

MINUTES OF THE REGULAR AUTHORITY MEETING OF THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY HELD ON MAY 17, 2017 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: Chairman Madsen, Vice Chairman Drake, Commissioners Perez, Dietz, Cocula and Petillo and Administrator Hatzelis, Chief Engineer Varro, Solid Waste Superintendent Sparnon, Wastewater Superintendent Angelo Baron, General Counsel Napolitano, and Recording Secretary Kronski

Absent: Commissioner Meyer and Special Counsel Prol

2. PUBLIC STATEMENT REGARDING SUNSHINE LAW

Chairman Madsen 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

No public comment.

4. AGENDA APPROVAL

Commissioner Drake moved the approval of the Agenda, seconded by Commissioner Perez. Mr. Hatzelis requested the Paul Cuva's report on the Audit be moved to the beginning of the Agenda, and also to add discussions re: Mountain Creek Bankruptcy and status re: Landfill Life Extension to the Executive Session Agenda. Commissioner Drake moved the Agenda as amended, seconded again by Commissioner Perez. On voice vote: Ayes (6); Nays (0). The motion carried.

5. APPROVAL OF CONSENT AGENDA

Commissioner Drake moved the approval of the Consent Agenda, seconded by Commissioner Dietz. No discussions requested. On voice vote: Ayes (6); Nays (0). The motion carried.

6. MINUTES

Chairman Madsen requested a motion to approve/acknowledge the distribution of the May 3, 2017 Pending Action Summary Sheet (PASS), which was emailed to the Freeholder Board on May 4, 2017. On voice vote: Ayes (6); Nays (0). The motion carried.

Chairman Madsen requested a motion to approve the Open and Closed Minutes for April 5, 2017 Authority Meeting.

Open and Closed Minutes for 4-5-17 Authority Meeting						
Commissioner	1st	2nd	Yea	Nay	Abstain	Absent
DAN PEREZ		x	x			
JOHN DRAKE	x		x			
TOM MADSEN			x			
WAYNE DIETZ					x	
ANDREA COCULA			x			
KARL MEYER						x
RONALD PETILLO			x			

The motion passed.

Distributed: Minutes of April 19, 2017

7. BUSINESS

Chairman Madsen gave the floor to SCMUA's Auditor Paul Cuva to review the FY2016 Audit. Mr. Cuva reviewed the highlights of Fiscal Year 2016 Audit that included an improving net position of \$10,267,000 mostly due to Farmer's Home Loan/Grant for the Paulinskill Project and a decrease in Closure/Post Closure Care Liability. The Landfill Expansion Project closed a large gap in the C/PCC deficit with the recalculation of future revenue eligibility. Mr. Cuva reviewed the appropriations for pension funding, that are now included the yearly Audit. It was noted there was one finding in the Audit which was regarding the C/PCC Escrow deficit of \$212,000, which should be rectified due to the fact that there is no longer any debt service due for the Solid Waste Facility. Mr. Cuva answered Commissioners' questions and discussions ensued regarding pension payments liability to State of New Jersey in relation to audit reporting requirements. Commissioner Cocula moved the Group Affidavit Resolution stating that the Commissioners have reviewed the FY2016 Audit, specifically the Recommendations/Comments portion. Commissioner Dietz seconded the motion. On roll call...

Res: #17-095 Audit Group Affidavit for FY2016						
Commissioner	1st	2nd	Yea	Nay	Abstain	Absent
DAN PEREZ			x			
JOHN DRAKE			x			
TOM MADSEN			x			
WAYNE DIETZ		x	x			
ANDREA COCULA	x		x			
KARL MEYER						x
RONALD PETILLO			x			

#17-095 RESOLUTION RE: GROUP AFFIDAVIT FOR FY2016 ANNUAL FINANCIAL AUDIT

At 3:10 pm Paul Cuva left the meeting.

a. Executive Session

At 3:10 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 Madsen noted Closed Session approximate time should be for 20-30 minutes and discussions include: QC Lab Services Agreement, Paulinskill Project – Contract PRC-101 Change Order, Stop and Shop Property Lien, Mountain Creek Bankruptcy and Landfill Life Extension Project. Chairman noted to the public that actions may be taken after Executive Session.

#17-096 RESOLUTION RE: AUTHORIZING CLOSED EXECUTIVE SESSION

At 3:45 p.m. Commissioner Cocula moved to adjourn the Closed Session, seconded by Commissioner Drake. On voice vote, Ayes (6); Nays (0); Abstain (0). The motion passed.

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Chairman Madsen indicated items discussed as specifically set forth in the resolution authorizing Closed Executive Session included: QC Lab Services Agreement, Paulinskill Project-Contract PRC-101 Change Order, Stop and Shop Property Lien, Mountain Creek Bankruptcy and Landfill Life Extension Project When the need for confidentiality of these matters no longer exists they will be opened to the public.

b. Wastewater Program

**Superintendent's Report**

Wastewater Superintendent Baron gave a status report on the repairs that were needed on the Hampton Commons Facility. The repairs were done by Oswald and took 6 hours to complete, and NJDEP was notified of the repairs thereon. Mr. Baron noted since the repairs, there has been a significant drop in flows.

**Chief Engineer's Report**

Chief Engineer Varro reviewed the discussions that were held in the Construction Review Committee Meeting earlier in the day. He touched on the Landfill Life Extension Project, including the proposed Contract #444 Change Order package shall be provided to the Commissioners when developed. Mr. Varro gave a status report on the Leachate Force Main Project, and Mott MacDonald is completing the Feasibility Study on the project route, which shall be presented at either the June 17<sup>th</sup> Construction Review Meeting or June 17<sup>th</sup> Authority Meeting.

Mr. Varro reviewed requested changes resolution regarding Change Order #3 for Paulinskill Project PRC-101, to include a credit to the Authority and approval of Payment Request #23. Payment to Contractor shall be contingent upon their execution of Change Order #3 with submittal of schedule of punch list item completion dates.

Res#: 17-097 Authorization of Change Order #3 for Contract PRC-101						
Commissioner	1st	2nd	Yea	Nay	Abstain	Absent
DAN PEREZ			x			
JOHN DRAKE			x			
TOM MADSEN			x			
WAYNE DIETZ		x	x			
ANDREA COCULA	x		x			
KARL MEYER						x
RONALD PETILLO			x			

#17-097 RESOLUTION RE: AUTHORIZATION FOR CHAIRMAN TO EXECUTE CHANGE ORDER NUMBER 3 TO SCMUA CONTRACT NO. PRC-101, WORTH AND COMPANY

**Administrator's Report**

Mr. Hatzelis indicated under Wastewater Program and as per discussions in Executive Session, a motion is required for the Stop and Shop Property Lien.

Motion: Update Stop and Shop Property Lien to include accrued interest						
Commissioner	1st	2nd	Yea	Nay	Abstain	Absent
DAN PEREZ	x		x			
JOHN DRAKE			x			
TOM MADSEN			x			
WAYNE DIETZ		x	x			
ANDREA COCULA			x			
KARL MEYER						x
RONALD PETILLO			x			

The Motion passed.

c. Solid Waste Program

**Superintendent's Report**

Mr. Sparnon reminded the Commissioners that the second E-waste event of 2017 is scheduled for May 20, 2017 from 7am – 2pm. SCMUA staff has been preparing for this event and ERI is still the contracted vendor for 2017.

Mr. Sparnon reported on discussions in the Construction Review Committee Meeting regarding Solid Waste Operations Equipment needs. Mr. Sparnon reviewed the condition of the current equipment, and noted the requested trucks/equipment that shall be necessary to continue operations safely, while keeping costs down. It was noted funding for equipment is available in the 5 year Capital Budget Plan. Discussions continued on versatility of track machine, cost saving options for the Authority without considering staff safety. Equipment shall be used for future operations at Solid Waste Landfill due to Contract #444 Landfill Life Extension Project. Commissioners authorize to prepare bid specifications and advertise for solid waste equipment needs including track excavator; water truck, lube truck; roll-off truck. Motion also approved purchase of pickup truck through Morris County Co-op.

Motion: prepare bid specs for requested equipment and to purchase pickup truck						
Commissioner	1st	2nd	Yea	Nay	Abstain	Absent
DAN PEREZ			x			
JOHN DRAKE			x			
TOM MADSEN			x			
WAYNE DIETZ		x	x			
ANDREA COCULA	x		x			
KARL MEYER						x
RONALD PETILLO			x			

The Motion passed.

**Administrator's Report**

Administrator Hatzelis gave a status report on finances regarding the Landfill Life Extension Project through the New Jersey Environmental Infrastructure Trust. The Short-term Note Closing took place on May 16<sup>th</sup>. Mr. Hatzelis explained the reimbursement process, and at the end of the project, all financing will be through the NJEIT program.

d. General Authority Business

Administrator's Report (Audit review moved to beginning of Agenda)

8. Payment of Bills

FINANCIAL CONSENT AGENDA – Chairman Madsen asked for a motion to approve the Financial Consent Agenda (FCA). Short discussion was held on bill list re: consulting services bills from Mott MacDonald, French & Parrello and Cornerstone.

Res: #17-098 Financial Consent Agenda						
Commissioner	1st	2nd	Yea	Nay	Abstain	Absent
DAN PEREZ			x			
JOHN DRAKE		x	x			
TOM MADSEN			x			
WAYNE DIETZ			x			
ANDREA COCULA	x		x			
KARL MEYER						x
RONALD PETILLO			x			

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9. PUBLIC COMMENT

Chairman Madsen opened the meeting to public comment, no public present, he closed the meeting to public comment.

10. COMMISSIONERS' COMMENTS/REQUEST

Commissioner Cocula moved to give Commissioner Meyer an excused absence, seconded by Commissioner Drake. On voice vote: Ayes (6), the motion passed.

11. ADJOURN

Commissioner Perez moved to adjourn the meeting, seconded by Commissioner Drake. On voice vote: Ayes (6), the motion passed. The meeting was adjourned at 4:13 p.m.

Respectfully submitted,

Andrea Cocula, Secretary