

MINUTES OF THE REGULAR AUTHORITY MEETING OF THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY HELD ON AUGUST 6, 2014 AT THE AUTHORITY'S ADMINISTRATION BUILDING, LAFAYETTE, NEW JERSEY

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

The Chairman called the meeting to order at 3:00 p.m.

The following were present: Commissioners Sowden, Petillo, Dietz, Cocula, Meyer and Drake, Administrator Hatzelis, Chief Engineer Varro, Solid Waste Superintendent Sparron, General Counsel Matthew Giacobbe, Special Environmental Counsel Thomas Prol, and Recording Secretary Kronski.

Absent: Commissioner Madsen

Public Present: Linda Masson

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. Ms. Masson questioned the Executive Session Agenda posted on the Authority's website. General Counsel Giacobbe indicated he will read the resolution into record before going into closed session. Chairman Petillo closed the meeting to public comment.

4. AGENDA APPROVAL

Chairman Petillo asked for a motion to approve the Agenda, Commissioner Sowden moved the approval of the Agenda, seconded by Commissioner Dietz. 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 Dietz. No discussions. On voice vote: Ayes (6); Nays (0). The motion carried.

6. MINUTES

Chairman Petillo requested a motion to approve the distribution of the July 2, 2014 Pending Action Summary Sheet, which was emailed to the Freeholder Board on July 8, 2014. Commissioner Drake moved, seconded by Commissioner Sowden. On voice vote: Ayes (6); Nays (0). The motion carried.

Chairman Petillo asked for motion to approve the Open and Closed Meeting Minutes for the June 4, 2014 Regular Authority Meeting. Commissioner Sowden approved the minutes, seconded by Commissioner Meyer. On voice vote: Ayes (6); Nays (0). The motion carried.

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Chairman Petillo noted that the June 18, 2014 & July 2, 2014 Open & Closed Minutes have been emailed to the Commissioners for their review.

7. BUSINESS

a. Executive Session

At 3:07 p.m. Commissioner Cocula moved the adoption of the following resolution authorizing a Closed Executive Session seconded by Commissioner Meyer. General Counsel Giacobbe read aloud the Closed Session Resolution noting the subject matters and reasons that are deemed confidential pursuant to NJSA 10:4-12 including Contract #14-03, Sussex County Sheriff's SLAP/SWAP Program Agreement, and Personnel Committee Meeting. Chairman Petillo noted that the Session may last approximately 30 minutes. On voice vote (6) Ayes, (0) Nays, the motion carried.

#14-083 RESOLUTION RE: AUTHORIZING CLOSED EXECUTIVE SESSION

At 3:20 p.m. Commissioner Cocula moved to adjourn the Closed Executive Session and reconvene the Open Session seconded by Commissioner Drake. On voice vote, Ayes (6); Nays (0), the motion passed.

Chairman Petillo called for a meeting break at 3:20 p.m.

The meeting resumed at 3:40 p.m.

General Counsel Giacobbe noted that the Paulinskill Property Acquisition subject matter was listed on the Closed Session Agenda however, it was omitted when read aloud. He restated the portion of the Closed Session Resolution including the Frankford BOE/Cowan Property Acquisition.

Chairman Petillo indicated that in Closed Executive Session items discussed as specifically set forth in the resolution were negotiations and/or litigations re: Contract #14-03; Sussex County Sheriff's SLAP/SWAP Program Agreement; Personnel Committee Meeting and Frankford BOE/Cowan Property. 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

Chief Engineer Varro gave a status report on the Paulinskill Project and indicated Kleinfelder/Omni and the Authority were in the process of providing requested documents/information to the USDA for review/approval before formal advertising. Mr. Varro reviewed all the documentation including final plans and specifications; historic preservation/cultural resources reports and TWA approvals. Mr. Varro also provided status on Branchville's portion. Discussions ensued regarding project timeline and performance and maintenance bond. The status and coordination of the County's Road Opening Permit was discussed. Mr. Varro reported that he and Brian Fridlich of KLF/Omni met with the S.C. Engineering Department to review application requirements. The Commissioners authorized the submittal of the necessary application(s), as well as a formal request for fee waiver and winter construction waiver, along with the establishment of a required force account for County of Sussex in the amount of \$5,000. Commissioner Cocula moved to authorize advertisement of the Paulinskill Project contingent upon USDA approval thereof, seconded by Commissioner

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Meyer. On voice vote: Ayes (6); Nays (0); Abstain (0). The motion passed.

Mr. Varro reported on the proposed Sussex County Water Quality Management Plan Amendment for Main Land Sussex Company, LLC in which has been endorsed by resolution from both Sussex Borough and Wantage Township. It is located in the Wantage Plaza with a failing septic system and currently hauling wastewater to the Upper Walkkill Facility. The Site Specific Amendment is endorsed by the Authority contingent upon further verification of carrying capacity of the Sussex Borough wastewater force main through the TWA permit process. Commissioner Cocula moved the resolution authorizing the proposed Amendment, seconded by Commissioner Meyer. On roll call: Ayes (6) Commissioners Sowden, Petillo, Dietz, Cocula, Meyer and Drake; Nays (0); Abstain (0). The resolution passed.

#14-084 RESOLUTION RE: AUTHORIZING SCMUA STATEMENT OF CONSENT FOR THE PROPOSED AMENDMENT TO THE SUSSEX COUNTY WATER QUALITY MANAGEMENT PLAN FOR MAIN LAND SUSSEX COMPANY, LLC WANTAGE PLAZA, WANTAGE TOWNSHIP

Mr. Varro presented a resolution regarding a Site Specific Plan Amendment to the Sussex County Water Quality Management Plan for Bicsak Brothers Realty along Route 23 and Blair Road. Both Sussex Borough and Wantage Township have endorsed through Resolutions. Mr. Varro reported that there are several possible points of connections available to the Upper Walkkill System, but have to yet be certified for carrying capability. Commissioner Cocula moved the resolution, contingent on receipt of review fee, Commissioner Dietz seconded. On roll call: Ayes (6) Commissioners Sowden, Petillo, Dietz, Cocula, Meyer and Drake; Nays (0); Abstain (0). The resolution passed.

#14-085 RESOLUTION RE: AUTHORIZING SCMUA STATEMENT OF CONSENT FOR THE PROPOSED AMENDMENT TO THE SUSSEX COUNTY WATER QUALITY MANAGEMENT PLAN FOR BICSAK BROTHERS REALTY, ROUTE 23 AND BLAIR ROAD

Administrator's Report

Mr. Hatzelis reported that Upper Walkkill Bond Reserve Fund Surety swap was completed and this action has made approximately \$1.4 million available in the Phase 2 Construction Fund for Capital Improvements.

c. Solid Waste Program

Solid Waste Superintendent's Report

Discussion regarding Compacter Bids was tabled until the next Authority Meeting.

Mr. Sparnon reported on the E-Waste Event that was held on July 26th in which Vintage Tech was the vendor. There were 875 customers and approximately 45 tons of electronics collected totaling 248 tons for 3 events. The next E-Waste Event is scheduled for October 11, 2014.

Chief Engineer's Report

Mr. Varro reported on the July Solid Waste Advisory Council Meeting that included a discussion regarding Gaeta Recycling and the use of their Materials Recovery Facility in Passaic County. Major concern for the Authority would be the inability to monitor out-of-county residual coming to the Authority and the enforcement of flow control. Discussions continued regarding a precedent for MRF's throughout the state and County's Solid Waste Management Plan. Mr. Varro will present the Commissioners' position at the September SWAC meeting.

Administrator's Report

Administrator Hatzelis reported that a check in the amount of \$37,112.75 was received from Grinnell Recycling, Inc. for the remaining balance of the Settlement Agreement. Discussions ensued concerning future payment policy with Grinnell and it was directed that the current policy of requiring an escrow pursuant to the Agreement shall remain in effect. General Counsel noted he will see to removal of the GRI property lien 90 days after the check clears.

Administrator Hatzelis provided a handout to report on the latest data regarding tonnages and revenues for the time period of December 1, 2013 – July 31, 2014 and compared to 2011, 2012 and 2013 overall tonnage is down 3.0%. July ID10 waste is down 2.6%; C&D Waste is down 8.2%. Overall tonnage reduction equals \$120,000 in revenue loss.

d. General Authority Business

Administrator's Report

Mr. Hatzelis reported on recent regulations and disclosure requirements for Municipal Bond Issuers. He indicated that the Security and Exchange Commission requires continued disclosure on multiple issues including providing audits, ratings changes, etc. Mr. Hatzelis noted that the SCMUA's audit is submitted every year, however there are more and more information that is being required and must submit through electronic filing with EMMA. Discussions continued regarding Bond Counsel and underwriters responsibilities. Mr. Hatzelis will prepare resolution for Phoenix Advisory monitoring services for future notifications.

f. Personnel Matters

Wastewater Superintendent's Report

Mr. Nugent prepared 2 resolutions for new hires for Plant Attendants, Christopher Grennille and Tyler Grabowski. Details were discussed in Executive Session. The Personnel Committee endorses these new hires for the Upper Walkkill Facility Staff Positions. Commissioner Cocula moved both resolutions, seconded by Commissioner Dietz. On roll call: Ayes (6) Commissioners Sowden, Petillo, Dietz, Cocula, Meyer and Drake; Nays (0); Abstain (0). The resolutions passed.

#14-086 RESOLUTION RE: APPOINTMENT OF WASTEWATER PLANT ATTENDANT, TYLER GRABOWSKI

#14-087 RESOLUTION RE: APPOINTMENT OF WASTEWATER PLANT ATTENDANT, CHRISTOPHER GRENNILLE

Solid Waste Superintendent's Report

Mr. Sparnon reported on the receipt of retirement/resignation of Charles Hurd effective January 1, 2014 with 25 years service with the SCMUA. Commissioner Cocula moved to accept the retirement of Charles Hurd, seconded by Commissioner Dietz. On roll call: Ayes (6) Commissioners Sowden, Petillo, Dietz, Cocula, Meyer and Drake; Nays (0); Abstain (0). The motion passed.

Mr. Sparnon presented four resolutions for the hire of three Heavy Equipment Operator I positions and a Heavy Equipment Operator II position. Commissioner Cocula moved the recommended hires pending favorable physical examinations. Commissioner Dietz seconded the motion. On roll call: Ayes (6) Commissioners Sowden, Petillo, Dietz, Cocula, Meyer and Drake; Nays (0); Abstain (0). The resolutions passed.

#14-088 RESOLUTION RE: APPOINTMENT OF SOLID WASTE HEAVY EQUIPMENT OPERATOR I, JEFFREY LITTLE

#14-089 RESOLUTION RE: APPOINTMENT OF SOLID WASTE HEAVY EQUIPMENT OPERATOR I, JOHN HARTNEFELS

#14-090 RESOLUTION RE: APPOINTMENT OF SOLID WASTE HEAVY EQUIPMENT OPERATOR I, CHRISTOPHER VEALEY

#14-091 RESOLUTION RE: APPOINTMENT OF SOLID WASTE HEAVY EQUIPMENT OPERATOR II, SHAWN LITTLE

8. Payment of Bills

FINANCIAL CONSENT AGENDA – Chairman Petillo asked for a motion to approve the Financial Consent Agenda (FCA). Commissioner Drake moved the FCA, seconded by Commissioner Sowden. On roll call, the vote was as follows: Ayes (6) Commissioners Sowden, Petillo, Dietz, Cocula, Meyer and Drake; Nays (0); Abstain (0). The resolution passed.

#14-092 RESOLUTION RE: AUTHORIZING PASSAGE OF FINANCIAL CONSENT AGENDA

9. PUBLIC COMMENT

Ms. Masson inquired if the Authority has Wastewater Service Contracts with non-municipal entities. John Hatzelis indicated that the Authority has a Sewer Service Contract with Wallkill Sewer Company that is now Aqua of NJ. Also discussions continued regarding renegotiating current Service Contracts. Mr. Hatzelis reviewed the recent merger of two service contracts into one for Vernon Township, and also noted allocation transfers. He noted that renegotiations or changes in any Service Contract cannot adversely affect any other System Participants. It was also noted that Bond Counsel must approve of any changes in Service Agreements for the protection of current Bond Holders.

10. COMMISSIONERS' COMMENTS/REQUEST

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

Commissioners wished Mr. Dietz a Happy Birthday and complimented the Authority staff's preparedness and handling of future employment at the SCMUA both Solid Waste and Wastewater.

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11. ADJOURN

Commissioner Sowden moved to adjourn the meeting, seconded by Commissioner Drake. On voice vote, the motion passed. The meeting was adjourned at 4:27 p.m.

Respectfully submitted,

Andrea Cocula, Secretary