

**NEW JERSEY SUSTAINABLE ENERGY JOINT MEETING
OPEN MINUTES
MEETING OF JUNE 26, 2019
TELECONFERENCE
10:00 AM**

Meeting called to order by Acting Chairman Cuccia. The Open Public Meeting Notice was read into the record.

ROLL CALL OF COMMISSIONERS:

NJ SEM	
State Wide Representatives	
	<u>State Rep.</u>
Region 1	William Close, Sparta Twp.
Region 2	Charles Cuccia, Maywood
Region 3	Joseph Catenaro, Fairfield Twp.
Region 4	Thomas Nolan, Brielle Borough
Region 5	Richard Brook, Florence Twp.
Region 6	Keith Hastings, Collingswood
Region 7	Diane Lapp, Manchester Twp.
	<u>Alternate Rep.</u>
Region 1	Jon Rheinhardt, Wharton Borough
Region 2	Greg Franz, Edgewater Borough
Region 3	Tim Dacey, Piscataway Twp.
Region 4	Michael Gianforte, Two Rivers Water Rec. Authority
Region 5	Michael Theokas, Bordentown Twp.
Region 6	David Taraschi, Audubon Borough
Region 7	Veronica Laureigh, Lacey Twp.

Present from the above group were: Charles Cuccia, Thomas Nolan, Richard Brook, Keith Hastings, Greg Franz, Tim Dacey, and David Taraschi

APPOINTED OFFICIALS PRESENT:

Executive Director/ Administrator	PERMA Risk Management Services	Stephen Sacco	Present
Attorney	Maley Givens	James Maley, Esq. Erin Simone, Esq.	Absent Present
Treasurer		William Garofalo	Present
Energy Consultant	Gabel Associates	Bob Chilton	Present

Also Present:

Jason Thorpe, Perma
Carol Friedman, Gabel Assoc.
Alex DeLuccia, CSB
Bud Jones, Nisivoccia

APPROVAL OF MINUTES: February 21, 2019

MOTION TO APPROVE OPEN MINUTES OF February 21, 2019

MOTION: Commissioner Nolan
SECOND: Commissioner Hastings
VOTE: Unanimous

EXECUTIVE DIRECTOR'S REPORT:

AUDITOR YEAR-END REPORTS – Mr. Thorpe referred to the NJ SEM Audit Report as of December 31, 2018 enclosed within the agenda packet. He informed the Board that Mr. Jones was present on the teleconference to review the Audit Report. Mr. Jones reported that the SEM's Net position at December 31st was \$906,520 and added that the SEM is excellent financial condition. He then referred to the Auditors' Management Report that was distributed prior to the start of the meeting. Mr. Jones advised that there were no comments or recommendations. Commissioner Brook thanked the professionals for their continued work on the SEM as it led to another great audit. Chairman Cuccia asked if there were any questions with regards to the report. Hearing none, he asked for a motion to adopt Resolution 6-19 and execute the Group Affidavit.

MOTION TO APPROVE YEAR-END FINANCIALS, ADOPT RESOLUTION 6-19 AND EXECUTE GROUP AFFIDAVIT INDICATING THAT MEMBERS OF THE EXECUTIVE COMMITTEE HAVE READ THE GENERAL COMMENTS SECTION OF THE AUDIT REPORT.

MOTION: Commissioner Brook
SECOND: Commissioner Nolan
VOTE: Unanimous

SEM ENTITY INSURANCE COVERAGE RENEWAL – Mr. Thorpe informed the Board the NJ SEM's General Liability, Auto Liability and Public Officials & Employment Practices Liability policies are set to expire on 7/25/2019. He then asked Mr. DeLuccia to provide an overview of the renewal proposal. Mr. DeLuccia referred to a pricing summary of the renewing policies enclosed within the agenda booklet. He noted that all limits, forms and endorsements remain as expiring and the premium was increasing by approximately \$500 due mostly to an overall hardening in the General Liability insurance market. He then referred to options for terrorism coverage and excess liability limits and noted that these options have not been purchased by the SEM in the past. Chairman Cuccia asked if there were any questions or comments from the Board. Commissioner Brook commented that insurance limits currently in place were adequate in his opinion and the increase was reasonable. The Board agreed with the

Commissioner's opinion and indicated that they are all comfortable with renewing at the current limits.

MOTION TO RENEW POL/EPL, GL AND AL POLICIES AS EXPIRING FOR THE NJ SEM.

MOTION: Commissioner Nolan
SECOND: Commissioner Hastings
VOTE: Unanimous

NATURAL GAS BID – Mr. Thorpe reported that the SEM's current natural gas supply contract will expire December 2019. He then referred to the draft timeline and asked Mr. Chilton to lead the discussion on the upcoming natural gas supply bid process. Mr. Chilton reported that a contract would have to be awarded by the end of October but would recommend awarding sooner. He advised that the Notice of Bid would likely be distributed in July, the opt-out period would end in mid-August, and the bid opening would be in September. Mr. Chilton suggested that when the Notice of Bid is distributed to the membership, there should be two versions. He advised that one version would be the normal notice for members that are currently participating in the natural gas supply contract. The second notice would be more of a marketing piece for members who are not participating in the current contract since the pricing was favorable. The Board was in agreement with the suggestion. Mr. Chilton advised that he and Ms. Simone have discussed a possible exemption that allows for a contract duration of up to 3 years when it involves fuel for heating purposes. He noted that Ms. Simone would research the exemption further, and if permissible, the bid would include a pricing request for 36 months in addition to the 12 and 24 month requests. Mr. Chilton said the Board may also want to consider having the contract term begin in March 2020 to secure better pricing by avoiding the winter months. He cautioned that having a contract term beginning in March would revert the members back to the tariff for several months and may cause confusion. Lastly, Mr. Chilton indicated that he would like to have a discussion regarding the new e-procurement law. Mr. Thorpe suggested that the matter be discussed in Executive Session. Chairman Cuccia asked for a motion to enter into Executive Session.

MOTION TO ENTER INTO EXECUTIVE SESSION FOR THE PURPOSE OF DISCUSSING RFB SPECIFICATIONS AND REGULATORY COMPLIANCE

MOTION: Commissioner Taraschi
SECOND: Commissioner Brook
VOTE: Unanimous

MOTION TO ADJOURN EXECUTIVE SESSION

MOTION: Commissioner Nolan
SECOND: Commissioner Franz
VOTE: Unanimous

NATURAL GAS BID (Cont.) – Commissioner Brook asked for a brief explanation on the cost advantage of having a March contract start date versus a December start date. Mr. Chilton explained that the advantage is associated with the several factors which include pipeline capacity and skipping the winter months of early 2020. He noted that having a March start date runs a risk of losing members as they would revert back to the tariff. After a brief discussion, the Board decided not to entertain a contract start date in March. Mr. Sacco advised that motions were needed to approve the draft timeline, the RFB release, changes to the supplier contracts, and the inclusion of a 36 month contract term request.

MOTION TO APPROVE THE DRAFT TIMELINE AND AUTHORIZE RELEASE OF THE NATURAL GAS BID FOR THE NJ SEM MEMBERSHIP

MOTION: Commissioner Nolan
SECOND: Commissioner Brook
VOTE: Unanimous

MOTION TO ACCEPT CHANGES TO MASTER PERFORMANCE AGREEMENT (MPA) AS OUTLINED BY THE SEM ATTORNEY AND DISCUSSED DURING EXECUTIVE SESSION

MOTION: Commissioner Brook
SECOND: Commissioner Nolan
VOTE: Unanimous

MOTION TO AUTHORIZE REQUESTS FOR A 36 MONTH CONTRACT TERMS WITHIN THE NATURAL GAS SUPPLY RFB SUBJECT TO LEGAL REVIEW AND SEM ATTORNEY APPROVAL

MOTION: Commissioner Nolan
SECOND: Commissioner Brook
VOTE: Unanimous

COMPETITIVE BIDDING – As a follow-up to the discussion held during Executive Session, Chairman Cuccia recommended that time be spent properly preparing the specifications for the competitive bidding process as it would be the first time a competitive bid would be held for the SEM. He asked when the SEM should begin preparing the specifications. Ms. Simone advised that the specifications can be done simultaneously with the electric supply bid next year. Chairman Cuccia suggested that the SEM have the e-procurement platform vendor in place prior to the electric supply bid. He further suggested that the competitive contract bid specifications discussion should be held in September. The Board was in agreement with the suggestions.

NEW MEMBERS – Mr. Thorpe informed the Board that when the SEM acquires new members, there has been an issue adding them to existing supplier contracts. He noted that the supplier can add new members to the contract provided it is on the same terms as the current contract, but the SEM cannot add them to the contract with a different price without going out to bid. Mr. Sacco explained that EMEX was using Great Eastern for a number of their bids, but Great Eastern recently went out of business. He noted that as a result, a

number of JIF members have contacted the SEM asking to join. Mr. Sacco said that one way to address the matter would be to allow Gabel to conduct single member bids for the new members and put a bridge contract in place that would line up with the current SEM contracts. The Board indicated that single member bids for new members was a good idea and told Mr. Chilton to proceed accordingly.

ENERGY CONSULTANT REPORT:

Mr. Chilton indicated that he had nothing further to report.

TREASURER REPORT:

Mr. Saco informed the Board that Mr. Garofalo was unable to participate on the teleconference. He then referred to the Bills List for the months of March and June and the Treasurer Reports for the months of February, March, April, and May contained within the agenda packet. Mr. Sacco then asked for a motion to approve the Bills List and Treasurer Report.

FUND YEAR	AMOUNT
March Bills List	
Fund Year All	\$ 140,576.50
TOTAL	\$ 140,576.50

FUND YEAR	AMOUNT
June Bills List	
Fund Year All	\$ 34,595.38
TOTAL	\$ 34,595.38

MOTION TO APPROVE RESOLUTIONS 7-19, 8-19 APPROVAL FOR PAYMENT OF MARCH 2019 AND JUNE 2019; THE FEBRUARY, MARCH, APRIL, AND MAY 2019 TREASURER’S REPORTS

MOTION: Commissioner Nolan
SECOND: Commissioner Hastings
ROLL CALL VOTE: Unanimous

ATTORNEY REPORT:

Ms. Simone reported that earlier in the month a SEM member had an issue with prior contract invoices they received from an energy supplier. She advised that a letter was sent to the energy supplier letting them know that they were not in compliance with the SEM contract obligations as invoices must be distributed within 6 months of the contract end date. Ms. Simone informed the Board that she is waiting for a response from the energy supplier. Mr. Chilton added that he is only aware of this issue happening with one member. Mr. Sacco added that the letter was well written and thanked Ms. Simone for sending it.

OLD BUSINESS:

None

NEW BUSINESS:

None

PUBLIC COMMENT:

None

MOTION TO ADJOURN MEETING

MOTION:	Commissioner Nolan
SECOND:	Commissioner Brook
VOTE:	Unanimous

Meeting Adjourned: 10:55 AM

Respectfully submitted,

Prepared by J. Thorpe, Assistant Secretary