

MINUTES OF THE REGULAR AUTHORITY MEETING OF THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY HELD ON APRIL 2, 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 3:00 p.m.

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

Public Present: Linda Masson

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. Ms. Masson asked the Board to consider moving the Closed Executive Session portion of the meeting to the end of the Agenda. 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, seconded by Commissioner Sowden. 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 Cocula moved the approval of the Consent Agenda, seconded by Commissioner Madsen. 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 March 19, 2014 Pending Action Summary Sheet, which was emailed to the Freeholder Board on March 20, 2014. Commissioner Madsen moved to approve the March 19, 2014 Pending Action Summary Sheet, seconded by Commissioner Drake. On roll call: Ayes (6) Commissioners Sowden, Madsen, Petillo, Cocula, Meyer, Drake; Nays (0); Abstain (1) Commissioner Dietz due to absence at that meeting.

Chairman Petillo asked for motion to approve the Open and Closed Meeting Minutes for the March 5, 2014 Regular Authority Meeting. Commissioner Drake approved the minutes, seconded by Commissioner Sowden. On roll call: Ayes (5) Commissioners Sowden, Petillo, Cocula, Meyer, Drake; Nays (0); Abstain (2) Commissioners Dietz & Madsen due to absence at that meeting.

Chairman Petillo stated that the Open & Closed Meeting Minutes for the March 19, 2014 Authority Meeting was previously emailed to the Commissioners for their review.

7. BUSINESS

Commissioners discuss and agree to will move the Executive Session to the end of the Agenda.

a. Executive Session (moved to the end of the agenda)

b. Wastewater Program

Superintendent's Report

Mr. Nugent reported on the recent NJDEP inspection of two Authority owned laboratories. He reported that every three years the labs are inspected and reviewed by the NJDEP on quality assurance, quality control, parameters and Discharge Monitoring Reports. The inspection lasts approximately 5 hours and Mr. Nugent indicated there were no violations found. There were some minor recommendations made and a report should be received by the NJDEP summarizing the inspection.

Freeholder George Graham and Watershed Program Director Nathaniel Sajdak entered the meeting at 3:05 p.m.

Chief Engineer's Report

Chief Engineer Varro reported that 60% completion drawings were received for the Paulinskill Project Design from Kleinfelder/Omni. SCMUA Staff comments are in the process of being drafted and will be sent to KLF/OMNI. He indicated that a project meeting to discuss comments should be scheduled and requested potential dates for the Construction Review Committee. Discussions confirmed a date and time of April 9, 2014, @ 2:30 p.m. all parties will be notified, including the County Engineering Department.

Administrator's Report

Administrator Hatzelis recognized Mr. Nathaniel Sajdak of the Wallkill Watershed Management Group for recently being awarded the Young Professional of the Year by the Sussex County Chamber of Commerce. Mr. Hatzelis noted it is a wonderful accolade for the Watershed Program to be recognized for their hard work and dedication to the many projects that have been conducted and are currently ongoing. Nathaniel approached the Board and thanked them for all their support over the years and noted the accomplishments are a group effort, including the help of the Watershed staff's work and dedication, the SCMUA staff's guidance, Commissioners support and finally the community at large. The Board Members that were present at the award ceremony noted that it was well deserved recognition, all the Commissioners agreed and noted to keep up the excellent work moving forward.

Mr. Hatzelis reported on the recent meeting with Wantage and Sussex representatives as well as the County Planning Department regarding the sewer service area along Route 23 in Wantage. Discussions at the meeting included potential developments/properties that would be able to hook up the Sussex Borough Forcemain. John reviewed the properties shown on a map and noted that both municipalities would have to pass

resolutions approving this plan. This proposal will give Sussex Borough additional customers without transferring allocation and no need for change in Sewer Service Agreements with the Authority. This project would have to be reviewed and approved by PAC208, Freeholders and finally the NJDEP. Mr. Hatzelis noted a regional plan including a force main for multiple connections would be ideal.

Mr. Hatzelis reported on the Septage, Sludge and Hauled Sewage Volumes for the first four months of the fiscal year are up 13% above projections for liquid waste budget. Connection fees total \$130,942 and the budget for the year was projected for \$231,000.

Administrator Hatzelis reported on the NJ Herald article that indicated the PUD development in Andover has been sold and has been donated to Kittatinny State Park. The SCMUA was supposed to own and operate the wastewater treatment plant for that development and the NJDEP recently inquired about the status of this permit. Mr. Hatzelis stated he is waiting to hear from the developer regarding the escrow account balance and the active permit.

c. Solid Waste Program

Administrator's Report

Mr. Hatzelis reported on the Tonnages and Revenues from December 1 – March 31 and noted that there has been a consistent downward trend for ID10 waste. He noted that ID13 Bulky Waste is down 20% most likely due to the long lasting cold weather, however ID10 is down 7.8% which is unusual. ID10 has been steadily decreasing when compared to previous years' tonnage. Discussion held on where is waste is going, pinpointing areas/homes that have decreased tonnage. Mr. Hatzelis noted that the tonnage data suggests that the reduction in waste is from Hardyston, Hamburg and Sparta. Further discussions re: lost funds and the notification to the Solid Waste Enforcement Agency at the County Health Department of this recent data.

d. General Authority Business

Administrator's Report

Administrator Hatzelis reported on the 2013 Audit Report which is approximately 90% complete by the Auditor's office. He indicated that current balance in the Solid Waste Facility's R&R fund is \$646,000, however the Engineer's Certificate recommends \$1,290,000. Mr. Hatzelis noted the absence of state aid has contributed to this deficit, as well as additional funds necessary for future equipment with the landfill life extension. Mr. Hatzelis reviewed options to rectify and Commissioners discussed these options and agreed the Construction Review Committee Meeting should consider and make recommendation.

8. Payment of Bills

FINANCIAL CONSENT AGENDA – Chairman Petillo asked for a motion to approve the Financial Consent Agenda (FCA). Commissioner Cocula moved the FCA, seconded by Commissioner Madsen. On roll call, the vote was as follows: Ayes (6) Commissioners Sowden, Madsen, Petillo, Cocula, Meyer and Drake; Nays (0); Abstain (1) Commissioner Dietz. The resolution passed.

#14-056 RESOLUTION RE: AUTHORIZING PASSAGE OF FINANCIAL CONSENT AGENDA

9. PUBLIC COMMENT

Chairman Petillo opened the meeting to public comment. Ms. Masson thanked the Board for moving the Executive Session portion to the end of the Agenda. The Chairman closed the meeting to public comment.

Chairman Petillo called for a meeting recess at 3:36 p.m.

The Meeting resumed at 3:53 p.m.

- (7a.) At 3:53 p.m. Commissioner Cocula moved the adoption of the following resolution authorizing a Closed Executive Session seconded by Commissioner Drake. On voice vote (7) Ayes, (0) Nays, the motion carried.

#14-057 RESOLUTION RE: AUTHORIZING CLOSED EXECUTIVE SESSION

At 4:21 p.m. Commissioner Dietz moved to adjourn the Closed Executive Session and reconvene the Open Session seconded by Commissioner Cocula. 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: SXLE/Energenic Contract Amendment; Title V Negotiations; Electric Aggregate Energy Bids; Vernon Township sewer user charges; and Professional Services Agreement. When the need for confidentiality of these matters no longer exists they will be opened to the public.

Mr. Hatzelis presented a resolution regarding the appointment of Thomas Prol as Special Counsel as a member of the firm of Laddey Clark & Ryan. The award is through the non-fair and open process with a not to exceed amount of \$17,500. Commissioner Cocula moved the resolution, seconded by Commissioner Sowden. On roll call, the vote was as follows: Ayes (7) Commissioners Sowden, Madsen, Petillo, Dietz, Cocula, Meyer and Drake; Nays (0); Abstain (0). The resolution passed.

#14-058 RESOLUTION RE: AUTHORIZING THE RETENTION OF THOMAS H. PROL OF LADDEY, CLARK & RYAN, LLP FOR THE FURNISHING OF SPECIAL COUNSEL SERVICES FOR THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY APRIL 2, 2014 TO FEBRUARY 4, 2014

10. COMMISSIONERS' COMMENTS/REQUEST

Commissioners congratulated Nathaniel Sajdak and the Watershed Group on their award and hard work. Mr. Dietz would also like to schedule a Personnel Meeting before the next Authority Meeting of April 16th @ 1:30 p.m.

11. ADJOURN

Commissioner Sowden moved to adjourn the meeting, seconded by Commissioner Cocula. On voice vote, the motion passed. The meeting was adjourned at 4:23 p.m.

Respectfully submitted,

Andrea Cocula, Secretary