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ATLANTIC CITY MUNICIPAL UTILITIES AUTHORITY  
BOARD OF DIRECTORS MEETING

Wednesday, October 21, 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  
John McGettigan, Treasurer  
William Lea, Board Member  
Edmund J. Colanzi, Board Member  
William K. Cheatham, Alternate  
Patricia Bailey, Alternate

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.

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JACQUELINE M. ZARRILLO, CCR  
CERTIFIED COURT REPORTER  
1724 TILTON ROAD  
NORTHFIELD, NEW JERSEY 08225  
(609) 287-2593

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I N D E X

PUBLIC

(NO PUBLIC PRESENT.)

PAGE

## ATLANTIC CITY MUA

1                   MR. SMITH: Adequate of 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 a notice of the regular meeting scheduled  
6 for October 21, 2015, at 401 North Virginia Avenue,  
7 conference room, Atlantic City, New Jersey. Copy of  
8 said notice was sent to city clerk to be posted. All  
9 of the aforesaid complies with Chapter 231 of the  
10 laws of 1975, known as open public meeting laws.

11                   Roll call?

12                   MR. BOR: Mr. Cheatham?

13                   MR. CHEATHAM: Here.

14                   MR. BOR: Ms. Bailey?

15                   MS. BAILEY: Here.

16                   MR. BOR: Mr. Lea?

17                   MR. LEA: Here.

18                   MR. BOR: Colanzi?

19                   MR. COLANZI: Here.

20                   MR. BOR: McGettigan?

21                   MR. MCGETTIGAN: Here.

22                   MR. BOR: Smith?

23                   MR. SMITH: Here.

24                   MR. BOR: Hill is absent. And voting  
25 and participating for Mr. Hill will be Mr. Cheatham

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1 and Mr. Smith.

2 Minutes have been supplied. If they've  
3 been adequately read or any questions? Is there a  
4 motion on them?

5 MR. SMITH: No. Motion, move them.

6 MR. MCGETTIGAN: Second.

7 MR. BOR: Mr. Cheatham?

8 MR. CHEATHAM: Yes.

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: Smith?

16 MR. SMITH: Yes.

17 MR. BOR: Carries.

18 MR. WARD: Good morning, Board Members  
19 and Staff. First item, 4.a.(1), election day is  
20 November the 3rd. Are we closed?

21 MS. BAZEMORE: No, we will not be.

22 MR. WARD: We will not be closed, we  
23 will be open, okay.

24 MR. MOYLE: Not even close.

25 MR. WARD: We will be open.

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1                   Attached 4.b. is your financial report.  
2                   We will be open on election day. Financial report is  
3                   attached, as well as shut off notice.

4                   Budget committee meetings. We had our  
5                   budget committee meeting internally with staff and  
6                   two budget committee meetings with Members of the  
7                   Board.

8                   Personnel committee meeting minutes are  
9                   attached.

10                  Engineering committee meeting met. I  
11                  was unavailable for that meeting. I was at another  
12                  meeting.

13                  Holiday retirement party is scheduled  
14                  for December the 18th. That party is, of course,  
15                  located in this room.

16                  MR. SMITH: That is the retirement  
17                  party or Christmas party?

18                  MR. WARD: Well, we call it both.  
19                  Anybody that has retired, we try to give them a  
20                  little special acknowledgment. Not necessarily a  
21                  watch, but special acknowledgment.

22                  MR. SMITH: We incorporate the two?

23                  MR. WARD: Yes, we incorporate the two  
24                  into one party, yes.

25                  A couple of other items to report on.

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1 We had originally voted on the Gateway assessment or  
2 excuse me, Gateway easement August the 19th, and that  
3 easement would provide for the Department of  
4 Transportation to transport spoils across our  
5 property off of Delilah Road into a property owned by  
6 Gateway Associates, to remain there in a contained  
7 facility. Upon our review, we find that the Atlantic  
8 City Electric Company is also an owner of certain of  
9 those lots and, therefore, we are taking our time so  
10 that all of the easements that are necessary will be  
11 prepared, so there is nothing to vote on. But I just  
12 wanted you to know that we're working closely with  
13 Atlantic Electric, Gateway Associates and the  
14 Department of Transportation with respect to that  
15 project.

16 We were requested by an organization  
17 called HomeServe to partner with them on a free  
18 frozen pipe initiative. We've taken a look at it and  
19 it becomes a very cumbersome exercise for us and in  
20 many respects, the performance of the HomeServe  
21 provider could be deemed something that we're  
22 responsible for by the customer. So while it sounded  
23 liked a good initiative, there are a lot of little  
24 strings and parts that we would have to play a role  
25 in, and between staff and I, we felt that we should

## ATLANTIC CITY MUA

1 not proceed in this.

2 MR. SMITH: What is that called, Bruce?

3 MR. WARD: It's called HomeServe, and  
4 they tried to partner with municipal utilities  
5 authorities for frozen pipe initiatives. They say  
6 they will come out for free and that your pipe, if  
7 it's -- if you call the Authority and we say yes  
8 you're a customer and you got a frozen pipe, but if  
9 it's not a thaw issue and if they can't unfreeze it,  
10 then the charges start. Then they start billing the  
11 customer. And I would think that we should do what  
12 we can in terms of our notices to the public, Please  
13 trickle your water on when you're going to have a  
14 freeze period. Because that will protect your pipes  
15 as long as your water is going through, but this  
16 could become --

17 MR. SMITH: I agree with you.

18 MR. WARD: -- a bit cumbersome for us  
19 if we took this on and had our customers believing  
20 that we stood behind them. I didn't think we should  
21 do it and neither did my staff.

22 In today's Press, there is a small  
23 article about fake utility workers invade home in Egg  
24 Harbor City. I have gone on the radio previously,  
25 particularly on the Pinky show, to alert our

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1 residents that of course our workers never have to go  
2 into the home. And if there is a request to go in  
3 the home, it is per appointment. That appointment is  
4 secured here in the office, so forth and so on. So  
5 you know, I'll probably have to reengage with the  
6 community further to make sure that our community  
7 knows that this utility, we never knock on the doors  
8 saying we have to come into your residence at all.  
9 So I just wanted to give us a little heads-up on  
10 that.

11 Okay, Director's Forum, number five.

12 MR. SMITH: The only concern, I called  
13 you yesterday, was the concern that our water was  
14 somehow compromised and you straightened me out on it  
15 and so did Garth, so I think we're in good shape  
16 there. I think the public was thinking that we had  
17 to boil the water or we couldn't drink, it wasn't  
18 safe to drink.

19 MR. WARD: We tried to trace back how  
20 the rumor got generated and transmitted, and  
21 apparently in one church a text blast was sent out,  
22 but we haven't been able to find the source of the  
23 rumor. But with respect to our conditions, our  
24 conditions are all satisfactory.

25 MR. SMITH: I received a call. That's



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1       why I inquired, but everything is safe.

2                       MR. WARD: Public participation, I see  
3 no one from the public. We can proceed to Old  
4 Business and under 7.a., resolution 7.a. is to accept  
5 bids for water meters and water meter repair parts.  
6 That would be 7.a.(1) and that supplier is HD  
7 Waterworks out of Berlin, New Jersey. Total amount  
8 of 772,325.

9                       MR. MCGETTIGAN: 772?

10                      MR. WARD: \$772,325.

11                      MR. MCGETTIGAN: Over a couple years?

12                      MR. MOYLE: Yeah, it's two years.

13       Trying to change out the five-eights --

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

15                      MR. SMITH: Second.

16                      MR. BOR: Mr. Cheatham?

17                      MR. CHEATHAM: Yes, but I want to ask  
18 one question. These parts that we have, where are  
19 they stored? Where are they kept?

20                      MR. MOYLE: Well, it's not parts, it's  
21 mainly meters, but they're at the warehouse for the  
22 meter shop in the storage room over here.

23                      MR. CHEATHAM: I just wondered. That  
24 seems like a lot of money. I wondered how secure  
25 they are.

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1 MR. MOYLE: Well, we don't buy it all  
2 at once. How much was left on the contract?

3 MS. BAZEMORE: We just ordered 250,000  
4 more in July worth of meters.

5 MR. MOYLE: But how much was left on  
6 the old? It was quite a bit.

7 MS. BAZEMORE: Probably like another  
8 200 on there, four something.

9 MR. MOYLE: And I think that contract  
10 was 600,000.

11 MS. BAZEMORE: Yes, so it really would  
12 be over a two-year period. We're trying to  
13 aggressively get the meters out, like Garth said.  
14 All of our residents, we're having a problem with our  
15 meters, five-eighths inch meters, so a part of our  
16 process, we're trying to get a lot of meters in so  
17 that we can get a company out there changing them  
18 out. We're trying to do at least 2,000 or more a  
19 year.

20 MR. CHEATHAM: These meters after you  
21 change them, are they salvageable?

22 MR. MOYLE: They're scrappable. What's  
23 happened too is the -- there is a big fear of lead  
24 now and even a trace of lead. They, again, everybody  
25 at this table, lead paint, look at how good we are.

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1 But the meters now are plastic. And a typical meter  
2 is ten years you can use it; the old meters then you  
3 would have to replace it, best practice. These new  
4 plastic ones are 20 years, probably cost like 30  
5 bucks extra, you get another ten years.

6 MR. SMITH: As long as we're not buying  
7 them from China.

8 MR. MOYLE: No, these are American  
9 special, I believe.

10 MR. SMITH: American made, okay. Good  
11 question.

12 MR. BOR: Mr. Cheatham votes yes. Mr.  
13 Lea?

14 MR. LEA: Yes.

15 MR. BOR: Colanzi?

16 MR COLANZI: Yes.

17 MR. BOR: McGettigan?

18 MR. MCGETTIGAN: Yes.

19 MR. BOR: Smith?

20 MR. SMITH: Yes.

21 MR. BOR: 7.a.(1) carries.

22 MR. WARD: 7.a.(2) accept bids for fire  
23 hydrant.

24 MR. MCGETTIGAN: Is it the same deal?

25 MR. BOR: Same company.

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1 MR. MOYLE: We don't buy them all at  
2 once. The real big buy is the stainless steel repair  
3 clamps. We go through those like --

4 MS. BAILEY: Even though we don't buy  
5 them all at once, the dollar figures are associated  
6 with this specific budget; all these funds are coming  
7 out of this budget year?

8 MS. BAZEMORE: It actually will impact  
9 the budget. Once you order, take receipt of the  
10 items, it effects your budget. When we budget it, we  
11 know this is basically a two-year contract.

12 MS. BAILEY: So you budget it over a  
13 two-year period?

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

15 MR. SMITH: Second.

16 MR. BOR: Mr. Cheatham?

17 MR. CHEATHAM: Yes.

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: Smith?

25 MR. SMITH: Yes.

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1 MR. BOR: 7.a.(2) carries.

2 MR. WARD: Next is meter transmission  
3 units, MTUs, resolution 7.a.(3). We want to direct  
4 the Board to look at your packet and you will note on  
5 the bid tabulations that the bid from HD Supply was  
6 over \$100,000 less than the bid that we wish to award  
7 to Aclara. And if you go back to this page here, I  
8 tried to identify the rationale for a purchase for  
9 Aclara.

10 Number one, we have an existing Aclara  
11 system in place. Our meter transmission unit  
12 installing and calculating system is an Aclara based  
13 system. We made that purchase years ago. To  
14 purchase a new system would be the Sensus based  
15 system, would involve totally a new integration of a  
16 total new system. And the manpower, the training,  
17 the accuracy that is required on our billing system,  
18 on our accounting system would be severely  
19 challenged. And in fact, the HD bid is a  
20 nonconforming bid, because the bid went out for an  
21 Aclara system. It did not go out for another system.

22 Now the Sensus is a system that we have  
23 for our leak detection system, and what HD Supply was  
24 trying to pursue was giving us a good price to  
25 implement an MTU system on top of an existing leak

## ATLANTIC CITY MUA

1 detection system, and we went as far as bringing in  
2 HD Supply to do a demonstration. We actually had  
3 them in this room to do a demonstration, but again,  
4 we believe system integration is key to our request  
5 and our recommendation to stay with the Aclara system  
6 so that we have one unified system for all of our  
7 meter transmission information generation and  
8 computation.

9 MR. MOYLE: Quick question for Fred.  
10 Don't you have to reject the apparently low bid in  
11 the resolution?

12 MR. BOR: You have to give a rationale.  
13 That's what Bruce is giving right now.

14 MR. WARD: The bid was nonconforming.

15 MR. BOR: The bid was nonconforming.

16 MR. MOYLE: Read through the  
17 resolution.

18 MR. SMITH: Did you go over this with  
19 the engineering committee?

20 MR. WARD: We had an advertisement.  
21 The advertisement went into the Press.

22 MR. BOR: It was a sealed bid proposal  
23 to furnish and deliver an Aclara reading system, and  
24 HD was not conforming because it was a Sensus base,  
25 not Aclara. I think we're in good shape.

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1 MR. MCGETTIGAN: Should we have  
2 rejected or not entertained it?

3 MR. BOR: So the question Garth is  
4 raising is a good question. Should we have two  
5 separate resolutions, one rejecting the nonconforming  
6 bid or just the affirmative resolution approving  
7 Aclara?

8 MR. WARD: Our demonstration was to  
9 collect as much information as to whether or not we  
10 would stop the bid and go out and bid again to  
11 broaden the bid categories to include a Sensus, but  
12 we bid up front for an Aclara.

13 MR. BOR: I guess the concern raised by  
14 John and Garth, as a basis, perhaps, we should first  
15 reject it as nonconforming, so we don't have HD  
16 calling us up saying, Aha, you took a higher bidder.

17 MR. MCGETTIGAN: Yes.

18 MR. BOR: So the resolution would be  
19 rejecting HD as nonconforming, and a separate  
20 resolution for Aclara. Garth, that's better.

21 MR. MOYLE: That's the way it's usually  
22 done.

23 MR. BOR: They can't come back and say,  
24 Why did you accept somebody 100 grand more?

25 MR. CHEATHAM: Close the loopholes.

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1 MR. BOR: The first resolution is to  
2 reject the HD noncompliance as nonconforming.

3 MR. SMITH: Familiarize me with this  
4 again. This is over at the plant?

5 MR. WARD: The MTUs, meter transmission  
6 units, send information from the meters by digital  
7 transmission back to our office to tell us how much  
8 water has been used. We already have an Aclara  
9 system in place.

10 MR. SMITH: I'm aware of that.

11 MR. WARD: Okay. And the proposal by  
12 HD Supply was to bring us a new system, Sensus based  
13 system, which meant that when David or any one of our  
14 staff is trying to answer a question to a customer  
15 about their use and so forth and so on, they would  
16 have to open the Aclara system, understand how to get  
17 into it, and pull out the data they need, close that  
18 system, open up a Sensus system, get trained.

19 MR. SMITH: That's what we have now?

20 MR. WARD: That's what would have  
21 happened if we had two systems.

22 MR. SMITH: Got you.

23 MR. WARD: We would have a major  
24 staffing --

25 MR. SMITH: We're getting a whole new



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1 system?

2 MR. BOR: No, we're rejecting a new  
3 system.

4 MS. BAZEMORE: All of our customers out  
5 there, 6,000 customers, are under Aclara. As we  
6 would change them out, they would be on the new  
7 system, but still have another 5,000 on the old  
8 system, so you're always still working between two  
9 systems.

10 MR. SMITH: I can't remember what we  
11 did the first time we got the new system. I think  
12 you were here.

13 MS. BAZEMORE: Yes, yes, I mean, I  
14 guess the last upgrade we just did in '14, 2014.

15 MR. CLAUDE SMITH: Yeah, 2013, 2014, so  
16 it's been the -- it went from a Hexagram system,  
17 which was the older system that we had for over  
18 several years, I guess probably over ten years and we  
19 upgraded to the Aclara, so that's the system we're  
20 currently running off of, which gives us our SCADA  
21 transmission that assists us in terms of doing our  
22 billing and so forth.

23 MR. SMITH: Got you. We're going to  
24 have everybody schooled and trained all over again.  
25 I got you.

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1 MR. MCGETTIGAN: Double resolution.

2 MR. BOR: Yeah, so we could do two  
3 separate ones. First is a motion to reject the HD  
4 bid as nonconforming.

5 MR. MCGETTIGAN: I'll make that motion.

6 MR. COLANZI: Second.

7 MR. BOR: Mr. Cheatham?

8 MR. CHEATHAM: Yes.

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: Smith?

16 MR. SMITH: Yes.

17 MR. BOR: Now the motion in chief,  
18 which is 7.a.(3), to accept the Aclara one. Has to  
19 be a separate motion, if there is one?

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

21 MR. SMITH: Second.

22 MR. BOR: Mr. Cheatham?

23 MR. CHEATHAM: Yes.

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: Smith?

6 MR. SMITH: Yes.

7 MR. BOR: Carries.

8 MR. WARD: Okay, thank you. Budget  
9 authorization, and that would be 7.b.(1).

10 MS. BAZEMORE: Can I give a few  
11 highlights on that?

12 MR. WARD: Yes.

13 MS. BAZEMORE: Just I wanted to mention  
14 that when we prepared our 2015 budget, we anticipated  
15 or considered no reserves for the year. Our  
16 projection for the end of the year is reserves in the  
17 amount of \$1.5 million. We talked about that at our  
18 budget committee meeting and that was due primarily  
19 to the fact that Bally's had a problem with their  
20 well and they came on our system and they're not  
21 normally on our system, and that helped our revenues  
22 for the year, and as long as the Taj was not closing.  
23 As we prepared the rate structure for the year, we  
24 anticipated the Taj closing and they didn't. It was  
25 quickly utilized through capital projects. We're

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1 going to spend about a million dollars in 2015, so  
2 that's basically where the reserves went.

3 The other issue is our rate increase  
4 for 2016. We're looking to move the residential rate  
5 from \$40 a quarter to \$45 a quarter, which is a \$20  
6 increase to our residential -- increase to our  
7 customers on an annual basis. If they used excess,  
8 that's moving by four percent, and that's going to  
9 effect all casinos. New Jersey American, their  
10 commercial rate will be moving by four percent.  
11 There will be no increase in their flat charge, just  
12 the excess.

13 MR. SMITH: Is that for the residents  
14 also?

15 MS. BAZEMORE: If they use over their  
16 allowance, they'll pay four percent.

17 MR. SMITH: I don't know, I wasn't on  
18 the budget committee. I was hoping that they kept  
19 residential, not so much commercial, but residential  
20 rates as they were. But I know it was we're trying  
21 to generate more money.

22 MS. BAZEMORE: We're talking \$180, if  
23 they don't go over their allowance, for annual bill  
24 for the whole year.

25 MR. COLANZI: You're also saying that

## ATLANTIC CITY MUA

1 the residential rate increased and the commercial  
2 rate did not for the --

3 MS. BAZEMORE: For the flat charge,  
4 yes, but the excess. Our first draft we had a two  
5 percent increase on the flat. And Gary and John, and  
6 we all talked about it and they wanted me to run  
7 another scenario pulling out the flat increase and  
8 just doing a four percent, and once we took a look at  
9 the numbers, that's the direction they authorized me  
10 to go in.

11 MR. MCGETTIGAN: Or recommended.

12 MS. BAZEMORE: Recommended.

13 MR. MCGETTIGAN: We recommended it  
14 because the flats on the commercial side are very  
15 high right now compared to other utilities, what they  
16 charge.

17 MS. BAZEMORE: That's a good point. I  
18 had mentioned to them every time we would take a look  
19 at other utility rate structures versus ours, our  
20 flat charges always appear to be higher than others,  
21 but the consumption charge or the excess charge is  
22 always the lower rate, so that's why they authorized  
23 to do a four percent increase on the consumption, on  
24 the excess charge versus the flat charge.

25 MR. MCGETTIGAN: It would bring the

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1 charges to a more competitive rate.

2 MR. COLANZI: It means that the other  
3 companies, their commercial customers have better  
4 lobbies than the ones in Atlantic City have.

5 MR. SMITH: Are we okay with the Board?

6 MS. BAILEY: I just have one question.  
7 Again, there is always the unknown. But thinking  
8 about the other issues that confront us from the  
9 City, would those increases help in what we look  
10 like, that we're trying to create more income and  
11 address the issue that the City put before us?

12 MS. BAZEMORE: Potentially, as it  
13 stands right now, we did factor in a reserve for  
14 2016, about 850,000, somewhere in that neighborhood,  
15 primarily to be used for capital -- we have a lot of  
16 outstanding capital projects out there, so that's  
17 really the goal for the reserves.

18 MS. BAILEY: I just don't want them to  
19 come back and say that you had another year's budget  
20 that you worked on, regarding all the hoopla  
21 regarding the fact that we need to be able to  
22 generate more income.

23 MS. BAZEMORE: One of the main reasons,  
24 because our connection fee income this year for 2015  
25 has really tanked compared in the past, and that's as

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1 a result of lack of construction and redevelopment  
2 and so forth, and we're feeling it. And that's  
3 really always how we funded our capital budget. So  
4 some level of reserves we always need to build to  
5 cover capital projects.

6 MR. WARD: I think there is a  
7 recognition that the Atlantic City poverty rate is  
8 somewhere in the neighborhood of 32 percent. And  
9 when you express this increase as \$1.66 per month, it  
10 doesn't sound as harsh and it is \$1.66 per month.

11 MR. SMITH: Are we okay, Pat?

12 MS. BAILEY: Uh-huh.

13 MR. MCGETTIGAN: So you're just looking  
14 for authorization on this first?

15 MS. BAZEMORE: We have a resolution  
16 that has to be voted on.

17 MR. MCGETTIGAN: So we can have a  
18 public hearing?

19 MR. WARD: Yes.

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

21 MR. BOR: This is 7.b.(1) then.

22 MR. WARD: Yes.

23 MR. SMITH: Second.

24 MR. BOR: Mr. Cheatham?

25 MR. CHEATHAM: Yes.

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1 MR. BOR: Mr. Lea?

2 MR. LEA: Yes.

3 MR. BOR: Colanzi?

4 MR. COLANZI: Pass.

5 MR. BOR: McGettigan?

6 MR. MCGETTIGAN: Yes.

7 MR. BOR: Smith?

8 MR. SMITH: Yes.

9 MR. WARD: Resolution 7.b.(2) is to  
10 authorize our setup of the public hearings. Tuesday,  
11 November 24th and Thursday, December 3rd, 10 a.m.

12 MR. MCGETTIGAN: Yes, I make the  
13 motion.

14 MR. SMITH: Move it.

15 MR. BOR: Mr. Cheatham?

16 MR. CHEATHAM: Yes.

17 MR. BOR: Mr. Lea?

18 MR. LEA: Yes.

19 MR. BOR: Colanzi?

20 MR. COLANZI: Yes.

21 MR. BOR: McGettigan?

22 MR. MCGETTIGAN: Yes.

23 MR. BOR: Smith?

24 MR. SMITH: Yes.

25 No one shows up at those meetings



## ATLANTIC CITY MUA

1       anyway, do they? Very rarely?

2                   MS. BAZEMORE: No, I can't remember,  
3       since I've been here, anybody ever showing up.

4                   MR. WARD: Okay. Resolution 7.b.(3),  
5       rules and regulations.

6                   MR. MCGETTIGAN: All the new rates, and  
7       flat will be standard here. We don't have any --

8                   MS. BAZEMORE: It's just for  
9       discussion. The actual new rates and adjustment to  
10      the rules and rates will be at the November Board  
11      meeting, correct, Stella?

12                   MS. JOHNSON: Yes.

13                   MR. BOR: Move right to 7.b.(4).

14                   MR. WARD: Connection fee.

15                   MS. BAZEMORE: And the connection fee  
16      rate, a tentative rate will be included in the rules  
17      and rates in November. The final rate will be  
18      finalized in January, but the tentative rate was  
19      prepared for the budget and the rate moved from \$12  
20      -- 12.9597 to 14.3178, which is the largest increase  
21      that we've had in quite a while, but the calculation  
22      considers usage and volumes, and because volumes have  
23      really declined due to the closures, we have a  
24      certain dollar amount of capital that has to be  
25      spread over the volumes, and the decline in volumes

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1 causes the rate to go up and that's why we're looking  
2 at a potential rate 14.3178. I think it's like a  
3 dollar and 30 cents, something like that, increase,  
4 which is pretty substantial, but it is what it is.

5 MR. WARD: Hopefully there are a few  
6 small projects that are announced and may get  
7 underway and help us with our connection fee in 2016.

8 MR. MCGETTIGAN: Just for the record,  
9 this only effects new connections. No users now are  
10 effected at all by this. It's only for new  
11 connections.

12 MS. BAILEY: Okay.

13 MR. SMITH: Has it been voted on?

14 MR. MCGETTIGAN: Yes.

15 MS. BAZEMORE: No, we don't have a  
16 vote. It's just for discussion.

17 MR. WARD: Okay, Mr. Smith, engineering  
18 7.b.

19 MR. CLAUDE SMITH: Yes, good morning.  
20 For the first item, which is the ASR well. At this  
21 particular Board meeting, I'm kind of happy to report  
22 that we're finally going to be closing out the  
23 particular project, and you've been hearing me giving  
24 updates. We are making final payment on this  
25 particular project and hopefully that will close the

## ATLANTIC CITY MUA

1 entire project out. I just want to give a summary on  
2 some of the dollar figures here that we've actually  
3 done over the time period. The final payment will be  
4 \$63,661.67. A contract total amount was \$1,574,988.  
5 We had a previous change order that was a net credit  
6 back to the Authority for \$1,265.08. And \$44,917.69  
7 off the total project was not utilized because of  
8 those particular items were not -- they were part of  
9 the original contract, but they were not done because  
10 of the fact that we did not have a need for them to  
11 be done. So like I said, the final payment should be  
12 made and, therefore, this project should be closed.  
13 Hopefully, I won't be back here giving you a report  
14 next month on ASR wells.

15 MR. SMITH: Are you saying you saved  
16 the MUA, by not doing certain things, 44,000?

17 MR. CLAUDE SMITH: Correct, and there  
18 was an additional net savings or credit back to the  
19 Authority because of change orders that was actually  
20 done. That was also a credit to the Authority.

21 MR. SMITH: That's unusual because the  
22 change orders are usually for more money.

23 MR. CLAUDE SMITH: That's true,  
24 normally we pay more for change orders.

25 On the cradle project, basically we are

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1 waiting for the State actually to reply to us or give  
2 us some indication that they received our  
3 rehabilitation report and that they've accepted and  
4 approved of it. And that might take some time, but  
5 in regards to the rehab work, that is completed.  
6 Once we get that report back from the State,  
7 hopefully then we can start releasing the funding for  
8 that particular portion of the project.

9           The one million gallon tank, we  
10 received our engineering report on. We're in the  
11 process now of actually preparing the bid  
12 specifications. As a matter of fact, when you saw me  
13 pull away from here for a second, that was a  
14 gentleman that was from PS&S, which is the  
15 engineering company. They came down to take some  
16 additional pictures of the tanks just to put their  
17 report together, and hopefully in the next couple of  
18 weeks or so we have some form of bid specification we  
19 can start reviewing and enacting in State putting it  
20 out.

21           On the two million gallon tank, the  
22 contractor came back and completed some of the  
23 deficiencies in regards to the painting that was  
24 done. They also replaced the majority of our plants  
25 that were dead. Right now we're trying to close that

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1 project out, as well. I just sent an e-mail this  
2 morning to the engineer, giving them some deadlines  
3 of November, for November for them to have everything  
4 back to us so we can start looking to close the  
5 project out, and also sent an e-mail out to the  
6 contractor also for the month of November stating I  
7 would like to have everything done by that particular  
8 time period. So by the end of the calendar year, we  
9 can actually close this project out.

10 MR. SMITH: We're not finished paying  
11 or giving them the money on the two million gallon?

12 MR. WARD: We have not.

13 MR. SMITH: How much do we still owe?

14 MR. CLAUDE SMITH: It's about --

15 MS. BAZEMORE: 90.

16 MR. CLAUDE SMITH: It's less than that.

17 MR. SMITH: Approximately?

18 MR. CLAUDE SMITH: I think it's less  
19 than 60. Linda, I think it's less than 60,000 that  
20 we actually owe the painting contractor.

21 MR. SMITH: Because if the paint isn't  
22 done properly --

23 MR. CLAUDE SMITH: No, we're satisfied.

24 MS. BAZEMORE: 54,000.

25 MR. CLAUDE SMITH: That's what I said,

## ATLANTIC CITY MUA

1 it was less than 60. The painting work was actually  
2 satisfactory. We did an inspection after the work  
3 was actually completed.

4 MR. SMITH: As long as it's good.

5 MR. CLAUDE SMITH: It's satisfied.

6 MR. SMITH: Because that's what I  
7 thought was the problem.

8 MR. CLAUDE SMITH: The delays were the  
9 problem, but we're beyond that now. Overall --

10 MR. SMITH: This tank out here now is a  
11 two million or this is a million?

12 MR. CLAUDE SMITH: One million.

13 MR. SMITH: Ten years ago we had that  
14 painted, approximately.

15 MR. CLAUDE SMITH: Yes.

16 MR. SMITH: And it's due for another  
17 painting now.

18 MR. CLAUDE SMITH: And that's what  
19 we're doing right now. We're actually going through  
20 the motion to get the bid specification prepared so  
21 we can put it out for bid.

22 MR. SMITH: I think we should do that  
23 before the year is out, have that money allocated so  
24 that if they're trying to do something, you know.

25 MS. BAZEMORE: As Claude mentioned, we

## ATLANTIC CITY MUA

1 filled out an application with the State NJEIT for  
2 the funding for the project, so we hadn't gotten  
3 final word as to whether or not it's approved.

4 MR. MCGETTIGAN: Which is just a loan?

5 MR. CLAUDE SMITH: Yes, it is. But  
6 there might be some forgiveness and low interest  
7 rate, so it's a good funding to pursue in regards to  
8 get.

9 MR. SMITH: Good job, Mr. Smith.

10 MR. MOYLE: 75 percent, zero interest.

11 MR. MCGETTIGAN: Low cost loan and  
12 maybe forgiveness.

13 MR. CLAUDE SMITH: I'll turn it over to  
14 Mr. Ward.

15 MR. WARD: Solar at the FAA. I meet  
16 with the FAA on 28th of this month. We're getting  
17 close to putting together the bid specifications for  
18 the solar projects that the FAA will be pursuing, so  
19 we'll have more to report on that. And again, we are  
20 looking at floating solar on both the reservoirs to  
21 connect into the FAA transmission system.

22 MR. MCGETTIGAN: So all that electric,  
23 it's going to go to the FAA, we're going to receive  
24 credits?

25 MR. WARD: We're too far away from our

## ATLANTIC CITY MUA

1 treatment center to monetize solar on the reservoirs  
2 for us. We tried to do an aggregate net metering  
3 arrangement, but again, we're just too far away from  
4 the source.

5 MR. MCGETTIGAN: It's still very  
6 valuable, just selling the credits, or valuable. I  
7 don't know how valuable.

8 MR. WARD: All right, 8.a.(1) is an  
9 abatement for SJP2, LLC. They would be necessary to  
10 appear. It does not appear they're here, so we will  
11 have to continue.

12 MR. SMITH: I thought it's says it's  
13 unnecessary.

14 MR. BOR: The first one is necessary.

15 MR. WARD: The first one is 8.a.(1).

16 MS. JOHNSON: He said he was going to  
17 appear.

18 MR. WARD: So we'll put him on the back  
19 burner.

20 And if the Board wishes, we can take  
21 8.a.(2), (3) and (4) together. Those would be  
22 abatements unnecessary to appear, Edwards, Goldstein  
23 and Nasiruddin.

24 MR. SMITH: Move them.

25 MR. MCGETTIGAN: Second.



## ATLANTIC CITY MUA

1 MR. BOR: Mr. Cheatham?

2 MR. CHEATHAM: Yes.

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: Smith?

10 MR. SMITH: Yes.

11 MR. BOR: Carries.

12 MR. WARD: Okay. 8.b.(1), solicit bids  
13 for replacement of water mains. Mr. Moyle, any  
14 comment on 8.b.(1)?

15 MR. MOYLE: 8.b.(1)?

16 MR. WARD: Water mains.

17 MR. MOYLE: No. Gosh, hopefully it  
18 comes in at a nice price, but it could be a zinger.

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

20 MR. SMITH: Second.

21 MR. MOYLE: Luckily it's broken up so  
22 we can get rid of some of them if we have to or push  
23 them to the next year.

24 MR. BOR: If there is no other  
25 discussion, there has been a motion on 8.b.(1).

## ATLANTIC CITY MUA

1 Mr. Cheatham?

2 MR. CHEATHAM: Yes.

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: Smith?

10 MR. SMITH: Yes.

11 MR. WARD: 8.b -- excuse me, 8.c --

12 I'm sorry, 8.b.(2), which is miscellaneous electrical  
13 repairs, resolution 8.b.(2). Mr. Moyle, any comment  
14 on the electrical repairs?

15 MR. MOYLE: The what?

16 MS. BAZEMORE: Electrical repairs.

17 MR. MOYLE: Usual, same as it ever was.

18 I'm answering silly e-mails, thinking  
19 the MUA did something that caused an accident. I'm  
20 only answering 15 times.

21 MR. SMITH: It's a local person we use  
22 to do the --

23 MS. BAZEMORE: Was Falasca or Calvi.

24 MR. SMITH: Yeah, Calvi Electric. Are  
25 we satisfied with them, Garth?

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1 MR. MOYLE: Yeah, they're very good.

2 MR. SMITH: Reliable?

3 MR. MCGETTIGAN: It's just to send out  
4 the bid.

5 I'll make the motion.

6 MR. MOYLE: McAdam is -- I don't know  
7 if they're still in business.

8 MR. SMITH: We had Calvi for a long  
9 while.

10 MR. MOYLE: McAdam had it seven, eight  
11 years ago.

12 MR. CLAUDE SMITH: It's been a while.  
13 They haven't bid. They were local. They were an  
14 Atlantic City firm.

15 MR. MOYLE: They were on Sunset.

16 MR. MCGETTIGAN: I made the motion.

17 MR. COLANZI: Second.

18 MR. BOR: Mr. Cheatham?

19 MR. CHEATHAM: Yes.

20 MR. BOR: Mr. Lea?

21 MR. LEA: Yes.

22 MR. BOR: Colanzi?

23 MR. COLANZI: Yes.

24 MR. BOR: McGettigan?

25 MR. MCGETTIGAN: Yes.

## ATLANTIC CITY MUA

1 MR. BOR: Smith?

2 MR. SMITH: Yes.

3 MR. BOR: That was 8.b.(2).

4 MR. WARD: 8.c.(1), emergency repairs  
5 on variable frequency drives on the high service pump  
6 number two. That was Calvi Electric. Those pumps  
7 are responsible for bringing sufficient water power  
8 to move the water from treatment over to the City.

9 MR. SMITH: Move it.

10 MR. MCGETTIGAN: Second.

11 MR. BOR: Mr. Cheatham?

12 MR. CHEATHAM: Yes.

13 MR. BOR: Mr. Lea?

14 MR. LEA: Yes.

15 MR. BOR: Colanzi?

16 MR. COLANZI: Yes.

17 MR. BOR: McGettigan?

18 MR. MCGETTIGAN: Yes.

19 MR. BOR: Smith?

20 MR. SMITH: Yes.

21 MR. BOR: Carries.

22 MR. WARD: Resolution 8.d.(1)(a) would  
23 be service agreement for the Housing Authority and  
24 Urban Redevelopment Authority, which is the Hope VI,  
25 Block 413, Lot 1 project. I think, as you can see

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1 coming into the Authority's office, the number of new  
2 residences that the Housing Authority has been  
3 installing.

4 MR. SMITH: We have to vote on it.  
5 Move it.

6 MR. MCGETTIGAN: Second.

7 MR. BOR: Mr. Cheatham?

8 MR. CHEATHAM: Yes.

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: Smith?

16 MR. SMITH: Yes.

17 MR. WARD: Just a point of reference.

18 I had a discussion with the Executive Director of the  
19 Housing Authority, and she made it clear that, she  
20 put her foot down and insisted, that those residences  
21 would have powder rooms in addition to the bathrooms.

22 MR. CLAUDE SMITH: Half baths.

23 MR. WARD: Okay. 8.d.(2), service  
24 agreement with Tri-County Community Action.

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

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1 MR. COLANZI: Second.

2 MR. BOR: Mr. Cheatham?

3 MR. CHEATHAM: Yes.

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: Smith?

11 MR. SMITH: Yes.

12 MR. BOR: Carries.

13 MR. WARD: Tri-County, of course, has  
14 taken over the Community Action Agency,  
15 responsibilities formally held by Atlantic Health  
16 Atlantic Human Resources. And they are building a  
17 major center at the former unemployment office  
18 location at Bacharach Boulevard. In addition they  
19 have an office installed at the plaza where Kelsey  
20 and Kim's is in the Inlet. So this is a new agency  
21 in the City that will be providing day care center  
22 and other support services for fuel rebates and  
23 things like that.

24 Easement agreement, which is 8.e.(1).

25 Easement agreement for the Atlantic City Electric for

## ATLANTIC CITY MUA

1 access that they require out in Pleasantville.  
2 Atlantic City Electric will be replacing a number of  
3 wooden poles across the landscape with steel poles.  
4 And they have to have access in between our property  
5 and the Leeds Avenue School.

6 MR. SMITH: Move it.

7 MR. MCGETTIGAN: Second.

8 MR. BOR: Mr. Cheatham?

9 MR. CHEATHAM: Yes.

10 MR. BOR: Mr. Lea?

11 MR. LEA: Yes.

12 MR. BOR: Colanzi?

13 MR. COLANZI: Yes.

14 MR. BOR: McGettigan?

15 MR. MCGETTIGAN: Yes.

16 MR. BOR: Smith?

17 MR. SMITH: Yes.

18 MR. WARD: Number f, the joint funding  
19 agreement, which my very capable assistant, Ms.  
20 Stella Johnson, advises that we have to enter into it  
21 each and every year. It's a project which the U.S.  
22 Department of the Interior provides certain mapping  
23 of water resources. And we have no choice but to pay  
24 for our portion of the share of this enterprise in  
25 the amount of \$20,150.

## ATLANTIC CITY MUA

1 MR. COLANZI: Their portion is zero.

2 MR. WARD: We are responsible.

3 MR. COLANZI: It's in writing that they  
4 don't have to pay anything.

5 MR. WARD: I think at the end of the  
6 day, there is a public benefit for the fact that this  
7 mapping will be available to all who need to know  
8 where the water is, what the challenges to the  
9 downstream water will be, so forth and so on. They  
10 put together a statewide and subsequently a national  
11 water mapping enterprise, and we have to pay our  
12 share.

13 MR. BOR: We had the same discussion  
14 last year. Remember last year, we had the same  
15 question.

16 MR. SMITH: How long have we been doing  
17 this, Stella?

18 MS. JOHNSON: Oh my God, I'll say ten.

19 MR. SMITH: If that's the case, move  
20 it.

21 MR. MCGETTIGAN: Second.

22 MR. BOR: No options.

23 Mr. Cheatham?

24 MR. CHEATHAM: Yes.

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: Smith?

7 MR. SMITH: Yes.

8 MR. BOR: There is no choice.

9 MR. SMITH: No choice.

10 MR. WARD: Okay. Monthly bills are at

11 nine. Any questions on monthly bills?

12 MR. SMITH: Got to pay them. Move

13 them.

14 MR. MCGETTIGAN: Second.

15 MR. BOR: Mr. Cheatham?

16 MR. CHEATHAM: Yes.

17 MR. BOR: Mr. Lea?

18 MR. LEA: Yes.

19 MR. BOR: Colanzi?

20 MR. COLANZI: Yes.

21 MR. BOR: McGettigan?

22 MR. MCGETTIGAN: Yes.

23 MR. BOR: Smith?

24 MR. SMITH: Yes.

25 MR. BOR: Carries.

## ATLANTIC CITY MUA

1 MR. SMITH: Break everybody.

2 (Closed Session from

3 10:45 a.m. to 12 p.m.)

4 MR. WARD: We're back in Open Session.

5 The Board considered in its Closed Session a number  
6 of personnel issues with respect to the upcoming  
7 contracts. The Board discussed the improvement  
8 efforts for two new labor positions. Board also  
9 discussed a plan for lawn care to be supplemented by  
10 the existing Authority staff. The Board talked about  
11 its effort to strengthen and implement an ongoing  
12 evaluation program. The Board discussed the clean  
13 water rule published in the New Jersey Register  
14 volume 80 number 124. And the Board also was advised  
15 that the Executive Director will be attending the New  
16 Jersey Bar Association mid-year meeting this year.  
17 And that concluded the Board's work.

18 MR. SMITH: Move for adjournment.

19 MR. BOR: Hearing no objection.

20 MR. SMITH: We're adjourned.

21 (The meeting adjourned at 12:02 p.m.)

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C E R T I F I C A T E

I, JACQUELINE M. ZARRILLO, a Certified Court Reporter of the State of New Jersey, do hereby certify that I am neither a relative nor employee nor attorney nor counsel of any of the parties to this action, and that I am neither a relative nor employee of such attorney or counsel, and that I am not financially interested in the action.

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DATED: October 23, 2015