

**Minutes of a SPECIAL PUBLIC MEETING  
held on March 4, 2010**

1. **SALUTE TO THE FLAG OF THE UNITED STATES OF AMERICA**
2. **CHAIRMAN'S OPENING STATEMENT**

Vice Chairman Veni called the meeting to order and read the following statement:  
"This meeting is being conducted pursuant to the Open Public Meetings Act, being Chapter 231 of the Laws of 1975. In accordance with the requirements of this law, a special meeting notice was published on Tuesday, March 2, 2010, in the Asbury Park Press. Similar Notice was given to the Clerk of the Township of Brick and placed on the bulletin board maintained for this purpose by the Authority."

3. **ROLL CALL**

**Commissioners Present**

Allan E. Cartine  
Joseph M. Veni, P.E.  
Madeline Iannarone  
John Ciocco  
Edward J. McBride

**Commissioners Absent**

Joseph P. Buttacavoli, DMD  
Patrick L. Bottazzi

**Also in Attendance**

James F. Lacey  
Stephen T. Specht  
Frank Planko  
Jay Delaney  
Jerry Dasti, Esq.  
Marie Sylvester

4. **Resolutions**

28-10           The Brick Township Municipal Utilities Authority Resolution  
Determining and Confirming Certain Details of the Junior Lien  
Revenue Bonds, Series 2010A and Series 2010B of The Brick  
Township Municipal Utilities Authority

Mr. Specht advised, "I would like to thank the board for convening for this special meeting. It is obviously important to our infrastructure that we get funding from the New Jersey Infrastructure Financing Program. I would also like to thank Jay Delaney who has spearheaded this process for us which started approximately thirteen months ago, and we are wrapping it up right now. Last week the bonds were sold for the trust and the DEP and we are looking to close on the tenth of March that is why we are holding this special meeting today. When they opened up the bids for the bonds the market value on the trust side was 4%, and since we are now using federal economic stimulus money, the breakdown

used to be 50/50, now it is 75/25, so we are getting a fund loan from the NJDEP at 0% and the trust loan at 4%. When you combine them it is about 1% so it is pretty phenomenal that we can get these three major projects done."

Mr. Specht continued, "What we are looking to finance is a total of approximately 2.1 million dollars for three specific projects. One of the projects is the parallel sewer crossing underneath the Garden State Parkway, the other project is the heating and ventilation improvements at the Drum Point Riverside Drive and Bay Harbor Waste Water Pump Station, our three largest pump stations, and also wet well grading improvements at eleven smaller stations for a total of \$2.1 million dollars. I would recommend the board approve this resolution at this time."

Comm. Cartine stated, "I didn't get a chance to review the Resolution."

Director Specht advised, "The resolution was put together by our bond counsel and again the bonds were sold on the 24th of February and we are looking to close on these on March 10th."

Comm. Cartine questioned what the total indebtedness is. Director Specht advised, "\$2.1 million is the principle and there is an interest of 4% on the 25% portion of the bond so it comes down to a percent. When we are done we will probably spend approximately \$2.3 million over twenty years."

Counselor Dasti advised, "This is the details resolution Commissioner Cartine. As you know this just fills in the blanks, after they've sold the bonds and we know about what the bonds are going to cost. This is the details resolution reaffirming the prior resolution that we have adopted. They have just now filled in the blanks in terms of the rates so they can sell the bonds next week."

Comm. Cartine stated, "I understand why we are here, and I understand that it is an emergency that we have to do this today, but why the delay? What took so long?"

Counselor Dasti replied, "They were sold since your last regular meeting, so you had to do it after that because we didn't have the details. They were sold on the 24th of February and we had a meeting the 22nd."

Comm. Cartine stated, "I just needed clarification on that because I wasn't sure why we were going to be here and I would like to have a copy of this."

Comm. Iannarone made a motion to adopt Resolution No. 28-10, seconded by Comm. McBride.

AYES: Commissioners McBride, Cartine, Veni, Iannarone, Ciocco  
NAYS: None

ABSTAIN: None

Mr. Specht stated, "Thank you very much."

29-10 Authorization to enter into an agreement with Hess Energy for Demand Response

Director Lacey stated, "Before Mr. Planko begins, I just want to bring the board up to speed on this so they know exactly what it is we are talking about. As you know we have a generator building in the back to generate electricity when we need it, when we loose power. Hess Corporation pays us monthly in accordance with an agreement that on certain days during the summer when they need to take us off line so that they can get our power. We will voluntarily go off line so that the grid will have other power so they don't have to supply us and they pay us a monthly fee so that we can do that. We are able to do that and it has been very successful and Frank will explain the details. But we have a greater generating capacity than they are actually paying us for. They have asked us to up that. Certainly Steve Specht and Joe Maggio who runs the plant itself feel that we can meet that KW rating of 1350 which translates into dollars and Frank will certainly explain that."

Frank Planko advised, "I think Director Lacey pretty much summed it up, in brief Hess pays us a financial incentive. In return for that incentive they anticipate that we will shut off our electric during periods of demand which is usually in the summer time. And since we had this agreement, we only had one curtailment that was last August and it was only for an hour. It was a test curtailment. Since we have been taking in these funds, we've already earned over \$45,000. They called me a couple of weeks ago and said they would like to give us a new offer and extend it for another two years. The new offer that they gave us over doubles what they offered us for the coming year in June 1st - from \$26,000 to \$60,000. So there is additional funds for two years which totals \$145,000. They are very sensible financial offers that they have given us. In their absence I heard from Chairman Bottazzi and Commissioner Buttacavoli and they both send emails concurring that they would like to go along with this. I did make a verbal commitment to Hess because they had a time limitation and I told them that we were going to be having a special meeting and hopefully getting the approval of the board."

Vice Chairman Veni asked, "Do you know the underlying reason why they upped it so much?"

Mr. Planko replied, "I would say they anticipate increased demand in the future."

Director Lacey stated, " Well originally I think we were only 600,000 watts and they have increased it to 1350, and I think we can produce 2100."

Mr. Specht added, "We can produce 2100 and what they looked at when they did their test in August of last year, they realized that we can handle more and now that we are heading into their peak season they said you know what let's get this deal done and increase it up to 1350."

Mr. Planko stated, "It is going to be financially beneficial to us because I based our budget on the original amount of \$26,000, and now we are going to get \$60,000. So it is going to be financially favorable to our budget right out of the starting gate on April 1st."

Comm. Cartine stated, "So that I am sure about the specifics on this, Hess wants us basically to shut our power infusion during peak hours during the summer time. Does this adversely effect our operation at all? Can it interfere with our operations during peak summer conditions when we need to keep up with the demands?"

Vice Chairman Veni stated, "We have a generator that puts out 13.5 kwh and there is a transfer switch and when this transfer switch goes over it automatically shuts down the normal power and goes on emergency."

Comm. Cartine asked, "So we are not without power? We don't have like a brown out situation?"

Mr. Specht advised, "They also call up ahead of time and tell us we need you to shut down in two hours so we can prepare. It is not like we can come out and throw the switch. They give you time to shut down."

Director Lacey added, "There is also a caveat that we don't have to do it."

Director Specht agreed, "That is correct. If one of our generators blows up and we cannot generate the power we need to run our operations, we just tell them we can't do it today. And they say OK."

Comm. Cartine stated, "So this is a great income source for us absolutely, plus it costs us nothing."

Director Lacey stated, "The only thing is that if you are not responsive to them I would imagine they would not renew your next contract. They expect us to perform if we are signing a contract and we try to be on top of our game, we test our generators. We do everything we are supposed to do."

Mr. Planko added, "There is also a duration limit of no more than six hours and usually the average interruption is two to four hours, and there can be no more than ten interruptions per year."

Vice Chairman Veni stated, "And this is for the record so that you know this. We installed a new generator behind the new administration building for Ocean County and I had three Frecholders asking me when we test them. Saturday morning at 9:30, and I was requested to be there one particular Saturday at 9:30 and standing there with a watch and sure enough at 9:30 that generator went off."

Motion by Commissioner Cartine to approve Resolution No. 29-10

Seconded by Commissioner Iannarone.

AYES: Commissioners McBride, Cartine, Veni, Iannarone, Ciocco  
NAYS: None  
ABSTAIN: None

5. **Other Business**

Vice Chairman Veni asked if there was any other business to discuss. There was none.

6. **PUBLIC DISCUSSION**

Vice Chairman Veni opened up the meeting to public comment, however there were no public present to make comments.

7. **CHAIRMAN'S CLOSING STATEMENT**

Vice Chairman Veni advised, "The next regularly scheduled meeting of the Authority will be a Rate Hearing on Monday, March 22, 2010 at 6:00 p.m.. All meetings begin at 7:00 p.m., unless otherwise specified and take place in the Main Conference Room of the Authority's Administration Building located at 1551 Highway 88 West.

8. **ADJOURNMENT**

There being no further business to discuss, and on motion duly made and seconded, and a vote in the majority the meeting adjourned at 5:50 p.m.

Respectfully submitted,



Madeline Iannarone, Asst. Secretary/Treasurer

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