

MINUTES OF THE ANNUAL REORGANIZATION MEETING OF THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY HELD ON FEBRUARY 1, 2012 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 3:06 p.m.

Present: Commissioners Madsen, Sowden, Petillo, Dietz, Cocula, Meyer, and O'Halloran, Administrator Hatzelis, Chief Engineer Varro, Solid Waste Superintendent Sparnon, Wastewater Superintendent Nugent, Recording Secretary Kronski, Legal Counsels Prol and Giacobbe

Public Attendance: Marina Krynicky, Sussex Borough Council; Anna Smolensky, Sussex Borough Resident, George Graham, SCLM; SC Freeholder Richard Vohden

2. PUBLIC STATEMENT

The Chairman 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. Freeholder Vohden indicated he is the appointed liaison to the SCMUA representing the Board of Chosen Freeholders. No further comments from the public. Chairman Petillo closed the meeting to public comment.

4. AGENDA APPROVAL

The Chairman requested a motion for approval of the Agenda, as well as any additions or deletions to it. John Hatzelis advised adding an item for discussion regarding a leachate disposal agreement with HSL, Inc. under Wastewater Superintendent Report and also recommended moving Executive Session to the end of the Agenda to accommodate the public present and advised that actions may be taken after reconvening to Open Session. Commissioner Cocula moved the approval of the Agenda as modified, seconded by Commissioner Dietz. On voice vote, the motion carried.

5. OATH OF OFFICE

Attorney Prol administered the Oath of Office to Thomas Madsen for a 5-year appointed term to the Commissioner Board of the Sussex County Municipal Utilities Authority. Term for Commissioner Madsen: February 1, 2012 – February 1, 2017

6. REORGANIZATION ACTIONS

Chairman Petillo passed the chair to Administrator John Hatzelis for the purpose of nominations and election of a Chairman and Vice Chairman to serve for the year from February 1, 2012 until the next Reorganization Meeting of February 6, 2013.

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John Hatzelis asked for nominations for the office of Chairman of the Authority. Commissioner Sowden nominated Ronald Petillo for the office of Chairman of the Authority, seconded by Commissioner Cocula. John Hatzelis asked if there were any other nominations. There being none, John Hatzelis requested a roll call to elect Ronald Petillo as Chairman of the Authority. On roll call the vote was as follows: Ayes: (7) Commissioners Sowden, Madsen, Petillo, Dietz, Cocula, Meyer and O'Halloran. The motion carried.

John Hatzelis asked for nominations for the office of Vice Chairman of the Authority. Commissioner Meyer nominated John Sowden for the office of Vice Chairman of the Authority, seconded by Commissioner Dietz. John Hatzelis asked if there were any other nominations. There being none, John Hatzelis requested a roll call to elect John Sowden as Vice Chairman of the Authority. On roll call the vote was as follows: Ayes: (7) Commissioners Madsen, Sowden, Petillo, Dietz, Cocula, Meyer and O'Halloran. The motion carried.

John Hatzelis turn the gavel over to the new Chairman to preside over the remainder of the meeting.

Chairman Petillo requested a motion for adoption of a resolution appointing an Authority Secretary. Commissioner O'Halloran moved the following resolution appointing Andrea Cocula as Secretary to the Authority for the period February 1, 2012 to February 6, 2013, seconded by Vice Chairman Sowden. On Voice Vote: Ayes (7), Nays (0). The motion carried.

#12-026 RESOLUTION RE: APPOINTMENT OF ANDREA COCULA AS
AUTHORITY SECRETARY FEBRUARY 1, 2012 TO FEBRUARY 6,
2013

Mr. Hatzelis presented a resolution for adoption for establishing dates and times of the Authority meetings. This resolution provides meeting dates to be held on the 1st and 3rd Wednesdays of each month to begin at 3:00 p.m, except in the month of November when the meetings will be held the 1st and 4th Wednesdays. Discussion ensued regarding the July 4, 2012 meeting in which it was agreed to cancel that meeting. Commissioner Cocula moved the resolution establishing dates and times of the regular Authority meetings, seconded by Commissioner Dietz. On voice vote: Ayes (7), Nays (0). The resolution passed.

#12-027 RESOLUTION RE: DATES AND TIME OF REGULAR AUTHORITY
MEETINGS – FEBRUARY 1, 2012 TO FEBRUARY 6, 2013

Chairman Petillo requested a motion for adoption of a resolution appointing an Authority Treasurer and Assistant Treasurer. John Hatzelis advised that he has a resolution appointing himself as the Interim Treasurer and on occasion there is a need for someone else to sign documents that need to go to the Trustee and asked the Board consider Patricia Frey to be authorized as Assistant Treasurer. Commissioner Cocula moved the adoption of the following resolution appointing John Hatzelis as Authority Treasurer and Patricia Frey as Assistant Treasurer, seconded by Commissioner Dietz. On voice vote: Ayes (7), Nays (0). The resolution passed.

#12-028 RESOLUTION RE: APPOINTMENT OF AUTHORITY TREASURER
AND ASSISTANT TREASURER – FEBRUARY 1, 2012 TO
FEBRUARY 6, 2013

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Chairman Petillo requested a motion for adoption of a resolution appointing Authority General Counsel. John Hatzelis advised the Board that the Authority posted on the website for request for proposals for professional services and received one proposal from the current Authority General Counsel Matthew Giacobbe and Thomas Prol from the firm of Cleary Giacobbe Alfieri Jacobs LLC. Commissioner Meyer moved the adoption of the following resolution appointing General Counsel Matthew Giacobbe and Thomas Prol from the firm of Cleary Giacobbe Alfieri Jacobs, LLC as Authority General Legal Counsel for the period February 1, 2012 to February 6, 2013. Commissioner O'Halloran seconded the motion. On roll call the vote was as follows (7) Commissioners Madsen, Sowden, Petillo, Dietz, Cocula, Meyer and O'Halloran. The motion carried.

#12-029 RESOLUTION RE: APPOINTMENT OF MATTHEW GIACOBBE AND THOMAS H. PROL OF CLEARY GIACOBBE ALFIERI & JACOBS, LLC AS AUTHORITY GENERAL LEGAL COUNSEL - FEBRUARY 1, 2012 TO FEBRUARY 6, 2013

Chairman Petillo requested a motion for adoption of a resolution appointing Authority Special Counsel for matters related to solid waste and wastewater NJPDES Permit and Watershed Management. Mr. Hatzelis noted that a request for proposals was posted on the Authority's website for Special Counsel and one proposal was received for Special Counsel from Hall and Associates. Commissioner Cocula moved the adoption of the following resolution appointing the firm of Hall and Associates as Authority Special Counsel for the period February 1, 2012 to February 6, 2013. Commissioner Dietz seconded the motion. On roll call the vote was as follows (7) Commissioners Madsen, Sowden, Petillo, Dietz, Cocula, Meyer and O'Halloran. The motion carried.

#12-030 RESOLUTION RE: APPOINTMENT OF JOHN HALL, ESQ. OF HALL AND ASSOCIATES AS SPECIAL COUNSEL FOR MATTERS RELATED TO SOLID WASTE FACILITIES AND WASTEWATER FACILITIES NJPDES PERMITS AND WATERSHED MANAGEMENT PROGRAM – FEBRUARY 1, 2012 TO FEBRUARY 6, 2013

Chairman Petillo requested a motion for adoption of a resolution appointing Authority Bond Counsel. John Hatzelis advised the Board that the Authority posted a request for proposals on the Authority's website for Bond Counsel Services and a proposal was received from Wilentz, Goldman and Spitzer who provided services the last few years regarding the Paulinskill Note. Commissioner Meyer moved the adoption of the following resolution appointing the firm of Wilentz, Goldman and Spitzer as Authority Bond Counsel for the period February 1, 2012 to February 6, 2013. Commissioner Dietz seconded the motion. On roll call the vote was as follows (7) Commissioners Madsen, Sowden, Petillo, Dietz, Cocula, Meyer and O'Halloran. The motion carried.

#12-031 RESOLUTION RE: APPOINTMENT OF WILENTZ, GOLDMAN AND SPITZER AS AUTHORITY BOND COUNSEL – FEBRUARY 1, 2012 TO FEBRUARY 6, 2013

Chairman Petillo requested a motion for adoption of a resolution appointing Authority Auditor. John Hatzelis advised the Board that the Authority received a proposal, via the Authority's website posted request, from Ferraioli, Wielkotz, Cerullo & Cuva, P.A.. Commissioner Cocula moved the adoption of the following resolution appointing the firm of Ferraioli, Wielkotz, Cerullo & Cuva, P.A. as Authority Auditors for the period

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February 1, 2012 to February 6, 2013. Commissioner O'Halloran seconded the motion. On roll call the vote was as follows (7) Commissioners Madsen, Sowden, Petillo, Dietz, Cocula, Meyer and O'Halloran. The motion carried.

#12-032 RESOLUTION RE: APPOINTMENT OF FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A. AS AUDITORS TO THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY – FEBRUARY 1, 2012 TO FEBRUARY 6, 2013

Commissioner Dietz motioned to table the appointment of a Consulting Engineer for Wastewater Facility Services until after further discussion during Executive Session, appointment to be made in Open Session. Commissioner Meyer seconded. On roll call the vote was as follows: (7) Commissioners Madsen, Sowden, Petillo, Dietz, Cocula, Meyer and O'Halloran. The motion carried.

Chairman Petillo requested a motion for adoption of a resolution designating the Authority's official newspapers to be the New Jersey Herald, New Jersey Sunday Herald and Daily Record. No discussion necessary, Commissioner Cocula moved the adoption of the following resolution designating the official newspapers for the Authority as the New Jersey Herald, the New Jersey Sunday Herald and the Daily Record for the period February 1, 2012 to February 6, 2013, seconded by Commissioner Meyer. On roll call the vote was as follows: Ayes: (7) Commissioners Madsen, Sowden, Petillo, Dietz, Cocula, Meyer and O'Halloran. The motion carried.

#12-033 RESOLUTION RE: DESIGNATION OF OFFICIAL AUTHORITY NEWSPAPERS – FEBRUARY 1, 2012 TO FEBRUARY 6, 2013

Chairman Petillo requested a motion for adoption of a resolution regarding banking and financial transactions. John Hatzelis indicated that this resolution designates the banks that the Authority utilizes for services for the various Authority accounts. Commissioner O'Halloran moved the adoption of the following resolution regarding banking and financial transactions for the period February 1, 2012 to February 6, 2013 seconded by Vice Chairman Sowden. On roll call the vote was as follows: Ayes: (7) Commissioners Madsen, Sowden, Petillo, Dietz, Cocula, Meyer and O'Halloran. The motion carried.

#12-034 RESOLUTION RE: BANKING AND FINANCIAL TRANSACTIONS FEBRUARY 1, 2012 TO FEBRUARY 6, 2013

Chairman Petillo requested a motion for adoption of a resolution regarding appointment of a Certifying Officer for Payroll, Pension and DMV Records. John Hatzelis indicated that Patricia Frey has previously handled these transactions and is therefore listed in the resolution as the Certifying Officer. Commissioner Dietz moved to appoint Patricia Frey as the Certifying Officer for Payroll, Pension, Deferred Compensation Plans and DMV records for the period February 1, 2012 to February 6, 2013, seconded by Commissioner O'Halloran. On roll call the vote was as follows: Ayes: (7) Commissioners Madsen, Sowden, Petillo, Dietz, Cocula, Meyer and O'Halloran. The motion carried.

#12-035 RESOLUTION RE: APPOINTMENT OF PATRICIA FREY AS SCMUA "CERTIFYING OFFICER"

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Chairman Petillo requested a motion for adoption of a resolution for approval of a Cash Management Plan, as required by the NJDEP. Commissioner Cocula moved the adoption of the following resolution approving a Cash Management and Investment Policy for the Authority, seconded by Commissioner O'Halloran. On roll call, the vote was as follows: Ayes (7) Commissioner Madsen, Sowden, Petillo, Dietz, Cocula, Meyer and O'Halloran. The motion carried.

#12-036 RESOLUTION RE: APPROVING SCMUA CASH MANAGEMENT AND INVESTMENT POLICY

Chairman Petillo requested a motion for adoption of a resolution authorizing issuance of Officer's Certificates related to Authority Bonds. John Hatzelis advised that this resolution of Certificate is required by Bond resolution and authorizes Commissioners and Officers signatures related to Bond issues and directives to the Trustee. Commissioner Meyer moved the adoption of the following resolution authorizing issuance of Officers Certificates related to Authority Bonds for the period February 1, 2012 to February 6, 2013, seconded by Commissioner Sowden. On roll call, the vote was as follows: Ayes (7) Commissioner Madsen, Sowden, Petillo, Dietz, Cocula, Meyer and O'Halloran. The motion carried.

#12-037 RESOLUTION RE: AUTHORIZING ISSUANCE OF OFFICERS CERTIFICATES RELATED TO AUTHORITY BONDS – FEBRUARY 1, 2012 TO FEBRUARY 6, 2013

Chairman Petillo requested a motion for adoption of a resolution regarding the establishment of a Purchasing Board. Representatives from this Board attend bid openings of submitted proposals. Commissioner Cocula moved the adoption of the following resolution establishing a Purchasing Board for the Authority consisting of John Hatzelis, Karl Meyer, Ron Petillo, John Nugent, Thomas Varro, Jim Sparnon, Jack Kinney of the SCMUA. Commissioner Dietz seconded the motion. On roll call, the vote was as follows: Ayes (7) Commissioner Madsen, Sowden, Petillo, Dietz, Cocula, Meyer and O'Halloran. The motion carried.

#12-038 RESOLUTION RE: ESTABLISHMENT OF A PURCHASING BOARD IN ACCORDANCE WITH N.J.S.A. 40A:11-9 FOR THE PERIOD FROM FEBRUARY 1, 2012 TO FEBRUARY 6, 2013

Chairman Petillo distributed copies of the existing Committee appointments and asked that each Commissioner indicate what Committee he/she would like to serve on for 2012. Once all requests are received, appointments would be made at the next Authority meeting.

7. APPROVAL OF CONSENT AGENDA

Chairman Petillo requested a motion for approval of the Consent Agenda. Commissioner Cocula moved the approval of the Consent Agenda, seconded by Commissioner Dietz. No discussions. On voice vote, the motion carried.

8. MINUTES

Chairman requested a motion to approve the distribution of the January 18, 2012 Pending Action Summary Sheet which was submitted to the Freeholder Board on January 19, 2012. Commissioner Dietz moved to approve the January 18, 2012 Pending Action Summary Sheet, seconded by Vice Chairman Sowden. On voice vote, the motion carried.

Chairman Petillo indicated that the minutes of the Closed and Regular Meeting for both December 21, 2011 and January 4, 2012 were emailed to the Commissioners for their review and adoption at the next meeting.

8. BUSINESS

a. Closed Executive Session

Moved until the end of the Agenda to accommodate the public present.

b. Wastewater Program

Superintendent's Report

Mr. Nugent reported on the Agreement between the Authority and Hamm's Sanitation Landfill, Inc. (HSL, Inc.) to accept leachate for treatment at the Upper Walkkill Plant. It is an annual agreement and he indicated that the rates have not changed. Commissioner Meyer moved the resolution to execute Agreement with HSL, Inc. for disposal of leachate from HSL, Inc. Landfill, seconded by Commissioner Cocula. On roll call the vote was as follows: Ayes (6) Sowden, Petillo, Dietz, Cocula, Meyer and O'Halloran. Nays (0), Abstain (1) Commissioner Madsen. The motion carried.

#12-039 RESOLUTION RE: EXECUTION OF AGREEMENT WITH HSL, INC. FOR DISPOSAL OF LEACHATE FROM HSL, INC. LANDFILL

Administrator's Report

Administrator Hatzelis stated that at the previous Authority Meeting Commissioners memorialized the approval the execution of a settlement agreement with Sussex Borough for 2010 Sewer Surcharges. He indicated that language was added to reflect that this settlement agreement does not affect the existing Service Contract between the Authority and Sussex Borough. The Agreement has been signed and sent to Sussex Borough and was accepted. This resolution memorializes these actions. Commissioner Cocula moved the resolution for settlement agreement, seconded by Commissioner O'Halloran. On roll call the vote was as follows: Ayes (6) Sowden, Petillo, Dietz, Cocula, Meyer and O'Halloran. Nays (0), Abstain (1) Commissioner Madsen. The motion carried.

#12-040 RESOLUTION RE: AUTHORIZING EXECUTION OF SETTLEMENT AGREEMENT WITH BOROUGH OF SUSSEX – FY 2010 SEWER SURCHARGES

Mr. Hatzelis reported that the Wastewater Series 2001 Revenue Bonds are now able to be refunded at a significantly reduced interest rate. He indicated the bonds are \$2,400,000 and indicated that the current market has favorable interest rates. The financing savings would be approximately \$300,000 after the cost of issuance. Mr. Hatzelis reviewed market conditions over the past three months and the saving percentage gradually increasing. He asked for Commissioners to consider authorization of the Authority's Staff and Professionals to start preparing documents for the Department of Community Affairs' approval to refund the Wastewater Series 2001 Revenue Bonds. On voice vote: Ayes (7), Nays (0). The motion carried.

c. Solid Waste Program

Superintendent's Report

Mr. Sparnon reported on a Shared Services Agreement for Certified Recycling Professional Services. He indicated that each municipality must now submit to the State of New Jersey an Annual Recycling Report that must be certified by a Certified Recycling Professional and most municipalities do not have one on staff. The Authority's Recycling Coordinator, Reenee Casapulla has her credentials as a Certified Recycling Coordinator and can certify these Reports. He indicated that the Shared Service Agreements will be with those municipalities who request the certification service and will be charged \$250. Discussion on the responsibilities of Ms. Casapulla and the cost to the Municipalities. Mr. Sparnon indicated he will present the Agreements individually to the Commissioners as they are received.

d. Personnel Matters

Administrator's Report

Mr. Hatzelis indicated that the Personnel Items will required some discussion during Executive Session and asked that they be tabled until after adjournment from Executive Session.

9. FINANCIAL TRANSACTIONS

a. Payment of Bills

FINANCIAL CONSENT AGENDA – Chairman Petillo requested to remove PO#65772 under Solid Waste Operating Fund Item E and asked for a motion to adopt the Financial Consent Agenda, as amended. Commissioner Dietz moved approval of bill paying resolution, seconded by Vice Chairman Sowden. No discussions or comments. On roll call the vote was as follows: Ayes (6) Sowden, Petillo, Dietz, Cocula, Meyer and O'Halloran. Nays (0), Abstain (1) Commissioner Madsen. The resolution passed.

#12-041 RESOLUTION RE: AUTHORIZING PASSAGE OF FINANCIAL CONSENT AGENDA AND SUPPLEMENT AS AMENDED

Chairman requested a motion to approve Solid Waste Operating Fund PO#65772 for overtime portion of payroll. Commissioner Dietz moved, seconded by Commissioner O'Halloran. On roll call the Ayes (5) Commissioners Sowden, Petillo, Dietz, Meyer and O'Halloran, Nay (1) Commissioner Cocula. Abstain (1) Commissioner Madsen. The motion was approved.

10. Open To Public Comment

The Chairman opened the meeting to Public Comment. Ms. Marina Krynicky was in attendance and introduced herself indicating that she was recently elected to the Sussex Borough Council and the Mayor has appointed her as the liaison to the Authority. Commissioner welcomed her and recommended that she schedule a tour for both of the Solid Waste and Wastewater Facilities. No other comments from the public. Chairman Petillo closed the meeting to public comment.

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Chairman Petillo called for a short recess at 3:33 pm before going into Executive Session.

The meeting was reconvened at 3:44 pm and Chairman Petillo asked for a motion to go into Executive Session. Commissioner O'Halloran moved the adoption of the following resolution authorizing a Closed Executive Session, seconded by Commissioner Cocula. On voice vote, the motion passed.

#12-042 RESOLUTION RE: AUTHORIZING CLOSED EXECUTIVE SESSION

At 5:35 p.m. Commissioner Cocula moved to adjourn the Closed Executive Session and reconvene the Open Session seconded by Vice Chairman Sowden. On voice vote, the motion passed.

The Open Session was reconvened at 5:35 p.m. and Chairman Petillo indicated that in Closed Executive Session items discussed as specifically set forth in the resolution included negotiations, litigation regarding Frankford-Branchville Wastewater Project; Grinnell Family of Companies; Wastewater Consulting Engineering Services; Solid Waste Flow Control Enforcement and personnel items. When the need for confidentiality of these matters no longer exists they will be opened to the public.

Solid Waste Superintendent Sparnon presented a resolution as discussed in Executive Session appointing Harry Lee Doremus as a Solid Waste Part-Time Equipment Operator I. Commissioner Cocula moved the resolution as presented, seconded by Commissioner Dietz. On roll call the vote was as follows: Ayes (7) Madsen, Sowden, Petillo, Dietz, Cocula, Meyer and O'Halloran. Nays (0). The resolution passed.

#12-043 RESOLUTION RE: AUTHORIZING THE APPOINTMENT OF HARRY LEE DOREMUS AS SOLID WASTE PART-TIME EQUIPMENT OPERATOR I

Based on discussions during Executive Session, Commissioner Dietz moved the appointment of Birdsall Services Group as Wastewater Consulting Engineer to the Sussex County Municipal Utilities Authority from February 1, 2012 to February 6, 2013, seconded by Vice Chairman Sowden. No discussions necessary. On roll call the vote was as follows: Ayes (6) Sowden, Petillo, Dietz, Cocula, Meyer and O'Halloran. Nays (0), Abstain (1) Commissioner Madsen. The motion carried.

Commissioner Dietz then motioned to appoint the firm Hatch Mott MacDonald as Special Engineers for matters related to Wastewater for construction/capital improvements and to remediate permit limits from February 1, 2012 and February 6, 2013. No discussions necessary. On roll call the vote was as follows: Ayes (6) Sowden, Petillo, Dietz, Cocula, Meyer and O'Halloran. Nays (0), Abstain (1) Commissioner Madsen. The motion carried.

11. Commissioners' Comments/Requests

Commissioners welcomed new Commissioner Thomas Madsen and also commended Attorney Prol and Administrator Hatzelis on a job well done regarding recent court proceedings. Commissioner Madsen thanked the Commissioners and will contact John Hatzelis for a tour of the facilities.

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12. Adjourn

Vice Chairman Sowden moved to adjourn the meeting, seconded by Commissioner O'Halloran. On voice vote, the motion passed. The meeting was adjourned at 5:45 p.m.

Respectfully submitted,

Andrea Cocula, Secretary