

MINUTES OF THE REGULAR AUTHORITY MEETING OF THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY HELD ON SEPTEMBER 16, 2015 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 3:08 p.m.

The following were present: Commissioners Sowden, Madsen, Petillo, Dietz, Cocula, Meyer, and Drake, Administrator Hatzelis, Chief Engineer Varro, Solid Waste Superintendent Sparnon, Wastewater Superintendent Nugent, General Counsel Napolitano, Special Counsel Prol, and Recording Secretary Kronski

Public present: County Counsel John Williams; Sussex Borough Liaison 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

Chairman Petillo 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, seconded by Commissioner Sowden. Mr. Hatzelis noted that there will a Personnel Item added to Executive Session with possible action to be considered and due to budget presentation, Executive Session is recommended to be moved to the back of the Agenda after Financial Transactions. On voice vote: Ayes (7); Nays (0). The motion carried.

5. APPROVAL OF CONSENT AGENDA

The Chairman requested a motion for approval of the Consent Agenda. Commissioner Dietz moved the approval of the Consent Agenda, seconded by Commissioner Drake. No discussions. On voice vote: Ayes (7); Nays (0). The motion carried.

6. MINUTES

Chairman Petillo requested a motion to approve the distribution of the September 2, 2015 Pending Action Summary Sheet (PASS), which was emailed to the Clerk of the Freeholder Board on September 3, 2015.

| PASS Report for 9-2-15 to Freeholder Board |     |     |     |     |         |        |
|--|-----|-----|-----|-----|---------|--------|
| Commissioner                               | 1st | 2nd | Yea | Nay | Abstain | Absent |
| JOHN SOWDEN                                |     |     |     |     | x       |        |
| TOM MADSEN                                 |     |     | x   |     |         |        |
| RON PETILLO                                |     |     | x   |     |         |        |
| WAYNE DIETZ                                |     |     | x   |     |         |        |
| ANDREA COCULA                              |     |     | x   |     |         |        |
| KARL MEYER                                 | x   |     | x   |     |         |        |
| JOHN DRAKE                                 |     | x   | x   |     |         |        |

Motion passed.

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Chairman Petillo asked for a motion to approve the Open & Closed Minutes from the August 5, 2015 Authority Meeting.

| PASS Report for 8-5-15 to Freeholder Board |     |     |     |     |         |        |
|--|-----|-----|-----|-----|---------|--------|
| Commissioner                               | 1st | 2nd | Yea | Nay | Abstain | Absent |
| JOHN SOWDEN                                |     |     | x   |     |         |        |
| TOM MADSEN                                 | x   |     | x   |     |         |        |
| RON PETILLO                                |     |     | x   |     |         |        |
| WAYNE DIETZ                                |     | x   | x   |     |         |        |
| ANDREA COCULA                              |     |     | x   |     |         |        |
| KARL MEYER                                 |     |     | x   |     |         |        |
| JOHN DRAKE                                 |     |     | x   |     |         |        |

Motion passed.

Chairman Petillo noted the Open and Closed Minutes for the August 19, 2015 Authority Meeting have been emailed to the Commissioners for their review.

7. BUSINESS

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

**Superintendent's Report**

Mr. Nugent updated the Commissioners on the insurance claim for the Hampton Commons Facility. Mr. Nugent and Mr. Varro met with the insurance adjuster and questions were emailed to Mr. Nugent in which he answered and sent back to the adjuster and is waiting to hear back from him. Hatch Mott MacDonald noted an estimate of \$10,000 for bracket purchase. Mr. Nugent noted if the materials are purchased directly by the Authority, the cost of installation should be below the bid threshold which will help expedite the repairs.

- c. Solid Waste Program

**Superintendent's Report**

Mr. Sparnon reported on the bid results for Contract #15-10 Track Loader which were opened on September 10<sup>th</sup>. The single bidder was Foley, Inc. with a total purchase price for Option #1 without trade-in of \$580,285.20, or for Option #2 includes two trade-ins at \$527,373.60. Mr. Sparnon indicated that these bid specifications are still under attorney review for the lease language. General Counsel Napolitano noted the signatures are acceptable, but would like to review the terms of the lease and a recommendation will be made at the next meeting.

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Mr. Sparnon reported on the bid results for Contract #15-03 Truck Tractor that were also opened on September 10<sup>th</sup>. The bid price was received from Cambria Truck Center for \$150,893.00 (less trade in value for MAC \$15,000) for a total bid price of \$135,893.00. The bid specifications have been reviewed and a resolution was prepared for award.

| Res: #15-138 Contract #15-03 Truck Tractor |     |     |     |     |         |        |
|--|-----|-----|-----|-----|---------|--------|
| 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   |     |         |        |

#15-138 AUTHORIZING THE AWARD TO THE LOWEST RESPONSIBLE AND RESPONSIVE BIDDER FOR CONTRACT NO. 15-03 FOR THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY

### Chief Engineer's Report

Mr. Varro reported on the recent Solid Waste Advisory Council's meeting of September 8<sup>th</sup>, in which he updated the Council on recent tonnage data for the Solid Waste Facility. He advised there was also presentation made by Cavalier to seek an amendment to the Solid Waste Management Plan to allow out of county ID13 Bulky Waste to be accepted at their Materials Recovery Facility. Correspondence regarding this request was distributed to SWAC and to the Authority at this meeting however was dated June 2015. It was noted that Cavalier is the operator and the SWMP Amendment must be submitted by the Permit holder which is Grinnell Recycling, Inc. Mr. Varro reported that discussions at the SWAC meeting also addressed the Solid Waste Enforcement Program, and the County Health Department which had apparently suspended all flow control enforcement inspections since June 30<sup>th</sup>, no one was sure why. It was noted that the Enforcement Program is in the process of being shared with the SCMUA, however the Agreement was not executed until July 22<sup>nd</sup> and has yet to be approved by the NJDEP. It was noted inspections should continue until transition is complete. Mr. Varro further noted that the County Freeholders who attended the meeting would follow up with the County Health Department regarding this issue. Mr. Hatzelis reported that applications are being accepted for Enforcement officer and a meeting is pending between the County Health Department, NJDEP and the Authority to satisfy CEHA requirements and finalize process hopefully before the end of the Authority's Fiscal Year.

### Administrator's Report

Mr. Hatzelis distributed charts and data information on the past 2 years comparing tonnage for multiple waste classes and individual haulers. He reviewed in detail and highlights included a significant drop in tonnage for various haulers for the past 2 years for ID13C Construction Debris and ID13 Bulky Waste. He reviewed each haulers' tonnage that have dropped in the past few years, however boxes are noticed throughout the county. Discussions ensued regarding where it is going and Enforcement Program efforts. A lengthy discussion took place regarding lowering tip fee for ID13 & ID13C to help with tonnage loss, and if it will entice haulers. Mr. Varro gave an analysis regarding ID13 projections if tip fee is reduced compared to status quo. Further discussions continued on concerns funding the operating budget without borrowing from other accounts. Commissioners concur to wait until more information is

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received on the Enforcement Program after the meeting with the NJDEP and County to decide on tip fee reduction and asked Mr. Varro to analyze ID13C tonnage that the Authority receives from haulers, including residuals impact, if rate is to be considered to be reduced.

Mr. Hatzelis reported on the status of the bid specifications for the MIC Unit rental property, and noted that the sale of St. Clare's has not taken place to date. Mr. Hatzelis and Counsel Napolitano reviewed the bid documents and discussions continued regarding language for a base payment per month and all repairs to be the responsibility of the tenant, excluding structural issues; taxes also included in rent payment if they are imposed by Lafayette Township. Mr. Hatzelis asked for approval to advertise.

| Motion to advertise for bid specifications for SCMUA MIC Unit House. |     |     |     |     |         |        |
|--|-----|-----|-----|-----|---------|--------|
| 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   | x   |     |         |        |
| JOHN DRAKE   |     |     | x   |     |         |        |

The motion passed.

Mr. Hatzelis presented the FY2016 Proposed Operating and Capital Budget memorandums to the Commissioners for Upper Walkkill Facility, Solid Waste Facilities, Hampton Commons, Walkkill River Watershed Group, and Paulinskill Project (Capital Budget only).

Administrator Hatzelis gave an overall review of the proposed FY2016 budgets for the Upper Walkkill Facility (\$6,191,500); Solid Waste Facilities (\$10,811,600). Hampton Commons Facility (\$174,700); Paulinskill Capital Budget; Walkkill Watershed Program (\$476,200). He reviewed the line items for the Upper Walkkill's revenue sources and non-discretionary portion, which has an overall increase of 1.8% from last year. This Budget includes an increase of Vernon Township's additional Bonds (\$450,000), which is paid solely by Vernon Township MUA. System Participant charges were reviewed and overall cost for system participants will have a 0.6% increase. Administrator Hatzelis also reviewed each participants projected user charges, overall debt service schedule and EDU calculations. Mr. Varro reviewed the Capital Budget 5-Year plan improvements to the wastewater facilities, clarifier replacements, which includes upgrades to the UV System, replacement pumps, various paving and concrete projects.

Administrator Hatzelis continued with the Solid Waste Facilities proposed FY2016 budget, which is set to decrease by 0.15%, he reviewed each line item and revenue sources, as well as the 54% of the budget that is non-discretionary. Projected tonnage has been reduced based on ID13 and ID13C decrease over the past few years. Debt Service totals \$3,770,000 for 2016. Mr. Hatzelis reviewed projected revenues for the budget year totaling \$10,811,600. Mr. Varro reviewed the Capital budget and 5-year project plan to include replacement roll-off containers, deck for truck scale, various truck replacements, LFGTE system improvements and landfill life extension and Leachate pump station installation.

Mr. Hatzelis reported on the Hampton Commons Facility budget which includes the Lowe's Home Center and shall increase by 1.8% compared to 2015. This will result in a \$2 increase per developed unit. Projected expenses were reviewed for operating budget for a total of \$174,700.

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Five year Capital Plan included Nitrate Upgrade Feasibility Study and video inspections for Hampton Commons H.O.A. collection system.

Wallkill Watershed budget has increased by 6.3% compared to 2015, funding is under the 319(h) grant funding from the NJDEP. An additional employee was added for Educational Outreach. Watershed has implemented Best Management Practices to reduce non-point source pollution through NRCS and Natural Lands Trust grant funding.

Mr. Hatzelis gave an history of the Paulinskill Project, and includes USDA loan and grant funding, and capital contribution of totaling \$13,700,000. An operating budget will be established in 2017.

Central Services Budget is funded by all the other budgets totaling \$1,428,000. Overall increase of 2.7% includes Health Benefit increases. Budget Committee reviewed all budgets and Commissioners had no questions regarding the proposed budgets.

| Res: #15-139 UW Proposed FY2016 Budget approval for submittal to State |     |     |     |     |         |        |
|--|-----|-----|-----|-----|---------|--------|
| 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   |     |         |        |

**#15-139 FY2016 AUTHORITY PROPOSED BUDGET RESOLUTION  
SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY –  
UPPER WALLKILL FACILITIES**

| Res: #15-140 Hampton Commons Proposed FY2016 Budgets to be submitted to the State |     |     |     |     |         |        |
|---|-----|-----|-----|-----|---------|--------|
| Commissioner  | 1st | 2nd | Yea | Nay | Abstain | Absent |
| JOHN SOWDEN   |     | X   | x   |     |         |        |
| TOM MADSEN  |     |     | x   |     |         |        |
| RON PETILLO   |     |     | x   |     |         |        |
| WAYNE DIETZ   | x   |     | x   |     |         |        |
| ANDREA COCULA   |     |     | x   |     |         |        |
| KARL MEYER  |     |     | x   |     |         |        |
| JOHN DRAKE  |     |     | x   |     |         |        |

**#15-140 FY2016 AUTHORITY PROPOSED BUDGET RESOLUTION  
SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY –  
HAMPTON COMMONS FACILITY**

| Res: #15-141 Solid Waste Proposed FY2016 Budgets to be submitted to the State |     |     |     |     |         |        |
|---|-----|-----|-----|-----|---------|--------|
| 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   |     |         |        |

**#15-141 FY2016 AUTHORITY BUDGET RESOLUTION SUSSEX  
COUNTY MUNICIPAL UTILITIES AUTHORITY – SOLID  
WASTE FACILITIES**

| Res: #15-142 Wallkill River Watershed Proposed FY2016 Budgets to be submitted to the State |     |     |     |     |         |        |
|--|-----|-----|-----|-----|---------|--------|
| Commissioner   | 1st | 2nd | Yea | Nay | Abstain | Absent |
| JOHN SOWDEN  |     |     | x   |     |         |        |
| TOM MADSEN   | x   |     | x   |     |         |        |
| RON PETILLO  |     |     | x   |     |         |        |
| WAYNE DIETZ  |     | x   | x   |     |         |        |
| ANDREA COCULA  |     |     | x   |     |         |        |
| KARL MEYER   |     |     | x   |     |         |        |
| JOHN DRAKE   |     |     | x   |     |         |        |

**#15-142** FY2016 AUTHORITY CAPITAL BUDGET RESOLUTION  
SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY –  
WALLKILL RIVER WATERSHED PROGRAM

| Res: #15-143 Paulinskill Proposed Capital FY2016 Budget to be submitted to the State |     |     |     |     |         |        |
|--|-----|-----|-----|-----|---------|--------|
| Commissioner   | 1st | 2nd | Yea | Nay | Abstain | Absent |
| JOHN SOWDEN  |     |     | x   |     |         |        |
| TOM MADSEN   |     |     | x   |     |         |        |
| RON PETILLO  |     |     | x   |     |         |        |
| WAYNE DIETZ  |     | x   | x   |     |         |        |
| ANDREA COCULA  |     |     | x   |     |         |        |
| KARL MEYER   |     |     | x   |     |         |        |
| JOHN DRAKE   | x   |     | x   |     |         |        |

**#15-143** FY2016 AUTHORITY BUDGET RESOLUTION SUSSEX  
COUNTY MUNICIPAL UTILITIES AUTHORITY – PAULINSKILL  
WATER RECLAMATION PROJECT

8. Payment of Bills

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

| Res: #15-144 - 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   |     |         |        |

Motion passed.

**#15-144** RESOLUTION RE: AUTHORIZING PASSAGE OF FINANCIAL  
CONSENT AGENDA

9. PUBLIC COMMENT

Chairman Petillo opened the meeting to public comment, being no comment, he closed the meeting to public comment.

a. Executive Session (moved from beginning of Agenda)

At 4:46 p.m. Commissioner Dietz moved the adoption of the following resolution authorizing a Closed Executive Session seconded by Commissioner Cocula. On voice vote: (6) Ayes, (0) Nays, the motion carried.

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#15-145 RESOLUTION RE: AUTHORIZING CLOSED EXECUTIVE SESSION

At 4:57 p.m. Commissioner Cocula moved to adjourn the Closed Executive Session and reconvene the Open Session seconded by Commissioner Sowden. On voice vote, Ayes (7); Nays (0), the motion passed.

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: Landfill Gas to Energy Negotiations and Personnel Items. When the need for confidentiality of these matters no longer exists they will be opened to the public.

Based on discussions in Executive Session, Commissioner Cocula moved the acceptance of the Power Marketing Plan prepared by SXLE dated September 15, 2015 effective until May 2017. Seconded by Commissioner Madsen. On voice vote, Ayes (7); Nays (0), the motion passed.

Solid Waste Superintendent Sparnon noted as per discussions in Executive Session, there is a vacancy for a Solid Waste Heavy Equipment Operator and the Solid Waste Superintendent is recommending Christopher Vealey for hire. Commissioner Cocula moved to hire Mr. Vealey, seconded by Commissioner Drake. On voice vote, Ayes (7); Nays (0), the motion passed.

| Res: #15-146 – Hire of Christopher Vealey as SW Heavy Equip. Oper. |     |     |     |     |         |        |
|--|-----|-----|-----|-----|---------|--------|
| 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   |     |         |        |

#15-146 RESOLUTION RE: APPOINTMENT OF SOLID WASTE HEAVY EQUIPMENT OPERATOR I, CHRISTOPHER VEALEY

Administrator Hatzelis presented a resolution for a salary adjustment for Chief Engineer Thomas Varro after further discussions in Executive Session effective October 2015.

| Res: #15-147 – Chief Engineer Salary Adjustment |     |     |     |     |         |        |
|---|-----|-----|-----|-----|---------|--------|
| Commissioner                                    | 1st | 2nd | Yea | Nay | Abstain | Absent |
| JOHN SOWDEN                                     |     |     | x   |     |         |        |
| TOM MADSEN                                      |     | x   | x   |     |         |        |
| RON PETILLO                                     |     |     | x   |     |         |        |
| WAYNE DIETZ                                     |     |     | x   |     |         |        |
| ANDREA COCULA                                   |     |     | x   |     |         |        |
| KARL MEYER                                      |     |     | x   |     |         |        |
| JOHN DRAKE                                      | x   |     | x   |     |         |        |

#15-147 RESOLUTION RE: THOMAS J. VARRO, P.E., CHIEF ENGINEER, SALARY ADJUSTMENT

10. COMMISSIONERS' COMMENTS/REQUEST

Commissioners thanked the Administrator and staff, as well as, the Budget Committee on the work done regarding the proposed FY2016 Budgets.

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11. ADJOURN

Commissioner Sowden moved to adjourn the meeting, seconded by Commissioner Cocula. On voice vote: Ayes (7), the motion passed. The meeting was adjourned at 5:00 p.m.

Respectfully submitted,

Andrea Cocula, Secretary