

MINUTES OF THE REGULAR AUTHORITY MEETING OF THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY HELD ON SEPTEMBER 21, 2016 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 Perez, Madsen, Petillo, Dietz (arrived at 3:05pm), Cocula, and Drake, Administrator Hatzelis, Chief Engineer Varro, Solid Waste Superintendent Sparnon, Wastewater Superintendent John Nugent, Assistant Wastewater Superintendent Angelo Baron, General Counsel Napolitano, Special Counsel Prol and Recording Secretary Kronski.

Absent: Commissioner Meyer

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 with the recommendation that Executive Session be moved to the back of the Agenda, notifying there are pending actions may be taken after Executive Session. Commissioner Perez moved the approval of the Agenda, seconded by Commissioner Madsen. 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 Drake moved the approval of the Consent Agenda, seconded by Commissioner Cocula. No discussions necessary. On voice vote: Ayes (6); Nays (0). The motion carried.

6. MINUTES

Chairman Petillo requested a motion to approve/acknowledge the distribution of the September 7, 2016 Pending Action Summary Sheet (PASS), which was emailed to the Freeholder Board on September 8, 2016.

PASS Report for 9-7-16 transmittal to the Freeholder Board						
Commissioner	1st	2nd	Yea	Nay	Abstain	Absent
DAN PEREZ			x			
TOM MADSEN	x				x	
RON PETILLO			x			
WAYNE DIETZ						x
ANDREA COCULA			x			
KARL MEYER						x
JOHN DRAKE		x	x			

The motion passed.

Chairman Petillo asked for a motion to approve the Open and Closed Minutes for the July 20, 2016 and August 3, 2016 Authority Meetings. Commissioner Drake moved both sets of minutes for approval, Commissioner Cocula seconded motion. On voice vote: Ayes (6); Nays (0). The motion carried.

Chairman Petillo noted that the Open and Closed Minutes for the September 7, 2016 Authority Meeting have been emailed to the Commissioners for review.

7. BUSINESS

- a. Executive Session (moved to the back of the Agenda – after Public Comment section)
- b. Wastewater Program

**Chief Engineer’s Report**

Mr. Varro reported on Change Order #1 for Contract PRC-103, which was discussed previously and he noted the Contractor Montana had reached Substantial Completion and requested the final landscaping occur during the month of October, asking for a 60 day time extension at no cost.

Res #16-116: Change Order #1 for PRC-103						
Commissioner	1st	2nd	Yea	Nay	Abstain	Absent
DAN PEREZ		x	x			
TOM MADSEN			x			
RON PETILLO			x			
WAYNE DIETZ						x
ANDREA COCULA	x		x			
KARL MEYER						x
JOHN DRAKE			x			

#16-116 RESOLUTION RE: AUTHORIZATION FOR CHAIRMAN TO EXECUTE CHANGE ORDER NUMBER 1 TO SCMUA CONTRACT NO. PRC-103, MONTANA CONSTRUCTION, INC.

**Administrator’s Report**

Administrator Hatzelis gave the Commissioner a quick update on the Paulinskill Project USDA Loan Closing. He noted the closing took place on September 20<sup>th</sup> and \$7,825,000 was electronically transferred to the SCMUA accounts.

- c. Solid Waste Program

**Superintendent’s Report**

Mr. Sparnon reminded the Commissioners that the final E-Waste Event for 2016 is scheduled for October 8<sup>th</sup> and will be conducted by ERI, who is the Contracted Vendor. Mr. Sparnon will report back to the Board after this event.

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Mr. Sparnon reviewed the bid opening for Contract #17-04 for Furnish and Deliver of Landfill Cover Soil, Bids were reviewed by Staff and legal counsel and he indicated the low bid was submitted by Braen Stone at \$3.25 per ton for both 2017 and 2018. A resolution has been prepared for Commissioners consideration for award of Contract #17-04 to Braen Stone.

Res #16-117: Bid Award for #17-04 Cover Soil FY2017						
Commissioner	1st	2nd	Yea	Nay	Abstain	Absent
DAN PEREZ			x			
TOM MADSEN			x			
RON PETILLO			x			
WAYNE DIETZ						x
ANDREA COCULA	x		x			
KARL MEYER						x
JOHN DRAKE		x	x			

#16-117 RESOLUTION RE: AUTHORIZING AWARD TO THE LOWEST RESPONSIVE BIDDER TO FURNISH AND DELIVER LANDFILL COVER SOIL (CONTRACT NO. 17-04) FOR THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

d. General Authority Business

**Chief Engineer's Report**

Chief Engineer Varro reported on a request from the Montague Middle School, which was to have Mr. Varro mentor students on their Future City Competition. Time shall be spent throughout the school year, and Commissioners discussed and agreed it would be great Education/Community Outreach opportunity.

Commissioner Dietz entered the meeting at 3:05 p.m.

**Administrator's Report**

Mr. Hatzelis reviewed a resolution regarding an Amendment to the SCMUA Personnel Policy, which shall memorialize discussions and previous passed motion at the last Authority Meeting. This resolution is to amend SCMUA Personnel Policy to offer Full-time Employees coverage for spouse/dependant health benefit coverage. Mr. Hatzelis summarized the resolution and why it was necessary to revert back to original policy re: Medical Benefit Coverage.

Res: #16-118: Amend to Personnel Policy re: Health Benefit Coverage for Dependents						
Commissioner	1st	2nd	Yea	Nay	Abstain	Absent
DAN PEREZ			x			
TOM MADSEN	x		x			
RON PETILLO			x			
WAYNE DIETZ			x			
ANDREA COCULA			x			
KARL MEYER						x
JOHN DRAKE		x	x			

#16-118 RESOLUTION RE: AMENDMENT TO SCMUA PERSONNEL POLICIES REGARDING MEDICAL BENEFIT COVERAGE

Before Administrator Hatzelis presented the FY2017 Authority Budgets, Budget Committee Chairman Commissioner Madsen commented on the and congratulated the Staff for a Debt Free Solid Waste Facility. For FY2017 all Debt Service has been paid in full which is a result of a well run and fiscal conservative approach and praised the group effort.

Administrator Hatzelis handed out a packet to review all Authority Budgets. Budget presentation covered Operations and Maintenance expenses, Capital expenses, as well as any debt service for the Upper Walkkill Facility, Hampton Commons Facility, Solid Waste Facility, the Walkkill Watershed Program, Administrative Services and the debut of the Paulinskill Basin Water Reclamation Facility. Mr. Hatzelis began with the Upper Walkkill, he reviewed proposed budget for FY2017 \$6,480,000 which is a 4.6% increase over last year, however he explained the Vernon Additional Bonds which total a \$150,000 increase and are only the responsibility of Vernon Township participants. When this variable is withdrawn from the equation, the actual increase is 2.2%. Mr. Hatzelis reviewed revenue streams for the Upper Walkkill Facility totaling \$1,334,000 for FY2017. Mr. Hatzelis also reviewed impact on each system participant with an average of 0.3% increase on sewer user charges, without the Vernon Additional Bonds. Connection fees for FY2017 are projected to be \$225,000. Wastewater Superintendent Nugent gave an overview of the 5 year Capital Budget Projects and Renewal and Replacement Items for all wastewater facilities and pump stations. Staff answered questions regarding 5-year Capital Budget, Capital Improvements and budgeted operating costs for legal fees.

Mr. Hatzelis continued with the proposed FY2017 Hampton Commons Budget which totals \$177,000 for an increase 1.3% from last year. He noted that U.W. Employees service the plant and we bill O&M Services to the two participants, Hampton Commons Homeowners Association (80%) and Hampton Township for the Lowes Home Improvement Center (20%). Mr. Hatzelis reported on the investments earnings, retainage items and calculation of sewage treating charges, which gives a projected \$1 per unit increase for Hampton Commons Homeowners and Hampton Township shall have an increase of \$65 from FY2016. Mr. Hatzelis reviewed history of rate changes and plant amicable condition, may need to replace generator in FY2017.

Solid Waste Facilities FY2017 Operating Budget is projected to be \$10,807,000 which is a reduction from the prior year, a Title V Permit may be required in the near future. Mr. Hatzelis noted that at the end of FY2016, the Solid Waste Facility debt service shall end, which will allow the Authority to replenish the Landfill Closure Care Escrow Account. Administrator Hatzelis noted that a portion of this account was borrowed from to rectify shortages to pay for the scheduled debt service payments. Mr. Hatzelis reviewed absence of flow control and lack of state aid that caused these shortfalls in funding over the past few years. Mr. Hatzelis continued with the Solid Waste Budget larger line items and projected revenues for FY2017, which shall not cause and upswing in tipping fees. He indicated that 98,000 tons are projected for FY2017. Discussions continued regarding large truck and equipment purchases that are earmarked for replacement and Solid Waste Superintendent detailed all capital budget improvement and investment items for the Solid Waste Facilities and priority of each. Mr. Varro reviewed in detail the R&R funding and purchases necessary for 2017 and 2018 including servicing truck; rebuild of a compactor; new roll-off and replacement of water truck. Tom Varro continued on the need for Landfill gas wells shall be required and be funded from the Closure Account in 2017, he reported on future needs for landfill gas collection. Administrator Hatzelis explained the projected debt service for the Landfill Extension Project and Leachate Pumps Station shall be approximately \$928,000 and \$500,000, respectively.

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Administrator Hatzelis reviewed the Paulinskill Budget, which is a new facility and the projected operating costs and known debt services cost. John Hatzelis reported the annual debt service shall be \$318,000, with total budget \$602,000 for 2017. He reviewed the calculations and the impact on sewer user charges in Branchville Borough and Frankford Township, which is estimated to be \$968/unit. Mr. Hatzelis reviewed 5 year projections for EDU charges. There is no Capital Budget for this new plant, if repairs needed funding will be provided by R&R fund.

The last Operating Budget is for the Walkkill River Watershed Program and all their funding is through grants from the State and NRCS and the Penn Foundation. The Facility does a lot of water enhancement projects throughout the County with local farmers, townships and private environmental groups. The 2017 Budget totals \$493,800, all funding is from NJDEP and some federal grants, as well.

Mr. Hatzelis continued with the Central Services/Administrative Budget, which includes accounting office, administrator office, Chief Engineer and Office Administrative Staff. All other operating budgets contribute to this Central Services Budget and for a total of \$1,494,000 for 2017.

Commissioners thanked Mr. Hatzelis for the presentation on the budgets and had no questions at this time, however Mr. Hatzelis invited any Commissioner to come by the office or call if any questions surface of to review these budgets further. Administrator Hatzelis presented a resolution for authorization to submit all budgets to the New Jersey State Department of Community Affairs.

Res: #16-119: Authorize budgets presented to be submitted to the DCA for review.						
Commissioner	1st	2nd	Yea	Nay	Abstain	Absent
DAN PEREZ			x			
TOM MADSEN		x	x			
RON PETILLO			x			
WAYNE DIETZ			x			
ANDREA COCULA	x		x			
KARL MEYER						x
JOHN DRAKE			x			

#16-119 2017 AUTHORITY BUDGET RESOLUTION

8. Payment of Bills

FINANCIAL CONSENT AGENDA – Chairman Petillo asked for a motion to approve the Financial Consent Agenda (FCA). Staff answered questions regarding Keifer Electric bill, which were for the installation of LED lighting in the Solid Waste Garage.

Res: #16-120: FCA						
Commissioner	1st	2nd	Yea	Nay	Abstain	Absent
DAN PEREZ			x			
TOM MADSEN		x	X			
RON PETILLO			X			
WAYNE DIETZ	x		X			
ANDREA COCULA			X			
KARL MEYER						x
JOHN DRAKE			x			

#16-120 RESOLUTION RE: CONSENT AGENDA – BILL PAYING LIST

9. PUBLIC COMMENT

Chairman Petillo opened the meeting to Public Comment, no comments, Chairman Petillo closed the meeting to Public Comment.

Chairman Petillo called for a meeting break at 4:00 pm

Meeting resumed at 4:10.

a. Executive Session

At 4:10 p.m. Commissioner Cocula moved the adoption of the following resolution authorizing a Closed Executive Session. Motion seconded by Commissioner Drake. On voice vote: (6) Ayes, (0) Nays, the motion carried. Chairman Petillo noted Closed Session should last for approximately 30-45 minutes with possible actions in Open Session after discussions for Personnel Items.

#16-121 RESOLUTION RE: AUTHORIZING CLOSED EXECUTIVE SESSION

At 4:50 p.m. Commissioner Perez moved to adjourn the Closed Session, seconded by Commissioner Cocula. 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: Contract PRC-101 Worth & Company and Personnel Items. When the need for confidentiality of these matters no longer exists they will be opened to the public.

7e. Personnel Matters

**Wastewater Superintendent's Report**

Mr. Nugent reviewed a resolution for the appointment of Roger Decker for hire as Plant Attendant pending a favorable pre-employment physical.

Res# 16-122: Hire of Roger Decker as Wastewater Plant Attendant						
Commissioner	1st	2nd	Yea	Nay	Abstain	Absent
DAN PEREZ			x			
TOM MADSEN			x			
RON PETILLO			x			
WAYNE DIETZ		x	x			
ANDREA COCULA	x		x			
KARL MEYER						x
JOHN DRAKE			x			

#16-122 RESOLUTION RE: APPOINTMENT OF WASTEWATER PLANT ATTENDANT, ROGER DECKER

**Solid Waste Superintendent's Report**

Mr. Sparron presented a resolution as discussed in Executive Session for a 30-day leave of absence without pay for Kenneth Lambert for medical reasons.

Res# 16-123: Leave of Absence for Kenneth Lambert						
Commissioner	1st	2nd	Yea	Nay	Abstain	Absent
DAN PEREZ			x			
TOM MADSEN		x	x			
RON PETILLO			x			
WAYNE DIETZ			x			
ANDREA COCULA			x			
KARL MEYER						x
JOHN DRAKE	x		x			

**#16-123 RESOLUTION RE: REQUEST FOR OFFICIAL LEAVE OF ABSENCE WITHOUT PAY FOR MEDICAL REASONS FOR 30-DAY PERIOD**

Mr. Varro reviewed discussions and requested a motion to authorize Kleinfelder to maintain full time Resident Project representative services through Substantial Completion and reducing services to a part time basis thereafter, subject to an amendment to their contract.

Motion: Continue RE&I Services from Kleinfelder to PRC-101						
Commissioner	1st	2nd	Yea	Nay	Abstain	Absent
DAN PEREZ			x			
TOM MADSEN			x			
RON PETILLO			x			
WAYNE DIETZ		x	x			
ANDREA COCULA	x		x			
KARL MEYER						x
JOHN DRAKE			x			

The motion passed.

Mr. Hatzelis asked for Commissioners consideration to authorize SCMUA Staff to issue Branchville and Frankford residents a Notice to Connect upon issuance of a TCO or CO for the Paulinskill Project from the Branchville Construction Official, as well as reaching Substantial Completion.

Motion: Issue NOC with Substantial Completion and issuance of CO/TCO						
Commissioner	1st	2nd	Yea	Nay	Abstain	Absent
DAN PEREZ	X		x			
TOM MADSEN			x			
RON PETILLO			x			
WAYNE DIETZ			x			
ANDREA COCULA			x			
KARL MEYER						x
JOHN DRAKE		x	x			

The motion passed.

**10. COMMISSIONERS' COMMENTS/REQUEST**

Commissioner Cocula moved to give Commissioner Meyer an excused absence, seconded by Commissioner Madsen. On voice vote: Ayes (6), Nays (0), Abstain (0). The motion passed.

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Commissioners commended the Administrator and Departmental Staff on the Budget preparations and the accomplishment of fiscal responsibility to have the Solid Waste Facility debt free in FY2017.

11. ADJOURN

Commissioner Drake moved to adjourn the meeting, seconded by Commissioner Madsen. On voice vote: Ayes (6), the motion passed. The meeting was adjourned at 5:00 p.m.

Respectfully submitted,

Andrea Cocula, Secretary