



BAYSHORE REGIONAL SEWERAGE AUTHORITY

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Robert C. Fischer
EXECUTIVE DIRECTOR

Minutes of the Bayshore Regional Sewerage Authority Agenda Meeting Monday, November 14th, 2011

At 7:00 P.M. on Monday, November 14th, 2011 Chairman Pisano opened the Agenda Meeting of the Bayshore Regional Sewerage Authority, called the meeting to order; and made the following announcement: "I hereby announce pursuant to Section 5 of the Open Public Meetings Act, that adequate notice of this Meeting has been sent to the Asbury Park Press and the Newark Star Ledger. Notice has also been sent to the Clerks of the Aberdeen, Hazlet, Holmdel, Keyport, Matawan, Keansburg, Union Beach and Marlboro, and the W.M.U.A. This notice is also posted in the lobby of the Bayshore Regional Sewerage Authority Administration Building". The Chairman requested a **PLEDGE OF ALLEGIANCE** to the Flag and a Moment of Silence for the Troops serving our Country around the World. The Chairman then asked for an attendance roll call recorded as follows:

Present: Commissioners Cohen, Colligas, DiNardo, Wells and Chairman Pisano
Absent: Commissioner Parsells

Also in Attendance: Robert C. Fischer, Executive Director
J. Michael Broyles, Plant Superintendent
Pete Canal, BRSA Engineer
Manuel Ponte, P.E., Consulting Engineer
Louis E. Granata, Esq., General Counsel

Mr. Fischer reported the Incinerator Consultants; Chavond Barry Engineering will be arriving on Wednesday to diagnose problems with the Heat Exchanger of the Niro Incinerator. In the meantime, the back-up incinerator, the Dorr Oliver; is currently up and running well. He noted there are run time limits on the Dorr Oliver, so depending on what has to be done to the Niro; it must be achieved in a timely manner.

The next agenda item for discussion was a request for a Developer's Agreement. The Project is a 24 unit townhouse development in Hazlet located on Stone Road and Poole Avenue, being Block 65, Lot 1.01 of the Hazlet tax maps. Mr. Frederick Kalma, Esq. and Mr. Chester Jackiewicz were in attendance to present their request and a brief discussion of the project, local approvals, and the terms of the BRSA Developer's Agreement requirements took place. The Chairman directed Mr. Kalma to coordinate the details of an agreement with General Counsel with the possibility of it being placed on the next Regular Meeting agenda for consideration. Commissioner Wells said he was glad to see the project finally going forward after all the delays they unfortunately experienced regarding the land's

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BRSA staff, November 2006

development. The gentlemen thanked Commissioner Wells, the Chairman and Board members and left the meeting.

Mr. Fischer gave the Board an update on the Wind to Energy and Water Pollution Control Plant Projects. On October 27th, 2011, a representative from the NJDEP Bureau of Construction Management and Municipal Finance conducted a status inspection of the WTE and WCPC Projects. No issues or problems were noted for either project by the Bureau representative.

Regarding the Wind to Energy Project, Mr. Fischer reported the Borough of Union Beach and the Township of Aberdeen Township have issued Transportation Permits for the turbine components to be delivered to the plant. Two additional local permits, Matawan and Keyport, required by Monmouth County are expected to be issued shortly. Once they are obtained, a complete transportation application will have been submitted by the Contractor, Conti Group to the County Engineering Department. The County Permit is expected to be issued shortly thereafter.

Commissioner Colligas asked how much the storage of the components of the turbine was going to be. Mr. Canal said he is currently negotiating with the Contractor about this, to determine how much of that cost is the Contractor's obligation and how much is the Authority's obligation. Commissioner Wells said it was a shame that the expense to store the components to whatever degree, the Authority is obligated, will be passed on to the ratepayers because of the unnecessary delays that have occurred due to opposition to the project.

Mr. Canal was asked to provide his Engineer's report. Mr. Canal said the NJDEP has requested the Davis Bacon Wage Rate Schedule be attached to the WTE and WCPC Contract documents. He said the Rates are referenced and sited in the contracts already, and are posted and adhered to by the Contractors, but the DEP would like the Schedule to be attached to the contracts.

Mr. Canal then spoke about Dorr Oliver Incinerator Phase II Mechanical Repairs. He said the small leak that had been detected was repaired. He reminded the Board that this work was outside the scope of the contract specifications, but the Contractor did the repair for a cost of \$1,800.00 in accordance with the Change Order adopted by the Board at the September Regular Meeting.

Mr. Canal said the scheduled bid opening of November 15th, 2011 for Contract 59, Return Sludge Pump Station #1, Repairs to the Reinforced Concrete Beam needs to be extended by way of an addendum to the Contract specs. He said Mr. Ponte would report further on the issue. Commissioner Colligas asked how long ago the chlorine leak that corroded the beam occurred. It was determined that it has been at least 17 years since chlorine was stored in that building, so the leak must have occurred sometime between 1974 and 1994.

Mr. Ponte said after discussions with Mr. Canal and potential contractors at a pre-bid meeting held on November 8th, 2011 it was agreed the language should be changed in the contract specifications to allow for contractors to bid on either a repair or a replacement of the beam, depending on the integrity of the existing structure. In closing, Mr. Ponte said if the Board agrees, then a Resolution adopting an addendum to the contract and extending the bid opening date would have to be prepared and adopted at the next Regular Meeting.

Discussion moved to the Ash Removal contract. A Resolution will be prepared to terminate the contract with Reliable and award the contract to Spectraserv. He noted no ash has been removed by Reliable Wood Products.

Chairman Pisano thanked Mr. Canal for his update and asked Mr. Ponte for his Consulting Engineer's Report. Mr. Ponte provided a status report that expanded on his written report. Mr. Ponte said the protocol for the Stack Test for the new odor control system has been approved by the NJDEP and the test is scheduled for December 9th, 2011.

Mr. Ponte presented an alternate design proposal associated with the changes discussed for Contract 59, Return Sludge Pump Station #1, Repairs to the Reinforced Concrete Beam. The Board discussed the proposal with Mr. Ponte. A Resolution will be prepared for the Board's consideration at the next Regular Meeting.

Mr. Ponte said the first Belt Filter Press has been repaired and Ashbrook is in the process of finishing the second press. The second press is expected to be completed before the end of the month.

Mr. Ponte said the Incinerator Generator Fuel Oil Tank Replacement project is near completion. Once the supply and return lines are insulated the tank can begin to be used. This work is expected to be completed and the tank placed on line sometime in the beginning of December.

The Third Quarter Flow Report was presented to the Board and Staff for review and discussion. Commissioner Colligas said the subject of using meters for the measurement of flows is a recurring issue for some of the municipalities the Authority serves and he had a few questions regarding the methodology. A brief discussion regarding mag meters and parshall flume meters took place. Mr. Ponte said a Resolution to accept the Flow Report would be prepared for the Board's consideration at the next Regular Meeting of the Authority.

The Chairman thanked Mr. Ponte and asked Mr. Broyles to review his Superintendent's Report. Mr. Broyles reported there have been no odor complaints for four consecutive months. The Board was pleased, especially considering the Belt Filter Presses has been worked on and the Dorr Oliver Incinerator is currently running. Commissioner Cohen congratulated Mr. Broyles and his staff on this accomplishment and the phenomenal effluent quality. He said Mr. Broyles was doing an outstanding job. Mr. Broyles thanked him and the Board and noted he has a great staff.

Mr. Broyles said the plant ran on generators for a day to tie in the electrical conduits for the turbine. He said all generators performed well and there was no upset to the plant process during that time.

Mr. Broyles then spoke about the IPP Program and Cosmetic Essence, Inc., in Holmdel. He said a \$4,500.00 penalty assessment has been issued for exceedence of permit parameters. CEI has yet to pay the first penalty assessed, and now has another one. He said CEI is very close to being categorized as being in "Significant Non-Compliance" of its Pretreatment Permit. Should that occur, Public Notice of their status will be made and the penalty matrix increases assessments considerably. Mr. Granata noted if CEI fails to pay the penalties assessed, a tax lien can be filed against the Holmdel property. The Chairman wondered if there was any way the Authority would lose their status as a Delegated Local Agency by the NJDEP if CEI continued non-compliance activities. Mr. Fischer said the BRSA Rules and Regulations; approved by the NJDEP clearly outline the penalty matrix and how it escalates for non-compliance. He said CEI's biggest problem is they are not being attentive to the sampling and reporting schedules within their Permit. It is unlikely the NJDEP would intervene, as the Authority is in following the appropriate course of action.

The Chairman thanked Mr. Broyles for his report and moved to the Executive Director. Mr. Fischer. Mr. Fischer said Sixty 10th Grade Students from the Ranney School in Tinton Falls participated in an educational presentation and tour of the BRSA facilities last week. The students were accompanied by their teachers and a member of the plant staff and taken in groups of ten throughout the plant. They returned to the main conference room for a tutorial on the process provided by Mr. Fischer and then enjoyed light refreshments. It was a successful day and the event was enjoyed by all in attendance.

Mr. Fischer spoke about the Aggregation Group for Basic Generation Services. He reviewed the Basic Generation Service (BGS) contract for electricity the Group currently has and reported they recently met to discuss obtaining an early bid for BGS services for the time frame 2012 to 2013. Mr. Fischer explained the greater potential for savings an early bid process could yield. He said if the Board agrees, the Authority will remain with the Group who intend to re-assign the current Energy Agent and then pursue bids now for BGS beginning May, 2012. The Board agreed to consider such a Resolution at the next Regular Meeting.

The next item was a sample of a letter mailed to each individual member and customer town announcing the 2012 BRSA Budget and the significant rate reductions that Budget will provide. Commissioner Wells commended Mr. Fischer and his Staff. He said at a time when every other aspect of government and life's expenses seem to be going up, it is a testimony to the good job done here at the BRSA that the rates will actually go down considerably.

The discussion moved to the renewal of Service Agreements. He reviewed all the comments the customer and member towns have made to date, particularly that Hazlet wants to be billed by edu's and Union Beach wants to develop a system of billing that is "not dependent upon meters." A brief discussion took place. Commissioner Wells expressed concern that commercial and industrial customers can not be calculated by edu's and meters would still have to be used to calculate their contributions to the system. Mr. Fischer said he has yet to sit down with Counsel to prepare a response to all of the towns that will convey and address the concerns of the towns who have commented.

Mr. Ponte reviewed Union Beach's comment letter and interpreted it to mean they do not have a specific issue with using the meters to measure flows, because they refer to it as the metering system. He said he believes their concern is with the methodology used to subtract from the plant head meter to calculate their flow measurement for billing purposes.

The Chairman said the five - year rolling average proposal offered is receiving mixed reviews from the towns. He asked if the Authority was as close to finalizing the agreements as it had hoped to be at this period in time and Mr. Fischer replied, no. He said if we cannot come up with an agreement that is acceptable to all the towns, we will have to continue to use the present contract's methodology to bill. He said he does not know what else can be done. Chairman Pisano agreed and asked how all the other local Authorities bill. Mr. Fischer said one of the local authorities bills based upon the previous year's actual flow and that bill is issued at the end of the year. The flow is measured by meters. He said he believes the Two Rivers Water Reclamation Authority bills based upon meters and edu's. They have customer towns and member towns and bill their member town homeowners based on edu's and their customer towns as whole municipalities based upon meter readings.

Commissioner Wells asked if an option was possible to eliminate all local sewerage authorities or departments in the BRSA Service Area and take care of the entire system thereby eliminating all the

political landscaping between towns and we would become something similar to a water or electrical company. He said he believes many of the towns would be receptive to such an agreement. Mr. Granata said it is possible, but would require a complete restructuring of the Authority, particularly as it relates to the three founding towns, because that is where the agreement was struck to establish how the Authority was going to be run. He said we would have to go back to the enabling legislation and revise it. Commissioner Wells said then it could be done, but with a lot of work. Mr. Granata said yes, it would be a lot of work, but it could be done. Mr. Fischer said there is much more involved in an endeavor like that, because it involves staffing, additional equipment and other expenses.

Mr. Fischer then spoke about the Monmouth County Wastewater Management Plan and a recent meeting held at the County Planning Board offices to discuss the Holmdel Township portion of the Plan. Representatives from Holmdel as well as Alcatel-Lucent were present. There are three areas of contention between the Alcatel Lucent and the Township. The NJDEP has included most of the Crawfords Corner Road and Holmdel Road Bell Laboratory facilities as well as the entire NJ Turnpike Authority properties in sewer service area designation and Holmdel Township wants most of it taken out. Mr. Fischer said no agreement was reached between the parties at the County meeting, but another meeting is being planned to try and resolve the matters.

Mr. Fischer said the Resolution adopted and sent in with the 2012 Preliminary Budget needs to be amended at the next Regular Meeting. The Auditor suggests freeing the Bond Reserve to be used as Unreserved Retained Earnings to reduce the appropriations rather than transferring the Bond Reserve as a Revenue item.

The next agenda item Mr. Fischer for discussion was the renewal of the Dental coverage. He said next year's premium rates are favorable and will be lowered by an average of \$7.00 per month. He said this is the second year the dental premium rates have gone down and this was good news. Dental coverage premium options are presented in 12 month and 24 month options and the 12 month option yields a better rate than the 24 month plan has historically, so the Authority usually opts for the 12 month rate. He said a Resolution to renew this coverage for the 12 month rate will be placed on the next Regular Meeting agenda.

Mr. Fischer then spoke about the Internal Revenue Service Code Section 125, or "Cafeteria Plan" and how it applies to new Health Benefits Laws.

The State passed a Law that says the Authority will provide its employees with two "Cafeteria Plans." The first Plan choice allows for Authority employees to have their health care contributions withdrawn on a pre-tax basis; similar to the way pension contributions are withdrawn. The second choice in the Cafeteria Plan allows for employees to dedicate a certain dollar amount, say \$2,000, into a "Flexible Spending Account" to cover anticipated co-pays and/or procedures not fully covered under their chosen medical coverage. The State requires all agencies to adopt the Cafeteria Plan and then allows for employees to choose whether or not they want to participate in either, both or neither. Chairman Pisano said his firm was moving away from Flexible Spending Accounts because whatever you contribute, if you do not use it, you lose it, and he thought these types of programs were being phased out. Commissioner Colligas said whatever happens; the Authority should make sure the salaried people do not get penalized in any way. Mr. Fischer said the State required Resolution regarding the Cafeteria Plan will be prepared for the Board's adoption at the next Regular Meeting.

Mr. Granata provided an attorney's update and referenced the Appellate Division's Denial of Mr. Lieberman's application for an accelerated appeal of the matter of BRSA vs. Union Beach Planning Board. He said the Hearing will be scheduled for some time in January. He said today, he also received notification from the Appellate Division that the Planning Board has not filed a Brief in a timely manner, so they will be foreclosed from participating in the Appeal. He said he will discuss the matter further with the Board in Closed Session, along with other matters.

Chairman Pisano then opened the meeting to the public for any comments or questions they may have. There were no comments from the public at this time. Chairman Pisano then closed the public portion of the meeting.

The last item for discussion was a request from the Union Beach Policeman's Benevolent Association, for a donation. He said this is an organization the Authority usually donates to, so a Resolution would be prepared for the Board's consideration at the next Regular Meeting.

At 8:44 P.M. the Chairman called for a **MOTION** to enter Closed Session discussions in accordance with Section 8 of the Open Public Meetings Act, Chapter 231, P.L. 1975; permitting the exclusion of the public from a meeting in certain circumstances. This action was taken to discuss matters of pending litigation and personnel. It is anticipated at this time that the above stated subject matter shall be made public at such time as the need for non-disclosure no longer exists.

This **MOTION** was **OFFERED BY** Commissioner Wells and **SECONDED BY** Commissioner Cohen and carried unanimously by voice vote recorded as follows: Ayes - Commissioners Cohen, Colligas, DiNardo, Wells and Chairman Pisano

(Closed Session Minutes are recorded separately.)

At 9:10 P.M., a **MOTION** to end Closed Session was **OFFERED BY** Commissioner Cohen and **SECONDED BY** Commissioner Wells and carried unanimously by voice vote recorded as follows: Ayes - Commissioners Cohen, Colligas, DiNardo, Wells and Chairman Pisano.

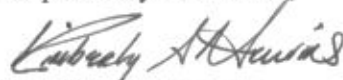
With no further discussion before the Board, Chairman Pisano made the following announcement: The next **Regular Meeting** of the BRSA will take place on **Monday, November 21st, 2011** at **7:00 P.M** prevailing time. All Meetings take place in the Administration Building located at 100 Oak Street, Union Beach, NJ 07735.

At 9:11 P.M., Chairman Pisano called for a **MOTION** to adjourn:

This was **OFFERED BY** Commissioner Cohen and **SECONDED BY** Commissioner Colligas and carried by unanimous voice vote.

Ayes - Commissioners Cohen, Colligas, DiNardo, Wells and Chairman Pisano

Respectfully submitted,



Kimberly A. Newins

Recording Secretary to the Board