

MINUTES OF THE REGULAR AUTHORITY MEETING OF THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY HELD ON AUGUST 5, 2015 AT THE AUTHORITY'S ADMINISTRATION BUILDING, LAFAYETTE, NEW JERSEY

1. CALL TO ORDER; ROLL CALL; PLEDGE OF ALLEGIANCE

The Meeting was called to order at 3:03 p.m.

The following were present: Commissioners Sowden, Madsen, Petillo, Dietz, Cocula, Meyer and Drake, Administrator Hatzelis, Chief Engineer Varro, Solid Waste Superintendent Sparnon, Wastewater Superintendent Nugent, General Counsel Napolitano, Special Counsel Prol, and Recording Secretary Kronski; Wastewater Consulting Engineer John Scheri of Hatch Mott MacDonald

2. PUBLIC STATEMENT REGARDING SUNSHINE LAW

Chairman Petillo stated that the meeting has been duly advertised, and notice given thereof, as required by P.L. 1975, Chapter 231.

3. OPEN TO PUBLIC COMMENT

Chairman Petillo opened the meeting to public comment. No public comment. Chairman Petillo closed the meeting to public comment.

4. AGENDA APPROVAL

Chairman Petillo asked for a motion to approve the Agenda, Commissioner Drake moved the approval of the Agenda, seconded by Commissioner Madsen. No changes to the Agenda On voice vote: Ayes (7); Nays (0). The motion carried.

5. APPROVAL OF CONSENT AGENDA

The Chairman requested a motion for approval of the Consent Agenda. Commissioner Dietz moved the approval of the Consent Agenda, seconded by Commissioner Drake. No discussions. On voice vote: Ayes (7); Nays (0). The motion carried.

6. MINUTES

Chairman Petillo requested a motion to approve the distribution of the July 15, 2015 Pending Action Summary Sheet (PASS), which was emailed to the Clerk of the Freeholder Board on July 15, 2015.

PASS Report for 7-15-15 to Freeholder Board						
Commissioner	1st	2nd	Yea	Nay	Abstain	Absent
JOHN SOWDEN			x			
TOM MADSEN			x			
RON PETILLO			x			
WAYNE DIETZ	x		x			
ANDREA COCULA			x			
KARL MEYER			x			
JOHN DRAKE		x	x			

Motion passed.

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Chairman Petillo asked for a motion to approve the Open & Closed Minutes from the June 17, 2015 Authority Meeting.

Open and Closed Minutes for 6-3-15 Authority Meeting						
Commissioner	1st	2nd	Yea	Nay	Abstain	Absent
JOHN SOWDEN			x			
TOM MADSEN	x		x			
RON PETILLO			x			
WAYNE DIETZ			x			
ANDREA COCULA			x			
KARL MEYER			x			
JOHN DRAKE		x	x			

Motion passed.

Chairman Petillo noted the Open and Closed Minutes for the July 15, 2015 Authority Meeting have been emailed to the Commissioners for their review.

7. BUSINESS

a. Executive Session

At 3:05 p.m. Commissioner Cocula moved the adoption of the following resolution authorizing a Closed Executive Session seconded by Commissioner Meyer. On voice vote: (7) Ayes, (0) Nays, the motion carried. Chairman noted Closed Session to be approximately 20 minutes.

#15-121 RESOLUTION RE: AUTHORIZING CLOSED EXECUTIVE SESSION

At 3:22 p.m. Commissioner Cocula moved to adjourn the Closed Executive Session and reconvene the Open Session seconded by Commissioner Madsen. On voice vote, Ayes (7); Nays (0), the motion passed.

Chairman Petillo called for a meeting break at 3:22 p.m.

Meeting reconvened at 3:28 p.m.

Chairman Petillo indicated that in Closed Executive Session items discussed as specifically set forth in the resolution were personnel items and negotiations and/or litigations re: Landfill Gas to Energy Agreement; St. Clare's Agreement and Personnel Items. When the need for confidentiality of these matters no longer exists they will be opened to the public.

b. Wastewater Program

Superintendent's Report

Superintendent Nugent reviewed the Hampton Commons Facility's design history and construction. He reported that a recent pipe collapse occurred inside the facility's building and provided photos. Wastewater Engineers Hatch Mott MacDonald provided a structural engineer to review and assessed the damage. The flow was redirected and the insurance company and NJDEP were both notified. John Scheri further reported that the manufacturer of the brackets were notified and they are currently still being produced and further investigations may be warranted. Mr. Thomas Varro noted that the insurance company will look into all aspects including design, installation requirements and product. Hatch Mott will make recommendations for proper repair in conjunction with the insurance company. No injuries were reported. Proposal received to

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replace piping for \$40,000 from Ferraro Construction. Discussions continued regarding pipe installations and original specifications, design and installation.

Chief Engineer's Report

Mr. Varro reported on a two year contract for lab services for the Solid Waste Facility and Wastewater Facilities for certain required analysis by NJDEP. The current lab contract is with QC, Inc. and is up to renewal for 2015/2016. Tom noted QC, Inc. was awarded contract as a professional services agreement through the non-fair and open process and shall be advertised as such with a not-to-exceed amount of \$32,951.00 for both Solid Waste and Wastewater Programs. Tom prepared a resolution to approve and execute said Contract.

Res: #15-122 - QC, Inc. 2105/2016 Lab Services Agreement						
Commissioner	1st	2nd	Yea	Nay	Abstain	Absent
JOHN SOWDEN			x			
TOM MADSEN			x			
RON PETILLO			x			
WAYNE DIETZ		x	x			
ANDREA COCULA	x		x			
KARL MEYER			x			
JOHN DRAKE			x			

The resolution passed.

#15-122 RESOLUTION RE: AUTHORIZING THE AWARD OF A NON-FAIR AND OPEN TWO-YEAR PROFESSIONAL SERVICES CONTRACT AGREEMENT BETWEEN THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY (SCMUA) AND QC, INC. FOR LAB ANALYSIS SERVICES.

Mr. Varro reported on the recent Construction Review Committee Meeting in which Mr. John Scheri reported on the Upper Walkkill Capital Improvements. The primary project would be the upgrade of the Microscreen and shall be replaced one at a time. He reviewed the operations process during construction. Funds are available in the amount of \$920,000. Discussions continued on plant future and operations.

Motion: Authorization to design and prepare and advertise for bid specifications						
Commissioner	1st	2nd	Yea	Nay	Abstain	Absent
JOHN SOWDEN	x		x			
TOM MADSEN		x	x			
RON PETILLO			x			
WAYNE DIETZ			x			
ANDREA COCULA			x			
KARL MEYER			x			
JOHN DRAKE			x			

The motion passed.

Mr. Varro continued with the CRC meeting topic on the Upper Walkkill Maintenance Building at the wastewater facility requires an egress point and is a current safety issue. HMM will design for \$8,000 to provide steps for an emergency exit for employees from the second floor. He also reported on a few concrete repairs throughout the Upper Walkkill Plant and the Vernon Pump Station. Also a clarifier upgrade will be needed, cost effective analysis shows an eventual complete upgrade. These are future projects that will need to be completed in the next few fiscal years.

Administrator's Report

Mr. Hatzelis presented a resolution to execute an Amendment to the current Cost Sharing Agreement with Kuperus Meadows Farm. The Wallkill River Watershed Group received additional funds from the Natural Resources Conservation Services Farm Bill Funding Program to implement Best Management Practices for improvement of water quality. The NJDEP has approved an increase of \$1,003.59 for change in quantities for roofing and drainage supplies.

Res: #15-123 – Amendment #1 to cost sharing agreement						
Commissioner	1st	2nd	Yea	Nay	Abstain	Absent
JOHN SOWDEN			x			
TOM MADSEN		x	x			
RON PETILLO			x			
WAYNE DIETZ			x			
ANDREA COCULA	x		x			
KARL MEYER			x			
JOHN DRAKE					x	

The resolution passed.

#15-123 RESOLUTION RE: AUTHORIZING AMENDMENT #1 TO THE COST SHARING AGREEMENT WITH JAMES KUPERUS, OPERATOR OF KUPERUS MEADOWS FARM IN WANTAGE TOWNSHIP TO IMPLEMENT BEST MANAGEMENT PRACTICES IN COLLABORATION WITH A USDA-NRCS FARM BILL FUNDING PROGRAM (EQIP)

Mr. Hatzelis also reported on recent volumes and revenues for Septage, Sludge and Hauled Sewage for the fiscal year. He noted that actual revenues and connection fees are above projections 61% and 80%, respectively. Discussions continued regarding commercial hookups in Vernon Township.

c. Solid Waste Program

Attorney's Report

Attorney Thomas Prol reported that he received separate correspondence from the USEPA and the NJDEP stating, respectively, that the Solid Waste Facility has no obligation to apply for a Title V Permit as this time, and SCMUA was authorized to withdraw its pending Title V permit. Mr. Prol reviewed the history and the negotiations that took place over the last seven years and reminded the Commissioners that the Authority voluntarily submitted an application for Title V Permit as part of the negotiations in order to avoid costly litigation, but argued the Facility should not be categorized as a Title V Facility due to its size and that methane emissions are inapplicable to the analysis of imposing a Title V permit requirement. Board Secretary Andrea Cocula read both letters into the record:

United States Environmental Protection Agency Correspondence received – July 29, 2015

“The United States Environmental Protection Agency (EPA), Region Office, has reviewed your letter of March 18, 2015, submitted on behalf of Sussex County Municipal Utilities Authority (SCMUA). Your letter provided information on the SCMUA landfill to present your case that this facility is not subject to Title V of the Clean Air Act at its current capacity.....Since the SCMUA landfill at its current capacity is below the 2.5 megagrams mass threshold, it is not required to obtain a Title V permit at this time.”

NJDEP Correspondence received - August 3, 2015

“The Department has determined that the Sussex County Municipal Utilities Authority may withdraw the above referenced Title V Initial Operating Permit application.....Please send a written request to the Department to withdraw the pending Title V Application.”

Mr. Prol further noted this is great news and is a significant achievement for the Authority and its ratepayers. It has relieved the Authority of unnecessarily harsh and costly monitoring requirements that comes with Title V category for the time being. Tom Prol thanked Chief Engineer Varro for his efforts and the Commissioners for their continued support. The Chief Engineer, with legal counsel's recommendation, requested authorization to formally withdraw the Authority's application for a Title V Permit.

Motion: Authorization to formally withdraw application for Title V Permit						
Commissioner	1st	2nd	Yea	Nay	Abstain	Absent
JOHN SOWDEN			x			
TOM MADSEN		x	x			
RON PETILLO			x			
WAYNE DIETZ	x		x			
ANDREA COCULA			x			
KARL MEYER			x			
JOHN DRAKE			x			

The motion passed.

Superintendent's Report

Mr. Sparnon reported on the E-Waste Event held on Saturday, August 1st. Vintage Tech was the contractor for the event and unloaded 675 customers, 11 schools and in the process filled 2 tractor trailers and 4 box trucks full of various electronic waste for recycling. Total tonnage will be forthcoming.

Mr. Sparnon reported that the Heavy Equipment needs for the Solid Waste Facility was discussed at the Construction Review Committee meeting. It is recommended that a new CAT973 Track Loader advertised for lease/purchase to replaced old aging equipment and will fulfill the solid waste truck needs. Mr. Sparnon asked for authorization to advertise.

Motion: Authorization to advertise for bids for CAT973 track loader for SWF						
Commissioner	1st	2nd	Yea	Nay	Abstain	Absent
JOHN SOWDEN			x			
TOM MADSEN			x			
RON PETILLO			x			
WAYNE DIETZ			x			
ANDREA COCULA	x		x			
KARL MEYER			x			
JOHN DRAKE		x	x			

The motion passed.

Administrator's Report

Mr. Hatzelis reviewed recent tonnage data which shows a continued downward trend in overall total tonnage is 6.6% compared to same time period for 2014 (December 1, 2014 – July 31, 2015). Bagged Waste at the Residents' Convenience Center is up at 0.3%, Bulky Waste is down 28% and ID13C Construction Debris is down 47%. ID10 has bounced

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back and is on track with last year. These drops in tonnage equal revenue loss of \$556,000 compared to the same time period of last year.

Mr. Hatzelis reported on the Solid Waste Enforcement Shared Services Agreement, and is now fully executed. He was informed by James MacDonald of the County Health Department that the NJDEP will be notified of the revised Plan and will be forwarded to the NJDEP for review. Mr. Hatzelis also reported that \$86.00 was received from the County Health Department for compensation for a local carting company taking waste out of county.

e. Personnel Matters

Wastewater Superintendent's Report

Wastewater Superintendent Nugent presented a resolution to hire Marguerite Nemeth as Part-time Clerk Typist for the Wastewater Facility as discussed in Executive Session.

Res # 15-124 – Hire of N. Ruberto as WW Plant Attendant						
Commissioner	1st	2nd	Yea	Nay	Abstain	Absent
JOHN SOWDEN			x			
TOM MADSEN		x	x			
RON PETILLO			x			
WAYNE DIETZ			x			
ANDREA COCULA	X		x			
KARL MEYER			x			
JOHN DRAKE			x			

The resolution passed.

#15-124 RESOLUTION RE: APPOINTMENT OF WASTEWATER PART-TIME CLERK TYPIST, MARGUERITE NEMETH

Solid Waste Superintendent's Report

Mr. Sparnon presented a resolution for an official leave of absence for Kenneth Lambert for personal medical reasons, as discussed in Executive Session.

Res # 15-125 – Official Leave of Absence for Personal Medical Reasons						
Commissioner	1st	2nd	Yea	Nay	Abstain	Absent
JOHN SOWDEN			x			
TOM MADSEN			x			
RON PETILLO			x			
WAYNE DIETZ		x	x			
ANDREA COCULA			x			
KARL MEYER			x			
JOHN DRAKE	x		x			

The resolution passed.

#15-125 RESOLUTION RE: AUTHORIZING OFFICIAL LEAVE OF ABSENCE FOR PERSONAL MEDICAL REASONS FOR KENNETH LAMBERT

8. Payment of Bills

FINANCIAL CONSENT AGENDA – Chairman Petillo asked for a motion to approve the Financial Consent Agenda (FCA).

Res: #15-126 - Financial Consent Agenda						
Commissioner	1st	2nd	Yea	Nay	Abstain	Absent
JOHN SOWDEN			x			
TOM MADSEN			x			
RON PETILLO			x			
WAYNE DIETZ		x	x			
ANDREA COCULA			x			
KARL MEYER			x			
JOHN DRAKE	x		x			

The resolution passed.

#15-126 RESOLUTION RE: AUTHORIZING PASSAGE OF FINANCIAL CONSENT AGENDA

9. PUBLIC COMMENT

Chairman Petillo opened the meeting to public comment. No public comment. Mr. Petillo closed the meeting to public comment.

10. COMMISSIONERS' COMMENTS/REQUEST

Commissioners congratulated Counsel Prol on the Title V resolution being in favor of the SCMUA. Commissioner Drake commented positively on the Branchville Project Groundbreaking Ceremony, and noted apparently new businesses have solicited main street locations.

11. ADJOURN

Commissioner Sowden moved to adjourn the meeting, seconded by Commissioner Madsen. On voice vote: Ayes (7), the motion passed. The meeting was adjourned at 4:05 p.m.

Respectfully submitted,

Andrea Cocula, Secretary