

**NEW JERSEY SUSTAINABLE ENERGY JOINT MEETING  
OPEN MINUTES  
MEETING OF DECEMBER 19, 2011  
10:00 AM**

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

**ROLL CALL OF COMMISSIONERS:**

<u>State Rep.</u>
William Close, Town of Dover
Charles Cuccia, Saddle River
Lyn Evers, Piscataway Twp.
Thomas Nolan, Brielle Borough
Richard Brook, Florence Twp.
Joan Leanord, Collingswood
<u>Alternate Rep.</u>
Greg Poff, Rockaway Twp.
Greg Franz, Edgewater Borough
Michael Gianforte, Two Rivers Water Rec. Authority
Linda Dougherty, Edgewater Park Township
Terry Shannon, Barrington

Present from the above group were: Richard Brook, Charles Cuccia, Greg Franz, William Close (via telephone), Tom Nolan (via telephone), Lyn Evers (arrived 10:21 am).

**APPOINTED OFFICIALS PRESENT:**

Executive Director/ Administrator	<b>PERMA Risk Management Services</b>	James Kickham	Present
Attorney		Jim Maley	Present
Treasurer		William Garofalo	Present
Energy Consultant	<b>The BSG/PMK Group</b>	Fred Fastiggi	Present

Also Present:  
Stephen Sacco, PERMA  
Brad Stokes, PERMA  
Mike Mandzik, BSG  
Erin Simone, Esq.

**APPROVAL OF MINUTES:** November 16, 2011

**MOTION TO APPROVE OPEN MINUTES OF NOVEMBER 16 , 2011**

**MOTION:** Commissioner Nolan  
**SECOND:** Commissioner Cuccia  
**ROLL CALL VOTE:** Unanimous

**TREASURER**

Mr. William Garofalo presented his report for the months of November. He also presented Resolution Nos. 24-11 through 25-11 approving the December bills Lists

**RESOLUTION 24-11 – December BILL LIST**

<b>FUND YEAR</b>	<b>AMOUNT</b>
2011	\$12,919.96

**RESOLUTION 25-11 – December BILL LIST**

<b>FUND YEAR</b>	<b>AMOUNT</b>
2011	\$ 4,000.00

**MOTION TO APPROVE PAYMENT OF BILLS - RESOLUTION NO. 24-11, AND 25-11**

**MOTION:** Commissioner Nolan  
**SECOND:** Commissioner Cuccia  
**ROLL CALL VOTE:** Unanimous

**EXECUTIVE DIRECTOR REPORT:**

**Natural Gas Auction-** The Executive Director led a discussion regarding our upcoming natural gas auction and the game plan moving forward for the members of the NJ SEM. He referred to the time line contained in the agenda.

A discussion also took place on the strike price for the upcoming natural gas auction. BSG referred to their hand out and indicated how they arrived at their recommended strike price of \$6.19. A discussion also took place regarding the issue of determining a secondary strike price in case we are not successful in the first auction. The committee agreed to set the range at 2% higher or \$6.31.

For purposes of obtaining Natural Gas Supply Services, the SEM has determined to go out to bids for a 12-month contract. The SEM has set a “strike price” of \$6.19 per MMBtu for the 12-month contract, which is the price which bids cannot exceed. This price is below the rate set by

the New Jersey Board of Public Utilities (BPU) for the supply of gas and is \$0.95 per MMBtu below the contract price for the 2011 Natural Gas Supply Services Contract.

However, if the NJ SEM is not successful at securing a contract at or below the strike price after two auctions, the NJ SEM intends to negotiate the Natural Gas Supply Services Contract directly with the Suppliers pursuant to N.J.S.A. 40A:11-5(3). Should that occur, the strike price for the negotiated contract shall be \$6.31 per MMBtu for the 12-month contract, which is 2% above the original strike price. The NJSEM will not award a negotiated contract unless the price is at or below the negotiated contract strike price of \$6.31 per MMBtu, the price is lower than the lowest rejected price received at the second bid opening and is the lowest negotiated price offered by a responsible vendor.

If the NJ SEM is successful in securing a contract for the Natural Gas Supply Services Contract at or below the negotiated strike price of \$6.31 per MMBtu, the NJ SEM will enter into a contract on behalf of all SEM Members who did not opt

**MOTION TO SET THE NJSEM STRIKE PRICE AT A \$ 6.19 AS INDICATED ABOVE**

	Commissioner Evers
<b>MOTION:</b>	
<b>SECOND:</b>	Commissioner Cuccia
<b>ROLL CALL VOTE:</b>	Unanimous

**Gas Auction time line-** Attached please find the upcoming gas auction time line. At today's meeting, we will need to establish our strike price.

**Membership fee-** All checks have been issued and mailed to the membership.

**Pay to Play-** All positions has been advertised and the responses are due in the Fund office on December 20, 2011. Chairman Brook appointed a review committee to grade the responses. He and Mr. Cuccia will be responsible for reviewing the RFQs.

EMEX- The Executive Director referred to the letter in the agenda from EMEX. BSG led the discussion on some marketing materials received by our members. Mr. Mansik indicated that this is an aggressive marketing campaign by EMEX. He feels that this platform is more advantageous for stand alone members with smaller accounts rather than the size of the SEM. Mr. Close suggested that the SEM get out in front of this issue so that our membership does not get confused.

Mr. Brook indicated that he would call DCA to ask about the approval letter that EMEX is referring to. In addition, Mr. Kickham suggested that an OPRA request be sent to EMEX so we can better understand their submission to DCA.

**MOTION TO ADJOURN MEETING**

<b>MOTION:</b>	Commissioner Nolan
<b>SECOND:</b>	Commissioner Cuccia
<b>VOTE:</b>	Unanimous

Meeting Adjourned: 11:20 AM

*Respectfully submitted,*

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Prepared by S. Sacco, Assistant Secretary