolution of the February Board meeting in favor of
2 the Authority in the amount of \$11,782.

3 MS. BAZEMORE: Basically, we had an
4 adjustment to the actual contract for liquidated
5 damages. And in the past, the offset was an
6 adjustment to the engineering contract, so in error
7 we did a resolution last month adjusting the
8 engineer's contract by the 11,000, so basically we're
9 just rescinding that resolution.

10 MR. SMITH: Which company do we have
11 now?

12 MS. BAZEMORE: That was Gannett and
13 Fleming on the tank job.

14 MR. WARD: That was the big tank.

15 MR. BOR: Is there a motion on 8.a.(1)?

16 MR. MCGETTIGAN: Yes.

17 MR. HILL: Second.

18 MR. BOR: Mr. Lea?

19 MR. LEA: Yes.

20 MR. BOR: Colanzi?

21 MR. COLANZI: Yes.

22 MR. BOR: McGettigan?

23 MR. MCGETTIGAN: Yes.

24 MR. BOR: Hill?

25 MR. HILL: Yes.

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1 MR. BOR: Smith?

2 MR. SMITH: Slow down.

3 MR. BOR: That's 8.a.(1).

4 MR. SMITH: I know what it is, but what
5 are we voting for?

6 MR. WARD: We had found an error in the
7 calculation of liquidated damages, and so we are now
8 vacating the liquidated damages.

9 MS. BAZEMORE: They said that the
10 engineer had suggested that the contract should be
11 adjusted for the liquidated damages. And in the
12 past, when we've had a situation like that, not too
13 long ago we had an issue with Gannett and we put
14 additional monies on their contract. So in error,
15 the same thing was done on this, but it was two
16 separate issues and, you know, two separate incidents
17 basically.

18 MR. SMITH: You mean like a change
19 order money wise or --

20 MS. BAZEMORE: For, initially for the
21 contractor on the project, the liquidated damages we
22 adjusted last Board meeting; we reduced it by 11,000,
23 but in error we had a resolution that said, Let's
24 increase the engineer's contract by 11,000. That
25 should have never occurred, so we're reversing that.

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1 MR. HILL: We're going back.

2 MR. SMITH: Thank you. Yes.

3 MR. BOR: Everyone already voted, other
4 than Mr. Smith.

5 MR. SMITH: Yes.

6 MR. BOR: Carries, 8.a.(1) carries.

7 MR. WARD: 8.c.(1), Resolution 8.c.(1)
8 is for water service laterals. This would be
9 authorization to advertise for water service
10 laterals.

11 MR. MCGETTIGAN: Yes, I'll make the
12 motion.

13 MR. SMITH: Second.

14 MR. BOR: Mr. Lea?

15 MR. LEA: Yes.

16 MR. BOR: Colanzi?

17 MR. COLANZI: Yes.

18 MR. BOR: McGettigan?

19 MR. MCGETTIGAN: Yes.

20 MR. BOR: Hill?

21 MR. HILL: Yes.

22 MR. BOR: Smith?

23 MR. SMITH: Yes.

24 MR. BOR: 8.c.(1) carries.

25 MR. WARD: This is now 8.c.(2), which

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1 is the situation over on Huron Avenue, and we wish to
2 advertise to install a decommissioning of the 12 inch
3 water --

4 MR. MOYLE: Next month, we'll push it
5 back to next month.

6 MR. WARD: Push it back.

7 Yesterday we received a bill from South
8 Jersey Transportation Authority, which we contest,
9 with respect to the emergency work that was
10 necessary, so I would agree we need to push this back
11 and adjust that.

12 MR. MOYLE: I would like to know how
13 much their permit for the work is. It's going to be
14 extravagantly high too, and if they're going to --
15 this was a total surprise. I mean, I thought we're
16 working together. It's public entities and they're
17 charging for vehicles and straight time. The guy is
18 working anyway for them and they're charging us for
19 his time. And they're charging for the vehicle.
20 They went to Remington and Vernick and had something
21 done. I didn't authorize it. Nobody did.

22 It's just about like many situations
23 where they think they can just bill and we're a
24 public entity and the Board has to agree to any
25 payments this size, especially 12 grand. And that's

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1 what's great, this thing happened on December 20th.
2 This thing came rolling in two days ago without a
3 word. No, we're billing you for everything we did.

4 MR. HILL: You didn't get a call?

5 MR. MOYLE: Nothing, and they sure as
6 hell had my e-mail address, and nothing.

7 MR. WARD: It's rather strange. We
8 performed work on Route 30 at the foot of the Absecon
9 bridge, and there was State involvement there. The
10 State never billed us because it was a joint project.
11 We needed to fix it. The State had some issues in
12 terms of how the traffic would be monitored, but
13 they've never billed us for their effort towards a
14 public project.

15 MR. MOYLE: I think they charged us for
16 a salt truck, too.

17 MR. WARD: Charged us for SUV time.

18 MR. MOYLE: Oh, yeah, the SUV, yeah,
19 paid a permit to the State, which was probably around
20 two grand which was a bargain compared to what this
21 is.

22 MR. COLANZI: Who sent this bill?

23 MR. MOYLE: South Jersey Transportation
24 Authority.

25 MR. WARD: Stephen Mazur.

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1 MR. MOYLE: It's funny stuff, that
2 would get lost, no doubt about it.

3 MR. WARD: So table.

4 MR. SMITH: Yes.

5 MR. WARD: Solicit bids. This would be
6 c.(3), 8.c.(3) this would be for Polyaluminum
7 Chloride chemical. This would also be to advertise
8 for bids.

9 MR. MCGETTIGAN: I'll make a motion.

10 MR. HILL: Second.

11 MR. BOR: Mr. Lea?

12 MR. LEA: Yes.

13 MR. BOR: Colanzi?

14 MR. COLANZI: Yes.

15 MR. BOR: McGettigan?

16 MR. MCGETTIGAN: Yes.

17 MR. BOR: Hill?

18 MR. HILL: Yes.

19 MR. BOR: Smith?

20 MR. SMITH: Yes.

21 MR. WARD: Okay. We have two service
22 agreements, 8.d.(1), The Breakers of Atlantic City,
23 LLC, which is Resolution 8.d.(1). I think he has one
24 up now, one property up. He has one unit up.

25 MR. MCGETTIGAN: One dual townhouse

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1 there.

2 MR. HILL: Yes, you're right.

3 MR. MCGETTIGAN: Is that all it's for,
4 the agreement for the one building?

5 MR. MOYLE: I'm sorry, The Breakers,
6 it's two, two buildings.

7 MR. MCGETTIGAN: One building, two
8 units.

9 MR. MOYLE: Yes.

10 MR. HILL: But this is for the whole
11 unit?

12 MR. MOYLE: Just for the two units so
13 far. It makes mention if he's ever going to build
14 any more, he has to come in and do another one.

15 MR. MCGETTIGAN: So it's getting one
16 agreement for the duplex?

17 MR. MOYLE: Yes. Well, it also, there
18 is some water main work they have to do.

19 MR. MCGETTIGAN: Will there be two
20 meters?

21 MR. MOYLE: Yes, two meters, two fire,
22 inch and a half or two inch fire services and maybe
23 two inch, inch and a half domestic.

24 MR. HILL: Motion to accept 8.d.(1)
25 service agreement.

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1 MR. MCGETTIGAN: Second.

2 MR. BOR: Mr. Lea?

3 MR. LEA: Yes.

4 MR. BOR: Colanzi?

5 MR. COLANZI: Yes.

6 MR. BOR: McGettigan?

7 MR. MCGETTIGAN: Yes.

8 MR. BOR: Hill?

9 MR. HILL: Yes.

10 MR. BOR: Smith?

11 MR. SMITH: Yes.

12 MR. WARD: Next is 8.d.(2), Boardwalk
13 Florida Enterprises, and this is somewhat welcoming,
14 given they've had a break -- not a ribbon cutting, an
15 announcement almost 18 months to two years ago.

16 MR. HILL: This is the Toll property,
17 Toll?

18 MR. WARD: East Hall.

19 MR. HILL: So they're ready to move
20 forward, looks like.

21 MR. MCGETTIGAN: They started again.

22 MR. COLANZI: Who is that?

23 MR. MCGETTIGAN: Toll Brothers
24 Builders.

25 MR. BOR: Is it right along Convention

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1 Hall?

2 MR. WARD: You know the empty space
3 where Playboy used to be?

4 MR. BOR: Why do they need CAFRA
5 approval?

6 MR. WARD: Because it's up by the
7 water.

8 MR. HILL: It's across from the beach.

9 MR. BOR: Is it going to extend to the
10 beach?

11 MR. WARD: You need CAFRA any time
12 you're so many feet to the water, you got to have it.

13 MR. MCGETTIGAN: I'll make the motion.

14 MR. SMITH: Second.

15 MR. WARD: Did we vote on it?

16 MR. BOR: No, just made a motion.

17 MR. SMITH: And been seconded.

18 MR. BOR: Mr. Lea?

19 MR. LEA: Yes.

20 MR. BOR: Colanzi?

21 MR. COLANZI: Yes.

22 MR. BOR: McGettigan?

23 MR. MCGETTIGAN: Yes.

24 MR. BOR: Hill?

25 MR. HILL: Yes.

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1 MR. BOR: Smith?

2 MR. SMITH: Yes.

3 MR. WARD: We completed the NJEIT
4 bonding, we got that done.

5 Next is leave of absence, 8.f.(1),
6 Scott Haynes. Scott was injured in a fall out at the
7 plant and he's requesting an unpaid leave of absence
8 March 18th to June the 17th. It's not clear what his
9 physical limitations may be. Mr. Moyle, on Scott?
10 Not clear? We don't have a clear sense of what his
11 physical limitations may be going forward.

12 MR. MOYLE: It says that they expect
13 maximum medical recovery, or whatever that phrase is,
14 by July 1st of that year. He may not be coming back.

15 MR. WEBER: Is this a workers' comp?

16 MR. MCGETTIGAN: He fell inside the
17 tank.

18 MR. WEBER: Yes, this is the one that
19 fell in the tank.

20 MR. WARD: This is a leave of absence
21 from March to June.

22 MR. SMITH: Move it.

23 MR. MCGETTIGAN: Second.

24 MR. BOR: Mr. Lea?

25 MR. LEA: Yes.

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1 MR. BOR: Colanzi?

2 MR. COLANZI: Yes.

3 MR. BOR: McGettigan?

4 MR. MCGETTIGAN: Yes.

5 MR. BOR: Hill?

6 MR. HILL: Yes.

7 MR. BOR: Smith?

8 MR. SMITH: Yes.

9 MR. WARD: Okay. Now we're at energy,
10 nine.

11 MR. SMITH: Go back to that. Is he
12 thinking about retiring or --

13 MR. WARD: I don't think we have good
14 information on what his physical condition is now.
15 Even if they give him maximum medical, that means
16 that they've done everything that they can from a
17 medical standpoint to get him recovered. Now what
18 recovered means in terms of his ability to work can
19 be very different. Maximum medical just means that
20 there is no further need to continue to treat you.
21 You can keep going to physical therapy, but you may
22 not improve any further, so we just don't have any
23 further information.

24 MR. SMITH: How long has he been with
25 us, approximately?

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1 MR. MOYLE: He came around 2000-ish and
2 he was out, remember, for five years --

3 MS. BAZEMORE: 2005.

4 MR. MOYLE: -- on his own medical
5 issues and his total time, he might be pushing around
6 ten years.

7 MS. BAZEMORE: Ten years.

8 MR. MOYLE: Since he's a laborer also,
9 he's not -- if he's not able to do the job, he gets
10 accidental disability which is what, 75 percent?

11 MS. BAZEMORE: Yes.

12 MR. MOYLE: Plus medical.

13 MR. WEBER: Workers' comp.

14 MR. MCGETTIGAN: Tax free.

15 MR. SMITH: Are we responsible for that
16 payment?

17 MR. MOYLE: It comes out of, I believe
18 it comes from the State.

19 MR. WEBER: You have the workers' comp.
20 I mean you can't collect all of it. There could
21 be --

22 MS. BAZEMORE: Workers' comp is
23 separate.

24 MR. WEBER: It's a separate claim, but
25 I'm saying there should be subrogation rights.

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1 MS. BAZEMORE: He'll be able to retire
2 through the pension.

3 MR. WEBER: Pension is different.

4 MR. WARD: So we, you know, apparently
5 we'll know more over the next couple of months in
6 terms of his future. Right now this is just a leave
7 of absence.

8 MR. SMITH: I just wondered if we'll be
9 subject to payments. Are we required to make
10 payments to him or is it going to cost the MUA money?

11 MR. WARD: It's going to definitely
12 adjust our mod for our workers' comp once that
13 accident is in the profile. That's a given.

14 MR. SMITH: Okay.

15 MR. WARD: And we, you know, we did
16 everything we could. The guy went through training
17 in terms of ladder safety, you know, we do the
18 training. He, I would say, negligently went either
19 up or down that ladder without the right protocols
20 and, you know, there is some contributory negligence
21 there, so what are you going to do?

22 MR. SMITH: He was a suspect employee,
23 anyway, as far as I was concerned. I didn't know him
24 that well, but since I've been here, I haven't heard
25 too many good things about him and I guess I

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1 shouldn't say that, but I said it.

2 MR. WARD: Okay. Energy. We received
3 our recommendation from our energy consultant on the
4 plant solar. Energy consultant isolated what he felt
5 were the two top comparable proposals, and the energy
6 consultant advised us to interview both of them and
7 make our decision. So we had interviews. We held
8 interviews, myself, Mr. Smith, Mr. Moyle and Ms.
9 Bazemore. The program that we want to advance would
10 be the program coming under Cambria and Marina
11 Energy.

12 Their program provides for energy
13 purchase to the Authority from that system at 4.5
14 cents per kilowatt hour. That would result in a 15
15 year savings of \$2,218,700 over 15 years. Their
16 proposal bettered the second level proposal on the
17 financial. Also we felt there was a local and
18 regional collaboration that we would benefit for both
19 Cambria coming out of Pleasantville and Marina Energy
20 being a regional subset of South Jersey Energy.

21 The presentations between the two
22 parties illustrated a difference in terms of clarity
23 on what we were getting. The number two party talked
24 about a 25-year program, which the Authority would
25 have to pay \$800,000 to have it removed. In the 15-

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1 year program there is no removal cost. We would have
2 the opportunity to pay for the system at what we
3 believe is a nominal cost. South Jersey Energy
4 simply said that in 15 years they will recover and
5 they're not looking at going out 25 years. The
6 upside benefit, again, of \$2,200,000 savings against
7 the \$1,800 savings the number two program was
8 compelling.

9 So what we would like to do is to turn
10 this selection over to energy counsel and let energy
11 counsel begin the contract, which of course we would
12 have worked out and bring it back to the Board. The
13 Marina Cambria collaboration is very very aggressive
14 and wants to have this up and running in 2015. They
15 want to have it done, up and running.

16 MR. MCGETTIGAN: Is this on our land?

17 MR. WARD: On our land.

18 MR. MCGETTIGAN: The plant?

19 MR. WARD: We have a basin that was
20 abandoned as well as the right hand grass behind the
21 plant director's home.

22 MR. HILL: Obviously they fit all the
23 criteria?

24 MR. WARD: They fit all the criteria.

25 MR. CLAUDE SMITH: Yes.

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1 MR. WARD: We would have a meeting with
2 the -- they of course take care of all the BPU, they
3 of course take care of all the interconnection with
4 Atlantic City Electric. We would assist them going
5 through Pleasantville, but again, they would have no
6 problem in terms of -- we don't anticipate any
7 problem in terms of zoning on that property for
8 solar. Questions?

9 MR. SMITH: So what do you need from
10 us?

11 MR. WARD: I only need your verbal
12 authorization that we can go forward and turn this
13 selection over to our energy counsel. And again, we
14 are not paying for -- we do not pay for the energy
15 consultant. We do not pay for energy counsel.
16 That's all a part of the package.

17 MR. SMITH: It's going to save us two
18 million?

19 MR. WARD: \$2,218,700 over 15 years.

20 MR. SMITH: 15 years.

21 MR. MCGETTIGAN: So this is to start
22 the design work?

23 MR. WARD: The first step would be to
24 get a contract. We would get the contract; then they
25 take off. They take off in terms of their

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1 engineering with Atlantic City Electric. They're
2 going to do some groundwork in terms of setting up
3 the ballasts for the installation of the panels. All
4 of the work will be done with either union or what's
5 that other word, prevailing wages, union or
6 prevailing wages. Certainly the engineers are all --

7 MR. CLAUDE SMITH: They basically said
8 they would be using all union workers, but prevailing
9 wages will actually stand and probably they will be
10 at least compensating their employees beyond more
11 than prevailing wages, so they fit the criteria in
12 regards of what their payment process will actually
13 be.

14 MR. MCGETTIGAN: And then our
15 engineering is going to sign off and accept it?

16 MR. WARD: Basically, it's they own the
17 system.

18 MR. MCGETTIGAN: Okay.

19 MR. WARD: So that's the value of a
20 PPA, is a power purchase agreement. They own the
21 system. We enter into a contract to purchase the
22 power, which is at a significant discount, four and a
23 half cents.

24 MR. CLAUDE SMITH: We're paying seven
25 cents, plus the supply.

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1 MR. HILL: Okay.

2 MR. BOR: No resolution is needed?

3 MR. WARD: No resolution is needed,
4 just an update. We would like to move to our energy
5 counsel and get that contract done and get it moving.

6 MR. SMITH: I'm in agreement.

7 MR. HILL: Very good, it's great.

8 MR. MCGETTIGAN: Yes.

9 MR. WARD: We'll move onto that
10 floating solar. We did not receive any competitive
11 bidding on floating solar. There are some issues in
12 connectivity with respect to aggregate net metering
13 and SRECs that would need to be resolved before
14 proposer efforts would find an advantage to come
15 forward. And again, the reservoir is located far
16 away from our use and that has to be resolved in
17 terms of how the power from the reservoir that's
18 collected gets distributed.

19 So what I would like to do is to
20 continue to review some of the technical issues and
21 also we would like to also talk back to the Board of
22 Public Utilities in terms of any amendments for this
23 project and put it back out to recirculate it with
24 some amendments.

25 MR. WEBER: Presently the regulations

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1 sort of don't allow for this kind of facility because
2 it crosses over too many properties, and in order to
3 preserve the monopoly type setting that the present
4 Atlantic City Electric and others have, they don't
5 permit this kind of process. But there is a
6 tremendous amount of pressure being put on the BPU to
7 allow for aggregate net metering like this. There is
8 other places, other towns that want to do this, so I
9 think that it's moving in the right direction. It's
10 just not there yet.

11 MR. WARD: Okay.

12 MR. MCGETTIGAN: Can we just do it and
13 sell it all to the FAA and just buy our own power?

14 MR. WEBER: No, there is a regulated
15 process. We now have to have a little further
16 discussions with the BPU. It's not that the BPU
17 can't accept it; it's just that we have to get the
18 nod from them.

19 As I understand it, the bidders are a
20 little reluctant to start putting real capital and
21 time into a process that they haven't seen the nod
22 from the BPU yet.

23 MR. WARD: This project, as it was
24 advertised, was for the lower reservoir, which was
25 not in the FAA property. The FAA administration

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1 continues to have a number of levels and it's very
2 very difficult for us to get through and we would
3 hope, because we do meet with them on a monthly basis
4 in terms of the super fund issues, we're hoping to
5 get to the real decision maker and have that decision
6 maker reach out and do this as a joint collaboration.
7 And it's just been difficult to get through to them.
8 That's why we went with the lower because it's all
9 ours. We didn't have to deal with the federal
10 government.

11 And again, we're talking about a new
12 technology to basically the United States. It's
13 floating solar is growing all over the world, with
14 the exception of the United States, but we will catch
15 up and we were hopeful to be one of the first big
16 ones here and I think we can still do it, but we've
17 got to continue to nudge the regulations in a way in
18 which the aggregate net metering becomes attractive
19 enough with the SRECs to pull this off.

20 So there is nothing on 9.c, energy
21 counsel, energy consulting, we're okay there.

22 Number 10 is bills, monthly bills,
23 which is Resolution 10.a.

24 MR. SMITH: Bills got to be paid. Pay
25 them.

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1 MR. HILL: I make a motion to accept
2 bills.

3 MR. MCGETTIGAN: Second.

4 MR. BOR: Mr. Lea?

5 MR. LEA: Yes.

6 MR. BOR: Colanzi?

7 MR. COLANZI: Yes.

8 MR. BOR: McGettigan?

9 MR. MCGETTIGAN: Yes.

10 MR. BOR: Hill?

11 MR. HILL: Yes.

12 MR. BOR: Smith?

13 MR. SMITH: Yes.

14 MR. BOR: Carries.

15 MR. WARD: Take a break for Executive
16 Session.

17 MR. SMITH: Okay. But do we have to do
18 that in Closed Session, reappointment?

19 MR. WARD: Well, I was only following
20 up on last Board meeting that you wanted to have some
21 analysis of and I'm prepared to do that.

22 MR. BOR: Do it in Executive.

23 MR. SMITH: We can do that. Take a ten
24 minute break.

25 (Closed Session from

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1 10:40 a.m. to 11:40 a.m.)

2 MR. WARD: We're back in Open Session.
3 The Board has reviewed in Closed Session the
4 following items: With respect to item 7.b.(1), RFQ
5 for bond counsel, Board has named McManimon Scotland
6 and Baumann as bond counsel.

7 MR. MCGETTIGAN: Do we have a vote?

8 MR. WARD: Do we have to vote, so it is
9 Resolution 7.b.(1) for bond counsel.

10 MR. BOR: Motion for appointment for
11 bond counsel?

12 MR. MCGETTIGAN: I'll make the motion.

13 MR. COLANZI: Second.

14 MR. BOR: Mr. Lea?

15 MR. LEA: Yes.

16 MR. BOR: Colanzi?

17 MR. COLANZI: Yes.

18 MR. BOR: McGettigan?

19 MR. MCGETTIGAN: Yes.

20 MR. BOR: Hill?

21 MR. HILL: Yes.

22 MR. BOR: Smith?

23 MR. SMITH: Yes.

24 MR. WARD: You're right, we had to vote
25 for it. Resolution 7.b.(2), labor counsel, the Board

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1 has resolved its appointment for Andrew Weber, with
2 the amendment to his terms and conditions to conform
3 to a yearly rate of pay as opposed to the hourly rate
4 of pay, and we'll make those corrections to the
5 resolution.

6 MR. HILL: Make a motion to accept with
7 the changes.

8 MR. MCGETTIGAN: Second.

9 MR. BOR: Mr. Lea?

10 MR. LEA: Yes.

11 MR. BOR: Colanzi?

12 MR. COLANZI: Yes.

13 MR. BOR: McGettigan?

14 MR. MCGETTIGAN: Yes.

15 MR. BOR: Hill?

16 MR. HILL: Yes.

17 MR. BOR: Smith?

18 MR. SMITH: Yes.

19 MR. WARD: Resolution 7.b.(3), the
20 appointment for the labor hearing officer, the Board
21 resolved to appoint Eric Bernstein and Associates for
22 the labor hearing officer.

23 MR. MCGETTIGAN: Make a motion.

24 MR. HILL: Second.

25 MR. BOR: Mr. Lea?

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1 MR. LEA: Yes.

2 MR. BOR: Colanzi?

3 MR. COLANZI: Yes.

4 MR. BOR: McGettigan?

5 MR. MCGETTIGAN: Yes.

6 MR. BOR: Hill?

7 MR. HILL: Yes.

8 MR. BOR: Smith?

9 MR. SMITH: Yes.

10 MR. WARD: The Board also discussed the
11 Yellowbird versus ACMUA CRDA matters, which through
12 the effort of our solicitor is now on a mediation
13 stage. We're hopeful that that gets resolved.

14 Union contract negotiations, appears
15 that the supervisor's union contract is awaiting
16 completion.

17 We also have a report that the Pacific
18 Avenue repaving job is moving along well. And we're
19 hopeful that with the warm weather, that the MUA's
20 work will be done and that project can be finished.

21 We also discussed the alternate Board
22 Member status and we understand that an appointment
23 or two may occur this evening.

24 And the assistant water distribution
25 manager contract for Mr. Fooder will be tabled and

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1 discussed at the next meeting.

2 And that would conclude the Executive
3 Session.

4 MR. SMITH: Motion for adjournment.

5 MR. BOR: Hearing no objection.

6 MR. SMITH: Moved.

7 (The meeting adjourned at 11:45 a.m.)

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C E R T I F I C A T E

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DATED: March 30, 2015