

MINUTES OF THE REGULAR MEETING OF THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY HELD ON NOVEMBER 6, 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 3:07 p.m.

The following were present: Commissioners Madsen, Sowden, Petillo, Cocula and Drake, Administrator Hatzelis, Chief Engineer Varro, Solid Waste Superintendent Sparnon, Wastewater Superintendent Nugent, Attorney Matthew Giacobbe (entered mtg. @ 4:05 p.m.) and Recording Secretary Kronski

Absent: Commissioner Meyer; Special Counsel Prol

Via Teleconference: Commissioner Dietz (@ 4:00 p.m.)

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. No public present. Chairman Petillo closed the meeting to public comment.

4. AGENDA APPROVAL

Chairman Petillo asked for a motion to approve the Agenda, Commissioner Drake moved the approval of the Agenda, and Commissioner Cocula seconded. On voice vote: Ayes (5); Nays (0). The motion carried.

5. APPROVAL OF CONSENT AGENDA

The Chairman requested a motion for approval of the Consent Agenda. Commissioner Madsen moved the approval of the Consent Agenda, seconded by Commissioner Drake. No discussions. On voice vote: Ayes (5); Nays (0). The motion carried.

6. MINUTES

Chairman Petillo requested a motion to approve the distribution of the October 16, 2013 Pending Action Summary Sheet, which was emailed to the Freeholder Board on October 17, 2013. Commissioner Drake moved to approve the October 16, 2013 Pending Action Summary Sheet, seconded by Commissioner Madsen. On roll call: Ayes (4) Commissioners Madsen, Sowden, Petillo, and Drake; Nays (0); Abstain (1) Commissioner Cocula due to absence at that meeting. The motion passed.

Chairman Petillo asked for a motion to approve the Open & Closed Meeting Minutes for the September 18, 2013. Commissioner Madsen moved approval of the minutes, seconded by Commissioner Drake. On voice vote: Ayes (5); Nays (0). The motion carried.

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Chairman Petillo asked for a motion to approve the Open & Closed Meeting Minutes for the October 2, 2013. Commissioner Drake moved approval of the minutes, seconded by Commissioner Sowden. On voice vote: Ayes (5); Nays (0). The motion carried.

The Chairman stated that the Open & Closed Minutes for the October 16, 2013 have been emailed to their Commissioners review.

7. BUSINESS

a. Executive Session

At 3:06 p.m. Commissioner Cocula moved the adoption of the following resolution authorizing a Closed Executive Session seconded by Commissioner Madsen. On voice vote (5) Ayes, (0) Nays, the motion carried.

#13-120 RESOLUTION RE: AUTHORIZING CLOSED EXECUTIVE SESSION

At 3:43 p.m. Commissioner Cocula moved to adjourn the Closed Executive Session and reconvene the Open Session seconded by Commissioner Madsen. On voice vote, Ayes (5); Nays (0), the motion passed.

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 Matter/Tonnage Discrepancy; St. Clare's Lease Agreement; Delaware River Basin Commission correspondence; Title V Air Permit and Consolidated Vernon Service Agreement and Personnel Item. When the need for confidentiality of these matters no longer exists they will be opened to the public.

Linda Masson entered the meeting after Executive Session – 3:45 p.m.

Agenda was rearranged due to the scheduled Rate Hearing.

b. Wastewater Program

Administrator's Report

Mr. Hatzelis reported on the Vernon Rate Stabilization Reserve Fund and indicated that according to the Sewer Service Agreement Amendment a separate fund shall be created. He indicated that a portion (60%) of the first 1060 EDUs paid from the Vernon Sewer Service Area shall be put into the established Rate Stabilization Fund. Commissioner Cocula moved the resolution to create the account, seconded by Commissioner Sowden. On roll call: Ayes (5) Commissioners Madsen, Sowden, Petillo, Cocula and Drake; Nays (0); Abstain (0). The resolution passed.

#13-121 RESOLUTION RE: AUTHORIZING THE ESTABLISHMENT OF A VERNON TOWNSHIP RATE STABILIZATION FUND RESERVE

8. FINANCIAL TRANSACTIONS

a. Payment of Bills

FINANCIAL CONSENT AGENDA – Chairman Petillo asked for a motion to approve the Financial Consent Agenda and with the removal of PO#69267 for the Solid Waste Operating Fund Overtime portion, seconded by Commissioner Madsen. On roll call, the vote was as follows: Ayes (5) Commissioners Madsen, Sowden, Petillo, Cocula and Drake; Nays (0); Abstain (0). The resolution passed.

#13-122 RESOLUTION RE: AUTHORIZING PASSAGE OF FINANCIAL CONSENT AGENDA

Chairman requested a motion to approve Solid Waste Operating Fund PO#69267 for overtime portion of payroll. Commissioner Drake moved, seconded by Commissioner Sowden. On roll call: Ayes (4) Commissioners Madsen, Sowden, Petillo and Drake; Nays (1) Commissioner Cocula; Abstain (0). The motion was approved.

c. Solid Waste Program

Superintendent's Report

Mr. Sparnon reported on the Shared Services Agreement the Authority has with Hardyston Township for profit sharing with the marketing of Class A Fiber. The Agreement is up for its yearly renewal, Hardyston has renewed the Agreement via resolution and Mr. Sparnon presented a resolution for consideration to authorize execution of a one year extension. Commissioner Cocula moved the resolution, Commissioner Sowden seconded. On roll call: Ayes (5) Commissioners Madsen, Sowden, Petillo, Cocula and Drake; Nays (0); Abstain (0). The resolution was approved.

#13-123 RESOLUTION RE: SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY AUTHORIZING THE EXECUTION OF AN EXTENSION OF A SHARED SERVICES AGREEMENT WITH THE TOWNSHIP OF HARDYSTON FOR THE PROVISION OF DESIGNATED CLASS A FIBER RECYCLABLE MATERIAL HANDLING AND MARKETING WITH PROFIT SHARING

Mr. Sparnon reported on the Household Hazardous Waste Day that was held on November 2, 2013. He indicated that the Vendor, MXI Environmental did an excellent job and were off the site by 3:30p.m. They collected approximately 34819 lbs. of HHW was collected for a total of \$19,008.00. He noted that this event was the last remaining for the 2 year contract with MXI and Commissioners authorized the preparation and advertisement for bid specifications for the 2014/2015 HHW Events.

b. Wastewater Program

Superintendent's Report

Mr. Nugent reported on the Sludge Cake Hauling and Disposal bid opening held on October 17th the low bidder was Spectraserv. He reviewed the different options to award the contract and noted that it was agreed to wait until the sludge study is complete before awarding the contract. The bid is good for 60 days and a better decision can be made after recommendations from Hatch Mott MacDonald on the study discoveries. Commissioners discuss options of bid award and guaranteed tonnage.

Counsel shall review bid further for legality of award options compared with bid specifications.

c. Solid Waste Program (cont.)

Administrator's Report

Mr. Hatzelis updated the Commissioners on the latest tonnage reports from December 1, 2012 to October 31, 2013 and indicated total tonnage is up 2.6% compared to the same time period for last year. He noted the numbers are on course to meet tonnage projections for this budget year. The ID10 waste is up ½% and ID13 is ahead by 15%. The budget short fall still exists for the Landfill Cell Closure Account of by about \$17 million due to the absence of state aid over the last few years, may still have to transfer funds from that account for bond payment which is due November 30th.

Administrator Hatzelis noted that the Authority's Auditor, Paul Cuva has conducted the yearly audit on the Landfill Closure/Post Closure Care Account. The reports were distributed to the Commissioners for review and no recommendations were made. He also noted that the rate of return for PNC Bank has been significantly lower than US Bank and future considerations should be made regarding this troubling trend.

At this time, 3:54 p.m. the Chairman called for a recess before the 4:00 p.m. scheduled Rate Hearing.

The meeting resumed at 4:05 p.m. Chairman Petillo left the meeting at this time, Commissioner Dietz was reached via teleconference. Vice Chairman Sowden chaired the meeting and asked for a motion to begin the presentation of the FY2014 Rate Hearing. Commissioner Cocula moved, seconded by Commissioner Drake. On voice vote: Ayes (5); Nays (0); Abstain. The motion carried.

The floor was given to Administrator Hatzelis to begin the presentation, he distributed a packet to follow and reviewed in detail the budget line items for the Upper Wallkill Facilities; Hampton Commons Facility; Solid Waste Facilities; and miscellaneous rates, fees and charges. He focused heavily on the Upper Wallkill Participants sewage flows service agreements and estimated 2014 billings. Questions were taken from the public present. A verbatim transcript of the presentation will be available upon request at the Authority's Administration Building.

After all questions and concerns were addressed, at 5:08 p.m. Commissioner Sowden made a motion to close the Public Rate Hearing, seconded by Commissioner Madsen. On voice vote: Ayes (5); Nays (0); Abstain.

9. PUBLIC COMMENT

Vice Chairman opened the meeting to public comment. No Public Comments. The Vice Chairman closed the meeting to public comment.

10 COMMISSIONERS' COMMENTS/REQUEST

Commissioner Cocula moved to give an excused absence to Commissioner Meyer, seconded by Commissioner Madsen. On roll call: Ayes (5); Nays (0); Abstain (0). The motion passed.

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Commissioner Madsen commended Administrator Hatzelis on his presentation on the proposed rates for FY2014.

11. ADJOURN

Commissioner Drake moved to adjourn the meeting, seconded by Commissioner Madsen. On voice vote, the motion passed. The meeting was adjourned at 5:10 p.m.

Respectfully submitted,

Andrea Cocula, Secretary