

**MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY
REGULAR MEETING
NOVEMBER 10, 2011**

The regular meeting of the Mount Holly Municipal Utilities Authority was held at 37 Washington Street on Thursday, November 10, 2011; at 6:00 PM. Chairman Edwards called the meeting to order with the following roll call:

PRESENT: Mr. Jason R. Carty, Commissioner
Ms. Jacquelyn Perinchief, Commissioner
Mr. Jules Thiessen, Commissioner
Mr. John R. Edwards, Chairman

ALSO William G. Dunn, Executive Director
PRESENT: Stephen J. Mushinski, Esq., Solicitor
Edward Kondracki, Esq., Special Counsel
Tracey Giordano, Deputy Director of Finance and Administration
Andrew Doyle, Assistant Executive Director
Joel Hervey, Deputy Director of Plant Operations
Anthony Stagliano, Deputy Director of Regulatory Affairs
Robert Maybury, Operations Manager
Richard A. Alaimo, Engineer, R.A. Alaimo Associates
Keith Weisman, Engineer, R.A. Alaimo Associates
Debra E. Fortner, Secretary

ABSENT: Mr. Robert Silcox, Vice Chairman

VERIFICATION OF NOTICE

Executive Director Dunn verified that "In compliance with the Open Public Meetings Act, this is to announce that adequate notice of this meeting was provided in the following manner: Notice of this meeting was published in the Burlington County Times on February 14th, 2011, and April 20, 2011, and the Courier Post on February 15th, 2011, and April 20th, 2011. On Tuesday, October 11, 2011, advanced written notice of this meeting was posted on the Administrative Bulletin Board at the Township Building and advanced written notice of this meeting was mailed to all persons who, according to the records of the Authority, requested such notice."

MANDATORY AFFIRMATIVE ACTION COMPLIANCE NOTICE

Any contracts awarded tonight, and between now and the next meeting, the contractor, company or firm must comply with the requirements of N.J.S.A. 10:5-31 et seq. (P.L. 1975, C.127) N.J.A.C. 17:27.

PLEDGE OF ALLIEGIENCE TO THE FLAG

APPROVAL OF MINUTES

Commissioner Carty moved for the approval of regular minutes of October 13, 2011. Chairman Edwards seconded the motion. Motion carried. Commissioner Perinchief and Commissioner Thiessen abstained.

Commissioner Carty moved for the approval of special meeting minutes for October 25th 2011. Chairman Edwards seconded the motion. Commissioner Thiessen abstained.

OLD BUSINESS

RESOLUTION 2011-103

**RESOLUTION OF THE MOUNT HOLLY MUNICIPAL UTILITIES
AUTHORITY APPROVING THE ACTIVE VOLUNTEER RESPONDER POLICY**

Commissioner Carty moved for the approval of Resolution 2011-103. Commissioner Thiessen seconded the motion. At the call of the roll, the vote was:

AYES: Commissioner Carty, Commissioner Perinchief, Commissioner Thiessen,
Chairman Edwards

NAYES: None

RESOLUTION 2011-104

**A RESOLUTION OF THE MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY
AWARDING SOLAR POWER CONTRACT TO VANGUARD**

Executive Director Dunn stated the rebid for solar power resulted in the same low bidder as the original bid. However, that lowest bid was missing a mandatory document so it had to be disqualified. Mr. Dunn reported that several other proposals had been received and reviewed. He stated at this time Vanguard Energy Partners are the lowest successful bidders. Solicitor Mushinski and Authority Engineer Alaimo concur. Chairman Edwards asked what was missing from the lowest bidder's proposal. Solicitor Mushinski stated it was missing the "consent of surety" which is a non waivable defect.

Chairman Edwards asked Authority Engineer, Alaimo, to discuss any downsides to the solar project with the board. Authority Engineer Alaimo stated, as he originally pointed out, in his opinion the timing of the project is not the best due to pricing of materials. He also stated that savings are determined based on the assumption that PSE&G will be increasing rates, however we have no way of knowing that for sure. Chairman Edwards said the only major downside to the project, then, would be that the Authority could conceivably save more money later with better pricing or if PSE&G were to drop its prices. Authority Engineer added the Authority will have a locked in contract so if the construction company should want to default, the Authority owns the facility and would not owe anything.

Commissioner Carty asked to be reminded of the bid costs moving forward. Authority Engineer, Alaimo, stated there would be zero additional monies coming out of the Authority's pocket. Special Counsel Kondracki commented that is because the Authority is entering into a contract with a third party provider. Authority Engineer Alaimo added the design, bidding, and construction is all part of the original \$20,000.00 that will be reimbursed. Commissioner Thiessen asked, besides miscellaneous engineering costs and legal fees, if there would be no further costs? Authority Engineer Alaimo assured him that was correct.

Commissioner Thiessen moved for the approval of Resolution 2011-104. Commissioner Perinchief seconded the motion. At the call of the roll, the vote was:

AYES: Commissioner Perinchief, Commissioner Thiessen, Chairman Edwards.

NAYS: Commissioner Carty

NEW BUSINESS

RESOLUTION 2011-105

**A RESOLUTION OF THE MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY
APPROVING THE CONTRACT FOR REMOVAL OF PRESSED SEWAGE SLUDGE,
GRIT, AND SCREEN RESIDUALS AND TRASH
(CONTRACT 2011-12)**

Chairman Edwards asked for an explanation of the recommendation. Executive Director Dunn recommended Woolston first. There is a requirement to have an emergency secondary which would be Stony Brook Regional Sewage Authority.

Commissioner Thiessen asked how many tons of sludge are sent to Burlington County on either a monthly or annual basis. Deputy Director of Regulatory Affairs, Stagliano explained the Authority is required to send "x" amount of sludge per year to Burlington County. After that, the Authority can choose where to send it based on price. Mr. Stagliano stated at this time roughly 3600 tons of sludge is sent to the County annually.

Commissioner Thiessen moved for the approval of Resolution 2011-105. Commissioner Perenchief seconded the motion. At the call of the roll, the vote was:

AYES: Commissioner Carty, Commissioner Perinchief, Commissioner Thiessen
Chairman Edwards.

NAYS: None

RESOLUTION 2011-106

**A RESOLUTION APPROVING SODIUM HYPOCHLORITE SUPPLY
(CONTRACT 2011-13)**

Chairman Edwards stated there had been a possibility of rebidding the contract, however after discussion with counsel, it was decided it was not necessary. Chairman Edwards stated the bid would be awarded to Miracle Chemical for a three year term.

Commissioner Perinchief moved for the approval of Resolution 2011-106. Chairman Edwards seconded the motion. At the call of the roll, the vote was:

AYES: Commissioner Carty, Commissioner Perinchief, Commissioner Thiessen,
Chairman Edwards

RESOLUTION 2011-99

**A RESOLUTION APPROVING THE OPERATING EXPENSES
FOR THE MONTH OF OCTOBER 2011**

Chairman Edwards moved for the approval of Resolution 2011-99. Commissioner Perinchief seconded the motion. At the call of the roll, the vote was:

AYES: Commissioner Perinchief, Commissioner Thiessen, Chairman Edwards

NAYS: Commissioner Carty

RESOLUTION 2011-99A

**A RESOLUTION APPROVING THE SEWER EXPENSES
FOR THE MONTH OF OCTOBER 2011**

Commissioner Thiessen moved for the approval of Resolution 2011-99A. Commissioner Perinchief seconded the motion. At the call of the roll, the vote was:

AYES: Commissioner Carty, Commissioner Perinchief, Commissioner Thiessen,
Chairman Edwards

NAYS: None

RESOLUTION 2011-100

A RESOLUTION APPROVING THE EXPENDITURES FOR THE MONTH OF OCTOBER 2011 FROM THE ESCROW FUND

Commissioner Thiessen moved for the approval of Resolution 2011-100.
Commissioner Carty seconded the motion. At the call of the roll, the vote was:

AYES: Commissioner Carty, Commissioner Perinchief, Commissioner Thiessen,
Chairman Edwards

NAYS: None

RESOLUTION 2011-101

A RESOLUTION APPROVING THE EXPENDITURES FOR THE MONTH OF OCTOBER 2011 FROM THE IMPROVEMENT AND REPLACEMENT FUND

Commissioner Thiessen moved for the approval of Resolution 2011-101.
Commissioner Perinchief seconded the motion. At the call of the roll, the vote was:

AYES: Commissioner Carty, Commissioner Perinchief, Commissioner Thiessen,
Chairman Edwards

NAYS: None

RESOLUTION 2011-102

A RESOLUTION APPROVING THE EXPENDITURES FOR THE MONTH OF OCTOBER 2011 FROM THE 2007-2010 CONSTRUCTION FUND (EDWARD STREET PUMP STATION)

Commissioner Thiessen moved for the approval of Resolution 2011-102.
Commissioner Perenchief seconded the motion. At the call of the roll, the vote was:

AYES: Commissioner Carty, Commissioner Perinchief, Commissioner Thiessen,
Chairman Edwards

NAYS: None

COMMUNICATIONS

Executive Director Dunn reported he has been communicating with Hovnavian who is requesting the release of all bonds for the Creekview project. Mr. Dunn stated upon investigation he discovered there are still outstanding items including easement issues.

Executive Director Dunn advised the board he has had an ongoing conversation with the developer for the Lockheed Martin project in Moorestown. Today Mr. Dunn spoke to a representative from the Navy in Norfolk Virginia.

MATTERS TO BE PRESENTED BY THE PUBLIC

Mr. Luis Lopez of 370 S. Martin Street, Mt. Holly, asked Commissioner Carty why he voted no to the Solar Power Bid. Commissioner Carty stated he has no problem with the solar project itself, he is just protesting the lack of responsible language in the bid specifications. Mr. Lopez then asked where the Authority currently sends sludge. Executive Director Dunn informed him it goes to the County. Mr. Lopez asked what Hypochlorite is. Executive Director Dunn advised him it is a chemical used at the plant. Mr. Lopez asked if it would be possible for him to have a tour of the Authority's plant. Executive Director Dunn said he can call and set up an appointment for a tour. Mr. Lopez asked if the public matters portion of the agenda could be moved to the beginning of the meeting. Chairman Edwards explained the Board has already discussed that and decided to keep the agenda as is since there are both advantages and disadvantages to having it either way.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Dunn advised the board that Solicitor Mushinski has prepared a resolution at his request regarding the purchase of power. Executive Director Dunn explained approximately ten years ago he and the Executive Director of Stoneybrook Regional Sewage Authority, Mr. John Kantorek, started an energy/power group consisting of eighteen members. This group contracts with an agent who negotiates power on their behalf in the open market. Presently that agent is Gable Associates. Mr. Dunn stated the group has had discussions about the possibility of going out to bid for the remainder of the current contract, which ends in May, 2012 since the cost of power is low right now. He asked that the board authorize a resolution for him to act on the Authority's behalf at the bid opening since, when a cost of bid is received, there is only a two hour window to make a decision. If the Authority successfully purchases power, Executive Director Dunn will bring the Board another resolution to enter into a contract with a supplier until May, 2012. Commissioner Thiessen asked why there is only a two hour window to make a decision at the bid opening. Special Counsel Kondracki stated the two hour window is determined by market conditions for bidding for electrical power. Commissioner Thiessen asked for confirmation when the current contract expires. Solicitor Mushinski stated the current contract runs out in May of 2012. Mr. Mushinski explained that the Authority did this the last time power was bid on; Mr. Dunn was given the authority to enter into a contract with Gabel Associates. Solicitor Mushinski said the current contract is good through May 2012; Mr. Dunn is simply asking if a better deal comes in before May that he would be able to take advantage of it. If a better deal does not present itself, the Authority would not move forward with any change. Commissioner Carty asked why this topic is not on the agenda. Executive Director Dunn stated he had just received the final information that afternoon. Commissioner Carty stated he understands the Authority is appointing Gabel Associates to make recommendations but he wanted to know who is Gabel? In answer to Commissioner Carty's question, Special Counsel Kondracki discussed the background of electrical aggregations. Mr. Kondracki explained electrical aggregations are used to purchase energy in a block with the use of an "agent." In exchange for a fee, this agent provides technical assistance to the aggregation. Gabel is hired by the consortium. Solicitor Mushinski clarified that as part of the resolution it is noted that Executive Director Dunn cannot enter into an agreement without the recommendation of Gabel Associates and the terms of the agreement have to be more favorable to the Authority than they are right now. Authority Engineer Alaimo stated that Gabel used to be on the BPU (Board of Public Utilities.) Special Counsel Kondracki confirmed that Gabel Associates is a reputable company but he would like to offer two caveats. Mr. Kondracki stated the Authority's current contract expires in May of 2012. Some of the group are currently paying more under contract than they would have had they purchased power in the open market. Special Counsel Kondracki also stated that the way the agreement is being bid, if an Authority joins the consortium, determination will be made by majority votes of representatives which would then bind all the Authorities involved and he objects to this. Commissioner Thiessen asked, since this is the Authority's third time being involved in this process what are the savings? Assistant Executive Director, Doyle, stated he would have to check his files since this is not something he tracks regularly. Commissioner Thiessen asked if we have lost more than we have made. Executive Director Dunn stated no. Deputy Director of Finance and Administration Giordano reported that the first two years were favorable to the Authority. She said the Authority has records and spreadsheets from the inception of the aggregation, but she would have to go back and check for exact numbers since it is not something she has in front of her. Chairman Edwards asked Special Counsel Kondracki if he had any concerns with this process. Special Counsel Kondracki replied that the market conditions are such that the Authority has won twice and lost once, therefore, there is no way to know how things will go. Mr. Kondracki stated his major concern is that the bid has to go the way of the majority and even if it is decided we don't want to, the Authority is bound. Chairman Edwards asked, since there were some questions about this process, does the Board prefer to address it at the moment or schedule a special meeting for further discussion and possible approval. Special Counsel Kondracki advised the board that generally this process works in the Authority's favor. He stated we have not seen the current bid documents yet so it is not clear what the Authority's obligations would be. Chairman Edwards asked again if the Board was comfortable moving on this action at this meeting or if it would be preferable to delay action and hold a special meeting sometime before December 1.

RESOLUTION 2011-107

AUTHORIZATION FOR PURCHASE OF POWER

Chairman Edwards moved for the approval of Resolution 2011-107. Commissioner Thiessen seconded the motion. At the call of the roll, the vote was:

AYES: Commissioner Thiessen, Chairman Edwards

NAYS: Commissioner Carthy, Commissioner Perenchief

Motion failed; time will be taken for review.

Solicitor Mushinski stated Executive Director Dunn will be responsible for following up and getting bid information in hand. Once that happens, the board will be contacted to schedule a special meeting.

Commissioner Thiessen asked how much Gabel Associates gets paid for their services. Special Counsel Kondracki explained fees are based on kilowatt hours. Executive Director Dunn stated the fee is in exchange for Gabel Associates managing the whole process. Commissioner Thiessen asked if the Authority has shopped for the best rate. Executive Director Dunn confirmed that the Authority has shopped.

REPORT OF THE ENGINEER

The report of the Engineer was received.

REPORT OF THE DEPUTY DIRECTOR FOR PLANT OPERATIONS

The report of the Deputy Director for Plant Operations was received.

REPORT OF THE DEPUTY DIRECTOR FOR REGULATORY AFFAIRS

The Report of the Deputy Director for Regulatory Affairs was received.

Commissioner Thiessen asked for verbiage on NJDEP. Deputy Director of Regulatory Affairs reported the Authority did get confirmation electronically that our request for an extension for the permit application for the NOV for the belt presses has been granted and that we will receive written confirmation from the NJDEP when the inspector returns from vacation. Mr. Stagliano explained NOV was for permitting of the belt press. There was a ruling back in the 1960's that is now being enforced for the permit of a belt presses and similar process equipment. Deputy Director of Regulatory Affairs, Stagliano, explained this situation is not unique to the Mount Holly Municipal Utilities Authority, it is a statewide issue and has affected many of the NJUA members.

REPORT OF THE SOLICITOR

The Solicitor had nothing further to report.

REPORT OF THE DEPUTY DIRECTOR OF FINANCE AND ADMINISTRATION

The Report of the Deputy Director of Finance and Administration was received.

Deputy Director of Finance and Administration, Giordano, reported due to new chapter 78 of the health care reform, the Authority has until the end of 2011 to implement an employee flexible spending account. Ms. Giordano stated after shopping around, it was found that Colonial Life, who was referred by Mount Holly Township, offers the best package. The end result is there is zero cost to the Authority and Colonial Life would facilitate the entire program.

RESOLUTION 2011-108

**RESOLUTION OF THE MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY
APPROVING THE ADOPTION OF A FLEXIBLE BENEFITS PLAN**

Commissioner Carty moved for the approval of Resolution 2011-108. Commissioner Thiessen seconded the motion. At the call of the roll, the vote was:

AYES: Commissioner Carty, Commissioner Thiessen, Chairman Edwards

NAYS: None

Commissioner Perinchief abstained.

Chairman Edwards asked Deputy Director of Finance and Administration, Giordano, if the budget had been filed in Trenton. Ms. Giordano stated the budget was sent on October 27, 2011.

REPORT OF TREASURER

The Treasurer was not in attendance. There was nothing further to add.

AUTHORITY STATUS REPORT OF NEW TREATMENT FACILITY

There was nothing further to report in regards to the status of the new treatment facility.

OTHER NEW BUSINESS

MATTERS TO BE PRESENTED BY THE COMMISSIONERS

Commissioner Carty clarified that earlier in the meeting he was not voting no to solar power itself. He explained he has no problem with solar power if the Authority can save money, his no was in response to a lack of responsible contractor language in the bid.

Commissioner Thiessen had two items to address in regards to the Authority Budget for 2012. Commissioner Thiessen stated had he been in attendance at the last meeting, he probably would have voted no for the budget. He explained it was not because he had any particular problem with the budget, but that he feels he did not get it quick enough and he wanted a lot more information then what he received. Mr. Thiessen stated if the Authority would like his vote next year, the process will have to be started much earlier; perhaps by August 1. He said if the process is started this late next year, there is no way he can make an informed decision by November. Chairman Edwards advised Commissioner Thiessen the budget is due every year by November 1.

ADJOURNMENT

Commissioner Silcox moved for adjournment. Commissioner Carty seconded the motion. Chairman Edwards adjourned the meeting at 7:15 P.M

Respectfully submitted,

Debra E. Fortner

