

WESTERN MONMOUTH UTILITIES AUTHORITY

WORKSHOP MEETING

September 13<sup>th</sup>, 2016

Chairman McEnergy called the Western Monmouth Utilities Authority's Public meeting to order at 7:04pm. 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 T. Gillen, CME Associates K. Henderson, T&M Associates B. Valentino, Executive Director J. Carr, Manager of Engineering Services R. Smith, Facilities Manager K. Leatherman, General Manager A. Finnerty, Authority Clerk

All present cited the Pledge of Allegiance.

Chairman McEnergy asked if there was any public comment. There was none.

Chairman McEnergy asked for comment regarding the Executive Directors Report.

Mr. Valentino stated he has a number of items to discuss. He stated that due to our current situation with the EIT (Environmental Infrastructure Trust) he is not recommending not to proceed with the capital project that would transfer power at the UV building from traditional power to solar power. It is not financially feasible now and he suggests we hold off on that. The need now is for a 6" pump that is tailorable. This would allow us to do some things around the plant and the field and would be utilized in emergency situations. Mr. Valentino requested that the Commissioners allow us to bid on this pump. He said it would be better to own this pump than to rent it. Robert Smith stated it should cost about \$50,000.00. Commissioner Pernice asked why we are in need of this 6" pump. Robert Smith stated that we have a 6" pump but it requires utilizing a boom truck to move, very difficult to set up and it is not very mobile. We have a 4" pump. Commissioner Pernice asked how old the 6" pump is and if it still works. Robert Smith stated 15 years old and was originally purchased for the Digester cleaning. Commissioner Pernice asked how often the crew utilizes the 6" pump. Mr. Smith stated they have been using only the 4" pump because it is easier to move however it has a lot of hours on the motor and they are concerned that it will fail, it is also 15 years old. The 6" pump was purchased exclusively for cleaning the digester 15 years ago. Mr. Valentino stated that we will be doing a lot of pump bypass offsite and that is why they need a more mobile 6" pump. Mr. Smith said the 6" pump

will pump more in less amount of time. He stated last time the 4" pump was used the fan parts were breaking off and they waited 2 weeks for parts. Mr. Valentino stated that Commissioner Pernice would like more information which we should provide at the next meeting.

Mr. Valentino stated that the Confined Space Team is active at the plant. It is not active with Marlboro Township yet but they will be getting more training. Once the final training is complete and the last of the equipment is here, they will enter into a contract with Marlboro in October. Commissioner Mendez asked if we had implemented the team recently. Mr. Valentino stated that we had an employee stuck in an elevator at the plant. The confined space rescue team was not needed but they were heavily involved. The elevator was secured, the employee was made safe, they proceeded with protocol and the employee was extricated through the roof. Commissioner Mendez asked about the age of the elevator. Mr. Valentino stated that the elevator operates in an environment that is not good for the mechanics of the elevator. Robert Smith stated we do quarterly inspections. Mr. Valentino stated that it would cost a million dollars to replace the elevator and it not a priority now. Commissioner Pernice asked if we have stairs. Mr. Valentino stated we have 2 sets of stairs.

Mr. Valentino stated for the next topic he is turning the meeting over to our Auditor, Jerry Stankiewicz to discuss the 2010 EIT loan. He stated that we borrowed money from the EIT to finance the UV project, a portion of which was not funded by the grant. Partially funded by a grant; federally funded grant at zero interest and state money at market rate. We were notified today by the EIT bond counsel, they are looking into refinancing. After the project was completed in 2011, the Authority passed a Resolution putting enough money away in a reserve to pay this loan in total. The opportunity is here now for us to pay off this loan. They will provide us with a payout figure. Commissioner Rosen asked how much will we save by paying this loan off. Mr. Stankiewicz stated will save bond issue costs. Commissioner Mendez confirmed that it will not touch our cash reserve. Mr. Stankiewicz stated that we are saving about \$83,000.00. Commissioner Pernice asked how much is left to pay. Mr. Stankiewicz stated that principal and interest remaining is about \$667,000.00. Three quarters of the loan is at zero percent, one quarter of is at 2 to 4%. Commissioner Pernice asked what the value is in paying off the loan. Mr. Stankiewicz stated paying this off is freeing up our debt. Commissioner Pernice asked if this will impact us when we ask for another EIT loan. He answered by stating that our balance sheet would look better. Commissioner Pernice stated he would like to see numbers before he makes any decisions. Mr. Stankiewicz stated he will get the data as soon as possible.

Mr. Valentino stated he wanted to update the Commissioners on the budget. Just today we received the budget to actual for the first 6 months of the fiscal year. The rest of the budget is 95% complete. The finance committee will look at everything when it's complete. Commissioner Rosen asked if we were under budget due to expenses. Mr. Valentino confirmed this. Mr. Stankiewicz stated our revenues are predictable except for the connection fees. What we don't spend ends up in surplus.

Commissioner Mendez asked if Sportika connected. Mr. Valentino stated they did not.

Mr. Valentino stated he reviewed the overtime budget and we are doing well. We do have one employee out on disability in the collections department.

Mr. Valentino asked about the next meeting scheduled for September 27, 2016. He stated he will be in Kansas City and Commissioner Pernice will be in New Orleans. The other Commissioners stated that they can attend.

Mr. Valentino stated he is turning over the meeting to Jim Carr, Manager of Engineering Services regarding the replacement of the EQ basin. Jim Carr stated that the Authority has a permit from the DEP to treat 8.8 mgpd (million gallons per day). The DEP states we need to be able to handle 2 ½ times 8.8 mgpd which means we should be designed to treat 22 mgpd. We are only able to treat 17 mgpd due to a few bottle necks in the plant. We are currently working on a project to add an EQ basin. We will remove the existing EQ basin and add a concrete tank

however it will be located after these bottle necks which will not increase the capacity. There are a few options that we can consider to increase the plant flow to 22 mgpd. The first option is to construct a diversion chamber before the bottle necks which would divert the flow into the new concrete tank. Commissioner Mendez asked if that would be open raw sewage waiting to be treated. Jim Carr stated that it would be partially treated. The bottle necks are at the trickling filter and at the secondary clarifiers which would make that flow partially treated. After the flow dies down we can then proceed to treat the flow in the concrete tank. Commissioner Rosen asked if this is was an issue in the past. Mr. Carr stated that it is not an issue today and we do not know what our peak flow is right now. We have a flow meter at the head of the plant and it spiked at 20 and we are waiting to have a big rain event. Commissioner Mendez asked if we ever considered a smaller sewage plant on the other side of Manalapan. Keith Henderson stated it would be cost prohibitive to build another plant (refer to the hydraulic analysis of 2015). Jim Carr said we can fix the bottle necks or move the location of the EQ basin. There are 5 different options to repair the bottlenecks or move the EQ basin. Mr. Carr would like to the Commissioners to move the EQ basin from where it is adding a concrete tank where the reed beds are located. This option would place any flow above 17 mgpd in the tank till the flow dies down and then it will go thru our treatment. The liner of the existing basin needs to be replaced or removed if we abandon it. The EQ tank would be in front of the plant if we place it where the reed beds are. The flow would go from the pump station at the head of the plant thru the grit screening and then thru the rest of the plant. Anything over the 17 mgpd would go into the new EQ tank till the flow dies down and then get processed. The Commissioners stated that they would like to see some diagram of the possibilities. This is a project up for EIT funding and we need to make a decision how we are going to proceed. Commissioner Pernice confirmed that we need to see a diagram of all the options, the projected costs to see which way we should proceed. Keith Henderson stated that eventually the Authority will end up with 2 tanks, one in the front of the plant, and one behind the plant. Commissioner Rosen asked if the new EQ basin would utilize the entire area where the reed beds are. Mr. Carr stated that it depends on how large the tank would be.

Chairman McEnergy proceeded with the meeting and moved on to Discussion.

- Chairman McEnergy asked for any comment regarding the Minutes of August 9, 2016. Commissioner Pernice stated that he will have to abstain from the minutes of August 9 because he was not at this meeting.
- Chairman McEnergy asked for any comment regarding the Bank Resolution for Public Entity. Mr. Valentino stated the bank changed the requirements for signatures on certain documents. This resolution is just to authorize signatures.
- Chairman McEnergy asked for any comment regarding Authorizing CME to Prepare Plans and Specifications, Advertise and Receive Bids for the Texas Road Forcemain. Tim Gillen stated that this is a replacement of the air release valves on the force main. In order to be able to do that, they have to examine certain sections of the pipe that have deteriorated. They are going to replace sections of the pipe and they must put these valves in order to do that. They are replacing a section of the force main that acts as a gravity line now. We had a break previously and we had to replace 70 feet of pipe. Mr. Valentino stated that this is part of the capital work that is in our budget this year.
- Chairman McEnergy as for any comment regarding the Release of Escrow to Pear Tree Plaza, Project #469. Tim Gillen stated that this is located on Route 33 in Manalapan; it is an industrial park with 6 or 7 buildings. They connected to the line

that was extended over from Wawa. They have been connected for an extended period of time.

- Chairman McEnergy asked for any comment regarding Authorizing the Manhole Rehabilitation. Kathy Leatherman stated that these are specifications that George White prepared. He needs to rehabilitate some manholes.
- Chairman McEnergy asked for any comment regarding the Use of State Contracts. Mr. Valentino stated that this is just a procedural resolution.
- Chairman McEnergy asked for any comment regarding the Release of the Performance Bond and Cash Surety for American Plaza, Project #532. Tim Gillen stated that this is located at the Costco shopping center complex. This project consisted of 2 phases. This is Phase II and they are asking for release of the performance guarantee for the first phase. They are pushing the existing building out and adding a tenant area on the end.
- Chairman McEnergy asked for any comment regarding the Release of All Remaining Cash Surety and Escrow to K. Hovnanian, Project #367A-H. Kathy Leatherman stated that these projects have been completed. The maintenance bonds have expired. There is \$1,000.00 left in cash surety and some interest.

Chairman McEnergy asked for any comments on the Resolutions. Commissioner Pernice stated he will abstain from Resolution 16-102; Approving the Minutes of August 9<sup>th</sup>, 2016 because he was not present for that meeting. Chairman McEnergy asked for a motion for Resolutions 16-102 through 16-109.

16-102	Approving Minutes of August 9 <sup>th</sup> , 2016
16-103	Authorizing Certified Copy of Resolution for Investors Bank
16-104	Authorizing CME to Prepare Plans and Specifications, Advertise and Receive Bids for the Texas Road Forcemain
16-105	Authorizing Release of All Escrow to Pear Tree Plaza, Project #469
16-106	Authorizing the General Manager to Prepare Plans and Specifications, Advertise and Receive Bids for the Manhole Rehabilitation
16-107	Authorizing the Use of State Contracts
16-108	Authorizing the Release of the Performance Bond and Cash Surety for American Plaza, Project #532
16-109	Authorizing the Release of All Remaining Cash Surety and Escrow to K. Hovnanian, Projects #367A-H

Commissioner Rosen moved, seconded by Commissioner Mendez, the vote was as follows for Resolutions 16-103 thru 16-109:

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

Commissioner Rosen moved Resolution 16-102; Accepting Minutes of August 9<sup>th</sup>, 2016, seconded by Commissioner Mendez, the vote was as follows:

AYES:	Messrs. McEnergy, Mendez and Rosen
NAYS:	None

ABSTENTIONS: Commissioner Pernice  
ABSENT: None

Chairman McEnergy asked if there is any other Authority Business. There was none.  
Chairman McEnergy asked if there were any comments on the bill list. Commissioner Rosen asked about a payment to Marilyn Seidenberg, the Director of Finance. Ms. Leatherman stated that Ms. Seidenberg pays for the webmail privately because the company will not take our purchase orders. Commissioner Pernice moved, seconded by Commissioner Rosen. All present voted aye.

At 7:52PM, Chairman McEnergy stated that they will move into Closed Session and asked for a motion for Resolution #16-110, Authorizing the Commissioners to go into Closed Session for the Purpose of Discussing Litigation and/or Personnel and they will not return to Public Session. Commissioner Rosen moved, seconded by Commissioner Mendez. All present voted aye.

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