

MINUTES OF THE REGULAR AUTHORITY MEETING OF THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY HELD ON NOVEMBER 6, 2019 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 3:00 p.m.

The following were present: Chairman Drake, Commissioners Petillo, Madsen, Cocula, Dietz (via telecom at 3:03 p.m.), Meyer, Perez, Finkeldie and Dabinett, Executive Director/Chief Engineer Varro, Comptroller Timothy Day, Solid Waste Superintendent Jonathan Morris, Wastewater Superintendent Angelo Baron, General Counsel Napolitano, Special Counsel Prol (via telecom 3:03 p.m.), and Recording Secretary Tara Kronski

PUBLIC STATEMENT REGARDING SUNSHINE LAW

Chairman Drake stated that the meeting has been duly advertised, and notice given thereof, as required by P.L. 1975, Chapter 231.

2. OPEN TO PUBLIC COMMENT

Chairman Drake opened the meeting to public comment. No public present. Closed the meeting to public comment.

3. AGENDA APPROVAL

Chairman Drake asked for a motion to approve the Agenda. Executive Director Varro requested to add in Open Session Wastewater under Executive Director/Chief Engineer Report, Discussion Re: NJDEP letter. Commissioner Madsen moved the Agenda, as requested, seconded by Commissioner Dabinett. On voice vote: Ayes (8); Nays (0). The motion carried.

5. APPROVAL OF CONSENT AGENDA

Commissioner Finkeldie moved the approval of the Consent Agenda, seconded by Commissioner Dabinett. No discussions requested. On voice vote: Ayes (8); Nays (0). The motion carried.

6. MINUTES

Chairman Drake requested a motion to approve/acknowledge the email distribution of the October 16, 2019 Pending Action Summary Sheets (PASS) to the County Freeholder Board. Commissioner Perez motioned to approve, seconded by Commissioner Meyer. On roll call vote: Ayes (8) Commissioners Petillo, Madsen, Cocula, Drake, Perez, Finkeldie, Dabinett; Nays (0); Abstain (1) Commissioner Meyer. The motion carried.

Commissioner Dietz and Special Counsel Prol called into the meeting (3:03 p.m.)

Motion to approve the Open and Closed Minutes for the September 18, 2019 Authority Meeting by Commissioner Dabinett, seconded by Commissioner Finkeldie. On voice vote: Ayes (7) Commissioners Petillo, Cocula, Dietz, Drake, Meyer, Perez, and Dabinett; Nays (0); Abstain (2) Commissioners Madsen and Finkeldie. The motion carried.

The Open and Closed Minutes for the October 2, 2019 Authority Meeting were emailed to the Commissioners for their 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, motion seconded by Commissioner Meyer. On voice vote: Ayes (9), Nays (0). The motion carried. Chairman Drake noted the Closed Session should be approximately 25 minutes and discussions shall include: Landfill Gas to Energy Contract provisions and ARM Group proposal for Solid Waste Infrastructure Relocation.

#19-158 RESOLUTION RE: AUTHORIZING CLOSED EXECUTIVE SESSION

At 3:24 p.m. Commissioner Perez moved to adjourn the Closed Session, seconded by Commissioner Madsen. On voice vote: Ayes (9), Nays (0). The motion carried.

Chairman Drake confirmed discussions held as specifically set forth in the resolution authorizing Closed Executive Session included: Landfill Gas to Energy Contract, and ARM Group proposal for Solid Waste Infrastructure Relocation. When the need for confidentiality of these matters no longer exists, they will be opened to the public.

b. Wastewater Program

Superintendent's Report

Mr. Baron reported that the Franklin Pump Station concrete work has been completed by Ferraro Construction, and they did an outstanding job. He distributed photos of completed work.

Executive Director/Chief Engineer's Report

Mr. Varro reported on the NJDEP correspondence received regarding the Hampton Commons Facility Permit. The letter indicated that a Stay of Conditions for Nitrate was granted and is appropriate while the Adjudicatory Hearing is ongoing. Special Counsel Prol reported that he had discussions with SCMUA Counsel John Hall regarding certain language in the Stay and he will report back after discussions with Deputy Attorney General.

c. Solid Waste Program

Superintendent's Report

Superintendent Morris reported on the Boiler Replacement, which has been completed, the gas line has also been installed. He is currently waiting on the State Inspector and should be up and running by the end of next week.

Mr. Morris reported he received a call late Saturday night, November 2nd, from the Paramedics' Rental Unit, in which an ambulance operator backed up into the back wall of the building and caused a significant amount of damage. Pictures were taken and sent to the Authority's insurance company, and the garage should not be used until repairs are made. He is waiting for estimates for repairs, and pictures shall be provided.

Mr. Morris indicated he requested quotes for additional installation of gas wells and he reported that the low estimate was received by American Environmental Group at \$39,500. Mr. Varro indicated that other costs include approximately \$104,000 for piping and equipment, the Engineering costs have been significantly reduced due to a reduced scope of work and no bid, and inspection services are limited. Mr. Morris requested authorization to begin Landfill Gas Improvement Project. Commissioner Cocula moved, seconded by Commissioner Meyer. On roll call: Ayes (9) Commissioners Petillo, Madsen, Cocula, Dietz, Drake, Meyer, Perez, Finkeldie, Dabinett; Nays (0); Abstain (0). The Motion passed.

Mr. Morris reported on the November 2, 2019 Household Hazardous Waste Event, 855 vehicles entered the facility that Saturday to utilize the facility. Nine schools and four government agencies participated. The gross weight collected was 18.58 tons, and he will provide a final tally when further information is provided by MXI. This event is the last for the two-year contract with MXI, and bids will be prepared for FY2020/2021.

General Authority Business

Executive Director Report

Public Hearing for Proposed 2019 Schedule of Rates, Fees and Charges

At 3:35 p.m. Chairman Drake asked for a motion to enter into a Public Hearing for the Fiscal Year 2020 Rates, Fees and Charges. Commissioner Perez motioned to begin the Rate Hearing, seconded by Commissioner Madsen. On voice vote: Ayes (9), Nays (0). The motion passed.

Executive Director Varro delivered the FY2020 Rate Hearing Presentation. He distributed a packet to follow along and reviewed in detail the budget line items, and expenses/revenues for the Upper Walkkill Facilities, Paulinskill Water Reclamation Facility, Hampton Commons Facility, Solid Waste Facilities, Administration and the miscellaneous rates, fees and charges. The highlights of the presentation included: Septage and sludge treatment rates are to remain at 2019 rates. The hauled sewage rate shall be set at \$9.04 per 1,000 gallons. Connection fees for the Upper Walkkill System shall be set at \$6,815 per EDU for FY2020. The ID10 (Municipal Waste) rate is shall remain at \$96.00 per ton and the ID13 (Bulky Waste/Construction Debris) rate shall remain at \$115.00 per ton. The effective rate for clean Class A Recycle Materials (fiber and commingled recyclable) shall be \$10/ton. The rate for dirty Class A Recycle Materials (fiber and commingled recyclable) shall be \$48/ton. The SCMUA does not accept single stream recyclables.

Mr. Varro noted that these FY2020 Proposed Rates, Fees and Charges will be on the November 27, 2019 Agenda for Commissioners' consideration per resolution.

There was no Public in attendance for the Rate Hearing Presentation. There were no questions from the Commissioners, and they thanked Executive Director Varro for his presentation. At 4:05 p.m. Commissioner Cocula made a motion to close the Public Rate Hearing, seconded by Commissioner Madsen. On voice vote: Ayes (9), Nays (0). The motion passed.

c. Solid Waste Program (cont.)**Executive Director**

Mr. Varro distributed an analysis created by Comptroller Day which reviews the financing timeline for the Solid Waste Infrastructure Relocation Projects. Mr. Day indicated he took a worst-case scenario, 4% interest, for his conservative analysis. Mr. Day reviewed the status of the previous I-Bank loan and the future debt service to finance this landfill expansion project. Discussions ensued regarding balance of replenishment of Cell Closure Account. Relocation Project shall provide for future cover material, which is cost savings for the Solid Waste Facility. It was estimated that tip fees should remain the same, with no upward pressure resulting from the proposed projects. The project timeline to relocate infrastructure is short and design is to begin immediately. Commissioners requested Authority's Consulting Engineers ARM Group prepare proposal for design of Phase 2 of landfill expansion project and present at a December meeting. Commissioner Cocula moved to authorize execution of an agreement with ARM Group, Inc. to provide engineering design and bidding services for the 1st Phase of the Solid Waste Landfill Expansion Project (Infrastructure Relocation), with budgetary costs pursuant to discussions in Closed Session, motion was seconded by Commissioner Meyer. On roll call: Ayes (9) Commissioners Petillo, Madsen, Cocula, Dietz, Drake, Meyer, Perez, Finkeldie, Dabinett; Nays (0). The motion passed.

Further discussions regarding shortened project timeline and in order to proceed with the approved next phase of the SCMUA landfill expansion project, certain facilities/buildings need to be relocated including horizontal/vertical landfill expansion utilizing MSE Berm technology and associated infrastructure relocation. Commissioner Madsen made motion to authorize to proceed with design for both infrastructure relocation and landfill expansion project, Commissioner Cocula seconded motion. On roll call: Ayes (9) Commissioners Petillo, Madsen, Cocula, Dietz, Drake, Meyer, Perez, Finkeldie, Dabinett; Nays (0). The motion passed.

Mr. Varro gave a status report on the Leachate PS/FM project, indicating that the application for the I-Bank financing has been completed. Mott MacDonald has completed all field investigations, NJDEP comments have been received and are being addressed, no major issues. SC Soil Conservation District application submitted and paid for, as well as, final DOT application, currently waiting on approvals.

Comptroller's Report

Mr. Day reviewed Tonnage and Revenue Report from Dec. 1 – Oct. 31, and revenues have increased 1.7% compared to last year's revenue compared to the same time period. Mr. Day also reported that the Audit for the Cell Closure Account was completed by SCMUA Auditor and has been submitted to the NJDEP and copies are available.

d. General Authority Business (cont.)

Mr. Varro reported that current contracts with Professional Services will expire in February and requested authorization to post RFPs, including Engineering Consultants. Commissioner Cocula authorized to post Request for Proposals for Professional Services for 2020, seconded by Commissioner Dabinett. On voice vote: On voice vote: Ayes (9), Nays (0). The motion passed.

8. Payment of Bills

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

Res #19-159 Financial Consent Agenda						
Commissioner	1st	2nd	Yea	Nay	Abstain	Absent
PETILLO			x			
MADSEN			x			
COCULA			x			
DIETZ			x			
DRAKE			x			
MEYER		x	x			
PEREZ			x			
FINKELDIE	x		x			
DABINETT			x			

#19-159 RESOLUTION RE: CONSENT AGENDA – BILL PAYING LIST

9. PUBLIC COMMENT

No public comment.

10. COMMISSIONERS COMMENTS/REQUEST

Commissioners noted job well done for Executive Director Varro and Comptroller Day for their preparation and presentation of the FY2020 Public Rate Hearing.

11. ADJOURN

At 4:28 p.m. Commissioner Perez moved to adjourn the meeting, seconded by Commissioner Madsen. On voice vote: Ayes (9), Nays (0). The motion carried.

Respectfully submitted,

Andrea Cocula, Secretary