

WESTERN MONMOUTH UTILITIES AUTHORITY

WORKSHOP MEETING

January 10<sup>th</sup>, 2017

Chairman McEnergy called the Western Monmouth Utilities Authority's Public meeting to order at 7:06pm. It was announced that pursuant to the Open Public Meeting Act and N.J.S.A. 10:4-6 et seq., adequate notice of this meeting has been sent to the Asbury Park Press, The Home News and Tribune, Clerks of Manalapan and Marlboro Townships, and is posted in the lobby of the Western Monmouth Utilities Authority ("W.M.U.A.")

Upon roll call:

Present:	Messrs. McEnergy, Mendez, Pernice and Rosen
Absent:	None
Also in Attendance:	F. Borin, DeCotiis, Fitzpatrick & Cole, LLP G. Stankiewicz, Auditor M. Dziubeck, CME Associates R. Santos, T&M Associates B. Valentino, Executive Director (arrived @ 7:08pm) J. Carr, Manager of Engineering Services R. Smith, Facilities Manager D. Martindell, Regulatory Compliance Supervisor G. White, Collections Supervisor M. Seidenberg, Director of Finance K. Leatherman, General Manager A. Finnerty, Authority Clerk S. Cohen, Mayor of Manalapan Manalapan Township Utilities Committee: David Davidowitz, Chairman Ken Oexmann Chris Herles Patrick Hughes

All present cited the Pledge of Allegiance.

Chairman McEnergy told the Commissioners they each have RFP's to review and they should make sure they take them before they leave.

Chairman McEnergy asked if there was any public comment. Mayor Cohen requested that we delay moving the meeting further because the tour of the plant by the E.D. with the Manalapan Township Utilities Committee has not concluded.

Ms. Leatherman stated that we should discuss the meeting schedule. The Commissioners agreed. They requested that the Re-org meeting be moved from February 14, 2017 and scheduled for February 13, 2017. The Commissioners agreed on this date and confirmed

that Mr. Valentino, the Executive Director will be available. He confirmed the date, and they asked the Resolution #16-33 reflect the new date.

Brian Valentino continued with the meeting and thanked the staff and the visitors for coming to the Authority meeting. Mr. Valentino stated that we have some presentations for the Board of Commissioners which are listed under the Executive Directors Report. We will not discuss methane use as it requires more research. The following presentations were made by the staff:

Deadzones – Jim Carr, Manager of Engineering Services  
Line Assurance – Dane Martindell, Regulatory Compliance Supervisor  
TDS Settlement – Dane Martindell, Regulatory Compliance Supervisor

Jim Carr stated in order to understand why there are dead zones, you have to understand the history of the WMUA and how it was formed. Originally there were 2 treatment plants; one was here and one was located where the Hawkins Road Pump Station is now formerly known as the Central Jersey Treatment Plant. The Clean Water Act of 1972 is what really formed the WMUA and all the other regional sewerage authorities. It formally established a process for establishing regulations for discharging pollutants into waterways. The Clean Water Act provided a lot of construction grant money and the WMUA was formed as a result of that grant money and regionalized the two treatment plants. Where the Central Jersey plant used to be the grant money paid for that to become a pump station and this facility was replaced entirely and accept all the original flow. The WMUA was formed in 1972. A dead zone is described an area of ten or more lots together that are not sewered. We have dead zones because the entire system was built by private developers. These developers applied for sewer extension permits, they paid for the pipes to be installed, built the houses in the developments and connected them to the pipes they installed. As part of the approval the Authority inherits the pipes and there is very little cost on our end other than maintenance. The two that the WMUA paid for were Holiday North and the Morganville collection system. No rate payer money was spent on these; they were paid by federal grants. Mr. Carr pointed out the 13 dead zones in our service area utilizing power point. Commissioner Rosen asked if we are getting pressure from potential customers these dead zone areas. Mr. Valentino stated that the Board needed to know this information in case there are any questions. Commissioner Mendez stated that he had homeowners approach him regarding potential sewer lines. Mr. Valentino stated that we would have to do a study before any shovels hit the ground. Chairman McEnery asked if we could identify the areas that have the dry pipes in the ground. Mr. Carr stated that most of them are on the map. The Commissioners thanked Mr. Carr for his presentation.

Mr. Valentino stated that the next study the managers put together was a Sewer Lateral Assurance Program. The Commissioners as well as local customers have been receiving brochures offering an insurance to service sewer laterals. Dane Martindell stated he looked at two Authorities that offer these programs as well as the Suez Water Company formerly known as the New Jersey American Water Company. None of these run the program themselves; they hired a third party called Homeserve USA which is a national company that does this. They do not use their own staff. Jackson Township does not even support this. They just provide the customer base to Homeserve. They did not want the public to think they are associated with a profit making company. Some Authorities actually pass out the brochure for Homeserve if there is a blockage at their home. Mr. Valentino stated that the purchasing law has a procurement process for utilizing a third party. You can get this thru

Suez which offers sewer lateral repairs outside, no internal piping. Suez customers receive a reduction in their bill by \$1.00 per month. Homeserve provides the marketing, contractor, customer billing and relations. They also provide a report monthly about how many contracts they have and service calls they have made and some other useful information. They have a call center to field the calls 24 hours a day, 365 days a year. Jackson receives about \$8,000.00 per year which they donate. LSA (Landis Sewerage Authority) receives about \$700 to \$900 monthly from the contracts. Commissioner Mendez asked if this recommendation includes our crew doing the work. Mr. Martindell stated that it would be a third party. Commissioner Rosen asked what the average cost of a sewer lateral repair. Mr. Martindell stated it is about \$3000.00. Homeserve has a \$7,000.00 a year cap on it. If the Authority were to do this, it would have to include an upfront investment on the equipment. It is like going into the plumbing business. Commissioner Mendez asked what our customer base is in comparison to the Jackson Sewerage Authority. Mr. Martindell stated they are very similar to us, he stated their overall budget is about 15 million. Commissioner Rosen asked if he knew the percentage of the customers that were doing this in Jackson. Mr. Valentino stated that he and George met with one of the vendors and it is about 10%. Commissioner Pernice stated that we have to look at this in two-fold; one the purpose of this is revenue, we have to assess the initial investment and risks. We should consider an actuary. NY City introduced this about 10 years ago and they outsourced it. The revenue is higher when it is outsourced, we can do the billing but we wouldn't have the liability. Mr. Martindell stated that we should get some proposals. Commissioner Pernice stated that our only concern when we outsource is our reputation. Mr. Valentino thanked Dane Martindell and George White and the other managers that worked on this project.

Dane Martindell stated that the TDS (Total Dissolved Solids) Settlement should be on the record. This has to do with our discharge permit. The TDS in very high numbers can be toxic. In 2004, the DEP issued a draft permit and it hit us with a limit of 500 milligrams per liter TDS in discharge in the effluent monthly max. The numbers that we discharge are not toxic. The DEP hit us with a limit that we have trouble meeting. We objected to the limit in 2004. The Authority ended up a lawsuit against the DEP and an administrative judge granted us a stay. The DEP directed us to have stream studies, operational studies; we tried different chemicals and eliminated certain chemical. The DEP then gave us a permit modification and stated the limit will be 600 milligrams per liter. 6 months later we received another permit modification stating that the one for 600 was an administrative mistake and they limited us again to 500 milligrams TDS. We continued with the legal action and the stay took effect again. Our consultants stayed very diligent. One month ago the consultant stated that the state had agreed to sign a stipulation with us to make the 600 permanent again. The Judge wanted this situation to be over. Mr. Martindell stated that we are in the process of finalizing the number from the DEP. For the most part we will not exceed the 600 milligrams TDS. Mr. Martindell stated that if we had put in the required treatment system our water would be better than regular tap water at the cost of millions of dollars. We are very consistent with our influent and effluent. The influent is usually about 350 milligrams TDS. Commissioner Pernice stated he and Commissioner Rosen recall when this issue began. He stated we started adding magnesium which was costly but it showed the DEP how proactive we were. Commissioner Pernice stated that Mr. Martindell put a lot of work into this permit process. Commissioner Mendez also stated that Dane Martindell did a great job. Mr. Valentino stated that the reason we put this on the record is because he wanted the Commissioners to allow him to sign the settlement. No resolution will be

needed. Commissioner Mendez asked if we wanted to take a verbal vote. Mr. Valentino stated that there is nothing to vote on. Mr. Valentino stated that when he spoke with the utilities committee stating that everybody here is a professional one way or another, whether it is an industrial scientist or engineer. He stated that Dane Martindell presented a very technical and scientific discussion and he thanked him for a good presentation.

Brian Valentino thanked the staff that helped put together the presentations. Commissioner Mendez congratulated all the employees who received awards certificates.

Chairman McEnergy proceeded with the meeting.

- Chairman McEnergy asked for comment regarding the Meeting Schedule for the Year ending January 31<sup>st</sup>, 2018. Ms. Leatherman confirmed that we will change the meeting/Re-org from the 14<sup>th</sup> of February to the 13<sup>th</sup> of February.
- Chairman McEnergy asked for any comment regarding the Budget Transfers. Marilyn Seidenberg stated that they will receive information with the Agenda at the next meeting regarding the transfers.
- Chairman McEnergy asked for any comment regarding the Shared Services Agreement for the Confined Space Rescue Team. Mr. Valentino stated that this is our second Shared Service agreement with Marlboro to provide them with Confined Space Rescue Team Services. We will be there for them in case of emergency and rather than worry about billing them for our time, they will purchase \$2500.00 worth of equipment yearly whether they need our services or not. Commissioner Rosen asked about the recent snow event with Marlboro. Mr. Valentino stated he there were no issues with our crew and the equipment and we are ready for the next storm.

Chairman McEnergy asked if there were any other questions, and stated that we are going to move right to Resolutions.

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| 16-133 | Approving Meeting Schedule for the Year Ending January 31 <sup>st</sup> , 2018  |
| 16-134 | Authorizing the Execution of a Shared Services Agreement Between the WMUA and the Township of Marlboro to Provide Confined Space Rescue Team Services |

Chairman McEnergy asked for a motion for Resolutions #16-133 & 16-134. Commissioner Mendez moved seconded by Commissioner Rosen. Commissioner Pernice voted yes as per the amended meeting schedule. The vote was as follows:

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| AYES:        | Messrs.' McEnergy, Mendez, Pernice and Rosen |
| NAYS:        | None   |
| ABSENT:      | None   |
| ABSTENTIONS: | None   |

Chairman McEnergy asked if there were any other Authority Business. There were none.

Chairman McEnergy asked if there were any comments on the bill list. Commissioner Pernice moved the bill list, seconded by Commissioner Mendez. All present voted aye.

Commissioner Mendez thanked the Manalapan Township Utilities Committee for attending our meeting.

At 7:58pm Chairman McEnery stated that they will move into Closed Session and asked for a motion for Resolution #16-135, Authorizing the Commissioners to go into Closed Session for the Purpose of Discussing Litigation and/or Personnel and negotiations and they will not return to Public Session. Commissioner Rosen moved, seconded by Commissioner Mendez. All present voted aye.

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