

MINUTES OF THE REGULAR AUTHORITY MEETING OF THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY HELD ON MAY 6, 2015 AT THE AUTHORITY'S ADMINISTRATION BUILDING, LAFAYETTE, NEW JERSEY

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

Vice Chairman Madsen chaired the meeting, due to Chairman Petillo's absence.

The Meeting was called to order at 3:00 p.m.

The following were present: Commissioners Sowden, Madsen, Dietz, Cocula, Meyer and Drake, Administrator Hatzelis, Chief Engineer Varro, Solid Waste Superintendent Sparnon, Wastewater Superintendent Nugent, General Counsel Napolitano, Special Environmental Counsel Thomas Prol, Recording Secretary Kronski, Auditor Paul Cuva

Absent: Commissioner Petillo and Attorney Giacobbe.

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

Chairman Madsen opened the meeting to public comment. No comments. Chairman Madsen closed the meeting to public comment.

4. AGENDA APPROVAL

Chairman Madsen asked for a motion to approve the Agenda, Commissioner Sowden moved the approval of the Agenda, seconded by Commissioner Drake. Administrator Hatzelis requested to move the Executive Session to the end of the Agenda to have Auditor Paul Cuva report be the first order of business. 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 Dietz moved the approval of the Consent Agenda, seconded by Commissioner Drake. No discussions. On voice vote: Ayes (6); Nays (0). The motion carried.

6. MINUTES

Chairman Madsen requested a motion to approve the distribution of the April 15, 2015 Pending Action Summary Sheet (PASS), which was emailed to the Clerk of the Freeholder Board on April 16, 2015.

PASS Report acknowledgement 4-15-15 mtg.						
Commissioner	1st	2nd	Yea	Nay	Abstain	Absent
JOHN SOWDEN		x	x			
TOM MADSEN			x			
RON PETILLO						x
WAYNE DIETZ	x		x			
ANDREA COCULA			x			
KARL MEYER					x	
JOHN DRAKE			x			

There are no minutes up for approval at this meeting.

MAY 6, 2015

Chairman Madsen noted the Open and Closed Minutes for both the April 1, 2015 and April 16, 2015 meetings have been emailed to the Commissioners for their review.

GENERAL AUTHORITY BUSINESS:

Administrator's Report

Mr. Paul Cuva reviewed the budget highlights of the Authority's FY2014 Financial Audit comparing 2013 to 2014 Revenues vs. Expenditures for the Upper Wallkill and Solid Waste Facilities. He noted concern for the deficit in the Closure/Post Closure Care Account for the Solid Waste Facility and reviewed the plan to fund this account with the pending landfill life extension permit. Commissioners acknowledged review of the FY2014 Audit with prepared resolution as required by DLGS.

# 15-096 FY2014 Annual Financial Audit Review						
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			

#15-096 FY2014 ANNUAL FINANCIAL AUDIT & GROUP AFFIDAVIT

7. BUSINESS

b. Wastewater Program

Superintendent's Report

Mr. Nugent reviewed current projects for the Upper Wallkill Facilities including UV disinfection unit #2 cabinet upgrades; installation of transpactor for headworks screen; electrical work and JetVac repair. He noted the cost of each and detailed the work completed for all projects. Reviewed effluent microscreen repairs needed, and has discussed with Wastewater Consultant John Scheri for discussion at a future meeting before start of project.

Administrator's Report

Mr. Hatzelis reviewed a resolution re: an amendment to the Memorandum of Understanding with the SCMUA-WRWMG and the USDA-NRCS regarding the shared services agreement. The amendment increases the maximum allowable reimbursement from 90% to 95% to landowners/farmers that participate in the water quality improvement programs. Wallkill River Watershed Group Director, Nathaniel Sajdak reviewed a recent meeting and program presentation with NJDEP. He also updated the Commissioners on the program, and detailed the opportunities that are available to local farmers through the 319 (h) grant funding. Mr. Sajdak summarized the resolution for raising the maximum allowable reimbursement to 95%.

#15-097 AMENDEMENT #2 TO MOU WITH SCMUA-WRWWMG & USDA-NCRS						
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			

Mr. Hatzelis gave a status update on the Paulinskill Project in which USDA has approved the additional funding for the grant/loan program and brings the total to \$13,454,500. He explained that 42% will be grant funded, 58% will be low interest loans and noted the success of the Value Engineering Study shows a reasonable user charge fee. Mr. Varro reviewed the construction schedule and the first project meeting for Project 101 and 103. All is going well so far, and noted that Project 102 (pump station) will begin in July, which is ideal because school will not be in session.

Mr. Hatzelis reviewed worksheet on volumes and revenues for Septage, Sludge and Hauled Sewage, and indicated that actual revenues are ahead of projections through April 2014. Connection fees are currently at \$170,884 projected \$250,000 for the year. Connection fees are coming from multiple municipalities.

c. Solid Waste Program

Superintendent's Report

Mr. Sparnon reported on the 10th Annual Earth Day Celebration that took place on April 22, 2015 which went extremely well. He praised the hard work, effort and planning of Reenee Casapulla, SCMUA Recycling Coordinator, WRWWMG Nathaniel Sajdak, Eric VanBenschoten and Watershed Ambassador Kristine Rogers. Both Nathaniel and Reenee spoke about the successful event and the growing population of the event over the last 10 years, as well as, the many vendors that participate annually. Ms. Casapulla read a few thank you notes written by the students that attended the event, and noted their appreciation and excitement of the day.

Mr. Sparnon reminded the Commissioners that there is an E-waste Day Event scheduled for Saturday May 9th from 7am-2pm and is predicted to be very busy. He noted the high volume of customers using the Solid Waste Facilities.

Chief Engineer's Report

Chief Engineer Varro reported on the Cavalier/GRI Proposed Solid Waste Management Plan Amendment and noted that he received word from the County Solid Waste Coordinator that the GRI Amendment is not administratively complete at this time. He also summarized a memorandum he prepared regarding a recent Ogdensburg Municipal Board Meeting, in which the SCMUA was invited to answer questions from the Ogdensburg Board regarding the SWMP Amendment. Mr. Varro attended the meeting as per the invitation, however was met with skepticism on his presentation by the Mayor and resident Jarrod Cofrancesco. Tom reported to the Commissioners that he reminded the Ogdensburg Council that he was here to answer questions regarding the SCMUA's position on the proposed Grinnell/Cavalier Amendment, and was not lobbying for any particular position by Ogdensburg relative to the

MAY 6, 2015

Grinnell/Cavalier Amendment. Mr. Cofrancesco, as counsel for Grinnell and landlord to Cavalier, promoted private competition for solid waste disposal. Discussions continued regarding Cavalier correspondence denying relationship with Grinnell which appears to be an apparent contradiction of the representations of Mr. Cofrancesco at the Ogdensburg Council Meeting.

Mr. Varro reviewed the status on the Landfill Life Extension Permit, and indicated that the deed issue is in the hands of Lou Cattuna, Supervisor of the NJDEP – Land Use Regulation Program. A large amount of data/information was sent to NJDEP, and a conference call is scheduled for Monday May 11th. Mr. Varro will report back at the next meeting.

Administrator’s Report

Mr. Hatzelis reported on Tonnages and Revenues compared to the same 4 month time period to last year, the tonnage chart shows ID10 Household Waste is up 0.2%, however, ID13 Bulky Waste is down by 22.5% and ID13 Construction and Demolition is also down by 38%. Overall, tonnage is down by 4.3% compared to 2014 for the period of December 1st to April 30, 2015. Discussion re: impact on SCMUA tonnages as more and more of the ID13 C&D waste stream is shown to be going to Cavalier’s MRF.

d. General Authority Business

Administrator’s Report

[Audit presentation moved to beginning of Business Agenda.]

8. Payment of Bills

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

Res: #15-098 - Financial Consent Agenda						
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			

#15-098 RESOLUTION RE: AUTHORIZING PASSAGE OF FINANCIAL CONSENT AGENDA

9. PUBLIC COMMENT

No Comments.

Chairman Madsen called for a meeting break at 4:00 pm.

Meeting resumed at 4:10 pm.

BUSINESS (cont.)

a. Executive Session

At 4:10 p.m. Commissioner Cocula moved the adoption of the following resolution authorizing a Closed Executive Session seconded by Commissioner Drake. On voice vote: (6) Ayes, (0) Nays, the motion carried.

#15-099 RESOLUTION RE: AUTHORIZING CLOSED EXECUTIVE SESSION

At 5:00 p.m. Commissioner Cocula moved to adjourn the Closed Executive Session and reconvene the Open Session seconded by Commissioner Meyer. On voice vote, Ayes (6); Nays (0), the motion passed.

Chairman Madsen indicated that in Closed Executive Session items discussed as specifically set forth in the resolution were personnel items and negotiations and/or litigations re: Solid Waste Enforcement Program Agreement; Trespassing/litter on Solid Waste Facility; and LFGTE Agreement. When the need for confidentiality of these matters no longer exists they will be opened to the public.

10. COMMISSIONERS' COMMENTS/REQUEST

Commissioners congratulated the WRWMG and Reenee Casapulla on job well done on the Earth Day Celebration. Great job by all!

Commissioner Cocula moved to give Commissioner Petillo an excused absence, seconded by Commissioner Meyer.

Ronald Petillo – excused absence						
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			

11. ADJOURN

Commissioner Sowden moved to adjourn the meeting, seconded by Commissioner Drake. On voice vote: Ayes (6), the motion passed. The meeting was adjourned At 5:02 p.m.

Respectfully submitted,

Andrea Cocula, Secretary