

MINUTES OF THE REGULAR AUTHORITY MEETING OF THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY HELD ON MAY 21, 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, Cocula, Meyer and Drake, Administrator Hatzelis, Chief Engineer Varro, Solid Waste Superintendent Sparnon, Wastewater Superintendent Nugent, General Counsel Matthew Giacobbe, Special Environmental Counsel Prol and Recording Secretary Kronski, SCMUA Auditor Paul Cuva

Absent: Chairman Petillo; Commissioner Dietz

Public Present: Mayor Jonathan Rose

Vice-Chairman Madsen chaired the meeting due to Mr. Petillo's absence.

2. PUBLIC STATEMENT REGARDING SUNSHINE LAW

Vice-Chairman Madsen 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 Vice-Chairman opened the meeting to public comment. No public comment, Vice Chairman Madsen closed the meeting to public comment.

4. AGENDA APPROVAL

Vice-Chairman Madsen asked for a motion to approve the Agenda, Commissioner Drake moved the approval of the Agenda, seconded by Commissioner Meyer. On voice vote: Ayes (5); Nays (0). The motion carried.

5. APPROVAL OF CONSENT AGENDA

The Vice-Chairman requested a motion for approval of the Consent Agenda. Commissioner Cocula moved the approval of the Consent Agenda, seconded by Commissioner Drake. No discussions requested. On voice vote: Ayes (5); Nays (0). The motion carried.

6. MINUTES

Vice-Chairman Madsen requested a motion to approve the distribution of the May 7, 2014 Pending Action Summary Sheet, which was emailed to the Freeholder Board on May 8, 2014. Commissioner Cocula moved to approve the May 7, 2014 Pending Action Summary Sheet, seconded by Commissioner Drake. On voice vote: Ayes (5); Nays (0). The motion carried.

Vice-Chairman Madsen asked for motion to approve the Open and Closed Meeting Minutes for the April 16, 2014 Regular Authority Meeting. Commissioner Meyer approved the minutes, seconded by Commissioner Drake. On voice vote: Ayes (5); Nays (0). The motion carried.

Vice Chairman Madsen stated that the Open & Closed Meeting Minutes for the May 7, 2014 Authority Meeting was previously emailed to the Commissioners for their review.

Commissioner Meyer moved to amend the Agenda to move the Closed Session to be after the Financial Transactions, Seconded by Commissioner Drake. On voice vote: Ayes (5); Nays (0). The motion carried.

7. BUSINESS

a. SCMUA Auditor Paul Cuva reviewed the FY2013 Audit, which was previously provided to the Commissioners. He reported on the budgetary surplus for FY2013 for the Upper Wallkill Facility was \$821,763.00. Mr. Cuva reported that the Solid Waste deficit has been reduced to \$115,061 compared to over \$600,000 last year. A recommendation for the Solid Waste Renewal & Replacement Fund to transfer funds into this account and the Engineer's Certificate has lowered the fund requirement. Commissioners thanked Mr. Cuva for the presentation and report.

Freeholder George Graham entered the meeting at 3:10 pm.

Administrator Hatzelis reported that a corrective action plan has been prepared based on the Audit's recommendations and he presented a resolution certifying that the Commissioners have reviewed the audit report as prescribed by the Local Finance Board. Commissioner Cocula moved the resolution, seconded by Commissioner Drake. On Roll Call: Ayes (5) Commissioners Sowden, Madsen, Cocula, Meyer and Drake; Nays (0); Abstain (0). The Resolution passed.

#14-068 RESOLUTION RE: FY2013 ANNUAL FINANCIAL AUDIT REVIEW

b. Closed Session – moved to end of Agenda

c. Wastewater Program

**Superintendent's Report**

Superintendent Nugent reported a sludge study is complete and was prepared by Wastewater Engineer Hatch Mott MacDonald. Mr. Nugent distributed the report on biosolids management and noted that Mr. John Scheri will be attending the June 20<sup>th</sup> meeting to review the report and answer any questions.

**Chief Engineer's Report**

Mr. Varro discussed the Paulinskill Project and noted that there have been design changes to the project due to the Value Engineering Study. Bidding is set for late summer/early fall and the Treatment Works Approval application needs to be modified to reflect VE related design changes. He presented a resolution to authorize the Administrator to execute and designate Timothy Bradley of Kleinfelder/Omni as the agent of the Authority, as well as submittal of the revised TWA to the NJDEP. Commissioner Cocula moved the authorizing resolution, seconded by Commissioner Drake seconded the resolution. On voice vote: Ayes (5); Nays (0); Abstain (0). The resolution passed.

#14-069 RESOLUTION RE: AUTHORIZATION TO SUBMIT APPLICATION FOR AN NJDEP TREATMENT WORKS APPROVAL (TWA) PERMIT FOR THE PAULINSILL PROJECT

Mr. Varro reported on a NJDOT culvert replacement project along Route 94 in Vernon Township which will temporarily restrict access to the Vernon Pump Station. The plans have been reviewed by the Authority and an agreement was reached for a daily access point through Mt. Creek Resort. The Bidder will be made aware of the situation and barriers may need to be moved with 48 hour notice, or two hour notice for emergencies. He noted the resolution endorses the plans that include pump station access. Commissioner Cocula moved the resolution, seconded by Commissioner Meyer. On voice vote: Ayes (5); Nays (0); Abstain (0). The resolution passed.

#14-070 RESOLUTION RE: ENDORSEMENT OF PLANS AND SPECIFICATIONS FOR NJDEP ROUTE 94 BLACK CREEK TRIBUTARY CULVERT REPLACEMENT PROJECT IN VERNON

### **Administrator's Report**

Mr. Hatzelis reported on the Sussex Borough Utility Rate Rebalancing Plan that was prepared by Sussex Borough and shows a significant shift in water and sewer rates. He explained the EDU user fees for single family homes outlined in a letter from Sussex Borough to their residents. In the proposed Ordinance# 2014-04 water fees will increase 84% and sewer fees will decrease by 35% from \$1,200 to \$780 per year. The calculations for 1 EDU will equal approximately \$880 for water and \$780 for sewer. It appears that Sussex's sewer rates and users have been subsidizing the water system rates and users for several years now. Mr. Hatzelis also compared the new Sussex Borough rates as a ratio to Franklin and Hamburg sewer users' rates, which are \$668 and \$718, respectively. Also, Mr. Hatzelis reported that Sussex Borough's Debt Service is approximately 28% of their water and sewer budget, compared to 12% for Franklin Borough. The Ordinance Hearing is set for June and John recommended sending a letter of support of this Ordinance.

d. Solid Waste Program

### **Solid Waste Superintendent's Report**

Mr. Sparnon reported that the specifications for the Landfill Compactor have been prepared and are under review. The proposed bid includes a lease/purchase option and a trade-in. Mr. Sparnon will advertise when the review process is completed and approved.

### **Chief Engineer's Report**

Chief Engineer Varro gave a status update on the stormwater runoff in the vacant Phase 3B during the last rain storm, which was subsequently tested for various parameters. The results were compared to previous SCMUA data for site surface water and groundwater discharges and were consistent with prior storm water runoff. The water is being pumped into the detention pond, with no need for treatment.

Mr. Varro reported on the Landfill Gas to Energy Facility Improvements. A shut-off valve was installed and the testing being done. He noted all improvements that need to be addressed including knock-out pot, electrical work and leak testing must be completed before gas is restored.

e. General Authority Business

**Administrator's Report**

Administrator Hatzelis reminded the Commissioners, staff and Professionals to file their Financial Disclosure Statement by June 13<sup>th</sup>.

8. Payment of Bills

FINANCIAL CONSENT AGENDA – Vice-Chairman Madsen asked for a motion to approve the Financial Consent Agenda (FCA). Commissioner Drake moved the FCA and supplement provided, seconded by Commissioner Meyer. On roll call, the vote was as follows: Ayes (4) Commissioners Sowden, Madsen, Meyer and Drake; Nays (1) Commissioner Cocula; Abstain (0). Commissioner Cocula stated there was no Overtime Report provided for review, which is the reason for her vote to not approve the FCA. The resolution passed.

#14-071 RESOLUTION RE: AUTHORIZING PASSAGE OF FINANCIAL CONSENT AGENDA

9. PUBLIC COMMENT

Vice-Chairman Madsen opened the meeting to public comment. No Comment from the public. The Vice-Chairman closed the meeting to public comment.

General Counsel acknowledged Sussex Borough Mayor Rose's correspondence regarding past Executive Session discussions.

a. Executive Session

General Counsel notified the public the Board will be going into Executive Session which should last approximately 15 minutes with no action being anticipated.

At 3:36 p.m. Commissioner Cocula moved the adoption of the following resolution authorizing a Closed Executive Session seconded by Commissioner Drake. On voice vote (5) Ayes, (0) Nays, the motion carried.

#14-072 RESOLUTION RE: AUTHORIZING CLOSED EXECUTIVE SESSION

At 3:43 p.m. Commissioner Cocula moved to adjourn the Closed Executive Session and reconvene the Open Session seconded by Commissioner Meyer. On voice vote, Ayes (5); Nays (0), the motion passed.

Vice-Chairman Madsen indicated that in Closed Executive Session items discussed are as specifically set forth in the authorizing resolution which were negotiations and/or litigations re: LFGTE Contract Amendment. When the need for confidentiality of these matters no longer exists they will be opened to the public.

10. COMMISSIONERS' COMMENTS/REQUEST

Commissioner Cocula moved to give an excused absence to Commissioners Petillo and Dietz, seconded by Commissioner Sowden. On voice vote, Ayes (5); Nays (0), the motion passed.

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11. ADJOURN

Commissioner Sowden moved to adjourn the meeting, seconded by Commissioner Drake. On voice vote, the motion passed. The meeting was adjourned at 4:45 p.m.

Respectfully submitted,

Andrea Cocula, Secretary