

MINUTES OF THE REGULAR MEETING OF THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY HELD ON AUGUST 21, 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 3:00 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 and Recording Secretary Kronski

Public: Linda Masson, Sussex Borough Liaison

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 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, and Commissioner Drake seconded. Chairman Petillo recommended moving the Executive Session to the end of the Agenda to accommodate the public present. On voice vote (7) Ayes, (0) Nays, 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 Dietz. No discussions. On voice vote (7) Ayes; (0) Nays, the motion carried.

6. MINUTES

Chairman Petillo requested a motion to approve the distribution of the August 7, 2013 Pending Action Summary Sheet, which was emailed to the Freeholder Board on August 8, 2013. Commissioner Drake moved to approve the August 7, 2013 Pending Action Summary Sheet, seconded by Commissioner Meyer. On voice vote (7) Ayes; (0) Nays, the motion carried.

Chairman Petillo asked for a motion to approve the Open & Closed Meeting Minutes for the July 17, 2013. Commissioner Cocula moved approval of the minutes, seconded by Commissioner Drake. On Roll Call: Ayes (5) Commissioner Sowden, Petillo, Dietz, Cocula and Drake; Nays (0); Abstain (2) Commissioners Meyer and Madsen (due to absence at that meeting). The motion carried.

The Chairman stated that the Open & Closed Meeting Minutes for the August 7, 2013 Authority Meetings have been emailed to the Commissioners for their review/comment.

7. BUSINESS

- a. Executive Session (moved to the end of Agenda)
- b. Wastewater Program

Chief Engineer's Report

Mr. Varro reported on the Energy Aggregation Program for the Upper Wallkill Facility. The Authority is a member with other sewerage authorities for low bid contracts for Energy costs and is currently in a contract until May of 2014. He indicated that a meeting was held last week regarding possibly changing the format for the bidding process to a reverse auction. Mr. Varro explained the process and noted that another RFP would be prepared for Energy Consultants and he will report back when he gets additional information.

Mr. Varro reviewed the connection fee hardship waiver for KDA Investments, LLC (Mixing Bowl Restaurant) that has been pre-approved by the Vernon Township MUA for a payment plan. The Authority previously approved a Hardship Policy that authorizes payment of SCMUA Connection fee in 5 installments. He reported that KDA Investments have signed a hardship payment plan agreement with the Authority and the first payment has been received. He presented a resolution to authorize the execution of the Hardship Agreement with KDA Investments. Commissioners and Staff discuss the agreement and property lien. Commissioner Dietz moved the resolution to authorize execution, seconded by Commissioner Sowden. On roll call: Ayes (7) Madsen, Sowden, Petillo, Dietz, Cocula, Meyer, Drake; Nays (0); Abstain (0). The resolution passed.

#13-099 RESOLUTION RE: AUTHORIZING THE EXECUTION OF A CONNECTION FEE FINANCIAL HARDSHIP AGREEMENT WITH KDA INVESTMENTS, LLC

Mr. Varro reported on the Homestead Wastewater Plant that is owned by the County, but is operated under an agreement with the Authority. An inspection was conducted by the NJDEP that indicated the steel wastewater tank has significantly deteriorated. The SCMUA Staff has been helping the County to maintain the Homestead WWTP, which is now 42 years old and was built in 1972. Tom stated that the tank was previously inspected in 2001 by Extech (now CorrTech) and were being recommended to the County for a new analysis. The County was contacted regarding a new inspection of the tank. Discussions ensued regarding sharing the costs of the repairs with the County and the Homestead Nursing Home. Attorney Jacobbe will request a copy of the Homestead/County Agreement to review.

Administrator's Report

Mr. Hatzelis reported on correspondence received regarding the Hardyston Township MUA allocation auction and he reviewed the history of the 8,000 gpd up for auction. There is a pre-bid meeting on August 29th and bid opening on September 5th with a minimum by of \$5 per gallon. He indicated that this HTMUA allocation was originally owned by Anton Pilz and transferred to High Ridge Properties. Mr. Hatzelis reviewed the history of the High Ridge acquired allocation and the litigation which is presently ongoing. He also explained that with the transfer of the allocation, amendments will need to be made to the service contract and

wastewater management plan. Mr. Hatzelis also reported that he spoke with Marianne Smith and Michael Vreeland of HTMUA regarding the upgrade of the Crystal Springs Pump Station and it was indicated that it is on their "to do" list and they will contact Mr. Hatzelis when they are ready to proceed.

8. FINANCIAL TRANSACTIONS

a. Payment of Bills

FINANCIAL CONSENT AGENDA – Chairman Petillo asked for a motion to approve the Financial Consent Agenda with the removal of PO#68823 for the Solid Waste Operating Fund Overtime voucher. Commissioner Cocula moved the approval of bill paying resolution, as amended seconded by Commissioner Madsen. No discussions. 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.

#13-100 RESOLUTION RE: AUTHORIZING PASSAGE OF FINANCIAL CONSENT AGENDA

Chairman requested a motion to approve Voucher #68823 for Solid Waste overtime portion of payroll. Commissioner Dietz moved, seconded by Commissioner Meyer. On roll call the Ayes (6) Commissioners Madsen, Sowden, Petillo, Dietz, Meyer and Drake; Nays (1) Commissioner Cocula; Abstain (0). The motion was approved.

9. PUBLIC COMMENT

Chairman Petillo opened the meeting to public comment and Ms. Linda Masson questioned the Authority's Hardship Agreement, whether it is extended to residents? Chief Engineer Varro and Administrator Hatzelis explained that the Authority's "hardship" application is currently available only to those in the Vernon Town Center Sewage Service Area who have been assessed more than 3 EDU's for commercial buildings and 1 EDU for non profit organizations. This was tailored on the Vernon Township Hardship Policy. Mr. Hatzelis indicated this is new territory for the Authority for a payment plan for connection fees with individuals. Chairman Petillo closed the meeting to public comment.

(7a) EXECUTIVE SESSION

At 3:20 p.m. Commissioner Cocula moved the adoption of the following resolution authorizing a Closed Executive Session seconded by Commissioner Meyer. On voice vote (7) Ayes, (0) Nays, the motion carried.

#13-101 RESOLUTION RE: AUTHORIZING CLOSED EXECUTIVE SESSION

At 3:36 p.m. Commissioner Cocula moved to adjourn the Closed Executive Session and reconvene the Open Session seconded by Commissioner Madsen. On voice vote, the motion passed.

August 21, 2013

Chairman Petillo indicated that in Closed Executive Session items discussed as specifically set forth in the resolution were negotiations and/or litigations re: FMI Property Purchase Agreement; Paulinskill Project Design Engineering Agreement; KDA Hardship Agreement; Grinnell Settlement Agreement Amendment; MIC Unit Lease Agreement. When the need for confidentiality of these matters no longer exists they will be opened to the public.

10 COMMISSIONERS' COMMENTS/REQUEST

Commissioner Dietz noted that the Watershed Staff should be commended for an exemplary job in obtaining grant funds for \$140,000 in which a portion goes to local farmers that are included in the USDA/Natural Resource Conservation Service Agriculture Program.

11. ADJOURN

Commissioner Sowden moved to adjourn the meeting, seconded by Commissioner Dietz. On voice vote, the motion passed. The meeting was adjourned at 3:40 p.m.

Respectfully submitted,

Andrea Cocula, Secretary