

MINUTES OF THE REGULAR MEETING OF THE ATLANTIC
HIGHLANDS/HIGHLANDS REGIONAL SEWERAGE AUTHORITY HELD
MARCH 24, 2010 AT THE ATLANTIC HIGHLANDS BOROUGH HALL

This meeting was called to order at 7:10 PM at the Atlantic Highlands Borough Hall meeting room with the following roll call:

PRESENT: Mr. Fligor, Mr. Bishof, Mr. Braswell, Mr. O'Neil, Mr. Urbanski, Mr. Rybeck

ABSENT: None

Staff members present were Mr. Palamara-Administrator, Mr. Gemmell-Engineer, Mr. McNamara-Attorney, Mr. Mason-Operations Supervisor and Mrs. Clark-Secretary.

Also present were Atlantic Highlands Councilmen Hoffmann and Dellosso, Highlands Councilman Francy, Authority staff member Barry Leeser, and members of the public.

Chairman Braswell announced that this meeting is in compliance with the Open Public Meetings Act by virtue of notice having been sent to the Two River Times and the Asbury Park Press. The notice was also forwarded to the Borough Clerks of both Atlantic Highlands and Highlands.

APPROVAL OF MINUTES:

Mr. Fligor offered a motion approving the minutes of the Regular Meeting of February 24, 2011 as distributed, seconded by Mr. Rybeck and upon roll call was unanimously carried.

REORGANIZATION ITEMS:

SPECIAL ATTORNEY – INTERVIEWS: Mr. Richard Wiener, Esq. introduced himself and listed his credentials for the board. Mr. Wiener's main office is in Neptune and he has done work for the Authority in the past.

Ms. Christine Giordano Hanlon of Menna, Supko & Nelson introduced herself and listed her background and credentials for the Board.

ENGINEER – INTERVIEWS: Mr. Joseph Gemmell, T&M Associates, gave background information on T&M and listed personal credentials. He noted that he has experience with and an understanding of the Authority. The prices he has proposed are lower than last year's prices and again, he will not charge for meetings.

Mr. John Veno, Vice President Birdsall Engineering, handed out brochures to Authority commissioners. Mr. Veno listed the qualifications of the firm and also his personal qualifications. Mr. Veno is the Water Resources Department Chairman. Day to day contact for Birdsall would be Ryan Krauss, and Mr. Veno then listed Mr. Krauss' credentials.

Mr. John Black and Mr. Lee Purcell, Lee T. Purcell Associates, gave their background information. Their focus is on water and wastewater, they listed credentials and qualifications. They feel they are familiar with the TOMSA Litigation and have an understanding of the stations and the issues the towns are facing.

Mr. Christopher Jepson, of Van Cleef Engineering gave the firms background. They have eleven offices, six in New Jersey, one of which is in Freehold. Mr. Jepson listed his personal qualifications. He is a Licensed Operator and he would be the Project Manager for the Authority, if named as Engineer. Board discussion followed. Mr. Urbanski noted that last month T&M was told that if they adjusted their price they would be given the position. Discussion continued. Mr. Fligor gave a brief overview of his thoughts about all applicants.

March 24, 2011

RESOLUTION 25-2010, APPOINTING JOSEPH GEMMELL OF T&M ASSOCIATES AS ENGINEER TO REPRESENT THE AUTHORITY UNDER A FAIR AND OPEN PROCESS

was offered for adoption by Mr. Urbanski, seconded by Mr. O'Neil, and adopted upon the following roll call vote:

AYES: Mr. Fligor, Mr. Bishof, Mr. Braswell, Mr. O'Neil, Mr. Urbanski, Mr. Rybeck

NAYS: None

ABSENT: None

Mr. O'Neil moved to appoint Mr. Richard Wiener as Special Attorney, seconded by Mr. Urbanski. After brief discussion, Mr. O'Neil amended his motion and Mr. Urbanski amended his second to include both Mr. Richard Wiener and Ms. Christine Giordano Hanlon as Special Attorneys, to be used on an "as needed" basis and chosen based upon the project.

RESOLUTION 26-2010, APPOINTING MR. RICHARD WIENER AND MS. CHRISTINE GIORDANO HANLON AS SPECIAL ATTORNEYS TO REPRESENT THE AUTHORITY UNDER A FAIR AND OPEN PROCESS

was offered for adoption by Mr. Urbanski, seconded by Mr. O'Neil, and adopted upon the following roll call vote:

AYES: Mr. Fligor, Mr. Bishof, Mr. Braswell, Mr. O'Neil, Mr. Urbanski, Mr. Rybeck

NAYS: None

ABSENT: None

Mr. O'Neil left the meeting at this time, 8:05 PM.

ENGINEER'S REPORT:

Mr. Gemmell reviewed his Monthly Status Report. He added that the AHPS pump installation is scheduled to begin April 5th. Regarding the SCADA RFP, they will advertise for bids upon authorization from NJDEP, with a tentative date of April 1st, with bids to be received late April and an award considered at the April meeting. Work on the wet well pump wiring at the HPS and replacement of the wet well light at the AHPS is underway and proceeding. There was a short discussion on flows.

ATTORNEY REPORT:

Mr. McNamara said that he will report on the recent TOMSA meeting in Executive Session.

ADMINISTRATOR'S REPORT:

Mr. Palamara reminded the board that the JIF will provide a training seminar before next month's meeting at 6 PM and that the Authority will receive a \$250 credit for all commissioners who attend. An invitation has been extended to all of the area towns and the regular Authority meeting is expected to begin just after 7 PM.

The Atlantic Highlands Borough's metering of flows is underway. The Highlands Borough Administrator has advised that they are continuing the annual grease trap inspections, and working on an enhancing their ordinance to make it a little more stringent. Mr. Palamara noted

March 24, 2011

that nothing new has been submitted regarding the construction projects proposed for First Avenue. He said that there was a resolution from the Borough of Atlantic Highlands Authorizing the Dissolution of the Sewerage Authority, which was included in this evening's packets. Mrs. Frotton has been preparing the files to send to the Auditors and should be commended for all her extra efforts. He said the Finance Committee has recommended that wage reviews should not be done at this time.

Mr. Palamara discussed some details on the Budget to Actual Report. He noted that the user fees and regularly reoccurring expenses are broken down equally over twelve months. Interest income amounts and seasonal expenditures are staggered throughout the year using historical billing information. He discussed budget items, debt service and account balances and maximizing returns.

Mr. Fligor said that in addition to the 2011 year-to-date budget and actual expenses and variance amount already shown in the Report, he would like to add a column for what remains in the budget until the end of the year. Mr. Fligor said that the money for any additional expenditures needs to be found within the budget. He said that rates should not be raised for items like fine screen filters. Mr. Rybeck said that any discussion of expenditures, especially for capital work, should include consideration of Return on Investment benefits.

RESOLUTION 27-2011, PAYMENT OF BILLS IN THE AMOUNT OF \$112,017.41

was offered by Mr. Bishof, seconded by Mr. Rybeck, and adopted upon the following roll call vote:

AYES: Mr. Fligor, Mr. Bishof, Mr. Braswell, Mr. Urbanski, Mr. Rybeck

NAYS: None

ABSENT: Mr. O'Neil

Mr. Palamara added that when the SCADA system was designed in 2009, the Highlands SCADA computer was planned to be moved from Highlands to Atlantic Highlands and would control both pump stations. With the talk from the towns about the possibility of separating into two systems, having separate computers has been investigated. Changes to have separate computers would add a cost of \$18,000 but since this could be done in the future it is not recommended now.

OPERATOR'S REPORT:

Mr. Mason reported on the February flows. He noted that Becker's Tree Service has completed the work in both Atlantic Highlands and Highlands. The pressure transducers and mounting boxes for the new controls in Atlantic Highlands have been received. There was a cut mixer cable repaired by Pumping Services, which has been reinstalled. Atlantic Highlands has started their metering and he feels the gravity meter they have on the input line from Atlantic Highlands is fine. The readings on the input line from Highlands are a hundred gallons or more higher than the Authority readings, but because of the high flows they have not been able to shut down the HPS to get a zero point.

March 24, 2011

He said ABS Electric has begun the wet well work in both plants for AC Schulte's, and found that there is an additional problem with one of the pumps in Highlands. Along with the hole in the conduit, the box is going to have to come off the wall. This cost of this will be in addition to what was quoted, but is necessary.

OLD BUSINESS: None

NEW BUSINESS: None

PUBLIC COMMENTS:

Mr. Fligor moved to open the Public Comment Session of the meeting, seconded by Mr. Rybeck, and unanimously approved by a voice vote.

Mr. Mason asked that the towns' grease trap ordinances be looked at. He said that there has been a large amount of grease in the last month. Mr. Francy, Councilman from Highlands, said that there was a recommendation from the construction official to find a solution that won't be too costly for the business owners.

Mr. Francy told the board that Highlands is going to consider their own resolution for dissolution, modeled after the Atlantic Highlands resolution. He also stated that there is talk that Atlantic Highlands is moving faster in this process because it would be more beneficial to them, but neither Atlantic Highlands nor Highlands will be disadvantaged by the dissolution. It needs to be understood that everyone will benefit.

Mr. Francy said that Atlantic Highlands Councilman Roy Delloso spoke with Pat Parkinson, to begin discussion as though the Authority was dissolved, and Mr. Parkinson said he wouldn't talk about it till the suit is settled. He said Mr. Delloso came away from that meeting feeling that TOMSA thinks the Authority is dragging their feet. Mr. McNamara said that they met with TOMSA this week and another meeting has been set up for the 14th of April. They have been very diligent at responding in due course. They are still functioning without an arbitrator, which is a cost savings to both parties and will save the expense connected with obtaining another Arbitrator. Mr. Rybeck said the facts of time can be well substantiated. Mr. Francy said that through discussion with Mr. Palamara it is clear that there are also non-financial items included in this suit. He said that he has sat through all the meetings for more than a year and was under the impression that the suit was only involving disputed monies. He is shocked to find that there were other matters involved. Councilman Jake Hoffmann said he has been directed to get the ball rolling for the dissolution of the Authority. He believes that the Authority is doing their part to arbitrate in good will, but says that Atlantic Highlands will continue to pursue the dissolution with Highlands.

Mr. McNamara noted that beyond the problems with the TOMSA billings, both the Authority and TOMSA have always had additional concerns related to the TOMSA Agreements that are of importance to our operations and ratepayers. These issues have been included in the litigation since the beginning and have been discussed and shown in arbitration documents for years. He also said that TOMSA is fully aware of the intent of the Boroughs to dissolve the Authority.

March 24, 2011

Mr. Fligor moved to close the Public Comment Session of the meeting, seconded by Mr. Urbanski, and unanimously approved by voice vote.

EXECUTIVE SESSION:

Mr. Braswell stated that a resolution was needed for the Authority to go into Closed Session for the specific purpose of discussing the pending arbitration proceeding for TOMSA and the resolution of Atlantic Highlands with regard to pending dissolution of the Authority. The Authority will reserve right to take action after coming out of Executive Session and back into Public Session.

**RESOLUTION 28-2011, EXECUTIVE SESSION TO DISCUSS TOMSA
ARBITRATION AND AUTHORITY AGREEMENTS WITH THE MUNICIPALITIES**

was offered at 8:44 PM by Mr. Fligor, seconded by Mr. Urbanski, and adopted upon the following roll call vote:

AYES: Mr. Fligor, Mr. Bishof, Mr. Braswell, Mr. Urbanski, Mr. Rybeck

NAYS: None

ABSENT: Mr. O'Neil

The Regular meeting re-convened at 9:16 PM with the above members present.

Mr. Fligor moved to re-open the Regular Session of the meeting, seconded by Mr. Bishof, and unanimously approved by voice vote.

Mr. McNamara stated that a quorum was present to transact business in Regular Session. He said that while in Executive Session there was a discussion regarding the TOMSA Arbitration and Resolution 50-2011 adopted by the Governing Body of the Borough of Atlantic Highlands supporting the dissolution of the Atlantic Highlands/Highlands Regional Sewerage Authority. Mr. McNamara stated that as Board Attorney, he is requesting that the Commissioners approve a resolution to formerly authorize his firm, Mr. Palamara as Authority Administrator and any other professionals in the employment of the Authority, to facilitate whatever discussions are going to be had between Atlantic Highlands and Highlands with regard to the call for the dissolution of the Authority. Also, that it is the position of the Authority that it conceptually supports this effort without compromising any of the abilities of the Authority to continue its legal applications and function to service the rate payers of both Municipalities.

March 24, 2011

RESOLUTION 29-2011, AUTHORIZING THE AUTHORITY ATTORNEY, ADMINISTRATOR AND OTHER AUTHORITY PROFESSIONALS TO ASSIST THE BOROUGHES IN THEIR REVIEW OF DISSOLUTION ISSUES was offered by Mr.

Urbanski and seconded by Mr. Fligor, and adopted upon the following roll call vote:

AYES: Mr. Fligor, Mr. Bishof, Mr. Braswell, Mr. Urbanski, Mr. Rybeck

NAYS: None

ABSENT: Mr. O'Neil

There being no further business for the meeting, Mr. Bishof offered a motion to adjourn, seconded by Mr. Urbanski and by voice vote was unanimously carried.

Meeting adjourned at 9:17 PM

Michelle Clark, Recording Secretary