

DRAFT

MINUTES OF THE REGULAR AUTHORITY MEETING OF THE SUSSEX COUNTY
MUNICIPAL UTILITIES AUTHORITY HELD ON DECEMBER 16, 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 3:05 p.m.

The following were present: Commissioners Sowden, Madsen, Petillo, Dietz, Cocula and Meyer, Administrator Hatzelis, Chief Engineer Varro, Solid Waste Superintendent Sparnon, Wastewater Superintendent Nugent, General Counsel Matt Giacobbe & John Napolitano (arrived 3:30pm), Special Counsel Prol and Recording Secretary Kronski

Absent: Commissioner Drake

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 Madsen moved the approval of the Agenda, seconded by Commissioner Cocula. On voice vote: Ayes (6); Nays (0). The motion carried.

5. APPROVAL OF CONSENT AGENDA

The Chairman requested a motion for approval of the Consent Agenda. Commissioner Sowden moved the approval of the Consent Agenda, seconded by Commissioner Meyer. No discussions necessary. On voice vote: Ayes (6); Nays (0). The motion carried.

6. MINUTES

Chairman Petillo requested a motion to approve the distribution of the December 2, 2015 Pending Action Summary Sheet (PASS), which was emailed to the Clerk of the Freeholder Board on December 3, 2015.

PASS Report for 12-2-15 to Freeholder Board Clerk						
Commissioner	1st	2nd	Yea	Nay	Abstain	Absent
JOHN SOWDEN		x	x			
TOM MADSEN			x			
RON PETILLO			x			
WAYNE DIETZ					x	
ANDREA COCULA	x		x			
KARL MEYER					x	
JOHN DRAKE						x

Motion passed.

Chairman Petillo requested a motion to approve the Open and Closed Minutes for the November 4, 2015 Authority Meeting including the FY2016 Rate Hearing. Commissioner Cocula moved to approve the minutes, seconded by Commissioner Dietz. On voice vote: Ayes (6); Nays (0). The motion passed.

There are no minutes for distribution for this meeting.

7. BUSINESS

a. Executive Session

At 3:08 p.m. Commissioner Cocula moved the adoption of the following resolution authorizing a Closed Executive Session. Motion seconded by Commissioner Madsen. On voice vote: (6) Ayes, (0) Nays, the motion carried. Chairman noted Closed Session to be approximately 15 minutes.

#16-005 RESOLUTION RE: AUTHORIZING CLOSED EXECUTIVE SESSION

At 3:19 p.m. Commissioner Cocula moved to adjourn the Closed Session, seconded by Commissioner Madsen. On voice vote: Ayes (6); Nays (0). The motion passed.

Chairman Petillo indicated items discussed as specifically set forth in the resolution authorizing Closed Executive Session were included: SXLE Contract negotiations and Personnel Items. When the need for confidentiality of these matters no longer exists they will be opened to the public.

b. Wastewater Program

Chief Engineer's Report

Mr. Varro reported on a request received from Valley View Apartments, A Partnership to be considered for a hardship payment plan for their connection fee to the Upper Wallkill System. Tom noted that they have already been approved by the Vernon Township MUA for a hardship payment plan for Vernon Connection Fee. Tom reviewed the payment schedule and noted the first payment of 20% plus \$20 for Lien Filing Fees has been received. A Financial Hardship Agreement has been executed by the Valley View Apartments and a property lien will be filed as per the Agreement. Tom reviewed resolution details.

Res# 16-006 Authorize entering into Hardship Agreement with Valley View Apartments						
Commissioner	1 st	2 nd	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.

#16-006 RESOLUTION RE: AUTHORIZING THE EXECUTION OF A CONNECTION FEE FINANCIAL HARDSHIP AGREEMENT WITH VALLEY VIEW APARTMENTS, A PARTNERSHIP

Mr. Varro reported on the Barn Structural Assessment Report, for the barn located on the SCMUA property by the Paulinskill Project Pump Station. He reviewed the major problems and structural issues at the cost of \$300,000. Discussion held on demolition costs and low cost building for storage needs. He noted that USDA will be at the SCMUA on Friday and the building will be discussed with them, and he will report back.

Administrator’s Report

Administrator Hatzelis reviewed resolution and packet distributed regarding the U.W. System Actual Sewer User Charges. He reviewed how the flows have impacted each user, depending on whether their Sewer Service Agreement with the Authority is based on Guaranteed Minimum Flows or Actual Flows. He briefly reported on the Debt Service and Operations and Maintenance charges. There was an average of 0.1% decrease in user charges.

Res# 16-007 Authorizing Chairman to approve actual sewer user charges & certificates for UW participants for 2015						
Commissioner	1 st	2 nd	Yea	Nay	Abstain	Absent
JOHN SOWDEN			x			
TOM MADSEN			x			
RON PETILLO			x			
WAYNE DIETZ			x			
ANDREA COCULA	x		x			
KARL MEYER		x	x			
JOHN DRAKE						x

The resolution passed.

#16-007 RESOLUTION RE: APPROVAL AND ADOPTION OF CALCULATION OF ACTUAL ANNUAL CHARGES FOR SEWER SERVICE FOR FISCAL YEAR 2015 – UPPER WALLKILL SYSTEM

General Counsel Matthew Giacobbe left the meeting at this time 3:30pm after Counsel John Napolitano arrived.

c. Solid Waste Program

Superintendent’s Report

Mr. Sparron reported that the Shared Services Agreement with Hardyston Township for Class A Fiber Profit Sharing is up for a yearly renewal. He noted that Hardyston Township has approved for extension for one year until August 2016.

Res# 16-008 Shared Services Agreement 1 year ext. for Fiber Profit Sharing						
Commissioner	1 st	2 nd	Yea	Nay	Abstain	Absent
JOHN SOWDEN		x	x			
TOM MADSEN			x			
RON PETILLO			x			
WAYNE DIETZ			x			
ANDREA COCULA	x		x			
KARL MEYER			x			
JOHN DRAKE						x

The resolution passed.

#16-008 RESOLUTION RE: SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY AUTHORIZING THE EXECUTION OF AN EXTENSION OF A SHARED SERVICES AGREEMENT WITH THE TOWNSHIP OF HARDYSTON FOR THE PROVISION OF DESIGNATED CLASS A FIBER RECYCLABLE MATERIAL HANDLING AND MARKETING WITH PROFIT SHARING

Commissioner Madsen stepped out of the room for 2 minutes at 3:38 pm

Mr. Sparnon reported on the unusable/unserviceable equipment for the Solid Waste Facility and reviewed a resolution listing the items to be disposed of.

Res# 16-009 Disposing of certain SW property no longer in use.						
Commissioner	1 st	2 nd	Yea	Nay	Abstain	Absent
JOHN SOWDEN		x	x			
TOM MADSEN					Out of Room during vote	
RON PETILLO			x			
WAYNE DIETZ			x			
ANDREA COCULA	x		x			
KARL MEYER			x			
JOHN DRAKE						x

The resolution passed.

#16-009 RESOLUTION RE: SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY DECLARING CERTAIN PROPERTY NO LONGER NEEDED FOR PUBLIC USE, AND AUTHORIZATION TO DISPOSE OF IN THE LEAST COSTLY METHOD AVAILABLE PURSUANT TO N.J.S.A. 40A:11-36

Chief Engineer’s Report

Mr. Varro reported on correspondence from the NJDEP re: a potential bird flu waste disposal plan. He noted that NJDEP has requested that the Authority provide an operations disposal plan to respond to NJDE flow redirection of infected bird carcasses, potentially from locations in Warren County, if necessary. Tom Varro reviewed the many concerns including protection of employees, night disposal, and cost. He also reviewed NJDEP history of guidelines regarding bird flu infected protocol. Commissioners discuss further, which has been addressed at past meetings and instructed Mr. Varro to advise NJDEP and the County that we do not have the equipment nor landfill space, and are not prepared or interested in taking this infectious waste.

Chief Engineer Tom Varro reported on a memo distributed regarding the temporary cap analysis and its projected worth compared to not capping the landfill. Tom reviewed leachate flows before and after the capping (January 2015 to November 2015). He reviewed rainfall data and hauling leachate gallonage to the U.W. Plant for disposal and treatment costs including leachate generation avoidance and converted to avoided costs. He reviewed the two projected leachate generation scenarios, the temporary cap results in leachate avoidance costs ranging from \$131,000/year (actual rainfall conditions) to \$179,000/year (average rainfall conditions). Correlating to the incurred cost of construction/installation of the temporary cap, the project payoff period would range from 7.7 years (actual rainfall conditions) to 5.7 years (average rainfall conditions). The temporary cap is projected to remain in place for at least 10 years, therefore the decision to construct and install the temporary cap is confirmed as beneficial for the SCMUA. He noted the positive impact on gas collection as well. Commissioners discuss

further on rainfall variable and inquire about the public comment period for leachate force main. Mr. Varro reported that the Freeholders have approved the Water Quality Management Plan Amendment for the proposed leachate force main.

d. General Authority Business

Administrator’s Report

Mr. Hatzelis indicated it was time to advertise for RFQ/RFP for certain Professional Services. The notice shall be posted on the SCMUA website. Commissioner Cocula moved to authorize advertisement for RFQ/RFP for Professional Services for General Legal Counsel; Bond Counsel; Special Legal Counsel for Environmental Matters; Auditing Services; Risk Manager/Insurance Agent Services; Specialized Environmental Consultant; and Financial Advisor & Continuing Disclosure Agent Services. Motion seconded by Commissioner Madsen. On voice vote: Ayes (6); Nays (0); Abstain (0). The motion passed.

Administrator Hatzelis reported that the Operating & Capital Budgets have been approved by the State for the Upper Walkkill Facilities; Solid Waste Facilities; Paulinskill Facilities (Capital only); Hampton Commons Facility; and Walkkill River Watershed Program. Commissioner Cocula moved all resolutions for adoption, seconded by Commissioner Dietz.

Res# 16-010 through #16-014 adoption of all Budgets for FY2016						
Commissioner	1 st	2 nd	Yea	Nay	Abstain	Absent
JOHN SOWDEN		x	x			
TOM MADSEN			x			
RON PETILLO			x			
WAYNE DIETZ			x			
ANDREA COCULA	x		x			
KARL MEYER			x			
JOHN DRAKE						x

The resolution passed.

#16-010 RESOLUTION RE: ADOPTION OF THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY’S UPPER WALLKILL FACILITIES FY2016 OPERATING AND CAPITAL BUDGETS

#16-011 RESOLUTION RE: ADOPTION OF THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY’S SOLID WASTE FACILITIES FY2016 OPERATING AND CAPITAL BUDGETS

#16-012 RESOLUTION RE: ADOPTION OF THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY’S PAULINSKILL WATER RECLAMATION FACILITIES FY2016 OPERATING AND CAPITAL BUDGETS

#16-013 RESOLUTION RE: ADOPTION OF THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY’S HAMPTON COMMONS FACILITY’S FY2016 OPERATING AND CAPITAL BUDGETS

#16-014 RESOLUTION RE: ADOPTION OF THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY’S WALLKILL RIVER WATERSHED PROGRAM FY2016 OPERATING BUDGET

DECEMBER 16, 2015

DRAFT

Administrator Hatzelis summarized updates which were discussed in Executive Session regarding the amended personnel policy manual for 2016, and asked for a motion to adopt said manual.

Res# 16-015 Adoption of Personnel Policy Manual for 2016						
Commissioner	1 st	2 nd	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 resolution passed.

#16-015 RESOLUTION RE: ADOPTION OF AMENDED SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY ORGANIZATION AL STRUCTURE, STAFF POSITION DESCRIPTION, SALARY STRUCTURE AND PERSONNEL AND EMPLOYEE POLICIES (EFFECTIVE JANUARY 1, 2016)

Mr. Hatzelis presented a resolution for salary adjustments for 2016 for staff, as reviewed and recommended by Personnel Committee.

Res# 16-016 Staff Salary Adjustment for 2016						
Commissioner	1 st	2 nd	Yea	Nay	Abstain	Absent
JOHN SOWDEN			x			
TOM MADSEN			x			
RON PETILLO			x			
WAYNE DIETZ	X		x			
ANDREA COCULA			x			
KARL MEYER		X	x			
JOHN DRAKE						x

The resolution passed.

#16-016 RESOLUTION RE: FY2016 SALARY ADJUSTMENTS AND PERSONNEL ACTIONS FOR SCMUA EMPLOYEES

Mr. Hatzelis reviewed resolution for salary adjustments for Department Heads for 2016.

Res# 16-017 Salary adjustments for Department Heads for 2016						
Commissioner	1 st	2 nd	Yea	Nay	Abstain	Absent
JOHN SOWDEN			x			
TOM MADSEN			x			
RON PETILLO			x			
WAYNE DIETZ	x		x			
ANDREA COCULA			x			
KARL MEYER		x	x			
JOHN DRAKE						x

The resolution passed.

#16-017 RESOLUTION RE: FY2016 SALARY ADJUSTMENTS FOR SCMUA SUPERVISORY PERSONNEL

Chief Engineer Varro reviewed the consent letter regarding the Landfill Gas to Energy vendor SXLE and the ground lease. Commissioner Cocula moved to authorize the Chairman to sign the revised consent letter prepared by Attorney Tom Prol, seconded by Commissioner Sowden. On voice vote: Ayes (6); Nays (0); Abstain (0). The motion passed.

Commissioner Meyer opened discussions regarding correspondence sent to Chairman Petillo from the Law Firm of Scarinci & Hollenbeck, representing Cavalier Environmental Services requesting amendment to the Sussex County District Solid Waste Management Plan. They are requesting an administrative action to amend the SWMP to transfer ownership of a SW Facility Permit from Grinnell Recycling to Cavalier. Mr. Hatzelis indicated this request is not an issue to be brought before the SCMUA, it should be directed to Sussex County's Solid Waste Advisory Council. Discussions continued noting to advise Scarinci and Hollenbeck via email letter that their request must be sent to SWAC.

8. Payment of Bills

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

Res: #16-018 Financial Consent Agenda						
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	x			
JOHN DRAKE						x

#16-018 RESOLUTION RE: AUTHORIZING PASSAGE OF FINANCIAL CONSENT AGENDA

9. PUBLIC COMMENT

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

10. COMMISSIONERS' COMMENTS/REQUEST

Commissioner Cocula moved to give Commissioner Drake an excused absence, seconded by Commissioner Madsen. On voice vote: Ayes (6), the motion passed. Short discussion held regarding Statewide Insurance rates for next year, Mr. Hatzelis noted the contract ends in 2017. Commissioner Dietz was approached by Vernon representative Fasino to request SCMUA Staff meet with new Mayor Shortway for informational purposes regarding Vernon Service Contract, future billings, etc. and perhaps a tour of the U.W. facilities. Commissioners wished everyone a Merry Christmas, Happy New Year and safe holiday season. Happy Birthday to Commissioner Meyer and to Superintendent Sparnon.

11. ADJOURN

Commissioner Sowden moved to adjourn the meeting, seconded by Commissioner Meyer. On voice vote: Ayes (6), the motion passed. The meeting was adjourned at 4:08 p.m.

Respectfully submitted,

Andrea Cocula, Secretary