

WESTERN MONMOUTH UTILITIES AUTHORITY

WORKSHOP AND PUBLIC MEETING

September 8th, 2015

Chairman Rosen called the Western Monmouth Utilities Authority's Public meeting to order at 7:00pm. 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, Pernice and Rosen

Absent: None

Also in Attendance: F. Borin, DeCotiis, Fitzpatrick & Cole, LLP

T. Gillen, CME Associates

M. Dziubeck, CME Associates

K. Henderson, T&M Associates

G. Stankiewicz, Auditor

B. Valentino, Executive Director

R. Smith, Facilities Manager

M. Seidenberg, Director of Finance

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 asked for comment regarding the Executive Director Report.

Brian Valentino stated that he has one item for Executive Session. Mr. Valentino is passing out a proposal from T&M for the Capacity Assurance Plan for review. This may be on the next agenda.

Brian Valentino stated that we need to reschedule the next meeting for September but we should wait to reschedule to confirm that we have enough items to actually schedule meeting.

Chairman Rosen proceeded with the meeting.

- Chairman Rosen asked for comment regarding the NJEIT Financing. Mr. Valentino stated that we should table this until we are ready to make any decisions.

- Chairman Rosen asked for any comment regarding "Sample Ordinances." Frank Borin, Attorney for the Authority stated that he discussed this with the E.D. and Commissioner Mendez to prepare sample ordinances with our towns regarding Sump pumps and any other surface water, ground water to not allow anything other than sanitary sewer discharging into our system. He is in the process of preparing something and will be ready by the end of this week. Draft language will address all the towns.
- Chairman Rosen asked for any comment regarding the Release of Performance Bond, Cash Surety and Inspection Fees to Central Jersey Office Park, Project #051. Tim Gillen stated that this is a very old project. Ms. Finnerty stated that we just located the builder. Mr. Gillen stated that an agent for the Builder who is no longer in business just contacted us.
- Chairman Rosen asked for any comment regarding the Plant Capacity Analysis. Brian Valentino stated that this is the report that he passed out during his Executive Report.

Chairman Rosen asked if there were any other questions, and stated that we are going to move right to Resolution #15-112.

15-112 Authorizing Release of Performance Bond, Cash Surety and Inspection Fees to Central Jersey Office Park, Project #051

Chairman Rosen asked for a motion for Resolution 15-112. Commissioner Mendez moved seconded by Commissioner McEnery. The vote was as follows:

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

Brian Valentino stated that we should TABLE Resolution 15-111 for the moment. Chairman Rosen stated that we will table this Resolution right now.

Chairman Rosen asked if there were any comments on the bill list. There was none. Commissioner Mendez moved, seconded by Commissioner Pernice. All present voted aye.

Chairman Rosen stated that they will move into Closed Session right now and asked for a motion for Resolution #15-113, Authorizing the Commissioners to go into closed Session for the Purpose of Discussing Personnel and Matters of Other Attorney Client Privilege with possible Action and Return to Public Session. At 7:10pm, Commissioner Mendez moved Resolution 15-113, seconded by Commissioner McEnery, all present voted aye.

At 7:31pm, Chairman Rosen reopened the meeting for Public Session. Commissioner Pernice moved, seconded by Commissioner Mendez reopening Public Session. All present voted aye.

Brian Valentino asked Frank Borin to offer the Resolution #15-114, Authorizing the Executive Director to Execute an Agreement with T&M Associates to Prepare a Capacity Assurance Plan in Accordance with their Proposal Dated September 4th, 2015. Frank Borin stated that this is subject to an acceptable agreement being executed by the Executive Director. Commissioner McEnery moved, seconded by Commissioner Mendez. All present voted aye.

Commissioner Mendez asked Keith Henderson if we were going to purchase a tank instead of replacing the liner of the Equalization Basin. Keith Henderson stated that instead of spending 2 million dollars on a liner, they would like to purchase a nitrification tank so they have a tank for future processing. Commissioner Pernice stated that we should define this for EIT purposes. Gerry Stankiewicz stated that that you cannot add but they are flexible and may allow a substitution. Brian Valentino stated that he will ask our chief financial officer to give an overview of the projects being recommended for the EIT. Ms. Seidenberg stated that we are going to do 3 projects itemized on the Resolution and add 3 more projects. The added projects are: Route 79 Pump Station Rehabilitation, Plant Pump Station Rehabilitation – Phase 2, Equalization Basin Liner Replacement and Flow Control, these projects total \$9,068,500.00. Brian Valentino stated that we will have Robert Smith, the Facilities Manager to explain the need for the additional projects. Mr. Smith stated that Route 79 needs immediate attention. The pump station has deterioration and needs rehabilitation as soon as possible due to potential structural issues. The Equalization Basin was discussed previously. Brian Valentino stated that we have additional projects that we are funding with cash and there are projects listed in the 2020 program. Chairman Rosen stated that these are important upcoming projects. Mr. Smith stated the last project we did, replacing all the media inside the tanks, also we had a company that tested the thickness and stated we have to think about repairing the rest of this media in 5 to 10 years. Chairman Rosen stated that the committee did a good job but the plant is aging and is need of serious repair. Chairman Rosen asked if we are going to the EIT asking for \$9 million dollars. Commissioner Pernice stated that we are asking for \$16 million from the EIT. The projects listed equal \$16 Million. Mr. Valentino stated that we are asking for \$16 million in debt over 5 years. Mr. Valentino stated that we were going to ask for 9 million now and then 7 million. Commissioner Pernice asked why we can't ask for 16 million now. Mr. Stankiewicz stated that the debt service will impact us in our 2017 and 2018 years. Chairman Rosen stated we should submit for 16 now. Keith Henderson stated that there are steps in between and in March we will need the exact numbers. The EIT does not give us 16 million up front. Chairman Rosen stated that we are just submitting a letter of intent with a rough dollar amount. Chairman Rosen asked if we are putting ourselves into any financial risk. Mr. Stankiewicz stated he has never had any one abort a project after the October 1st deadline. Mr. Henderson stated that it is not uncommon to get the permits in time and pull a project back. The risk is the Authority outflow of preliminary costs. Commissioner Pernice stated that if we ask for the 16 now the analysis that the Authority did changes. Mr. Stankiewicz confirmed that we are going for 9 million now and 7 more million in 2018. Mr. Stankiewicz stated that the EIT wants us to be in a position to award a project. Chairman Rosen stated that we have to make a decision. Commissioner Pernice wants to make sure we are not creating a hardship. Mr. Smith stated that the problem that they have going into the flow studies since they do not have any results yet. Chairman Rosen confirmed that we have not spent any money on any projects yet. Commissioner Pernice stated that there is no harm in asking for the money up front, the difficulty is going to the townships today and then going back again and asking. Brian Valentino asked if he

could stop the meeting to discuss financial liabilities with the Director of Finance for a few moments. At 8:10pm, Brian Valentino, Marilyn Seidenberg and Robert Smith left the meeting to reassess the projects.

At 8:12pm, Brian Valentino and Robert Smith returned to the meeting.

Mr. Stankiewicz asked about the Headworks that were designed in 2003 and not really do the project till 2009. He said we may pursue a design at the November meeting that may get pushed back till 2016. Mr. Valentino stated that the Director of Finance is rewriting a financial analysis and will be back with the numbers momentarily. Mr. Stankiewicz stated that our Director of Finance is very good at assessing our finances and she should know more by January 31st 2016 about our financial position. Chairman Rosen stated that we will start paying engineering fees and we should prioritize. Commissioner McEnery asked how much cash will we have to put upfront. Mr. Valentino stated that we pay by cash in the beginning but we will reimburse ourselves from EIT if it involves the projects. Commissioner McEnery stated the studies and engineering proposals will cost us cash, we are not going to see until the project gets going. We build this thing up and put it on a shelf and update them till we start and we will get reimbursed once we start the projects. Mr. Stankiewicz stated the amounts will be bumped up by the EIT to cover their administrative costs and their debt issue costs. Commissioner Pernice stated we should just go in with intent for these 6 projects. We are just starting a planning document. Marilyn Seidenberg returned with her analysis. Mr. Valentino recommended that we amend Resolution 15-111 to include the following projects; d. Replace Pressure Filters, e. Digester Building Upgrades and f. Pine Brook Interceptor.

Chairman Rosen asked for a motion for Resolution 15-111 as amended, Commissioner Mendez moved, seconded by Commissioner Pernice. The vote was as follows:

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

At 8:21pm Chairman Rosen asked for a motion to adjourn the meeting. Commissioner Pernice moved, seconded by Commissioner Mendez. All present voted aye.

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