

MINUTES OF THE REGULAR MEETING OF THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY HELD ON AUGUST 7, 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 3:02 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 Drake moved the approval of the Agenda, and Commissioner Madsen seconded. Mr. Hatzelis noted that Voucher #67855 for Garafano Tank Service has been removed from the bill paying list and is to be reviewed by staff further. Mr. Chairman recommended moving the Executive Session to the end of the Agenda to accommodate the public present and stated that there may be actions taken after discussions in Executive Session regarding both wastewater and solid waste reporting. 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 Sowden moved the approval of the Consent Agenda, seconded by Commissioner Drake. 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 July 17, 2013 Pending Action Summary Sheet, which was emailed to the Freeholder Board on July 18, 2013. Commissioner Cocula moved to approve the July 17, 2013 Pending Action Summary Sheet, seconded by Commissioner Sowden. On Roll Call: Ayes (5) Commissioner Sowden, Petillo, Dietz, Cocula and Drake; Nays (0); Abstain (2) Commissioners Meyer and Madsen (absent for the meeting). The motion carried

Chairman Petillo asked for a motion to approve the Open & Closed Meeting Minutes for the June 19, 2013. Commissioner Drake moved approval of the minutes, seconded by Commissioner Madsen. On Roll Call: Ayes (5) Commissioner Madsen, Petillo, Dietz, Cocula and Drake; Nays (0); Abstain (2) Commissioners Meyer and Sowden (absent for the meeting). The motion carried.

The Chairman stated that the Open & Closed Meeting Minutes for the July 17, 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

Superintendent's Report

Superintendent Nugent distributed pictures of the Upper Walkkill Influent Bar Screen. A Trash Compactor and Conveyor is needed and requested Commissioner authorization to prepare bid specifications and advertise. He reported that funds are in reserve for the equipment bid and discussions were held regarding operations and use of equipment. Commissioner Cocula moved to approve development of bid specifications and advertisement for Compactor/Conveyor, seconded by Commissioner Drake. On voice vote: Ayes (7); Nays (0); Abstain (0). The motion passed.

Chief Engineer's Report

Mr. Varro reported that the NJDEP has issued a site specific Water Quality Management Plan for the Frankford Town Center project. He indicated that the NJPDES permit has been issued in draft form and the scope of work portion of funds for project has been depleted. He also noted that there is an issue regarding an endangered species, the Savannah Sparrow, which needs to be given a suitable habitat before the Discharge to Groundwater Permit is issued. Under the escrow agreement the SCMUA has with the Developer, the design portion is under the SCMUA's control and Mr. Varro has been in touch with the Developer regarding certain issues including commitments for this project. Tom indicated that it will be up to the Developer if he would like to utilize an RFQ/RFP or use SCMUA's wastewater consulting engineer (HHM). Commissioners and staff discuss design portion and sparrow situation. The SCMUA's escrow agreement is with Frankford Township but is funded by the Developer, Sussex Commons, LLC.

Mr. Varro will report further on the Resolution for the Hardship Policy after Executive Session.

Mr. Varro presented a resolution for a non-fair and open two year professional services contract with QC, Inc. for lab work necessary for NJDEP reporting for permit requirements for wastewater and solid waste facilities. He reported that the contract is currently \$40,000 per year for 2013/2014 for all facilities. 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.

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#13-094 AUTHORIZING THE AWARD OF A NON-FAIR AND OPEN TWO-YEAR PROFESSIONAL SERVICES CONTRACT AGREEMENT BETWEEN THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY (SCMUA) AND QC, INC. FOR LAB ANALYSIS SERVICES

c. Solid Waste Program

Superintendent's Report

Mr. Sparnon reported on the recent E-waste Event on July 20th, and indicated that the E-Waste Event took in 900 vehicles for a total of 48.18 tons of electronics. He stated that the vendor's forklift was not delivered and the SCMUA's had to be utilized, however, Vintage Electronics credited the SCMUA for the labor and use of the forklift. Commissioners and staff discussed queue line and wait times, which were minimal.

Mr. Sparnon reported on the ongoing leachate trailer repairs, one of the trailers was finally returned to the SCMUA after 7 weeks overdue. He explained that Garafano Tank Service had difficulty getting the needed parts, but the trailer is now currently fully operational. He indicated that the second trailer, which was damaged in the previous accident, is still waiting for parts and repairs. The invoice that is being pulled from the bill list needs to be reviewed further by SCMUA Staff. The rental trailer is still being used for leachate transfer and will be paid for by the insurance company. Mr. Sparnon expressed frustration with the slow pace of Garafano Tank Service and discussions ensued regarding insurance reimbursement and informing the insurance company that the repair delays are out of the SCMUA's control.

Chief Engineer's Report

Mr. Varro reported that the Public Hearing for the Solid Waste Management Plan Amendment was held on July 24th at the Freeholder Meeting. He indicated that he and Mark Swyka from Cornerstone Consulting Services conducted a short presentation and the Freeholder Board passed the resolution. He noted a person from the public was apparently late to the meeting and asked some questions later in the Freeholder meeting. Mr. Swyka is currently working on the Amendment package to submit to the NJDEP. Commissioners held short discussion on leachate for Phase 3B, which will be separated into east and west pipes and is included in 2014 Capital Budget.

Resolution for Landfill Gas Field Adjustment Agreement with Energenics shall be considered by the Commissioners after Executive Session discussions.

Administrator's Report

Mr. Hatzelis distributed a worksheet and reviewed the total tons for all waste types for Dec 1st – July 31st totaling 66,764 tons. The tonnage projection for FY2013 was set at 103,000 tons and with further estimations/calculations for the rest of the fiscal year it seems that actual tonnages will meet projections.

Mr. Hatzelis stated that the FY2014 Operating and Capital Budgets are being prepared and must be submitted to the State at the end of September. Debt Service payments are set to be reduced for 2014. There are many needs included in the 5 year capital budgets especially for solid waste with the temporary berm and capping, and wastewater

projects include replacing the clarifier weirs. He indicated there are no capital budgets needed for Hampton Commons.

8. FINANCIAL TRANSACTIONS

a. Payment of Bills

FINANCIAL CONSENT AGENDA – Chairman Petillo asked for a motion to approve the Financial Consent Agenda as revised and with the removal of PO#68712 the Solid Waste Operating Fund Overtime vouchers. Commissioner Sowden moved the approval of bill paying resolution, as amended seconded by Commissioner Drake. 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.

#13-095 RESOLUTION RE: AUTHORIZING PASSAGE OF FINANCIAL CONSENT AGENDA

Chairman requested a motion to approve Voucher #68712 for Solid Waste overtime portion of payroll. Commissioner Dietz moved, seconded by Commissioner Sowden. 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

The Chairman opened the meeting to Public Comment, Linda Masson questioned the Hardship Policy for discussion in Executive Session as to whether the program is meant for all system users or just Vernon Township Residents. Mr. Hatzelis explained that the resolution was based on Vernon Township MUA's Hardship Payment Policy. He stated that the Agreement will be available to review after Freeholder consideration of the Authority's motions for this meeting. Chairman Petillo closed the meeting to public comment.

At: 3:30 p.m. Chairman Petillo called for a short recess before going into Executive Session.

The public left the meeting at this time.

The meeting reconvened at 3:50 p.m.

(7a) EXECUTIVE SESSION

At 3:50 p.m. Commissioner Cocula moved the adoption of the following resolution authorizing a Closed Executive Session seconded by Commissioner Masden. On voice vote (7) Ayes, (0) Nays, the motion carried.

#13-096 RESOLUTION RE: AUTHORIZING CLOSED EXECUTIVE SESSION

Commissioners Dietz left the meeting during Executive Session at 4:45 p.m..

At 5:01 p.m. Commissioner Cocula moved to adjourn the Closed Executive Session and reconvene the Open Session seconded by Commissioner Drake. On voice vote, the motion passed.

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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 Acquisition/Paulinskill Project Engineering Agreement; Vernon Twp. Service Agreement Amendment; VTMUA Financial Hardship Agreement; Grinnell Proposal for Amendment to Settlement Agreement; Governor Haines Sewer Easement/Connection; Sparta Stop & Shop Collection Matter. When the need for confidentiality of these matters no longer exists they will be opened to the public.

Mr. Hatzelis noted that after further discussions in Executive Session, the resolution for Landfill Gas Field Adjustment Agreement will not be considered at this time and Mr. Varro was directed to revise said agreement.

Mr. Hatzelis presented a resolution regarding discussions regarding a connection fee hardship plan for Vernon Town Center collection system users. Mr. Hatzelis indicated a draft agreement between the SCMUA and Vernon System Users who have been previously approved as hardship cases by VTMUA was distributed and discussed in Executive Session. This resolution and agreement puts forth payment conditions and schedule for connection fee to the Upper Wallkill Wastewater System. Commissioner Cocula moved, Commissioner Sowden seconded, on roll call: Ayes (7) Commissioners Madsen, Sowden, Petillo, Dietz, Cocula, Meyer and Drake; Nays (0); Abstain (0). The Resolution passed.

#13-097 RESOLUTION RE: ESTABLISHING A POLICY FOR A CONNECTION FEE HARDSHIP PAYMENT PLAN FOR THE SCMUA UPPER WALLKILL SYSTEM – VERNON TOWN CENTER COLLECTION SYSTEM USERS

Mr. Hatzelis indicated that in Executive Session under Attorney's Report, discussions were held regarding an amendment to the Grinnell/County/SCMUA Settlement payment schedule, per Grinnell's request. Commissioner Cocula moved amendment to "Attachment A" of Agreement, subject to Freeholder approval. Motion was 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.

#13-098 RESOLUTION RE: AUTHORIZING THE EXECUTION OF AN AGREEMENT TO THE GRINNELL SETTLEMENT AGREEMENT

10 COMMISSIONERS' COMMENTS/REQUEST

Commissioners wished Commissioner Dietz a Happy Birthday.

11. ADJOURN

Commissioner Sowden moved to adjourn the meeting, seconded by Commissioner Madsen. On voice vote, the motion passed. The meeting was adjourned at 5:30 p.m.

Respectfully submitted,

Andrea Cocula, Secretary