

MINUTES OF THE REGULAR AUTHORITY MEETING OF THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY HELD ON NOVEMBER 5, 2014 AT THE AUTHORITY'S ADMINISTRATION BUILDING, LAFAYETTE, NEW JERSEY

1. CALL TO ORDER; ROLL CALL; PLEDGE OF ALLEGIANCE

The Meeting was called to order at 3:02 p.m.

The following were present: Commissioners Sowden, Madsen, Petillo, Cocula, and Drake, Administrator Hatzelis, Chief Engineer Varro, Solid Waste Superintendent Sparnon, Wastewater Superintendent Nugent, General Counsel Matthew Giacobbe, Special Environmental Counsel Thomas Prol, and Recording Secretary Kronski, Consulting Engineers Timothy Bradley of Kleinfelder/Omni

Absent: Commissioners Meyer and Dietz

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. No Comments. 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, seconded by Commissioner Drake. Mr. Hatzelis asked to add discussions regarding bids for Contract #15-04 Cover Soil Material to the Closed Session Agenda with a potential action to be taken. On voice vote: Ayes (5); Nays (0). 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 Drake. No discussions. On voice vote: Ayes (5); Nays (0). The motion carried.

6. MINUTES

Chairman Petillo requested a motion to approve the distribution of the October 15, 2014 Pending Action Summary Sheet, which was emailed to the Freeholder Board on October 16, 2014. On voice vote: Ayes (5); Nays (0); Abstain (0). The motion carried.

Chairman Petillo asked for a motion to approve the Open & Closed Minutes from the September 17, 2014 Authority Meeting. Commissioner Drake motioned to approve the minutes, seconded by Commissioner Madsen. On voice vote: Ayes (5); Nays (0); Abstain (0). The motion carried.

Chairman Petillo noted the Open & Closed Minutes for the October 1, 2014 and October 15, 2014 Authority Meetings have been emailed to the Commissioners for review.

7. **BUSINESS**

a. Executive Session

At 3:05 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. Chairman Petillo noted the approximate time of Executive Session to be approximately 15 minutes.

#14-119 RESOLUTION RE: AUTHORIZING CLOSED EXECUTIVE SESSION

At 3:09 p.m. Commissioner Cocula moved to adjourn the Closed Executive Session and reconvene the Open Session seconded by Commissioner Sowden. On voice vote, Ayes (5); Nays (0), the motion passed.

Chairman Petillo called for a short meeting break at this time.

The meeting resumed at 3:12 p.m.

Chairman Petillo indicated that in Closed Executive Session items discussed as specifically set forth in the resolution were personnel items and negotiations and/or litigations re: Contract #15-04 Soil Cover Material and notice of resignation. When the need for confidentiality of these matters no longer exists they will be opened to the public.

b. Wastewater Program

Wastewater Superintendent's Report

Mr. Nugent reported on and presented a resolution to submit application to the North Jersey Wastewater Cooperative Pricing System (NJWCPS) to benefit the SCMUA Wastewater Facilities with the purchase of a variety of goods, services and equipment necessary for the operations and maintenance of the wastewater treatment facilities. The resolution passed.

#14-120						
Commissioner	1st	2nd	Yea	Nay	Abstain	Absent
JOHN SOWDEN			x			
TOM MADSEN		x	x			
RON PETILLO			x			
WAYNE DIETZ						x
ANDREA COCULA	x		x			
KARL MEYER						x
JOHN DRAKE			x			

#14-120 RESOLUTION RE: AUTHORIZING RENEWAL MEMBERSHIP IN THE NORTH JERSEY WASTEWATER COOPERATIVE PRICING SYSTEM (NJWCPS)

Chief Engineer's Report

Mr. Varro reported on the Paulinskill Water Reclamation Project and indicated a meeting was held in Branchville to discuss cost options and expected per EDU cost and USDA grant/loan rates. He noted that Branchville's gpd flows have been reduced after recent reporting by Branchville Engineer Harold Pellow and removal of Frankford Board of Education connection. Service Agreements for both Branchville and Frankford will have to be amended to reflect of reduction in daily flows to

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the plant. Mr. Varro also indicated that Branchville Borough is looking to get a quote from Omni/Kleinfelder to review the pump station design and perform RE&I inspection services. Commissioners do not have issue with this and advise to keep separate from the Authority's portion. The Attorney concurred there is no conflict of interest. A Branchville Borough public meeting is scheduled for November 13th at 7:30 to present cost amounts and per EDU figures, also included is the "do nothing" cost for bond payback. SCMUA staff and professionals will be in attendance to answer any questions. Mr. Varro indicated that a vote will be taken after the public meeting and requested that if the project is approved, the budget should be forwarded to the USDA shortly thereafter. The next Authority Meeting is scheduled for November 26th. Commissioner Cocula moved to authorize the submittal of the Paulinskill Budget to the USDA for review contingent upon the approval by Branchville Borough. Commissioner Drake seconded. On voice vote: On voice vote, Ayes (5); Nays (0), the motion passed.

Discussion continued regarding an approval resolution from Branchville Borough must be received in order to move forward with the project, payback of project bonds if rejected and notification to the Local Finance Board whatever the outcome. Mr. Hatzelis requested a motion to submit revised application to Local Finance Board to roll the project note contingent upon Branchville Borough's project approval. Commissioner Cocula moves to approve submittal of note renewal application to the Local Finance Board contingent upon Branchville's decision regarding Paulinskill Project, seconded by Commissioner Madsen. On voice vote, Ayes (5); Nays (0), the motion passed.

Mr. Varro reported on the completed evaluation report on the Homestead Sewage Treatment Plant at the request of the County of Sussex. He detailed the report's findings and the suggested repairs/improvements. Mr. Varro stated that the report was emailed to the County of Sussex noting the budget amount may be significantly under the potential repair costs. Mr. Varro has not heard back from the County regarding this.

Chief Engineer Varro reported that he was contacted by the NJDOT regarding a resurfacing project on Route 206 in Hampton Township which will affect the Authority's easements connecting the Lowe's Store to the Hampton Commons Plant. He reviewed the standard agreement between the NJDOT and the Authority with reimbursement, up to tentatively \$6,000, to the Authority for any costs associated with coordination of the project including marking out facilities, engineering manhours, etc. Discussion on details of the agreement continued, Commissioner Cocula moved to authorize execution of the NJDOT Agreement, seconded by Commissioner Drake. On voice vote, Ayes (5); Nays (0), the motion passed.

c. Solid Waste Program

Superintendent Sparnon

Mr. Sparnon reported that 3 bids were received on October 30th for Contract #15-04 for Furnish and Delivery of Cover Soil Material. After review by staff and counsel, award is recommended to the lowest responsible and responsive bidder, Braen Stone of Lafayette, NJ for \$3.25 for FY2015 and FY2016. Commissioner Cocula moved the award resolution, seconded by Commissioner Madsen.

# 14-121 Contract #15-04						
Commissioner	1st	2nd	Yea	Nay	Abstain	Absent
JOHN SOWDEN			x			
TOM MADSEN		x	x			
RON PETILLO			x			
WAYNE DIETZ						x
ANDREA COCULA	x		x			
KARL MEYER						x
JOHN DRAKE			x			

#14-121 RESOLUTION RE: AUTHORIZING AWARD TO THE LOWEST RESPONSIVE BIDDER TO FURNISH AND DELIVER LANDFILL COVER SOIL (CONTRACT 15-04) FOR THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

Mr. Sparnon reported on the Household Hazardous Waste Day that was held on November 1, 2014. He indicated that the vendor, Clean Venture performed better at this event than the last, and handled 685 vehicles for approximately 17 tons of hazardous products.

Administrator’s Report

Administrator Hatzelis reported that correspondence was received from the NJDEP regarding the Grinnell MRF in Sparta, noting that their permit has been amended to reflect that Cavalier Environmental Services will be operating the facility. He noted that both ID10 and ID13 have been received to the SCMUA’s Solid Waste Facility from Cavalier.

Mr. Hatzelis reported that the Authority’s Auditor has completed the audit on the Landfill Closure/Post Closure Care Escrow. There were no findings or recommendations. The audit was previously distributed to the Commissioners and they had no questions or concerns.

Mr. Hatzelis reviewed the latest tonnage data and noted that ID10 is still down by 2% from the previous years data. The end of the fiscal year is November 30, 2014 and just over 100,000 tons, which is trending downward. Discussions re: average tip fee and potential reasons for the ID10 drop.

d. General Authority Business

Administrator’s Report

Public Rate Hearing on the proposed FY2015 Rates, Fees and Charges to take place at 4:00 pm – continue with agenda until that time.

8. Payment of Bills

FINANCIAL CONSENT AGENDA – Chairman Petillo asked for a motion to approve the Financial Consent Agenda (FCA).

# 14- 122 Financial Consent Agenda						
Commissioner	1st	2nd	Yea	Nay	Abstain	Absent
JOHN SOWDEN			x			
TOM MADSEN			x			
RON PETILLO			x			
WAYNE DIETZ						x
ANDREA COCULA		x	x			
KARL MEYER						x
JOHN DRAKE	x		x			

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#14-122 RESOLUTION RE: AUTHORIZING PASSAGE OF FINANCIAL
CONSENT AGENDA

9. PUBLIC COMMENT

The Chairman opened the meeting to public comment. Ms. Linda Masson questioned the relation of C&P Engineers to the Paulinskill/Branchville Project. Chairman Petillo explained that C&P Engineers was Branchville's design engineers before the Value Engineering Redesign by Kleinfelder/Omni. C&P Engineers has since been bought out by CP Engineers who are not involved in this project. She also inquired as to how allocation is transferred between municipalities for the Upper Wallkill System. Mr. Hatzelis noted that the municipal boards negotiate between each other and then may approach the SCMUA to review agreement and revise the Sewer Service Contracts to show allocation transfers. Chairman Petillo closed the meeting to public comment.

Mr. Petillo called for a short recess at 3:50 pm before starting the Public Hearing scheduled for 4:00 p.m.

Chairman Petillo resumed the meeting at 4:00 p.m. to proceed with the Rate Hearing for the FY2015.

The floor was given to Administrator Hatzelis to begin the presentation, he distributed a packet to follow along and reviewed in detail the budget line items for the Upper Wallkill Facilities; Hampton Commons Facility; Solid Waste Facilities; and the miscellaneous rates, fees and charges. He focused heavily on the Upper Wallkill Participants sewage flows service agreements and estimated 2015 billings. Questions were taken from the public present. A verbatim transcript of the presentation will be prepared and available upon request at the Authority's Administration Building.

After all questions and concerns were addressed, at 4:45 p.m. Commissioner Cocula made a motion to close the Public Rate Hearing, seconded by Commissioner Sowden. On voice vote: Ayes (5); Nays (0); Abstain.

Mr. Hatzelis noted that the FY2015 Schedule of Rates, Fees and Charges, along with the FY2015 Budget Adoption will be on the Agenda for Board's action at the November 26, 2014 Authority Meeting.

10. COMMISSIONERS' COMMENTS/REQUEST

Commissioner Cocula moved to give Commissioners Meyer and Dietz an excused absence. Commissioner Madsen seconded. On voice vote: Ayes (5); Nays (0); Abstain (0). The motion passed.

Commissioners also commended Administrator Hatzelis on his presentation of the Rate Hearing. Also the Commissioner noted experience and comments received regarding the helpful and pleasant staff at the Residents' Convenience Center.

11. ADJOURN

Commissioner Sowden moved to adjourn the meeting, seconded by Commissioner Cocula. On voice vote, the motion passed. The meeting was adjourned at 4:48 p.m.

Respectfully submitted,

Andrea Cocula, Secretary