

MINUTES OF THE REGULAR MEETING OF THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY HELD ON DECEMBER 21, 2011 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 3:10 p.m.

The following were present: Commissioners Zidek, Sowden, Petillo, Dietz, Cocula, and O'Halloran, Administrator Hatzelis, Consulting Engineer Donati, Chief Engineer Varro, Solid Waste Superintendent Sparnon, Wastewater Superintendent Nugent, Attorneys Giacobbe and Prol, Recording Secretary Kronski

Absent: Commissioner Meyer and Consulting Engineer Cerenzio
Public Present: Freeholder Richard Vohden

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

Chairman opened the meeting to public comment. No comment from Freeholder Vohden, Chairman Petillo closed the meeting to public comment.

4. AGENDA APPROVAL

Chairman Petillo requested a motion for approval of the Agenda, as well as any additions or deletions. Vice Chairman Sowden moved the approval of the Agenda, seconded by Commissioner Dietz. Mr. Hatzelis offered moving Closed Executive Session until the end of the meeting to accommodate Freeholder Vohden, indicating no actions are expected after Closed Executive Session. On voice vote (6) Ayes, (0) Nays, the motion carried.

5. APPROVAL OF CONSENT AGENDA

The Chairman requested a motion for approval of the Consent Agenda. Commissioner Zidek moved the approval of the Consent Agenda, seconded by Vice Chairman Sowden. No discussion necessary. On voice vote (6) Ayes, (0) Nays, the motion carried.

6. MINUTES

Chairman requested a motion to approve the distribution of the December 7, 2011 Pending Action Summary Sheet which was submitted to the Freeholder Board on December 13, 2011. Commissioner Zidek moved to approve the December 7, 2011 Pending Action Summary Sheet, seconded by Vice Chairman Sowden. No discussions necessary. On voice vote (6) Ayes, (0) Nays, the motion carried.

Chairman Petillo noted there were no minutes for approval at this meeting.

Chairman Petillo advised that the Open and Closed Meeting Minutes for both November 2, 2011 and November 23, 2011 Authority Meetings have been emailed to Commissioners for their review/comment.

7. BUSINESS

a. Executive Session

Closed Executive Session was moved to the end of the meeting.

b. Wastewater Program

Superintendent's Report

Mr. Nugent distributed photos of the Sussex Borough's Force Main Leak that wastewater employees noticed on November 12, 2011. The leak was reported to the Hardyston Township DPW through a shared services agreement with Sussex Borough, the repairs were made which included the installation of a repair clamp. The work was observed by SCMUA employees and Mr. Nugent reported that during the excavation it appeared that proper bedding was not installed during original construction and corrosion appears to be an issue. Mr. Nugent noted that since 1996 there have been 12 recorded leaks on the Sussex Borough force main. Commissioners discussed the history of leaks and pipe vulnerability.

Administrator's Report

Mr. Hatzelis reported on the fiscal year 2011 Upper Wallkill System Final User Charges. He indicated a detailed packet was previously sent to the Commissioners for their review. There was a significant increase in flows for all participants, approximately 22% across the board from the previous year due to heavy rains throughout this year. He reviewed each participants' flows for the year and advised that depending on their individual Service Contracts and Guaranteed Minimum Flows they will see an increase/decrease in billing for the year, adjustments were made for 2011 estimated flows. Sussex Borough was specifically discussed and they have exceeded their allocation for 2 months for 2011, with a calculated surcharge of approximately \$48,000. John Hatzelis reported that, to date, Sussex Borough has not paid their 2010 surcharges. Hamburg Borough was notified of their recent exceedances and they are trying to determine cause of high I&I within the Falcon Ridge Development. Mr. Hatzelis presented a resolution for authorization for the Chairman to sign the certificates for final user charges for 2011. Commissioner Cocula moved the resolution, seconded by Commissioner Sowden. On roll call the vote was as follows: Ayes (6) Commissioners Zidek, Sowden, Petillo, Dietz, Cocula, and O'Halloran. The resolution was approved.

#12-008 RESOLUTION RE: APPROVAL AND ADOPTION OF CALCULATION OF ACTUAL CHARGES FOR SEWER SERVICE FOR FISCAL YEAR 2011 – UPPER WALLKILL SYSTEM

Mr. Hatzelis presented a shared services agreement between SCMUA's Wallkill River Watershed Management Group and the Natural Resources Conservation Service (NCRS) for Commissioners' consideration. It was arranged by Watershed Coordinator Nathaniel Sajdak and is a no cost agreement to work cooperatively and to share resources and data to identify, plan and implement conservation programs and water quality improvements. Both parties will work together with federal and state

grant monies. Discussions on agreement length, which is until one party opts out with 60 days notice. Commissioner Zidek moved the resolution to authorize a shared services agreement between the WRWVG and NCRSA, seconded by Vice-Chairman Sowden. On roll call the vote was as follows: Ayes (6) Commissioners Zidek, Sowden, Petillo, Dietz, Cocula, and O'Halloran. The resolution was approved.

#12-009 RESOLUTION RE: AUTHORIZING THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY – WALLKILL RIVER WATERSHED MANAGEMENT GROUP TO ENTER INTO A NO-COST SHARED SERVICES AGREEMENT WITH THE UNITED STATES DEPARTMENT OF AGRICULTURE – NATURAL RESOURCE CONSERVATION SERVICE (NRCS) TO WORK COOPERATIVELY AND SHARE RESOURCES TO IDENTIFY, PLAN, AND IMPLEMENT CONSERVATION PROGRAMS AND WATER QUALITY IMPROVEMENT PROJECTS

c. Solid Waste Program

Superintendent's Report

Superintendent Sparnon reported that the State of New Jersey awards for Recycling Enhancement Act Tax entitlements, and this year the Authority is receiving \$110,000. A Spending Plan needs to be submitted to receive the entitlement. Mr. Sparnon reported on last year's amount and stated the attainable percentage has stayed the same, but grant money is overall is less. John Hatzelis reported that the Recycling Coordinator is to investigate data and why there was a 33% drop in state recycling tonnage and why the funding went from \$10 million to \$5.5 million. Mr. Sparnon presented a resolution authorizing the filing of a Spending Plan for 2011 Recycling Enhancement Act Tax Fund Entitlement of \$110,000. Commissioner Cocula moved the resolution as presented, seconded by O'Halloran. On roll call the vote was as follows: Ayes (6) Commissioners Zidek, Sowden, Petillo, Dietz, Cocula, and O'Halloran. The resolution was approved.

#12-010 ENABLING RESOLUTION AUTHORIZING THE FILING OF A SPENDING PLAN FOR A 2011 RECYCLING ENHANCEMENT ACT TAX FUND ENTITLEMENT PURSUANT TO P.L. 2007 C.113 ET SEQ. HEREINAFTER, THE ACT

Chief Engineer's Report

Mr. Varro reported on the County SWAC meeting that he attended on December 13th and there were several issues addressed. He informed SWAC of the Authority's Rate Hearing and rate increase, and explained the situation with the absence of State Aid. Tom indicated that SWAC members discussed the difficulty of municipalities with garbage hauling in their tax base to stay within the State mandated 2% or less increase in their overall budget when solid waste rates increase. Additionally, there was feedback that the SCMUA Rate Hearing should be held in advance of the date of SCMUA approval so that public commentary could be better considered. The Closure Post Closure Care Plan was reviewed and discussed at the SWAC meeting and Tom indicated that SWAC will be sending a letter requesting clarification of some issues on the proposed SCMUA transfer station. Consulting Engineer Donati noted that the Closure/Post Closure Care Plan would be submitted to the NJDEP within the next two weeks. Mr. Varro also indicated that a discussion was brought up at the SWAC meeting regarding the Grinnell MRF flow control

violation and it was noted that an NOV was written by County Health Department but is currently being reviewed by County Counsel. The SCMUA staff and Commissioners discussed that it was not in the best interest of any party involved to make comments regarding an active investigation during a public meeting. Mr. Varro distributed and reviewed a summary of County Enforcement Activities for 2010 & 2011 provided by James McDonald of the County Health Department to SWAC. He indicated that enforcement seems to be concentrated on recycling inspections and violations. The Commissioners discussed that this report is informative regarding overall enforcement activities, however, it is not what was requested from the County Health Department. The Commissioners would like to see activities specifically related to flow control enforcement. The Authority's concern is waste flow control issues.

e. Personnel Matters

Administrator Hatzelis reported that Wastewater Operator Alex Thomas has indicated he will be retiring February 1, 2012. Mr. Hatzelis presented a Declaration of Appreciation for Commissioners' approval and signature, thanking him for his years of service to the Authority and wishing him well in future endeavors. Commissioner Cocula moved the declaration of appreciation for Alex Thomas, seconded by Commissioner Dietz. On roll call the vote was as follows: Ayes (6) Commissioners Zidek, Sowden, Petillo, Dietz, Cocula, and O'Halloran. The resolution was approved.

#12-011 DECLARATION OF APPRECIATION FOR ALEX THOMAS

8. FINANCIAL TRANSACTIONS

a. Payment of Bills

FINANCIAL CONSENT AGENDA – Chairman Petillo requested to remove PO# 65519 under Solid Waste Item D for \$13,810.96 and then asked for a motion to adopt the Financial Consent Agenda. Commissioner Zidek moved approval of bill paying resolution as amended, seconded by Commissioner Dietz. No discussions or comments. On roll call, the vote was as follows: Ayes (6) Commissioners Zidek, Sowden, Petillo, Dietz, Cocula, and O'Halloran. The resolution passed.

#12-012 RESOLUTION RE: AUTHORIZING PASSAGE OF FINANCIAL CONSENT AGENDA AND SUPPLEMENT AS AMENDED

Chairman requested a motion to approve Solid Waste Operating Fund PO# 65519 for overtime portion of payroll. Vice Chairman Sowden moved, seconded by Commissioner O'Halloran. On roll call the Ayes (5) Commissioners Zidek, Sowden, Petillo, Dietz, and O'Halloran, Nay (1) Commissioner Cocula. The motion was approved.

9. OPEN TO PUBLIC COMMENT

The Chairman opened the meeting to Public Comment, Freeholder Vohden commented that he does learn a little bit more each time he attends on how and why we do what we do, the Chairman closed the meeting to public comment.

At 3:45 Chairman Petillo took a short recess before going into Closed Executive Session.

Freeholder Vohden left the meeting at this point 3:45.

The meeting reconvened at 3:52 p.m. and Chairman Petillo asked for a motion to go into Closed Executive Session.

d. Closed Executive Session

At 3:52 p.m. Commissioner Zidek 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.

#12-013 RESOLUTION RE: AUTHORIZING CLOSED EXECUTIVE SESSION

At 5:32 p.m. Commissioner Cocula moved to adjourn the Closed Executive Session and reconvene the Open Session seconded by Commissioner Dietz. On voice vote (6) Ayes, (0) Nays, the motion carried.

The Open Session was reconvened at 5:32 p.m. Chairman Petillo indicated that in Closed Executive Session items discussed as specifically set forth in the resolution were negotiations and/or litigations re: Grinnell Hauling; Landfill Air Permit; Frankford-Branchville Sewer Project; NJDPES Permit Appeal; DMR Construction Services Contract 601D; Sussex Borough Surcharges 2010; Vernon Township Settlement Agreement Collection Matter; Mt. Creek Connection Fee; and General Engineering Services RFQ/RFP and Personnel Items. When the need for confidentiality of these matters no longer exists they will be opened to the public.

Mr. Hatzelis presented a resolution as discussed in Executive Session to amend the SCMUA Personnel Policy Manual to determine necessary changes for economics, efficiencies, compliance with public laws and administrative and operational needs. Commissioner Cocula moved the resolution to amend the SCMUA Personnel Policy Manual, seconded by Commissioner Dietz. On roll call, the vote was as follows: Ayes (6) Commissioners Zidek, Sowden, Petillo, Dietz, Cocula, and O'Halloran. The resolution passed.

#12-014 ADOPTION OF AMENDED SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY ORGANIZATIONAL STRUCTURE, STAFF POSITION DESCRIPTION, SALARY STRUCTURE AND PERSONNEL AND EMPLOYEE POLICIES (EFFECTIVE JANUARY 1, 2012)

Mr. Hatzelis then presented a resolution as discussed in Executive Session regarding setting fiscal year 2012 salary adjustments. Vice Chairman Sowden moved the resolution, seconded by Commissioner Dietz. On roll call, the vote was as follows: Ayes (6) Commissioners Zidek, Sowden, Petillo, Dietz, Cocula, and O'Halloran. The resolution passed.

#12-015 RESOLUTION RE: FY2012 SALARY ADJUSTMENTS

Administrator Hatzelis put forward the resolution for Nathaniel Sajdak's promotion to Watershed Director discussions held in Executive Session. Commissioner Cocula moved the resolution, seconded by Commissioner Dietz. On roll call, the vote was as follows: Ayes (6) Commissioners Zidek, Sowden, Petillo, Dietz, Cocula, and O'Halloran. The resolution passed.

#12-016 RESOLUTION RE: PROMOTION OF NATHANIEL G. SAJDAK TO WATERSHED DIRECTOR

Also, details regarding the reassignment of Eric Van Benschoten from part-time to full-time were discussed in Executive Session and a resolution was presented for Mr. Van Benschoten to become a full time Agricultural Outreach Specialist for the Wallkill River Watershed Management Group. Commissioner O'Halloran moved the resolution, seconded by Commissioner Dietz. On roll call, the vote was as follows: Ayes (6) Commissioners Zidek, Sowden, Petillo, Dietz, Cocula, and O'Halloran. The resolution passed.

#12-017 RESOLUTION RE: REASSIGNMENT OF ERIC VAN BENSCHOTEN TO THE POSITION OF FULL-TIME AGRICULTURAL OUTREACH SPECIALIST

Chairman Petillo indicated that during Executive Session discussions regarding the Request for Proposals for 2012 Wastewater General Consulting Engineering Services, the Commissioners agreed to bring back 2 firms for further questioning/interviews. The two firms are to be Hatch, Mott, McDonald and Birdsall Engineering. Commissioner Dietz moved that Hatch, Mott McDonald and Birdsall Engineering be asked to come before the full board for further discussions, seconded by Commissioner Cocula. On roll call, the vote was as follows: Ayes (6) Commissioners Zidek, Sowden, Petillo, Dietz, Cocula, and O'Halloran. The motion passed.

Chairman Petillo requested that letters be sent to the 2 other firms that were previously interviewed indicating that they were not on the final list for consideration. Commissioners discussed, in Executive Session, details of extending the existing General Engineering Contract with Cerenzio & Panaro until January 31, 2012. After short discussion Commissioner Cocula moved to extend the General Engineering Services Contract with Cerenzio & Panaro, P.C. for one month until January 31, 2012. Commissioner Dietz seconded, on roll call, the vote was as follows: Ayes (6) Commissioners Zidek, Sowden, Petillo, Dietz, Cocula, and O'Halloran. The motion passed.

Commissioner Cocula moved to give Commissioner Meyer an excused absence from the meeting. Commissioner Zidek seconded. On voice vote (6) Ayes, (0) Nays, the motion carried.

Commissioners and SCMUA Staff discussed a date to bring back Wastewater General Consulting Engineering firms to interview before the Board. It was decided to set the date for January 18th with the time to be determined.

10. COMMISSIONERS' COMMENTS/REQUEST

All Commissioners wished everyone a Merry Christmas and Happy New Year.

11. ADJOURN

Vice Chairman Sowden moved to adjourn the meeting, seconded by Commissioner Zidek. On voice vote, the motion passed. The meeting was adjourned at 5:40 p.m.

Respectfully submitted,

Andrea Cocula, Secretary