

MINUTES OF THE RESCHEDULED MEETING OF THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY HELD ON JANUARY 22, 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 3:03 p.m.

The following were present: Commissioners Madsen, Sowden, Petillo, Dietz, Cocula, Meyer and Drake, Administrator Hatzelis, Chief Engineer Varro, Solid Waste Superintendent Sparnon, Wastewater Superintendent Nugent, Attorney Matthew Giacobbe, Special Counsel Prol, Solid Waste Engineer Mark Swyka and Recording Secretary Kronski

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

4. AGENDA APPROVAL

Chairman Petillo asked for a motion to approve the Agenda, Commissioner Madsen moved the approval of the Agenda, seconded by Commissioner Sowden. Mr. Hatzelis requested an addition to the Executive Session Agenda under Special Attorney's Report an update on the Title V Permit Negotiations for the Solid Waste Facility. On voice vote: Ayes (7); 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 (7); Nays (0). The motion carried.

6. MINUTES

Chairman Petillo requested a motion to approve the distribution of the December 18, 2013 Pending Action Summary Sheet, which was emailed to the Freeholder Board on December 19, 2013. Commissioner Dietz moved to approve the December 18, 2013 Pending Action Summary Sheet, seconded by Commissioner Madsen. On roll call: Ayes (6) Commissioners Madsen, Sowden, Petillo, Dietz, Meyer and Drake; Nays (0); Abstain (1) Commissioner Cocula due to absence at that meeting. The motion passed.

There were no minutes for approval at this meeting.

Chairman Petillo stated that the Open & Closed Meeting Minutes for the November 27, 2013 and the December 18, 2013 Authority Meetings have been emailed to the Commissioners for their review.

7. BUSINESS

a. Executive Session

January 22, 2014

At 3:06 p.m. Commissioner Drake moved the adoption of the following resolution authorizing a Closed Executive Session seconded by Commissioner Cocula. On voice vote (7) Ayes, (0) Nays, the motion carried.

#14-007 RESOLUTION RE: AUTHORIZING CLOSED EXECUTIVE SESSION

At 3:53 p.m. Commissioner Cocula moved to adjourn the Closed Executive Session and reconvene the Open Session seconded by Commissioner Drake. On voice vote, Ayes (7); 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 and Permit Renewal; Proposals for 2014 Professional Services; Sussex/Wantage Sewer Service Area Negotiations; Title V Negotiations; Personnel Item. When the need for confidentiality of these matters no longer exists they will be opened to the public.

Chairman Petillo called for a meeting break at 3:54 p.m.

The meeting resumed at 4:06 p.m.

b. Wastewater Program

Superintendent's Report

Mr. Nugent reported on the annual contract with HSL, Inc. that is up for renewal. The Agreement allows for HSL to dispose of the Leachate that is generated from their landfill in Lafayette at the Upper Wallkill Facility for proper treatment. Commissioner Cocula moved the resolution, seconded by Commissioner Dietz. On roll call: Ayes (7) Commissioners Madsen, Sowden, Petillo, Dietz, Cocula, Meyer and Drake; Nays (0); Abstain (0) The Resolution passed.

#14-008 RESOLUTION RE: EXECUTION OF AGREEMENT WITH HSL, INC. FOR DISPOSAL OF LEACH ATE FROM HSL, INC. LANDFILL

Mr. Nugent presented a resolution for Commissioners consideration for membership in the North Jersey Wastewater Cooperative Pricing System with Passaic Valley Sewage Commission as the lead agency. There is no cost for the membership and it will be beneficial to the Authority for the purchasing a variety of goods, services and equipment necessary for the operations and maintenance of wastewater treatment facilities. Commissioner Cocula moved the resolution, seconded by Commissioner Sowden. On roll call: Ayes (7) Commissioners Madsen, Sowden, Petillo, Dietz, Cocula, Meyer and Drake; Nays (0); Abstain (0) The Resolution passed.

#14-009 RESOLUTION RE: AUTHORIZING MEMBERSHIP IN THE NORTH JERSEY WASTEWATER COOPERATIVE PRICING SYSTEM (NJCWPS)

Administrator's Report

Administrator Hatzelis reported on the status of the Paulinskill Project Note roll which matures on February 14, 2014 for \$5,496,000. The SCMUA Bond Counsels and Staff are preparing the paperwork and a bond rating should be provided by next week.

c. Solid Waste Program

Superintendent's Report

Mr. Spannon reported that 2013 Recycling Reports are due to the NJDEP from all municipalities, which must be certified by a Recycling Professional. Those municipalities that do not have a Certified Recycling Professional on staff are requesting this service from the SCMUA. He presented a resolution authorizing execution of Shared Services Agreements with the requesting municipalities. Commissioner Cocula moved the resolution, seconded by Commissioner Sowden. On roll call: Ayes (7) Commissioners Madsen, Sowden, Petillo, Dietz, Cocula, Meyer and Drake; Nays (0); Abstain (0) The Resolution passed.

#14-010 RESOLUTION RE: SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY BOARD OF COMMISSIONERS AUTHORIZE THE EXECUTION OF SHARED SERVICES AGREEMENT(S) WITH VARIOUS SUSSEX COUNTY MUNICIPALITIES FOR THE PROVISION OF CERTIFIED RECYCLING PROFESSIONAL SERVICES TO CERTIFY AND SUBMIT THE 2013 RECYCLING TONNAGE REPORT TO NJDEP

Chief Engineer's Report

Chief Engineer Varro reported on the recent Solid Waste Advisory Council Meeting in which there were 2 presentations on Food Waste Processing. The first was an organics composting company called Hot Rot which is looking to see if there is any interest in providing this service within Sussex County. The second was Reliable Wood Products who are currently applying for a Research, Development and Demonstration permit from NJDEP to conduct organic waste composting at the Grinnell MRF. Further discussions regarding this permit are to be held at the next SWAC meeting. Also discussed at the SWAC meeting, was the pending renewal permit for the Grinnell Materials Recovery Facility. Several issues were discussed that are of concern for the County, the SCMUA and the Township of Sparta. It was agreed and authorized by SWAC that a comment letter be drafted to the NJDEP from all three entities noting points of concern.

Mr. Varro reported that he received certification from the NJDEP that the Solid Waste Amendment for the Landfill Life Extension has been approved. He reviewed the issues that need resolving, including wetlands transitioning area, confirmed non-issue of bog turtle habitat, and westerly side landfill expansion. Further discussions ensued regarding issues being resolved and necessary document submittals to NJDEP. Mr. Varro prepared a resolution to authorize submittal of application to NJDEP for the SCMUA landfill life extension project. Commissioner Cocula moved the resolution, seconded by Commissioner Madsen. On roll call: Ayes (7) Commissioners Madsen, Sowden, Petillo, Dietz, Cocula, Meyer and Drake; Nays (0); Abstain (0) The Resolution passed.

#14-011 RESOLUTION RE: AUTHORIZATION TO SUBMIT APPLICATION TO NJDEP FOR SCMUA LANDFILL LIFE EXTENSION PROJECT

Consulting Engineer's Report

Mr. Mark Swyka gave a presentation on the Annual Solid Waste Facilities Annual Inspection Report. He showed maps and indicated the footprints and the timeline for each phase that will be implemented. The Solid Waste Management Plan Amendment would seek approval for all six stages and the project could start as early as 2015. Mr. Swyka reviewed the reports and plans that will need to be established. He reported that the Solid Waste Facility is very well kept and in good condition except for some aging mobile equipment. All bond requirements have been met, and the 5-year capital plan and R&R funds have been prepared and are more than adequate to replace certain equipment needs. Discussions continued regarding recent landfill well installation with benefits for gas collection and future installation of pumps for stormwater aversion for leachate collection. Mr. Varro reported on the pump station installation and application to become a sewer service area to be able to transfer leachate to the Upper Wallkill Facility for treatment. It was noted that a design of a temporary cap may be needed on Phase 2B which could divert 1/2 million gallons of leachate and help with odor control and gas collection could potentially increase. Commissioners discuss recommendations and thank Mr. Swyka for a very informational Annual Report.

d. General Authority Business

Administrator's Report

Mr. Hatzelis reported on the Landfill Closure/Post Closure Escrow Account that has strict guidelines from the NJDEP regarding investment options. Mr. Hatzelis indicated that the Closure/Post Closure Escrow has been held by PNC Bank and the rate of return has been significantly lower compared to other SCMUA accounts held by US Bank. He noted that the Trustee Fees are lower with US Bank compared to PNC Bank as well. Commissioners agree it is in the best interest of the Authority to switch banks from PNC to US Bank for the C/PCC escrow account. A resolution was presented and Commissioner Dietz moved the resolution, seconded by Commissioner Cocula. On roll call: Ayes (7) Commissioners Madsen, Sowden, Petillo, Dietz, Cocula, Meyer and Drake; Nays (0); Abstain (0). The resolution passed.

#14-012 RESOLUTION RE: AUTHORIZING THE EXECUTION OF A LANDFILL CELL CLOSURE/POST CLOSURE CARE ESCROW AGREEMENT WITH U.S. BANK

Mr. Hatzelis notified the Commissioners that a Public Agency Compliance Officer is required to be appointed for 2014. A resolution was prepared to designate Administrator Hatzelis at the PACO for 2014. Commissioner Cocula moved the resolution, seconded by Commissioner Drake. On roll call: Ayes (7) Commissioners Madsen, Sowden, Petillo, Dietz, Cocula, Meyer and Drake; Nays (0); Abstain (0) The Resolution passed.

#14-013 RESOLUTION RE: AUTHORIZING ANNUAL APPOINTMENT OF A PUBLIC AGENCY COMPLIANCE OFFICER (PACO) FOR THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY (SCMUA)

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Mr. Hatzelis presented a resolution for appointment of a Fund Commissioner to the Statewide Insurance Fund as required by the Statewide Insurance Fund. Administrator Hatzelis is noted in the resolution as the Fund Commissioner for the 2014 calendar year. Commissioner Cocula moved the resolution, seconded by Commissioner Madsen. On roll call: Ayes (7) Commissioners Madsen, Sowden, Petillo, Dietz, Cocula, Meyer and Drake; Nays (0); Abstain (0) The Resolution passed.

Risk Manager appointment shall be tabled until the next meeting to conduct an interview with a new firm that has submitted an RFP.

#14-014 RESOLUTION RE: APPOINTMENT OF FUND COMMISSIONER TO THE STATEWIDE INSURANCE FUND

Administrator Hatzelis reminded Commissioners that the next Authority Meeting scheduled for February 5, 2014 is the Annual Reorganization Meeting and certain actions/appointments will need to be made. A packet was provided to the Commissioners, along with RFP information from firms who submitted for consideration for Professional Services for the Authority.

8. Payment of Bills

FINANCIAL CONSENT AGENDA – Chairman Petillo asked for a motion to approve the Financial Consent Agenda (FCA) and supplement provided. Commissioner Cocula moved the FCA, seconded by Commissioner Dietz. On roll call, the vote was as follows: Ayes (7) Commissioners Madsen, Sowden, Petillo, Dietz, Cocula, Meyer and Drake; Nays (0); Abstain (0). The resolution passed.

#14-015 RESOLUTION RE: AUTHORIZING PASSAGE OF FINANCIAL CONSENT AGENDA

9. PUBLIC COMMENT

Chairman Petillo opened the meeting to public comment. No comment from the Public. The Chairman closed the meeting to public comment.

10. COMMISSIONERS' COMMENTS/REQUEST

Commissioners thanked Mr. Swyka for a job well done on the Solid Waste Annual Report and Mr. Varro for a comprehensive report on the SWAC Meeting and draft comment letter for the Grinnell MRF permit renewal.

11. ADJOURN

Commissioner Cocula moved to adjourn the meeting, seconded by Commissioner Sowden. On voice vote, the motion passed. The meeting was adjourned at 4:30 p.m.

Respectfully submitted,

Andrea Cocula, Secretary