

MINUTES OF THE REGULAR MEETING OF THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY HELD ON MAY 1, 2013 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 (arrived @ 3:06), Cocula, Meyer and Drake, Administrator Hatzelis, Chief Engineer Varro, Solid Waste Superintendent Spannon, Wastewater Superintendent Nugent, Attorney Matthew Jacobbe and Recording Secretary Kronski

Public: Paul Cuva, Ferraioli Wielkocz Cerullo & Cuva (SCMUA Auditor); Kenneth Acheson, Vernon Business Owner; Linda Masson, Sussex Borough

Absent: Commissioner Madsen

2. PUBLIC STATEMENT

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. Mr. Kenneth Acheson approached the Board to discuss the Sewer Connection Fees for his business in Vernon. Mr. Acheson is the owner of the Mixing Bowl Restaurant in Vernon Township and has concerns regarding the cost of the connection fees for the Vernon Township MUA and the Sussex County MUA. He previously sent correspondence to the Sussex County MUA and Vernon Township MUA requesting reconsideration of EDU assessment for his business. Chairman Petillo understands his concerns and indicated that the EDU formula is set by the NJDEP, and indicated that the "hardship cases" must first be defined/accepted by the local entity, in this case Vernon Township MUA, before the SCMUA can make a determination. He indicated when SCMUA receives this information from VTMUA, the Board can make a decision. Mr. Acheson stated his frustration going "back and forth" in trying to obtain answers to his questions. Mr. Varro recommended the SCMUA send a response letter to Mr. Acheson explaining the current situation and copy Vernon Township and Vernon Township MUA for communication purposes, after further discussions, all agreed to the letter and Chairman Petillo closed the meeting to public comment.

Mr. Acheson thanked the Board and left the meeting at this time 3:10 p.m.

4. AGENDA APPROVAL

Administrator Hatzelis suggested revising the Agenda to move Mr. Cuva's presentation on the 2012 Financial Audit as the first order of business and hold Executive Session at the end of the Agenda to accommodate the public present. Chairman Petillo asked for a motion to approve the revised Agenda, Commissioner Sowden moved the approval of the Agenda, Commissioner Dietz seconded. On voice vote (6) Ayes, (0) Nays, the motion carried.

5. APPROVAL OF CONSENT AGENDA

The Chairman requested a motion for approval of the Consent Agenda. Commissioner Cocula moved the approval of the Consent Agenda, seconded by Commissioner Dietz. No discussion necessary. On voice vote (6) Ayes, (0) Nays, the motion carried.

6. MINUTES

Chairman Petillo requested a motion to approve the distribution of the April 17, 2013 Pending Action Summary Sheet, which was emailed to the Freeholder Board on April 18, 2013. Commissioner Dietz moved to approve the April 17, 2013 Pending Action Summary Sheet, seconded by Commissioner Drake. On voice vote: Ayes (6) Commissioners Sowden, Petillo, Dietz, Cocula, Meyer and Drake; Nays (0); Abstain (0).

Chairman Petillo asked for a motion to approve the Open & Closed Meeting Minutes for the March 20, 2013 Regular Authority Meeting. Commissioner Cocula moved approval of the minutes, seconded by Commissioner Dietz. No comments/discussions. On roll call: Ayes (5) Commissioners Sowden, Petillo, Dietz, Cocula and Meyer; Nays (0), Abstain (1) Commissioner Drake.

The Chairman stated that the Open & Closed Meeting Minutes for the April 3, 2013 Authority Meeting have been emailed to the Commissioners for their review/comment.

7. BUSINESS

a. Executive Session

Mr. Paul Cuva reported on the 2012 Financial Audit which was previously emailed in its entirety to the Commissioners and he indicated that the Unrestricted Fund Balance for Upper Wallkill Pollution Control Facility increased from last year by \$205,000, Solid Waste Facilities had decreased by \$839,000 due to no State Aid received and Hampton Commons was \$4,700. The Restricted Reserves all were adequately funded except for the Landfill Cell Closure Account, which has been an ongoing issue over the past few years. Mr. Cuva reported that the Landfill Cell Closure Account deficit was reduced by \$932,000 due to transfer of reserve in that account and a reduction in projected liability. He also indicated that the Solid Waste 2013 Bonds will be retired on December 1, 2013. Mr. Hatzelis indicated that the only Audit recommendation was to prepare a written corrective action plan for internal control procedures. Commissioners thanked Mr. Cuva for a very comprehensive Audit. Commissioner Cocula moved the resolution acknowledging all members of the Board have personally reviewed the 2012 Audit. Commissioner Meyer seconded the resolution. On Roll Call: Ayes (6) Commissioners Sowden, Petillo, Dietz, Cocula, Meyer, and Drake; Nays (0), Abstain (0). The resolution passed.

#13-070 RESOLUTION RE: FY2012 ANNUAL FINANCIAL AUDIT

a. Wastewater Program

Superintendent's Report

John Nugent reported that the New Jersey Water Environmental Association (NJWEA) has been in contact with him to coordinate a workshop. He indicated that this Seminar will help local water and

wastewater operators to obtain mandatory hours to renew or retain their operator licenses. The Authority has hosted in the past and the cost is about \$100. Commissioner Sowden moved the authorization to host the 2013 NJWEA Seminar, seconded by Commissioner Cocula. On voice vote: Ayes (6); Nays (0); Abstain (0). The motion passed.

Chief Engineer's Report

Chief Engineer Varro reported on the Construction Review Committee Meeting regarding the Paulinskill/Branchville Project. He distributed and reviewed the conceptual site map prepared by Kleinfelder/Omni (Value Engineering Study), showing the proposed changes and property needs for the recharge beds. Mr. Hatzelis confirmed that the property owners were notified that a decision has not been made regarding the location of the recharge beds and there are no issues with the additional land available. A new appraisal will be conducted in order to begin price analysis for calculating impact on Value Engineering savings. Discussions were held regarding calculating the costs of the property compared to the cost analysis that is being prepared by Kleinfelder/Omni and the results will help decide whether to proceed with the new design or stay with the original. Mr. Hatzelis indicated that some of the permits/approvals have expired and others can be extended. Commissioners and Staff discuss Branchville approvals, which have been given up to the bidding process. The updated numbers will be provided to Branchville Borough, and if we do not receive any objections from Branchville, the project will continue.

Administrator's Report

Mr. Hatzelis reported on the status of the Hardyston MUA Pump Station Upgrade and has spoken to Marianne Smith, Township Manager regarding the Sewer Service Agreement. The HTMUA Engineer will contact Chief Engineer Varro when he is ready to discuss.

c. Solid Waste Program

Superintendent's Report

Mr. Sparnon reported on the recent 8th Annual Earth/Energy Day which was held on April 25, 2013 at the Solid Waste Facility. He reported that the WRWVG and Reenee Casapulla organized the event and did a wonderful job all around. He indicated that 450 students from around the County attended. He reported it was very organized with no interruptions in operations and was an overall great event and many thank you letters have been received from the students.

Mr. Sparnon reminded the Commissioners that an E-waste event is scheduled for Saturday, May 4th and he reported that the drop-off area will be moved to the Bulky Waste Building to accommodate long lines. He indicated that normal operations on Saturdays for this time of year are very busy and the 2 car lines should be kept from crossing.

Chief Engineer's Report

Mr. Varro reported that the Phase 3A Cell is filling up to the point where it is timely to consider installation of new gas wells for odor control/permit compliance purposes. He indicated that Cornerstone would like to begin the design phase for the proposed installation of 10 gas collection wells that have been estimated at a total construction cost of approximately \$454,000, with \$16,000 for design costs. Cornerstone is looking to start in the Fall and have construction completed by the winter months.

Commissioner Cocula moved for the authorization for Cornerstone to begin the design phase for the installation of wells for odor control/permit compliance, seconded by Commissioner Meyer. On roll call: Ayes (6) Sowden, Petillo, Dietz, Cocula, Meyer and Drake; Nays (0); Abstain (0). The motion passed.

Administrator's Report

Mr. Hatzelis reported on a NJ Senate Bill S-2528(Assembly Bill 3897) which is being presented to the NJ Legislature regarding recycling practices. It provides exemptions to commercial companies and institutions from source separating standard recyclables (i.e. paper, cans, bottles, etc.) and instead have recyclables later separated at a Materials Recovery Facility. Commissioners and Staff discuss the proposed Bill and the many reasons for its rejection, including reduction in NJ recycling rates, may cause confusion and undermine flow control rules. Commissioner Dietz moved to authorize SCMUA staff to draft a letter to the NJ legislative representatives stating that the Authority is opposed to Senate Bill S-2528, Assembly Bill 3897 which allows for institutions/commercial businesses to dispose recyclables in regular trash to be later separated at a MRF facility. On voice vote: Ayes (6); Nays (0); Abstain (0). The motion passed.

d. General Authority Business

Administrator's Report

Mr. Hatzelis reviewed the new filing procedures for the annual financial disclosure forms and advised that the filing deadline has been extended until May 31, 2013. All Commissioners and Staff filing must provide an original signature page after submittal.

8. FINANCIAL TRANSACTIONS

a. Payment of Bills

FINANCIAL CONSENT AGENDA – Chairman Petillo asked for a motion to approve the Financial Consent Agenda and Supplement FCA with the removal of PO#68303 for the Solid Waste Operating Fund Overtime portion. Commissioner Cocula moved the approval of bill paying resolution, as amended seconded by Commissioner Sowden. No discussions. 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.

#13-071 RESOLUTION RE: AUTHORIZING PASSAGE OF FINANCIAL CONSENT AGENDA

Chairman requested a motion to approve Solid Waste Operating Fund, Voucher #68303 for overtime portion of payroll. Commissioner Sowden moved, seconded by Commissioner Dietz. On roll call the Ayes (5) Commissioners Sowden, Petillo, Dietz, Meyer and Drake. Nays (1) Commissioner Cocula, Abstain (0). The motion was approved.

Chairman Petillo ordered to take a short break at 3:47 p.m. before heading into Executive Session.

Ms. Linda Masson left the meeting at this time (3:47 pm).

The Meeting reconvened at 3:58 p.m.

a. Executive Session

Chairman Petillo asked for a motion to go into Closed Executive Session at 3:58 p.m. Commissioner Cocula moved the adoption of the following resolution authorizing a Closed Executive Session seconded by Commissioner Meyer. On voice vote (6) Ayes, (0) Nays, the motion carried.

#13-072 RESOLUTION RE: AUTHORIZING CLOSED EXECUTIVE SESSION

At 5:10 p.m. Commissioner Cocula moved to adjourn the Closed Executive Session and reconvene the Open Session seconded by Commissioner Sowden. On voice vote, the motion passed.

The Open Session was reconvened at 5:11 p.m. and Chairman Petillo indicated that in Closed Executive Session items discussed as specifically set forth in the resolution were negotiations and/or litigations re: Grinnell Collection Status; Franklin ViaDuct Project/Grant of Access Agreement; Vernon Township/Sussex Borough Connection Fee Requests; Vernon Service Contract Amendment and Personnel Items. When the need for confidentiality of these matters no longer exists they will be opened to the public.

Mr. Sparnon presented a resolution in regard to Executive Session discussions appointing Mr. Joseph Russomano Jr. as a part-time Assistant Maintenance position at less than 30 hours per week. Commissioner Cocula moved the resolution, seconded by Commissioner Dietz. On roll call: Ayes (6) Commissioners Petillo, Dietz, Cocula, Meyer and Drake; Nays (0); Abstain (0); Commissioner Sowden was out of the room during the vote.

#13-073 RESOLUTION RE: APPOINTMENT OF JOSEPH F. RUSSOMANO, JR. AS SOLID WASTE PART-TIME MAINTENANCE ASSISTANT I

9. PUBLIC COMMENT

The Chairman opened the meeting to Public Comment, no public comment. Chairman Petillo closed the meeting to public comment.

10. COMMISSIONERS' COMMENTS/REQUEST

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

No comments from the Commissioners.

11. ADJOURN

Commissioner Sowden moved to adjourn the meeting, seconded by Commissioner Cocula. On voice vote, the motion passed. The meeting was adjourned at 5:12 p.m.

Respectfully submitted,

Andrea Cocula, Secretary