

SOUTHEAST MONMOUTH MUNICIPAL UTILITIES AUTHORITY
MEETING MINUTES
September 4, 2014
9:30 AM

The Southeast Monmouth Municipal Utilities Authority members met in the Wall Township Municipal Building on September 4, 2014. Present were Bryan Dempsey representing the Borough of Spring Lake, Brielle Borough representative Tom Nolan, Borough of Sea Girt representative Lorraine Carafa and Spring Lake Heights Borough representative Joseph May. Wall Township representative Jeffry Bertrand arrived later in the meeting. Also present were attorney Mark Kitrick, attorney John Cantalupo, CFO Steve Mayer, Spring Lake Administrator Jay Delaney, NJWSA Executive Director Henry Patterson, NJWSA Director of Finance and Administration Beth Gates, NJWSA Manager, Paul McKeon, NJWSA Supervisor of Operations Don LeRoy and Wall Township Water Operator Joe Langel.

The meeting was called to order by Chairman Dempsey

Chairman Dempsey read the Open Public Meeting notice.

Chairman Dempsey called for the Salute to the Flag followed by a moment of silence.

Roll-call was taken by Phyllis Heinle.

Chairman Dempsey called for a motion to approve the August 7, 2014 Meeting Minutes.

Tom Nolan made a motion to approve the minutes.

Joe May seconded the motion and upon roll-call the members voted as follows:

Thomas Nolan	Yea
Lorraine Carafa	Abstain
Bryan Dempsey	Yea
Joseph May	Yea
Jeffry Bertrand	Absent

There being 3 yeas, one abstain and no nays, the August 7, 2014 Meeting Minutes were adopted.

Steve Mayer presented the August Bill List totaling \$223,323.34.

Lorraine Carafa made a motion to approve the Bill List.

Tom Nolan seconded the motion and upon roll-call the members voted as follows:

Thomas Nolan	Yea
Lorraine Carafa	Yea
Joseph May	Yea

Jeffry Bertrand	Absent
Bryan Dempsey	Yea

There being 4 yeas and no nays, Bryan Dempsey declared the bill list approved.

Bryan Dempsey called for a motion to adopt Resolution No. 2014-15 Authorizing Capital Improvement Purchases and Associated Labor for Improvements in an Amount Not to Exceed \$52,000.00 and Awarding a Contract to National Fence Systems and Alternate Energy & Electric.

Tom Nolan made a motion to adopt Resolution No. 2014-15.

Lorraine Carafa seconded the motion and upon roll-call the members voted as follows:

Thomas Nolan	Yea
Lorraine Carafa	Yea
Joseph May	Yea
Jeffry Bertrand	Absent
Bryan Dempsey	Yea

There being 4 yeas and no nays, Bryan Dempsey declared the resolution adopted.

Bryan Dempsey called for a motion to adopt Resolution No. 2014-16 Authorizing Capital Improvement Purchases and Associated Labor for Improvements in an Amount Not to Exceed \$67,058.00 and Awarding a Contract to Midcoast Mechanical Inc.

Lorraine Carafa made a motion to adopt Resolution No. 2014-16.

Joseph May seconded the motion and upon roll-call the members voted as follows:

Thomas Nolan	Yea
Lorraine Carafa	Yea
Joseph May	Yea
Jeffry Bertrand	Absent
Bryan Dempsey	Yea

There being 4 yeas and no nays, Bryan Dempsey declared the resolution adopted.

Bryan Dempsey called for a motion to adopt Resolution No. 2014-17 Authorizing Counsel to Prepare a Contract Between Wall Township and Southeast Monmouth Municipal Utilities Authority.

Lorraine Carafa made a motion to adopt Resolution No. 2014-17.

Joseph May seconded the motion and upon roll-call the members voted as follows:

Thomas Nolan	Yea
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Lorraine Carafa	Yea
Joseph May	Yea
Jeffry Bertrand	Absent
Bryan Dempsey	Yea

There being 4 yeas and no nays, Bryan Dempsey declared the resolution adopted.

Bryan Dempsey called for a motion to adopt Resolution No. 2014-18 Authorizing Counsel to Prepare a Contract Between Spring Lake Heights and Southeast Monmouth Municipal Utilities Authority.

Lorraine Carafa made a motion to adopt Resolution No. 2014-18.

Tom Nolan seconded the motion and upon roll-call the members voted as follows:

Thomas Nolan	Yea
Lorraine Carafa	Yea
Joseph May	Yea
Jeffry Bertrand	Absent
Bryan Dempsey	Yea

There being 4 yeas and no nays, Bryan Dempsey declared the resolution adopted.

Bryan Dempsey called for a motion to adopt Resolution No. 2014-19 Directing the Undertaking of a Continuing Disclosure Review and Authorizing Participation in the Municipalities Continuing Disclosure Cooperation Initiative of the Division of Enforcement of the U.S. Securities and Exchange Commission.

Jeffry Bertrand made a motion to adopt Resolution No. 2014-19.

Tom Nolan seconded the motion and upon roll-call the members voted as follows:

Thomas Nolan	Yea
Lorraine Carafa	Yea
Joseph May	Yea
Jeffry Bertrand	Yea
Bryan Dempsey	Yea

There being 5 yeas and no nays, Bryan Dempsey declared the resolution adopted.

In old business, Lorraine Carafa again requested a reduction in Sea Girt's water allocation. Discussion followed on timing of the reduction and cost effect on other municipalities, which is expected to be minimal.

With regard to the \$500,000 that the auditors found in the 2014 audit, Beth Gates explained that the money was present in the SMMUA account when it was organized in 2008 and was listed on the NJWSA books as a restricted asset that was to be used to fund capital projects, since the NJWSA fronts payment for the projects and is reimbursed from this money.

Discussion followed on whether the capital investment account could become too large with the annual \$700,000 joint contribution. Henry Patterson stated that some years have higher repair/replacement costs and others less and a consistent contribution offsets the more costly years.

John Cantalupo spoke on the past history of the NJWSA facility operations and the “pay as you go” plan and the possibility of SMMUA keeping the \$700,000 in the SMMUA funds rather than transferring to the NJWSA and advised it is up to SMMUA to decide whether to continue this way.

In new business, Paul McKeon said that the reservoir was 4% below average because of needed cable replacement even though there was above average rainfall.

John Cantalupo spoke on the SEC Initiative that calls for continuing disclosure regarding prior sale of municipal securities. He is not certain SMMUA will need a specialized auditor to correct any deficiencies regarding the SMMUA public sale of bonds in 2009. The approximate cost for the auditor would be about \$1,000. Amnesty is granted until December 10, 2014, so immediate attention is necessary. Discussion followed on proposal procedure for possible hiring of specialized auditor.

There being no further old business, no further new business and no public comment, Chairman Dempsey called for a motion to adjourn.

Tom Nolan made a motion to adjourn and was seconded by Jeffry Bertrand.

All being in agreement, the regular meeting adjourned at 10:35 AM.

