PLAINFIELD MUNICIPAL UTILITIES AUTHORITY

Minutes of the Board of Commissioners Combined Committee and Regular Meeting
Tuesday, January 9, 2018

127 Roosevelt Avenue
Plainfield, New Jersey

I. OPEN PUBLIC MEETINGS LAW (STATEMENT OF COMPLIANCE)

Commissioner Robinson, Chairman, called the meeting to order at 6:00 p.m. by reading the Statement of Compliance.

II. SALUTE TO THE FLAG

The Pledge of Allegiance was said by all.

III ROLL CALL

Present	**Also Present**
Commissioner Robin Bright	Mr. Daniel Mejias, Executive Director
Commissioner Miguel Edghill	Mr. Duane Young, Chief Financial Officer
Commissioner Pedro Estevez	Mr. Kevin Conti, Board Attorney
Commissioner Michelle Graham-Lyons	Mrs. Roslyn Mathis, Recording Secretary
Commissioner Henry V. Robinson	Mr. Pete Repetti, Maser Consulting
Alt. #1 Commissioner Marleen Powell	Mr. Ron Madison, Maser Consulting
Alt. #2 Commissioner Pat Van Slyke	Staff

IV. APPROVAL OF MINUTES – December 7, 2017 Committee Meeting Minutes; and December 7, 2017 Committee Executive Session Minutes; December 12, 2017 Regular Meeting Minutes; and December 12, 2017 Regular Executive Session Minutes

Chairman Robinson inquired since this is a combined meeting how should they proceed with the agenda as far as voting. Mr. Conti advised the Board should proceed as if this was the Regular Meeting. The Board could vote on the minutes; however, before voting on the resolutions regarding contracts, the Board should go into Executive Session for discussion of contract and personnel matters.

Before the motion regarding the minutes, Commissioner Bright advised there was a correction on the first page of the December 7, 2017 Committee Meeting minutes: in the Also Present column Mr. Young's name was omitted.

With the correction, Commissioner Edghill moved to accept the minutes, seconded by Alternate Commissioner Van Slyke. The motion carried, on a roll-call vote, with five members in favor and none opposed.

RECORDED VOTE **December 7, 2017 Committee Meeting Minutes and Committee Meeting Executive Session Minutes; and December 12, 2017 Regular Meeting Minutes and Regular Meeting Executive Session Minutes**

	YES	NO	ABSTAIN	PRESENT NOT VOTING	NOT PRESENT
Robin Bright	X				
Miguel Edghill	X				
Pedro Estevez	X				
Michelle Graham-Lyons	X				
Henry V. Robinson	X				
Alternate #1 Marleen Powell				X	
Alternate #2 Pat Van Slyke				X	

Before continuing with the agenda, Chairman Robinson recognized two gentlemen from Maser Consulting. Mr. Pete Repetti introduced Mr. Ron Madison, who will be replacing Spencer Pierini, the former Maser representative. Mr. Madison gave an overview to the Board of his education and experience as a professional engineer in the State of New Jersey, and his tenure with Maser Consulting.

Commissioner Robinson inquired if he has been brought up to speed regarding the GIS. Mr. Madison replied that he is fully familiar with the GIS.

The Board thanked the Maser consultants for coming and they were excused.

V. COMMUNICATIONS

Executive Director Mejias updated the Board regarding a sewer back up that was reported on Monday, January 8th on West Eighth Street; the problem was resolved, and the lines have been cleared. He just wanted to make the Commissioners aware of situation in the event they receive any questions or complaints.

VI. REPORT OF COMMITTEES

- **Finance Committee**

Mr. Young brought to the Board's attention the schedule regarding the schedule of the meetings on Friday, January 12th with regard to the budget. PMUA Finance Department staff has been spending considerable time with Lerch, Vinci & Higgins, PMUA's auditors, to prepare information for the Board concerning a possible rate increase. There will be a presentation at the meetings, explaining the various options available to the Board.

Commissioner Graham-Lyons inquired if the information and reports that were requested at last month's meeting would be part of those discussions. She advised the information the Board requested is in the minutes. Mr. Young replied he will review the minutes and make certain that all such information is available to the Commissioners.

Commissioner Edghill stated one of the requests was a timeline. Mr. Young indicated that a timeline had submitted concerning the critical dates when PMUA will meet with the State on budget matters. Commissioner Robinson acknowledged Mr. Young gave the Board a report addressing rates and any hearing that may be required.

Commissioner Graham-Lyons stated the Commissioners are looking for projections for 2018 and an additional two years through 2020. Mr. Young replied those projections will be available at Friday's meetings.

Executive Director Mejias distributed a presentation to the Board prepared by PMUA's engineering consultants, providing a basic description of a rate hearing pursuant to the Municipal and County Utilities Authorities Law.

- **Personnel Committee**

Executive Director Mejias reported the Personnel Committee did not meet; however, there are personnel matters that will be discussed in Executive Session.

- **Buildings & Operations Committee**

Executive Director Mejias reported Buildings & Operations did not meet; however, he has an update regarding the Capital Improvement Plan for the Transfer Station that will be discussed as part of his Executive Director's Report.

VII. EXECUTIVE DIRECTOR'S REPORT

Executive Director Mejias reported there is a litigated matter involving an employment matter that will be discussed in Executive Session.

Executive Director Mejias reported on the Capital Improvement Plan for the Transfer Station, indicating that the plan is to expand the Transfer Station to include a new building that will house the sorting equipment to optimize the materials recovery process. The initial projection was $15 million, which will have to be reduced. PMUA's engineers advised that financing for environmental-based projects is available through the New Jersey Environmental Infrastructure Trust (NJEIT).

Executive Director Mejias reported there was a conference call with NJEIT and NJDEP to preliminarily discuss PMUA's plans that was very informative and productive. PMUA has to submit plans for the expansion and explain the environmental benefits of an expanded facility. The feedback PMUA received was positive and the state agencies will be able to finance, which would benefit PMUA because their initial financing percentage is 25 percent of prime, significantly lower than the traditional market offers for financing. Another benefit of utilizing NJEIT, based upon PMUA's anticipation that during the first three years while PMUA was in the planning phases, it wouldn't start repaying the loan until after the project is completed. NJEIT will also disperse funds during the early phases of the project to help cover engineering and other related costs.

Executive Director Mejias reported the engineers are working on a planning document for the proposed project. Executive Director Mejias verbally shared a report from the engineers.

Commissioner Robinson asked Mr. Young to explain the financing impact of obtaining funding from NJEIT would have on PMUA. Mr. Young explained, for example, if PMUA went out to bond market, it would be looking at four percent, while utilizing NJEIT it would only be one percent. This would result in a significant reduction in cost based upon a project cost of approximately $11-12 million. Also, through the NJEIT process, PMUA could finance the engineering cost, which would assist with the cash flow.

Alternate Commissioner Van Slyke inquired if there are any negatives associated with going thorough NJEIT, and Mr. Young replied he didn't believe so, although PMUA would have to work within NJEIT's guidelines. He indicated that PMUA would have to see the reporting requirements for NJEIT and the documentation that would be required in order to better assess the overall process.

Commissioner Edghill reported he and the Chairman participated in the conference call and one of the things that was important to him was that the representative from NJDEP was very encouraging, telling PMUA how to complete the project most effectively with the lowest cost.

Commissioner Robinson inquired if PMUA doesn't have to pay the loan off until the end of the project, whether there was any interest being incurred up to that time. Mr. Young replied that was one of the things he wasn't clear on. It appears there isn't any capitalized interest; they only pay interest on the money as they draw it. He will verify that once he sees the specifications for the loan.

Commissioner Robinson inquired if PMUA had ever undertaken a project with NJEIT, and Mr. Young replied PMUA had never met NJEIT's criteria for a project.

Commissioner Graham-Lyons inquired about the original estimate from the Executive Director of $15 million. Executive Director Mejias stated that the amount has been reduced to approximately $11 million, based on the engineer's estimate. He also mentioned that the figure could be further reduced to approximately $10 million without having to scale back the project.

Commissioner Graham-Lyons inquired whether this project is going to affect the ratepayers. Executive Director Mejias indicated the project has to stand on its own and if PMUA is able to finance the project through NJEIT, the impact on ratepayers will be substantially reduced.

Commissioner Bright inquired with the $11 million price for the project whether it's going to be completely self-sustaining from the outset. Executive Director Mejias replied that if PMUA is able to finance through the NJEIT, it will be.

Commissioner Bright inquired other than the financing whether the materials recovery operation is going to have to be performed on a smaller scale. Executive Mejias replied no, although some of the features would have to be consolidated.

Commissioner Bright inquired about the primary focus with the equipment. She mentioned that when they went to visit a similar facility in Connecticut their primary resource was wood and they were grinding that for horse bedding. Executive Director Mejias pointed out that PMUA's model is structured to redirecting waste material from the landfill because disposal costs are rising annually. With the materials recovery operation and the type of materials that are delivered to the Transfer Station, he estimated the divergence would be roughly 60 percent, which would be the difference of taking the material to the landfill at $100 a ton being diverted to other facilities at approximately $40 to $50 a ton.

Commissioner Bright asked what type of materials that would entail and Executive Director Mejias mentioned wood, concrete, rocks, asphalt, mixed ridged plastics, certain textiles, and metals. For instance, when metals are disposed of at a landfill, it costs $100 a ton; when they are extracted, they could be sold in the market for $.80 a pound. That is an example of why PMUA is looking more for more effective materials recovery.

In response to an inquiry from Commissioner Bright, Executive Director Mejias said PMUA has been active in the recycling markets. He said PMUA only pays to dispose of concrete at a rate of $10 a ton, resulting in a saving $90 a ton when it can be extracted and doesn't have to be landfilled. Wood is $28 a ton versus $100 a ton. NJEIT and NJDEP want to see PMUA engaging in environmentally-responsible materials recovery operations rather than relying on landfilling.

Commissioner Robinson noted that on the conference call with NJEIT, materials recovery was critical, and he suggested that he would like the Executive Director to look at other recycling markets to determine whether it would be an effective resource for PMUA.

Commissioner Bright reported when she visited the Connecticut facility, it was horrible and she believed the environmental risk and the potential for health lawsuits was enormous as a result of the horrendous working conditions. Executive Director Mejias said that is essentially commonplace in the solid waste industry and having to work with household garbage. The materials recovery operations are primarily centered on non-putrescible waste such as construction and demolition materials.

Executive Director Mejias reported in new business that as a result of PMUA's booth at the League of Municipalities, Highlands in Monmouth County, Carteret in Middlesex County, and Milltown in Middlesex County, have all expressed an interest of entering into a shared services agreement with PMUA for videoing and cleaning of their sewer lines. PMUA has been doing quite a bit of work with the Borough of Summit and has had discussion with Piscataway, Somerville, and Roselle for sewer.

Commissioner Robinson inquired how the municipalities are billed. Executive Director Mejias replied they are billed by the linear foot. PMUA has performed approximately 7,000 or 8,000 feet of linear video recording.

And, finally, Executive Director Mejias reported on the number of gloves that were collected and distributed to the community.

A. Attorney's Report

Mr. Conti had nothing to report in open session. There are a few settlements to be discussed in Executive Session.

VIII. EXECUTIVE SESSION

Mr. Conti presented **Resolution No. 1-2018 providing for Executive Session in accordance with the provisions of the New Jersey Open Public Meetings Act.**

Commissioner Graham-Lyons moved to adjourn into Executive Session, seconded by Commissioner Edghill. The motion carried, on a roll-call vote, with five members in favor and none opposed.

RECORDED VOTE **Resolution #01-2018 Executive Session**

	YES	NO	ABSTAIN	PRESENT NOT VOTING	NOT PRESENT
Robin Bright	X				
Miguel Edghill	X				
Pedro Estevez	X				
Michelle Graham-Lyons	X				
Henry V. Robinson	X				
Alternate #1 Marleen Powell				X	
Alternate #2 Pat Van Slyke				X	

The Board adjourned into Executive Session at 6:55 p.m.

The Board returned to the public session of the meeting at 7:25 p.m.

Chairman Robinson summarized the Executive Session discussion; he said the Board discussed resolutions concerning personnel matters.

Commissioner Graham-Lyons asked the Executive Director for an update on the Gateway Chamber of Commerce. Executive Director Mejias replied he saw Carlos Sanchez; they're going to have another meeting. He didn't have anything else to report back on yet.

A. Administration

Mr. Conti presented **Resolution No. 2-2018 approving general release and settlement agreement with a former employee.** Commissioner Bright moved to accept Resolution No. 2-2018 as read, seconded by Commissioner Graham-Lyons. The motion carried, on a roll-call vote, with five members in favor and none opposed.

RECORDED VOTE **Resolution #2-2018 Settlement Agreement Former Employee**

	YES	NO	ABSTAIN	PRESENT NOT VOTING	NOT PRESENT
Robin Bright	X				
Miguel Edghill	X				
Pedro Estevez	X				
Michelle Graham-Lyons	X				
Henry V. Robinson	X				
Alternate #1 Marleen Powell				X	
Alternate #2 Pat Van Slyke				X	

Mr. Conti presented **Resolution No. 3-2018 approving terms of settlement with a former employee.** Commissioner Graham-Lyons moved to accept Resolution No. 3-2018, seconded by Commissioner Edghill. The motion carried, on a roll-call vote, with five members in favor and none opposed.

RECORDED VOTE **Resolution #3-2018 Settlement Agreement Former Employee**

	YES	NO	ABSTAIN	PRESENT NOT VOTING	NOT PRESENT
Robin Bright	X				
Miguel Edghill	X				
Pedro Estevez	X				
Michelle Graham-Lyons	X				
Henry V. Robinson	X				
Alternate #1 Marleen Powell				X	
Alternate #2 Pat Van Slyke				X	

Mr. Conti presented **Resolution No. 4-2018 approving terms of settlement with a former employee**, moved by Commissioner Edghill to accept Resolution No. 4-2018, seconded by Commissioner Graham-Lyons. The motion carried, on a roll-call vote, with five members in favor and none opposed.

RECORDED VOTE **Resolution #4-2018 Settlement Agreement Former Employee**

	YES	NO	ABSTAIN	PRESENT NOT VOTING	NOT PRESENT
Robin Bright	X				
Miguel Edghill	X				
Pedro Estevez	X				
Michelle Graham-Lyons	X				
Henry V. Robinson	X				
Alternate #1 Marleen Powell				X	
Alternate #2 Pat Van Slyke				X	

B. Finance Report

Mr. Conti presented **Resolution No. 5-2018 authorizing payment of bills.** Commissioner Bright mentioned the payment to Air Brakes in the amount of $33,956.72, and asked if this the last payment for 2017. Mr. Young replied yes; October must have been paid already, but he will check. Commissioner Bright moved to accept Resolution No. 5-2018 as read, seconded by Commissioner Graham-Lyons. The motion carried, on a roll-call vote, with five members in favor and none opposed.

RECORDED VOTE **Resolution #5-2018 Payment of Bills**

	YES	NO	ABSTAIN	PRESENT NOT VOTING	NOT PRESENT
Robin Bright	X				
Miguel Edghill	X				
Pedro Estevez	X				
Michelle Graham-Lyons	X				
Henry V. Robinson	X				
Alternate #1 Marleen Powell				X	
Alternate #2 Pat Van Slyke				X	

VIII. UNFINISHED BUSINESS

Executive Director Mejias said Requests for Proposals will be issued tomorrow for professional services in preparation for the February Reorganization Meeting. He asked if the Board wanted to discuss setting up committees now or by e-mail because the proposals will have to be reviewed when received on February 1st. Mr. Young said the RFP's are for engineers, sewer and solid waste, and legal.

Chairman Robinson appointed Alternate Commissioner Van Slyke and Commissioner Bright for Labor Counsel; Commissioner Graham-Lyons and Alternate Commissioner Powell for General Counsel; Commissioner Robinson and Commissioner Edghill for sewer; Commissioner Robison and Commissioner Estevez for solid waste.

Executive Director Mejias said that at the end of the year celebration Roslyn Mathis, Recording Secretary, was presented with a Certificate for her twenty years of service, and the Executive Director presented her with a clock for her years of dedicated service to PMUA and the community.

IX. NEW BUSINESS

None.

X. PUBLIC HEARING

Chairman Robinson said they have come to the Public Hearing session of the meeting; anyone wishing to speak to the Board should stand, give your name and address and they will be given three minutes to do so. Seeing none, Chairman Robinson called for a motion to adjourn.

Commissioner Graham-Lyons moved, seconded by Commissioner Estevez, and unanimously approved by the Board, to adjourn the meeting at 7:35 p.m.

Recorded by:

Roslyn Mathis, Recording Secretary

COMMISSIONER ROBIN C. BRIGHT
BOARD SECRETARY

SEAL