

THE OCEAN COUNTY UTILITIES AUTHORITY

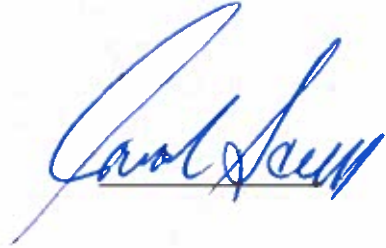
MEETING: Minutes of Caucus Meeting of The Ocean County Utilities Authority

DATE: June 24, 2025

TIME: 4:00 p.m.

PLACE: 501 Hickory Lane, Bayville, New Jersey

PRESENT: Alan W. Avery, Jr., Chairman
Carmen F. Amato, Jr., Vice Chairman
Sam Ellenbogen, Treasurer
Carol A. Scull, Board Secretary
Reverend Oscar L. Cradle
Menashe P. Miller
James A. Daly
Robert A. Sabosik
Joanne Gilmore
Steven C. Kennis
Frank J. Nicolato
Keith B. Marcoon, Executive Director
Lisa N. Contessa, Assistant Secretary
Frank Dupignac Esq., Counsel
William Demand, Director, Finance
Avril Limage, Manager/Director, Human Resources (Electronically)
Robert Shertenlieb, Sr. Director, Operations and Maintenance
Neil O'Regan, Manager/Director, Engineering and Construction



Opening Statement

Chairman Avery welcomed everyone to the regular caucus meeting of The Ocean County Utilities Authority, stating that in accordance with the requirements set forth in the New Jersey Open Public Meetings Law, notice of the meeting had been given by mailing of a Special Meeting Notice on February 10, 2025, to the Asbury Park Press, The Press of Atlantic City, the Clerks of Ocean County and Monmouth County, to the Clerks of all Ocean County Municipalities and to the Clerks of Freehold and Farmingdale Boroughs and Howell, Wall, and Freehold Townships.

CM-3529 CD1008 CWPCF Process Improvements Change Order No. 3

The Authority entered into an agreement with Quad Construction Company on August 25, 2022 for Contract No. CD1008 CWPCF Process Improvements, Mr. O'Regan said. During performance of the Work, conditions were identified that required additional efforts above that which was identified in the Bid Documents. The Authority and Contractor have agreed to Potential Change Order (PCOs) Nos. 12-16 and 18 with the understanding that these PCOs will

all be memorialized in a future Change Order. The work associated with Change Orders addresses a number of items including:

- Unforeseen conditions in direct conflict with the installation of the new plant drain piping, including the electrical duct bank not shown on the contract drawings, additional test pits exceeding contractor specifications, additional drop connections and piping at Manholes G, M, J and K and service water line break.
- Investigative work and field work necessary to replicate the existing controls for the new four (4) primary sludge pumps.
- Additional work to furnish and install an additional side gate at the grit chamber influent channel of the grit and screening building.
- Additional work to furnish and install ten (10) slide gate actuators on the ten (10) new replacement slide gates in the influent and effluent grit head cell channels at the grit and screening building.
- Additional work to provide and install 120v power to control panel CP-3 and 480v power feeds to MAU-1, EF-7 and EF-8 in the grit and screening building.
- Additional work to furnish and install additional 36-inch HOBAS pipe and fittings on the lines for each primary clarifier Nos. 1, 2, and 4.

The additional work associated with the CWPCF Process Improvements, Contract No. CD1008, will result in a net increase of \$656,970.61 to the original contract amount of \$37,500,000 bringing the new total contract amount to \$39,081,660.26. Mr. O'Regan stated that this along with the two previous change orders combined increase the original contract amount by 4.2% which is still below the second low bidder. Mr. O'Regan stated that these PCOs were discussed and approved at the Engineering Committee Meeting and all members agreed and recommended approval.

Action Taken:

The Commissioners approved the draft resolution and directed it be placed on the agenda for the Public Meeting.

CM-3723 Approval to Invoke the Doctrine of Necessity

Mr. Dupignac explained that he had sent a letter to Chairman Avery identifying Commissioners Ellenbogen, Cradle, Miller, Daly, Sabosik, and Kennis as unable to participate in the 2025 Rate Hearing due to conflicts of interest. These six Commissioners hold specific positions in towns or Authorities with service agreements with the Authority. Typically, Mr. Dupignac would advise these Commissioners to abstain from the Rate Hearing and also from the Public Meeting where formal action is taken to vote on the proposed 2026 rates and charges as a quorum of six non-conflicted members is required to pass the Resolution.

However, Commissioner Pharo may be unavailable for health reasons, and Commissioner Amato has a scheduling conflict on June 24, 2025 and also on June 26, 2025. As a result, Mr. Dupignac prepared Resolution CM-3723 Authorization to Invoke the Doctrine of Necessity, which he read into the record and is attached hereto and made a part of these minutes.

All Commissioners present at the June 26, 2025 Public Meeting will formally vote to invoke the Doctrine of Necessity. This action is necessary due to the conflicts of interest involving six Commissioners and the potential absence of Commissioners Amato and Pharo. Without this invocation, there would be no quorum of non-conflicted Commissioners to adopt the 2026 rates and charges, Mr. Dupignac said.

CM-3724 Appeal to State Legislatures to Restore the State Match to Federal Water Infrastructure Funding Administered by the NJ Water Bank

Mr. Marcoon explained that the OCUA operates wastewater treatment infrastructure 24 hours per day, 7 days per week, 365 days a year and must comply with regulatory mandates to effectively upgrade, rehabilitate and repair said infrastructure as well as expand to meet the growing demands of our communities. The Federal Clean Water & Drinking Water State Revolving Funds (SRF) have helped OCUA and clean water utilities throughout this country fulfill these responsibilities for over 30 years. Access to these funds has allowed OCUA to stabilize our bulk rate increases. The Federally Proposed Budget for Fiscal Year 2026 proposes to decrease the States revolving funds by 89% and reduce NJ's full SRF allocation from \$84,000,000 to \$9,000,000.

In order to protect the interests of its rate payers the draft resolution calls on our local County, State and Federally elected officials to actively work toward the full restoration of SRF funding and the EPA budget, Mr. Marcoon said.

All Commissioners agreed with the importance of approving this resolution and with no additional questions asked that it be placed on the public meeting agenda.

CM-3725 2025-2026 Insurance Program

Mr. Demand explained that the Authority's Insurance Services Agreement with Conner Strong and Buckelew is set to expire September 30, 2025. The Authority received one qualification package on June 17, 2025. The Authority's insurance consultant, Insurance Buyers Council, Inc. reviewed the qualification packages and found Conner Strong and Buckelew's qualifications to be acceptable. Insurance Buyers Council recommends the Authority contract with Conner Strong and Buckelew to provide insurance broker services.

The draft Resolution authorizes Chairman Avery to enter into Agreement No. A-CSB-25-599.00 with Conner Strong and Buckelew for Insurance Broker Services for one year, with the option to mutually renew the agreement for two additional one-year extensions. Mr. Demand stated this has been discussed at the Finance Committee Meeting and is recommending approval.

CM-3726 2025 Renewable Energy Certificates

The Authority produces clean energy through a 200 KW solar system at the Central Plant and three (3) digester gas fueled cogeneration systems at the Central, Northern, and Southern Plants. In addition to producing electricity that is consumed at each of the Authority's three (3) facilities,

Renewable Energy Certificates are earned through the NJ Clean Energy Program. The NJ Clean Energy Certificate year is June through May, however, in March 2025, the Commissioners passed a resolution for the previous nine months with the goal of selling at the height of the market. However, during the 10-day required review period prices dropped so the certificates were held. It is now in the Authorities best interest to sell the remaining Class I RECs in bulk.

The Draft Resolution presented by Mr. Demand will allow the Authority to sell its 2025 Renewable Energy Certificates on the PJM/Gats website within the terms and conditions of the New Jersey Clean Energy Program.

Commissioner Sabosik asked what price they will sell currently to which Mr. Demand responded \$25.00 to \$29.00. The Authority reserves the right to accept or reject any offer submitted if in the best interest of the Authority, Mr. Demand said.

Action Taken:

The Commissioners approved the draft resolution and directed it be placed on the agenda for the Public Meeting.

CM-3727 General Contracts to be Discussed/Awarded

HSC-25-1 – HVAC System Controller with Maintenance Agreement

Mr. Demand stated this contract is for replacement HVAC system controller in the Central Services Building. There were two (2) bid specification packages mailed and one (1) received from CM3 Building Solutions Incorporated for a not-to-exceed amount of \$25,220. Mrs. Cairns stated that the Authority's attorney has reviewed the quote and found it acceptable and therefore recommended the contract be awarded to the only bidder CM3 Building Solutions, Inc.

REJECTION of Bid - NTR-25-411 NWPCF Transformer T-2 Replacement

This is a contract for replacement and rehabilitation of Transformer T-2 at the Northern Division, Mr. Demand explained. The bid from RESA Service LLC was found non-responsive for submitting a consent of surety that was incorrect and for exceeding the cost estimate. This contract specifications will be revised, and this contract will be re-bid.

REJECTION of Bid – OLT-25-35 – Outside Laboratory Testing

Mr. Demand stated this contract is for outside laboratory testing used Authority-wide. The bid from Eurofins Environmental Testing LLC was found non-responsive for not submitting a consent of surety. The bid from PACE Analytical Services was found non-responsive for failure to bid on all line items, therefore this contract will be re-bid.

REJECTION of Bid – PEG-25-32 – Pegasus 1005 and 710 Oils

This is an annual contract for Pegasus 1005 and 710 oils used Authority-wide. The bid from PetroChoice LLC was found non-responsive for submitting an insufficient bid bond. This contract will be re-bid, Mr. Demand said.

SPMOP-24-43 – Spare Parts Moyno Pumps

This is an annual draw contract with the option to renew for an additional year. This resolution is for the renewal of the second year of the contract with Geiger Pump and Equipment Company for an amount not to exceed \$969,513.67.

SPFMD-24-20 N/C – Spare Parts Franklin Miller Dimminutors (North/Central)

This is an annual draw contract with the option to renew for an additional year. This resolution is for the renewal of the second year of the contract with Franklin Miller Incorporated for an amount not to exceed \$2,047,192.50.

The Authority's attorney has reviewed all of these items and has found them to be acceptable, Mr. Demand said.

Action Taken:

The Commissioners approved these recommendations and directed that appropriate resolutions be placed on the agenda for the Public Meeting.

At this time, on a motion made by Commissioner Amato seconded by Commissioner Scull, and unanimously passed, the Commissioners moved into closed session at 4:24 p.m., and back into open session at 4:39 p.m.

There being no further business, on a motion made by Commissioner Nicolato, seconded by Commissioner Daly, and unanimously approved, the meeting adjourned at 4:40 p.m.



THE OCEAN COUNTY UTILITIES AUTHORITY

501 HICKORY LANE
BAYVILLE, NEW JERSEY 08721

RESOLUTION No.: 25-

DATE: JUNE 26, 2025

WHEREAS, pursuant to N.J.S.A. 40:14B-23 the Ocean County Utilities Authority is required to prescribe and from time to time when necessary revise a schedule of all its service charges; and

WHEREAS, said schedule shall be prescribed after a public hearing at least twenty (20) days after a notice of the proposed adjustment is mailed to the Clerks of each municipality and participant serviced by the Ocean County Utilities Authority; and

WHEREAS, the Ocean County Utilities Authority schedules a Rate Hearing in June of each year to allow the municipalities and participants sufficient time to revise their rates; and

WHEREAS, Notice of the June 24, 2025 Public Hearing regarding Proposed 2026 Rates was provided on May 23, 2025 to all of the Authority's participants; the Clerks of Ocean County and Monmouth County; to the Clerks of all Ocean County Municipalities and to the Clerks of Freehold and Farmingdale Boroughs and Howell, Wall and Freehold Townships; and by publication of said Meeting Notice in the Asbury Park Press and The Press of Atlantic City; and by placement of said Meeting Notice on the bulletin board which is maintained for this purpose by the Authority.

WHEREAS, pursuant to N.J.S.A. 40:14B-14, the powers of the Ocean County Utilities Authority are vested in the members thereof in office from the time a majority of which shall constitute a quorum at any meeting thereof; and

WHEREAS, by virtue of their positions with municipalities and participants, certain members of the Ocean County Utilities Authority Board of Commissioners have conflicts of interest pertaining to the rates proposed by the Authority which impact their respective municipalities and/or participating Authorities which, together with the prospective absence of non-conflicted Commissioners, prevent a quorum eligible to attend the Public Meeting and vote on the service charges. The Ocean County Utilities Authority Board of Commissioners does

hereby invoke the Doctrine of Necessity for the purpose of conducting the June 24, 2025 Public Hearing and the potential action of voting on the proposed service charges, and that it must do so because of the conflict of interest and chance of the following Commissioners of the Ocean County Utilities Authority:

- A. Sam Ellenbogen: Mr. Ellenbogen is an alternate member of the Toms River Municipal Utilities Authority. The Authority has a Service Agreement with the Toms River Municipal Utilities Authority.
- B. Menashe P. Miller: Mr. Miller is a member of the Lakewood Township Committee and currently serves as Deputy Mayor. The Authority has a Service Agreement with the Lakewood Municipal Utilities Authority whose members are appointed by the Township Committee.
- C. Oscar L. Cradle, Sr.: Reverend Cradle is Mayor of South Toms River. The Authority has a Service Agreement with South Toms River Sewerage Authority whose members are appointed by the Township Committee.
- D. James A. Daly: Mr. Daly is a Commissioner of the Manasquan River Regional Sewerage Authority and Mayor of Farmingdale. The Authority has Service Agreements with the Manasquan River Sewerage Authority.
- E. Robert A. Sabosik: Mr. Sabosik is the Mayor of Point Pleasant. The Authority has a Service Agreement with the Point Pleasant Water and Sewer Utility whose members are appointed by the Borough Council.
- F. Steven C. Kennis, Alternate Commissioner: Mr. Kennis is the Deputy Mayor of Lacey Township. The Authority has a Service Agreement with the Lacey Municipal Utilities Authority whose members are appointed by the Borough Council.
- G. Carmen Amato has advised that he will not be available to attend the Public Hearing.

BE IT RESOLVED, that this Resolution by the COMMISSIONERS of THE
OCEAN COUNTY UTILITIES AUTHORITY as follows:

1. This Resolution shall read at the June 24, 2025 regularly scheduled Caucus

Meeting of the Authority and posted on the Authority's website and bulletin
board.

2. A certified copy of this Resolution shall be sent to:

- a. Ocean County Deputy Director, F. Frank Sadeghi
- b. Ocean County Clerk of the Board, Michelle Gunther