

MINUTES OF THE REGULAR AUTHORITY MEETING OF THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY HELD ON FEBRUARY 18, 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 3:00 p.m.

The following were present: Commissioners Sowden, Madsen, Petillo, Dietz (via telecom), Cocula, Meyer, and Drake, Administrator Hatzelis, Chief Engineer Varro, Solid Waste Superintendent Sparnon, Wastewater Superintendent Nugent, General Counsel Matthew Giacobbe, Attorney John Napolitano, Special Environmental Counsel Thomas Prol, and Recording Secretary Kronski

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

The Chairman opened the meeting to public comment. No Comments. 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. 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 Drake moved the approval of the Consent Agenda, seconded by Commissioner Madsen. On voice vote: Ayes (7); Nays (0). The motion carried.

6. MINUTES

Chairman Petillo requested a motion to approve the distribution of the February 4, 2015 Pending Action Summary Sheet (PASS), which was emailed to the Clerk of the Freeholder Board on February 6, 2015. Commissioner Dietz moved the PASS Report, seconded by Commissioner Drake. On voice vote: Ayes (7); Nays (0); Abstain (0). The motion carried.

Chairman Petillo asked for a motion to approve the Open & Closed Minutes from the January 7, 2014 Authority Meeting. Commissioner Drake moved to approval, seconded by Commissioner Sowden. On voice vote: Ayes (7); Nays (0); Abstain (0). The motion carried.

Chairman Petillo noted the Open & Closed Minutes for the January 21, 2015 and February 4, 2015 Authority Meetings have been emailed to the Commissioners for their review.

7. **BUSINESS**

a. Executive Session

At 3:03 p.m. Commissioner Cocula moved the adoption of the following resolution authorizing a Closed Executive Session seconded by Commissioner Dietz. On voice vote: (7) Ayes, (0) Nays, the motion carried. Chairman Petillo noted the approximate time of Executive Session to be approximately 20-25 minutes.

#15-062 RESOLUTION RE: AUTHORIZING CLOSED EXECUTIVE SESSION

At 3:53 p.m. Commissioner Cocula moved to adjourn the Closed Executive Session and reconvene the Open Session seconded by Commissioner Drake. On voice vote, Ayes (7); Nays (0), the motion passed.

Chairman Petillo called for a short meeting break 3:53 pm.; General Counsel Giacobbe left the meeting at this time.

The meeting resumed at 4:04 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 Contract; 3 Party Agreement/Solid Waste Enforcement and Personnel Matter. When the need for confidentiality of these matters no longer exists they will be opened to the public.

b. Wastewater Program

Attorney's Report

Attorney John Napolitano reported on behalf of Attorney Giacobbe and reviewed a status memo regarding the property acquisition for the Paulinskill Project from FMI and Cowan. Final property closing is pending final survey and 10 day notice to State for commercial bulk sale requirements. Mr. Hatzelis noted that the property contracts have been executed by all parties and there is a Contractors meeting on March 5th. Commissioner Cocula moved to approve the Property Closings and to make the funds available pending receipt of final necessary documents, Commissioner Drake seconded.

Approval of availability of funds and final property closings						
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			

Wastewater Superintendent's Report

Mr. Nugent reported that the Authority would like to continue to host a Water and Wastewater NJWEA Seminar for water and wastewater operators in and around Sussex County to earn hours/credits to retain water and wastewater operator licenses. The Authority has hosted in the past with a cost of \$150. Commissioner Cocula moved the authorization of the NJWEA Seminar, seconded by Commissioner Madsen.

Sponsor Water and Wastewater Seminar						
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			

Chief Engineer's Report

Mr. Varro reported on a request from H&H Auto Parts to be considered for the SCMUA Hardship Program for connection to the Upper Walkkill System through the Vernon Township. The connection fee is for a strip mall in Vernon Township for a total of 11.5 EDU's. Tom noted that H&H has been pre-approved for hardship by the Vernon Township MUA, which is a required prerequisite. He reviewed the payment schedule and indicated that an initial check has been received, as well as a signed Agreement from the applicant. Commissioner Cocula moved the resolution to authorize SCMUA execution of Agreement, seconded by Commissioner Sowden.

Res: #15-063						
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			

#15-063 RESOLUTION RE: AUTHORIZING THE EXECUTION OF A CONNECTION FEE FINANCIAL HARDSHIP AGREEMENT WITH H&H AUTO PARTS, INC.

Administrator's Report

Mr. Hatzelis reported on the recently issued Paulinskill Project Note, in the amount of \$10,210,000 and will mature in December 2016. Funds are available for construction costs, site acquisitions, engineering. Discussions continued USDA grant and loan funding portion, and a preconstruction meeting to be held on March 5th with all parties including contractors and USDA. The bond note was provided to the Commissioners.

c. Solid Waste Program

Chief Engineer's Report

Mr. Varro reported on the recent Solid Waste Advisory Council Meeting and indicated that new business included an application from Grinnell to amend the Solid Waste Management Plan to accept ID13 Bulky Waste at the Materials Recovery Facility/Transfer Station operated by Cavalier Environmental Services. Mr. Varro reviewed his response to SWAC and the SCMUA concerns regarding the potentially adverse financial impact to the Authority. Approximately 17-18% of the SCMUA waste flow accepted at the Solid Waste Facility is ID13 (Bulky Waste), and is subsequently source separated by the SCMUA for recycling markets resulting in additional revenue. Mr. Varro explained the potential loss of approximately \$2 million in revenue to the Authority's Solid Waste Facility. Discussions continued regarding financial impact and covering cell closure/post closure care funds and enforcement program effectiveness. John Hatzelis reviewed financials and history of MRF under Grinnell ownership, as well as, details of the County Deficiency Agreement and bond payment obligations. Commissioners advise to review tonnage and recycling data and establish an accurate revenue/tonnage loss in order to prepare a formal response to SWAC.

Mr. Varro gave the Commissioners an update on the NJDEP permit for landfill expansion project and noted that he has been in contact with NJDEP-Bureau of Solid Waste. Currently the permit is in review with the State Fish and Wildlife and a next step is to have a meeting to see if there are any further data needs.

Mr. Varro presented a resolution for a change order #1 for Contract #445 Temporary Landfill Cap Life, which reduces final payment to contractor. Commissioner Meyer moved the resolution for approval of change order #1, seconded by Commissioner Cocula.

Res: #15-064 Contract #445 change order #1						
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		x			
JOHN DRAKE			x			

#15-064 RESOLUTION RE: APPROVAL OF CHANGE ORDER #1 FOR A.SERVIDONE/B.ANTHONY CONSTRUCTION CORP.JV, CONTRACT NO. 445, TEMPORARY LANDFILL CAPPING PROJECT, BY THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

Administrator's Report

Administrator Hatzelis reported on a recent award given to the SCMUA for "Commitment to Safety" from the Statewide Insurance Fund. He noted SCMUA staff are very proactive and vigilant. Commissioners congratulated staff and would like to get the word out for recognition for the Authority.

d. General Authority Business

Wastewater Superintendent's Report

Mr. Nugent asked for a motion to accept the retirement resignation letter as presented in Executive Session from Jerry Brown after 25 years of service to the Authority. Commissioner Cocula moved acceptance of letter, seconded by Commissioner Madsen. On voice vote: Ayes (7); Nays (0); Abstains (0). The motion passed.

Solid Waste Superintendent's Report

Mr. Sparnon gave a status report on the Heavy Equipment Operator Position, and indicated that 6 potential candidates were interviewed and staff is waiting on driving record information for all before a decision and a recommendation is made to the Personnel Committee. Commissioners agree that two positions should be filled for better equipped staff.

8. Payment of Bills

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

Res: #15-065 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	x			
JOHN DRAKE			x			

#15-065 RESOLUTION RE: AUTHORIZING PASSAGE OF FINANCIAL CONSENT AGENDA

9. PUBLIC COMMENT

No comments.

10. COMMISSIONERS' COMMENTS/REQUEST

Commissioner Dietz thanked the Board for allowing him to teleconference in for the meeting.

11. ADJOURN

Commissioner Sowden moved to adjourn the meeting, seconded by Commissioner Meyer. On voice vote: Ayes (7), the motion passed. The meeting was adjourned at 4:34 p.m.

Respectfully submitted,

Andrea Cocula, Secretary