

New Jersey Sustainable Energy Joint Meeting

AGENDA AND REPORTS

SEPTEMBER 16, 2009

11:00 AM

**PERMA RISK MANAGEMENT SERVICES
PARK 80 WEST, PLAZA ONE
SADDLE BROOK, NJ 07663**

VIA

**TELECONFERENCE CALL
CALL-IN # 866-774-9908
CODE# 2875568**

OPEN PUBLIC MEETINGS ACT - STATEMENT OF COMPLIANCE

In accordance with the Open Public Meetings Act, notice of this meeting was provided by:

- I.** sending sufficient notice to the Star Ledger
- II.** filing advance notice of this meeting with each member entity, and posting same on the SEM's Web site

**NEW JERSEY SUSTAINABLE ENERGY JOINT MEETING
AGENDA
SEPTEMBER 16, 2009
11:00AM**

- ❑ **MEETING CALLED TO ORDER**
- ❑ **OPEN PUBLIC MEETINGS ACT**
- ❑ **ROLL CALL OF EXECUTIVE BOARD**
- ❑ **APPROVAL OF MINUTES: Open June 5, 2009** **APPENDIX I (Page 34)**
- ❑ **EXECUTIVE DIRECTOR/ADMINISTRATOR- PERMA**
- ❑ **ENERGY CONSULTANT- BSG/PMK**
- ❑ **TREASURERS REPORT- William Garofalo**
- ❑ **ATTORNEY REPORT- James Maley**

- ❑ **OLD BUSINESS**
- ❑ **NEW BUSINESS**
- ❑ **PUBLIC COMMENT**

- ❑ **EXECUTIVE SESSION – If needed**

- ❑ **MEETING ADJOURNMENT**

NEW JERSEY SUSTAINABLE ENERGY JOINT MEETING

Park 80 West, Plaza One

Saddle Brook, NJ 07663

Telephone (201) 587-0555 Fax (201) 587-8662

Date: September 16, 2009

Memo to: Executive Committee
NJ SEM

From: PERMA Risk Management Services

Subject: Executive Director's Report

□ **NJ SEM-** There will be a discussion regarding the direction of the NJ SEM, specifically:

1. Future Direction of the NJ SEM;
2. Process for meter reading;
3. Drop dead date for information and meter reading information
4. Marketing/increasing membership.
5. General discussion

Natural Gas Futures Prices (\$/dth)
NYMEX Settle on Sept. 10, 2009

	2007	2008	2009	2010	2011
Jan	\$ 5.838	\$ 7.172	\$ 6.136	\$ 5.237	\$ 6.922
Feb	\$ 6.917	\$ 7.996	\$ 4.476	\$ 5.299	\$ 6.927
Mar	\$ 7.547	\$ 8.930	\$ 4.056	\$ 5.300	\$ 6.757
Apr	\$ 7.558	\$ 9.578	\$ 3.631	\$ 5.300	\$ 6.262
May	\$ 7.508	\$ 11.280	\$ 3.321	\$ 5.355	\$ 6.232
Jun	\$ 7.591	\$ 11.916	\$ 3.538	\$ 5.462	\$ 6.312
Jul	\$ 6.929	\$ 13.105	\$ 3.949	\$ 5.579	\$ 6.402
Aug	\$ 6.110	\$ 9.217	\$ 3.379	\$ 5.671	\$ 6.472
Sep	\$ 5.430	\$ 8.394	\$ 2.843	\$ 5.742	\$ 6.502
Oct	\$ 6.423	\$ 7.472	\$ 3.256	\$ 5.887	\$ 6.587
Nov	\$ 7.269	\$ 6.469	\$ 4.249	\$ 6.302	\$ 6.837
Dec	\$ 7.203	\$ 6.888	\$ 4.956	\$ 6.702	\$ 7.122
Avg.	\$ 6.860	\$ 9.035	\$ 3.983	\$ 5.653	\$ 6.611

Note: Prices in blue italics are historical - NYMEX contract expired.

Natural Gas NYMEX Strip Prices (\$/dth)

3-month strip	\$4.154
6-month strip	\$4.716
12-month strip	\$5.117
18-month strip	\$5.606
24-month strip	\$5.795
Nov09 - Mar10	\$5.008
Apr10 - Oct10	\$5.571

Natural Gas Storage (bcf) week ending 9-4-09

This week	69 bcf	3,392 bcf
Last week	65 bcf	3,323 bcf
This week last year	58 bcf	2,897 bcf
5-Year Average	55 bcf	2,889 bcf

Note: Negative number denotes withdrawal

Gas Daily Midpoint - Cash Prices (\$/dth) - flow date 9/9/09

Henry Hub	\$2.73
Transco Zone 6 - NY	\$3.03
Transco Zone 6 - non NY	\$2.99
Tetco Zone M3	\$3.02

Fuel Prices - prompt month NYMEX

Natural Gas	\$ 3.26 /dth	\$ 3.26 /mmbtu
Crude Oil	\$ 71.62 /barrel	\$ 12.27 /mmbtu
#2 Heating Oil	\$ 1.778 /gallon	\$ 12.79 /mmbtu
Propane	\$ 0.976 /gallon	\$ 10.61 /mmbtu
NY Harbor Gasoline	\$ 1.800 /gallon	\$ 13.84 /mmbtu

Financial Indicators

Dow Jones Industrial Average	9,627.48
NASDAQ	2,084.81
S&P 500	1,044.14
Euro - U.S. Dollar (\$)	\$1.4590
U.S. Federal Reserve Rate (%)	0.25%

Weather (6-10 day forecast)

Expect below normal temperatures in the eastern half of the continental U.S. and warmer than normal temperatures in the western half of the continental U.S.

COOLING DEGREE DAYS - Newark, NJ C.D.D.'s

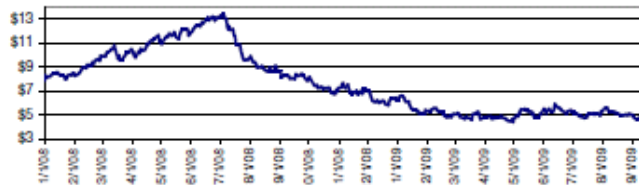
2009 Year to Date	925
2008 (same period prior year)	1,112
NORMAL (30-year average) - year to date	943

Market Outlook

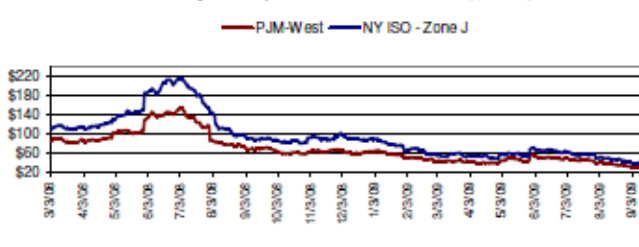
The natural gas and crude oil markets are still fundamentally bearish but have been technically bullish. It seems that a short-term bottom was reached for natural gas and we may now be seeing a correction to the upside. After this correction weakness may return due to the high inventory and low demand. Weather and weather forecasts will begin to play a bigger role as we enter October.

This is still a great time to lock positions for this upcoming winter. The downside certainly seems to be limited as we are at 7-year lows. It also makes sense to consider longer term hedges as it is likely that prices will move higher over the next 12-months.

Natural Gas - NYMEX 12-month futures strip (\$/dth)



Electricity - Prompt Month On-Peak Prices (\$/mwh)



OPEC Meeting - No surprises

The Organization of Petroleum Exporting Countries (OPEC) met yesterday in Vienna for its 154th official meeting. OPEC kept its current production quotas unchanged. Saudi Arabia's oil minister stated that the oil market is in good shape with producer and consumer nations both happy with crude oil between \$68 and \$73 per barrel. The weakness in the U.S. dollar has caused some strength to come back into commodities, especially crude oil and gold.

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**NEW JERSEY SUSTAINABLE ENERGY JOINT MEETING
OPEN MINUTES
MEETING OF JUNE 5, 2009
CONFERENCE CALL
9:45 AM**

Meeting called to order by acting Chairperson James Kickham. The Open Public Meeting Notice was read into the record.

ROLL CALL OF COMMISSIONERS:

	Brielle, Monmouth JIF	Thomas Nolan	Present
	Dover, Morris JIF	William Close	Present
	Florence, BURLCO JIF	Richard Brook	Present
	Saddle River, Bergen JIF	Charles Cuccia	Present
	Woodbridge, Central JIF	Robert Landolfi	Absent
	Collingswood, Camden JIF	Joan Leanard	Present

APPOINTED OFFICIALS PRESENT:

Executive Director/ Administrator	Public Entity Risk Management Admin (PERMA)	James Kickham Steve Sacco	Present Present
Attorney		James Maley	Present
Treasurer		William Garofalo	Present
Energy Consultant	The BSG/PMK Group	Fred Fastigi Bob Gerard	Present Present

OTHERS PRESENT:

Michael Avalone, Conner Strong

ELECTION OF CHAIRMAN AND SECRETARY.

Mr. Kickham indicated that the NJ SEM would need to select a Chairman and Secretary. He asked the Commissioners for nominations for those positions.

Mr. Cuccia nominated Mr. Brook to serve as Chairman. Hearing no other nominations, Mr. Kickham closed the nomination for Chairman and asked for a motion to confirm Mr. Brook as Chairman.

MOTION TO APPOINT MR. RICHARD BROOK AS CHAIRMAN OF THE NJ SEM

MOTION: Commissioner Cuccia
SECOND: Commissioner Close
VOTE: Unanimous

Mr. Kickham then opened the floor to nominations for the position of Secretary. Mr. Brook nominated Mr. Close to serve as Secretary. Hearing no other nominations, Mr. Kickham closed the elections and asked for a motion to confirm Mr. Close's appointment as Secretary.

MOTION TO APPOINT MR. WILLIAM CLOSE AS SECRETARY OF THE NJ SEM

MOTION: Commissioner Brook
SECOND: Commissioner Cuccia
VOTE: Unanimous

Mr. Brook assumed the Chair and took over the meeting.

TEMPORARY APPOINTMENT OF CERTAIN NJ SEM PROFESSIONALS- Mr. Brook indicated that the NJ SEM should appoint certain professionals on a temporary basis until the NJ SEM is able to award annual contracts. Said appointments shall be for 30 days at \$1 per month.

The appointments will be as follows:

- I. PERMA Risk Management Services** is hereby appointed as Administrator, Mr. James J. Kickham is appointed as Executive Director, Mr. Stephen Sacco as Deputy Executive Director, and both as agent for process of services,
- II. Mr. James Maley of Maley and Associates.** is hereby appointed as NJ SEM Attorney and shall receive a retainer for administrative services, legal research and legal opinions
- III. Mr. William Garofalo** is hereby appointed as NJ SEM Treasurer.
- IV. BSG/PMK Group** is hereby appointed as the Energy Consultant for the NJ SEM;

MOTION TO ADOPT RESOLUTION 2-09 APPOINTING CERTAIN PROFESSIONALS TO SERVE THE NJ SEM ON A MONTH TO MONTH BASIS AT A FEE OF \$1 PER MONTH UNTIL ANNUAL CONTRACTS ARE AWARDED

MOTION: Commissioner Close
SECOND: Commissioner Cuccia
VOTE: Unanimous

ORGANIZATIONAL RESOLUTIONS- Mr. Brook also indicated that the NJ SEM will be required do adopt certain organizational resolutions contained in the agenda.

MOTION TO ADOPT RESOLUTION 3-09 ESTABLISHING PUBLIC MEETING PROCEDURES

MOTION: Commissioner Nolan
SECOND: Commissioner Cuccia
VOTE: Unanimous

MOTION TO ADOPT RESOLUTION 4-09 ESTABLISHING A NJ SEM RECORDS PROGRAM

MOTION: Commissioner Close
SECOND: Commissioner Nolan
VOTE: Unanimous

MOTION TO ADOPT RESOLUTION 5-09 ESTABLISHING A FISCAL MANAGEMENT PLAN AND ADDING MR. NOLAN AS THE ADDITIONAL SIGNATURE

MOTION: Commissioner Nolan
SECOND: Commissioner Cuccia
VOTE: Unanimous

TREASURER:

Mr. Kickham indicated that he would be working with the treasurer to open an account with TD Bank as soon as possible.

ATTORNEY:

Mr. Maley indicated that he is continuing to work with municipalities to spread the word for membership in the NJ SEM.

OLD BUSINESS:

None.

NEW BUSINESS:

None.

PUBLIC COMMENT:

None.

MOTION TO ADJOURN MEETING

MOTION: Commissioner Nolan
SECOND: Commissioner Cuccia
VOTE: Unanimous

Meeting Adjourned: 10:02 AM

Respectfully submitted,

Prepared by Stephen A. Sacco, Assistant Secretary