

MINUTES OF THE REGULAR MEETING OF THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY HELD ON NOVEMBER 23, 2011 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 3:12 p.m.

The following were present: Commissioners Zidek, Petillo, Dietz, Cocula, Meyer and O'Halloran, Administrator Hatzelis, Consulting Engineer Cerenzio, Chief Engineer Varro, Solid Waste Superintendent Sparnon, Wastewater Superintendent Nugent, Attorneys Giacobbe (entered meeting at 3:17p.m.) and Prol, Recording Secretary Kronski

Absent: Vice Chairman Sowden

Public Present: Freeholder Richard Vohden

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

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

4. AGENDA APPROVAL

Chairman Petillo requested a motion for approval of the Agenda, as well as any additions or deletions. Commissioner O'Halloran moved the approval of the Agenda, seconded by Commissioner Cocula. Chairman Petillo recommended delaying Executive Session until after the Rate Hearing. 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 Zidek moved the approval of the Consent Agenda, seconded by Commissioner O'Halloran. No discussion necessary. On voice vote (6) Ayes, (0) Nays, the motion carried.

6. MINUTES

Chairman requested a motion to approve the distribution of the November 2, 2011 Pending Action Summary Sheet which was submitted to the Freeholder Board on November 3, 2011. Commissioner Zidek moved to approve the November 2, 2011 Pending Action Summary Sheet, seconded by Commissioner O'Halloran. No discussions necessary. On roll call, the vote was as follows: Ayes (5) Commissioners Zidek, Petillo, Dietz, Cocula, and O'Halloran, Abstain (1) Commissioner Meyer due to absence at that meeting. The motion carried.

Chairman Petillo noted that the Draft Regular and Closed Meeting Minutes for October 5, 2011 and October 19, 2011 have been emailed to the Commissioners for their review.

No minutes for approval at this meeting.

7. BUSINESS

a. Executive Session

Closed Executive Session was moved to the end of the meeting after the Rate Hearing at 4:00 p.m.

b. Wastewater Program (moved to after Solid Waste Program)

Administrator's Report

Delayed report on Revenues/Cash flow for Wastewater for Administrator to return to meeting room.

c. Solid Waste Program

Superintendent's Report

Mr. Sparnon reported on Cover Material available for the landfill, he noted that there is approximately 9,000 c.y. left from cover stockpile. The Contract expires on December 1, 2011, however it does allow for an extension of one year. The contract price is \$3.99 per c.y., which is a good price in the current market. Jim noted that there is 12,000 c.y. of material to be accessed under the old scale house and with the contract extension, street sweepings and other material accessed on site, the goal amount needed for the year may be attainable. Commissioners discussed cover material budget and the status of the tarpomatic provision being included in the Solid Waste Permit. Commissioner Zidek moved the resolution as presented, seconded by Commissioner Meyer. On roll call the vote was as follows: Ayes (6) Commissioners Zidek, Petillo, Dietz, Cocula, Meyer and O'Halloran. The resolution was approved.

#11-117 AUTHORIZING EXTENSION OF CONTRACT NO. 11-02 TO FURNISH AND DELIVER LANDFILL COVER SOIL IN FY2012 FOR THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

Chief Engineer's Report

Chief Engineer Varro gave a status report on the Landfill Gas Improvement Project proposed by Energenic and previously approved by the Board in August 2011. This project was meant to extract additional landfill gases from Phase 3A cell and was not started due to the Energenic design of the horizontal collectors and the constant filling of the landfill. Energenic is working with Cornerstone to revise the project. Cornerstone and Energenic will do repairs on the existing system. Mr. Varro indicated that a Capital Budget line item for landfill gas improvements is established by SCMUA for FY2012 for \$500,000, which included design, RE&I and contingency. A contract is already in place with Cornerstone at an approved rate schedule, or Commissioners may decide to create a new separate contract for design. Commissioners and Staff discussed project budgets and decided to make the design portion a hard ceiling and a time and materials for construction portion. Commissioner Meyer moved to authorize the design portion for Cornerstone to make additional repairs/improvements in Phase 3A for gas collection and to control off site odors. Commissioner Zidek seconded. On voice vote: (6) Ayes, (0) Nays, motion passed.

Administrator's Report

Mr. Hatzelis reported on the Landfill Cell Closure/Post Closure Care Account Audit Report for 2011 prepared by Ferrioli, Wielkotz, Cerullo & Cuva. Funds were available \$9.8 million and the Authority's auditor has no findings or recommendations on the report and Commissioner Cocula moved the acceptance of report as presented, seconded by Commissioner Zidek. On roll call the vote was as follows: Ayes (6) Commissioners Zidek, Petillo, Dietz, Cocula, Meyer and O'Halloran. The motion was approved.

Administrator Hatzelis reported on the status of State Aid for the Solid Waste Facility for 2011 indicating that he received correspondence the State indicating that no aid will be forthcoming. He reported that the Solid Waste Budget for 2011 included \$3 million in state aid and this shortfall will effect the November 30, 2011 bond payment. He is looking for Commissioners approval to transfer approximately \$2.1 million in funds from the Landfill Cell Closure Account to cover bond payment. Commissioners discussed funding and revenues, and agree to authorize transfer of funds to cover shortfall for Solid Waste Bond Payment of November 30, 2011. Commissioner Zidek moved the transfer of funds, seconded by Commissioner Cocula. On roll call the vote was as follows: Ayes (6) Commissioners Zidek, Petillo, Dietz, Cocula, Meyer and O'Halloran. The motion was approved.

a. Wastewater Program

Administrator's Report

Mr. Hatzelis reported that the Wastewater Revenues are slowly being received for sewer user charges for the fourth quarter which were due on November 15th. He indicated that it appears there will be approximately a \$500,000 shortfall in revenues to cover the Bond Payment on November 30, 2011. He asked for Commissioner approval to transfer funds from various wastewater accounts to make the Bond Service Payment. Commissioner Zidek moved the authorization to move the necessary funds to make the full Bond Service Payment. Commissioner Dietz seconded, on roll call the vote a was as follows: Ayes (6) Commissioners Zidek, Petillo, Dietz, Cocula, Meyer and O'Halloran. The motion was approved.

d. Authority Business

Administrator's Report (presentation of Rate Hearing to start to at 4:00 pm)

e. Personnel Matters

Mr. Hatzelis presented a proclamation for Commissioners consideration for Ciro Neglia who will be retiring after 25½ years of service as the SCMUA Accountant/Treasurer. Commissioner Cocula moved the resolution proclamation, seconded by Commissioner Dietz. On roll call the vote a was as follows: Ayes (6) Commissioners Zidek, Petillo, Dietz, Cocula, Meyer and O'Halloran. The resolution was approved.

#11-118 PROCLAMATION RESOLUTION TO CIRO NEGLIA, SCMUA TREASURER

8. FINANCIAL TRANSACTIONS

a. Payment of Bills

FINANCIAL CONSENT AGENDA – Chairman Petillo requested a motion to adopt the Financial Consent Agenda. Commissioner Zidek moved approval of bill paying resolution, seconded by Commissioner O'Halloran. No discussions or comments. On roll call, the vote was as follows: Ayes (6) Commissioners Zidek, Petillo, Dietz, Cocula Meyer and O'Halloran. The resolution passed.

#11-119 RESOLUTION RE: AUTHORIZING PASSAGE OF FINANCIAL CONSENT AGENDA AND SUPPLEMENT

Chairman Petillo stopped the meeting at 3:37 pm to take a break and let the public arrive before the presentation of the Rate Hearing.

At 4:03 p.m. the Meeting was reconvened for the Public Hearing at which time Administrator John Hatzelis provided a full presentation on the Authority's Proposed FY2012 Rates, Charges and Fees. Eleven (11) members from the public were present, as well as, Authority Staff & Attorneys, Commissioners (absent: Vice Chairman John Sowden) and Consulting Engineer Cerenzio. A verbatim transcript will be prepared and placed in the file for public review. The Public Hearing was adjourned at 5:44 p.m.

Attendance for Rate Hearing and until the conclusion of Open Session (5:50 p.m.):

Richard Vohden, Sussex County Freeholder
Vita Thompson, Andover Township Clerk/Administrator
Joseph Sabatini, Byram Township Manager
Allan Esenloth, Green Township/SWAC Member
Russell Law, Hamburg Borough Councilman/Recycling Coordinator
JoAnn Williamson, Ayers Corporation
James Kilduff, Franklin Borough
Bob Dorber, Blue Diamond
John Shortino, Blue Diamond
Daniel Plaxe, Blue Diamond
Daniel Conkling, Green Township, Deputy Mayor

General Authority Business - Administrator's Report (cont.)

John Hatzelis presented a resolution for adoption by the Board authorizing Adoption of the SCMUA FY2012 Schedule of Rates, Fees and Charges. Commissioner Cocula moved the adoption of the following resolution adopting the Authority's Schedule of Rates, Fees and Charges, seconded by Commissioner Dietz. On roll call the vote was as follows: Ayes: (6) Commissioners Zidek, Petillo, Dietz, Cocula, Meyer and O'Halloran. The motion carried.

#11-120 RESOLUTION RE: ADOPTION OF SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY'S SCHEDULE OF RATES, FEES AND CHARGES FOR FY2012

John Hatzelis presented a resolution for adoption which would amend the solid waste facility schedule of rates, fees and charges to reduce the posted \$125 per ton tipping fees to be \$96.00 for ID10 and \$115.00 per ton for ID13 type wastes. Commissioner Dietz moved the adoption of the following resolution amending the Solid Waste Rates, Fees and Charges.

Commissioner Cocula seconded the motion. On roll call, the vote was as follows: Ayes: (6) Commissioners Zidek, Petillo, Dietz, Cocula, Meyer and O'Halloran. The motion carried.

#11-121 RESOLUTION RE: REVISING THE SOLID WASTE FACILITIES
FY2012 SCHEDULE OF RATES, FEES AND CHARGES
(AMENDMENT NO. 1)

John Hatzelis presented a resolution for adoption by the Board which adopts the FY2012 Operating and Capital Budgets for the Upper Wallkill Facility. Commissioner Zidek moved the adoption of the following resolution adopting the FY2012 Upper Wallkill Budget, seconded by Commissioner O'Halloran. On roll call, the vote was as follows: (6)

Commissioners Zidek, Petillo, Dietz, Cocula, Meyer and O'Halloran. The motion carried.

#11-123 RESOLUTION FY2012 ADOPTED AUTHORITY BUDGET –
UPPER WALLKILL FACILITIES – FISCAL YEAR DECEMBER 1,
2011 TO NOVEMBER 30, 2012

John Hatzelis presented a resolution for adoption by the Board which adopts the FY2012 Hampton Commons Facility Budget. Commissioner Dietz moved the adoption of the following resolution adopting the FY2012 Hampton Commons Budget, seconded by Commissioner Zidek. On roll call, the vote was as follows: Ayes: (6) Commissioners Zidek, Petillo, Dietz, Cocula, Meyer and O'Halloran. The motion carried.

#11-124 RESOLUTION FY2012 ADOPTED AUTHORITY BUDGET –
HAMPTON COMMONS FACILITY – FISCAL YEAR DECEMBER
1, 2011 TO NOVEMBER 30, 2012

John Hatzelis presented a resolution for adoption by the Board which adopts the Solid Waste Facilities FY2012 Temporary Budget since certification of funds has not been received. Commissioner Dietz moved the adoption of the following resolution adopting the Authority's Solid Waste Facilities Temporary FY2012 Budget, seconded by Commissioner Zidek. On roll call, the vote was as follows: Ayes: (6) Commissioners Zidek, Petillo, Dietz, Meyer, Cocula and O'Halloran. The motion carried.

#11-125 RESOLUTION RE: ADOPTION OF THE SCMUA SOLID WASTE
FACILITIES TEMPORARY FY2012 BUDGET

John Hatzelis presented a resolution to the Board authorizing the Treasurer to delete certain bad debts from the Solid Waste Revenue Account. This consisted of 12 checks totaling \$334.23 which have been uncollectible and some finance charges. Commissioner Cocula moved the adoption of the following resolution authorizing deletion of certain bad debts from Solid Waste Revenue. Commissioner Dietz seconded the motion. On roll call the vote was as follows: Ayes: (6) Commissioners Zidek, Petillo, Dietz, Cocula, Meyer and O'Halloran.

#11-126 RESOLUTION RE: AUTHORIZATION FOR THE TREASURER
TO DELETE CERTAIN BAD DEBTS FROM THE SOLID WASTE
REVENUE ACCOUNT

NOVEMBER 23, 2011

At this time 5:48 p.m. the Chairman thanked the public for their attendance and questions/comments during the Rate Hearing portion of the meeting and advised the Commissioners will be convening to Executive Session. He informed the Public that no further actions will be taken by the Board after Executive Session.

The public left the meeting room before the Board moved to convene Executive Session.

Commissioner Cocula left the meeting at this point 5:50 p.m.

d. Closed Executive Session

At 5:50 p.m. Commissioner Zidek moved the adoption of the following resolution authorizing a Closed Executive Session seconded by Commissioner O'Halloran. On voice vote (6) Ayes, (0) Nays, the motion carried.

#11-127 RESOLUTION RE: AUTHORIZING CLOSED EXECUTIVE SESSION

At 6:44 p.m. Commissioners Zidek moved to adjourn the Closed Executive Session and reconvene the Open Session seconded by O'Halloran. On voice vote (6) Ayes, (0) Nays, the motion carried.

The Open Session was reconvened at 6:44 p.m. Chairman Petillo indicated that in Closed Executive Session items discussed as specifically set forth in the resolution were negotiations and/or litigations re: Grinnell Hauling; Frankford-Branchville Sewer Project; Stop & Shop Connection Fee; NJDPES Permit Appeal; DMR Construction Services Contract 601D; Sussex Borough Surcharges 2010; Mt. Creek Discovery Center/Day Lodge Connection Fee; Hampton Commons Plant Vandalism; and General Engineering Services RFQ/RFP and update on Personnel Committee Meeting. When the need for confidentiality of these matters no longer exists they will be opened to the public.

9. OPEN TO PUBLIC COMMENT

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

Commissioner Zidek made a motion to excuse Vice Chairman Sowden for his absence for the meeting, seconded by Commissioner O'Halloran. On voice vote (6) Ayes, (0) Nays, the motion carried.

10. COMMISSIONERS' COMMENTS/REQUEST

Commissioners wished all a Happy Thanksgiving. Commissioner Dietz commented that during the Rate Hearing good comments and questions were raised by those attending. He noted that it is not ideal to make Sussex County Residents pay for the capping of any out of county waste.

11. ADJOURN

Commissioner Meyer moved to adjourn the meeting, seconded by Commissioner Dietz. On voice vote, the motion passed. The meeting was adjourned at 6:50 p.m.

Respectfully submitted,
Andrea Cocula, Secretary