

WESTERN MONMOUTH UTILITIES AUTHORITY

WORKSHOP MEETING

June 9th, 2015

Chairman Rosen called the Western Monmouth Utilities Authority's Public meeting to order at 7:12pm. 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. McEnery, Mendez and Rosen
Absent:	Commissioner Pernice
Also in Attendance:	K. Kinsella, DeCotiis, Fitzpatrick & Cole, LLP
	T. Gillen, CME Associates
	K. Henderson, T&M Associates
	G. Stankiewicz, Auditor
	B. Valentino, Executive Director
	R. Smith, Facilities Manager
	K. Leatherman, General Manager
	A. Finnerty, Authority Clerk
	M. Musich, Manalapan Deputy Mayor
	Committeewoman

All present cited the Pledge of Allegiance.

Chairman Rosen asked if there was any public comment. Chairman Rosen greeted Maryann Musich and asked how things are in Manalapan. Ms. Musich thanked him and stated that everything is fine.

Chairman Rosen asked for comment regarding the Executive Director Report.

Brian Valentino stated he has a few items. Mr. Valentino stated that we need to address the 3 raw sewage pumps that are the keystone in our plant operations. The raw sewage pump must be in working order. We have placed \$100,000.00 in the capital budget in engineering for the replacement for one pump. Next year we have \$1,000,000.00 in the budget for the other raw sewage pumps. Mr. Valentino requested Robert Smith, our Facilities Manager to speak regarding our long term plans. Mr. Smith stated that out of the three pumps, one pump runs 24 hours a day and one other pump runs at least 16 to 18 hours per day. Mr. Smith stated we need to have an engineering study done to have the pumps sized. This doesn't give us a lot of time if one pump fails to get the next one up and running. In five years from now, we should have one pump to handle the majority of the flow, throughout the day. The long term problem is replacing the three pumps and possibly getting a fourth pump along with the wet well which needs some work. A report was done regarding the wet well and there is a lot of concrete damage inside the wet well. Chairman Rosen asked if this would be one project or separate projects? Mr. Smith stated this could be one project. Commissioner Mendez asked if the technology would be better or more efficient. Mr. Smith stated we would upgrade the motors, upgrade the pumps

themselves. Mr. Smith stated that every improvement that we make, we do our best to make them more energy efficient. Keith Henderson stated that a report was done to upgrade the capacity. We are currently in violation if an inspector would perform any calculations. The problem is to meet DEP requirements our pump station will remain at 6MGD. Right now our permanent plant capacity is at 8 MGD, the stream can accept 8.8 MGD. We are flowing at 7.7 MGD. We have run out of room for future development in our service area. The DEP had required us to do a Capacity Assurance Study except they are in the process of changing the rules. T&M suggests that we wait for the new rules from the DEP before we do a Capacity Assurance Study. The weakest link in our capacity is the pump station. In order to create more capacity we need a fourth pump to get up to 8.8 MGD. They would be significantly more efficient than we have now. Our pumps are operating very poorly now. The pumps we have now are about 10 years old but they are operating in the original design. They are undersized and that is why they run for long periods of time. If we lose one pump, we have to bring in a bypass pump which is very expensive. The report T&M submitted 6 months ago would include 4 pumps, concrete work but we are looking at a \$5,000,000.00 price tag. Chairman Rosen said it very important that we proceed with this project. There is money in the capital budget a few years out. We do have plans and specifications to move forward if one pump fails. Mr. Henderson stated that we can do this in phases but it would be better to do the entire project. One pump cannot be replaced, but the two others can be replaced if we were to do this in phases. Mr. Stankiewicz stated that we are eligible for NJEIT financing. This has to be planned a few years in advance in order to apply. Commissioner Mendez stated that we should really consider asset management. Mr. Stankiewicz stated that the annual due date for the NJEIT is October 1st, and it is a long process. Chairman Rosen asked if something happened, an emergent condition, can we retroactively pursue an NJEIT loan. Mr. Stankiewicz stated that they will not pay for anything without prior approval but he has never been involved in an emergent condition. Mr. Henderson stated that if the station goes down, we must spend what we have to repair this as soon as possible.

Mr. Valentino stated that we had a plant meeting this week. This was to insure that the staff was aware of the new acting Facilities Manager. Also discussed is the future of the Authority and education options. We currently do not have money in the budget for an extensive education program. Chairman Rosen agreed that we need to do something to help the staff move forward. Currently to become an operator in charge, you need certain licenses. Mr. Valentino is in process of creating a system where the education issues are addressed and perhaps become Authority policy. Chairman Rosen asked if we pay for someone's education and they leave immediately following, can we pursue them financially. Mr. Stankiewicz stated there are contractual obligations that we can implement.

Mr. Valentino stated that the union negotiation regarding the summer schedule will not be implemented for the clerical staff. The counter offer was not accepted.

Chairman Rosen proceeded with the meeting.

- Chairman Rosen asked for any comment regarding the Audit Report 2015. Mr. Valentino stated that we have a clean audit this year. Mr. Stankiewicz stated that that audit has been completed for 2015. The audit began in January and was completed in April. Our cash and our investments all balance. All expenditures are properly documented; expenditures are cut off properly as

well. Currently in NJ there is a problem with the pension system and they have changed some of the accounting requirements, each entity will be getting a print out of their obligation but this will probably not occur till December. Mr. Stankiewicz is just making us aware of this. Right now it is only going to affect the pension, not the health care. Also, the Authority has something called net position, or fund balance. 65 million is our value but we do not actually have this amount available to us in cash. All of these monies are accounted for whether in the capital budget of current projects. We must have a constant review of procedures. The review may be helpful in times of transition and in times of absences. Perhaps in ten years from now the population will be older and more people will be using the internet. The managers must be prepared for that as well and review their positions.

- Chairman Rosen asked for any comment regarding the Connection Fee. The Connection fee (also known as a tap in fee) has been prepared by the Director of Finance which is done annually. Mr. Stankiewicz stated that his office has reviewed the calculation and it is in compliance with the statute. The Fee will be set at \$4,143.00 up from \$4,092.00. It is a formula driven number. Our Attorney has done the legal review.
- Chairman Rosen asked for any comment regarding the Minutes of May 12th, 2015. Chairman Rosen stated that Commissioner Mendez did not attend the meeting of May 12th, 2015 and will have to abstain.
- Chairman Rosen asked for any comment regarding the Return of Inspection Fees to Route 9 Realty, Project #482. Tim Gillen stated that this was supposed to be a sports complex on Route 9 and the project has been abandoned.
- Chairman Rosen asked for any comment regarding the Release of the Performance Guarantees, Cash Surety and Escrow to Tuscany at Manalapan, Project #461. Tim Gillen stated that this is an older project and it's been done for years. They are just asking for the return of the bonds.
- Chairman Rosen asked for any comment regarding the Rules and Regulations. Kevin Kinsella, the Authority Attorney passed around the copies of the rules and regulations for review. Brian Valentino stated that the management team has reviewed these. Tim Gillen stated that the rules and regulations should be sent to the engineers for final review. Mr. Gillen stated that it is important that the staff review this as well. Keith Henderson stated that he has some changes to language that needs to be addressed.

Chairman Rosen asked if there were any other questions, there were none.

Chairman Rosen asked for a motion for Resolutions 15-81 through 15-85.

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| 15-81 | Accepting Minutes of May 12, 2015 |
| 15-82 | Authorizing the Return of Inspection Fees to Route 9 Realty, Project #482 |
| 15-83 | Authorizing the Release of the Performance Guarantees, Cash Surety and Escrow to Tuscany at Manalapan, Project #461 |
| 15-84 | Memorializing Appointment of Robert J. Smith as Acting Facilities Manager |
| 15-85 | Memorializing Appointment of Dane Martindell as Regulatory Compliance Supervisor/Project Manager |

Commissioner McEnergy moved Resolution 15-81, seconded by Chairman Rosen. The vote was as follows:

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

Chairman Rosen asked for a motion for Resolutions 15-82, 15-83 and 15-85. Commissioner Mendez moved, seconded by Commissioner McEnergy. The vote was as follows:

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

Chairman Rosen asked for a motion for Resolution 15-84, Memorializing Appointment of Robert J. Smith as Acting Facilities Manager and congratulated him. Commissioner McEnergy moved, seconded by Commissioner Mendez. The vote was as follows:

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

The Commissioners congratulated him and stated that his skill, education and experience will help him with his new position.

Chairman Rosen asked if there were any comments on the bill list. Commissioner McEnergy asked about the pump station rehabilitation project. There are two amounts, one for \$6,000.00 and one for \$8,000.00 he is questioning. Commissioner McEnergy was confirming that the project was still on track and within budget. Tim Gillen stated that the project is moving along and the budget is on track. Brian Valentino stated that he met with Marlboro Township and they were very accommodating and understanding. Chairman Rosen asked for a motion to move the bill list. Commissioner Mendez moved, seconded by Commissioner McEnergy. All present voted aye.

Chairman Rosen asked if there was Authority Business.

Kathy Leatherman stated that the energy auction was conducted and the emails were forwarded to the commissioners.

At 7:51pm Chairman Rosen asked for a motion to go into Closed Session. Commissioner Mendez moved Resolution 15-86, Authorizing the Commissioners to go into Closed Session for the purpose of Discussing Personnel and they will not return to Public Session. Commissioner McEnergy seconded all present voted ayes.

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