

MINUTES OF THE REGULAR MEETING OF THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY HELD ON FEBRUARY 15, 2012 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 3:02 p.m.

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

Public: Freeholder Richard Vohden; Sussex Borough Mayor Jonathan Rose and Marina Krynicky Sussex Borough Council liaison.

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 the public. Chairman Petillo closed the meeting to public comment.

4. AGENDA APPROVAL

Chairman Petillo requested a motion for approval of the Agenda, and to move Executive Session to the end of the meeting to accommodate the public present. Commissioner O'Halloran moved the approval of the Agenda as amended. Commissioner Cocula seconded. 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 Dietz moved the approval of the Consent Agenda, seconded by Commissioner O'Halloran. 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 February 1, 2012 Pending Action Summary Sheet which was submitted to the Freeholder Board on February 2, 2012. Commissioner O'Halloran moved to approve the February 1, 2012 Pending Action Summary Sheet, seconded by Commissioner Madsen. On voice vote (6) Ayes, (0) Nays. The motion carried.

Chairman Petillo asked for a motion to approve the Regular & Closed Meeting Minutes of December 21, 2011. Commissioner Cocula motion to approve the minutes, seconded by Vice Chairman Sowden. No discussions. On roll call the vote was as follows: Ayes (5) Commissioners Sowden, Petillo, Dietz, Cocula, and O'Halloran, Nays (0), Abstain (1) Commissioner Madsen. The motion carried.

Chairman Petillo asked for a motion to approve the Regular & Closed Meeting Minutes of January 4, 2012. Vice Chairman Sowden motion to approve the minutes, seconded by Commissioner O'Halloran. No discussions. On roll call the vote was as follows: Ayes (5) Commissioners Sowden, Petillo, Dietz, Cocula, and O'Halloran, Nays (0), Abstain (1) Commissioner Madsen. The motion carried.

Chairman Petillo advised that the Regular & Closed Meeting Minutes for January 21, 2012 have been emailed to the Commissioners for review.

7. BUSINESS

a. Executive Session (moved to end of Agenda)

Moved to the end of the Agenda.

b. Wastewater Program

Superintendent's Report

Superintendent Nugent reported on the Permit Renewal for the Homestead Sewage Treatment Plant, which is operated by the Authority. The Preliminary Draft NJPDES Permit was received on February 2, 2012, and reviewed by staff and he reported that the only change was the ammonia limit, which can be treated and meet the limit set by NJDEP at the plant. Mr. Varro and Mr. Nugent reported that they will try to get certain parameters included in the permit to reduce monitoring. Final permit should be issued shortly.

Mr. Gregory McCarron of SCS Engineers entered the meeting at 3:05 p.m.

Administrator's Report

Mr. Hatzelis reported on the Sussex Borough 2010 surcharge payment, which was received for the total amount of \$42,715.50 and that item is now closed out.

Mr. Hatzelis indicated that Paulinksill Project Note Roll is complete and was rolled for a 1 year at 0.5%. This gives the project another year to come to fruition.

Administrator Hatzelis reported that the Series F and Series G Bonds are able to be refunded at this time. Interest rates are going down and he asked for Commissioners' approval to make application to the Local Finance Board to get the best refunding savings possible. He reported the savings have tripled since October for the Series F Bonds. Saving projections for 20 year average savings are \$11,000 - \$20,000 a year. Although front loading savings in the first 3 years (2012 - 2014) could be up to \$87,000 - \$90,000 per year. Discussions on total savings compared to total debt service, net savings is 10% present value savings. Commissioners decide to do front loaded savings over 3 years. Administrator Hatzelis presented a resolution to the Commissioners to authorize making application to the Local Finance Board to refund Wastewater Facilities Series F and Series G Bonds. Mr. Hatzelis advised that this resolution is for application, and can watch the market to refund when favorable. Commissioner Cocula moved the resolution as presented, seconded by Vice Chairman Sowden. Discussion on Solid Waste short term bonds and cost of refunding of bonds. On roll call the vote was as follows: Ayes (6) Commissioners Madsen, Sowden, Petillo, Dietz, Cocula, and O'Halloran, Nays (0), Abstain. The resolution was approved.

#12-043 RESOLUTION RE: SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY MAKING APPLICATION TO THE LOCAL FINANCE BOARD PURSUANT TO N.J.S.A. 40A:5A-6

Attorney Giacobbe entered the meeting at 3:12 p.m.

c. Solid Waste Program

No report on Solid Waste Program.

d. General Authority Business

Administrator's Report

Administrator Hatzelis reported that the Stateside Insurance Fund recently held their Annual Reorganization Meeting and the Sussex County Municipal Utilities Authority was presented with an award for Loss Control for 2011. Award of for ongoing participation in safety and risk management programs for 2011. Commissioners discussed low rates of accidents and program participation for the Solid Waste and Wastewater Staff.

Mr. Hatzelis indicated that at the Authority's Reorganization Meeting held on February 1, 2012, Commissioners appointed firms for General Legal Council, Special Legal Counsel, Bond Counsel and Auditor for 1 year. He presented resolution to execute Professional Services Agreements with each firm as follows: Cleary Giacobbe Alfieri & Jacobs (Matthew Giacobbe & Thomas Prol) for General Counsel; Hall & Associates (John Hall) for Special Counsel; Wilentz Goldman & Spitzer (John Cantalupo) for Bond Counsel; and Ferraioli Wielkocz, Cerullo & Cuva (Paul Cuva). Commissioner Cocula moved authorizing execution of Professional Service Agreements with all noted firms, Commissioner O'Halloran seconded. On roll call the vote was as follows: Ayes (6) Commissioners Madsen, Sowden, Petillo, Dietz, Cocula, and O'Halloran, Nays (0), Abstain. The resolutions were approved.

#12-045 AUTHORIZING THE RETENTION OF MATTHEW J. GIACOBBE, ESQ. AND THOMAS H. PROL, OF CLEARY GIACOBBE ALFIERI JACOBS, LLC FOR THE FURNISHING OF GENERAL LEGAL COUNSEL SERVICES FOR THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY – FEBRUARY 1, 2012 TO FEBRUARY 6, 2013

#12-046 AUTHORIZING THE RETENTION OF JOHN HALL, ESQ. OF HALL AND ASSOCIATES FOR THE FURNISHING OF CERTAIN LEGAL SERVICES IN REGARD TO WASTEWATER AND SOLID WASTE FACILITIES NJPDES PERMITS, WATERSHED MANAGEMENT PLANNING AND RELATED MATTERS FOR THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY, FEBRUARY 1, 2012 TO FEBRUARY 6, 2013

#12-047 AUTHORIZING THE RETENTION OF WILENTZ, GOLDMAN & SPITZER, P.A. FOR THE FURNISHING OF BOND COUNSEL SERVICES FOR THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY – FEBRUARY 1, 2012 TO FEBRUARY 13, 2013

#12-048 AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICE CONTRACT WITH PAUL CUVA, CPA OF THE FIRM FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A. FOR AUDITING SERVICES IN PERFORMING THE ANNUAL AUDIT OF THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY'S FISCAL YEAR 2012

Mr. Hatzelis indicated that the Authority is a member of the Morris County Cooperative Pricing Council and the membership is up for renewal for a 5 year period. Commissioner Cocula moved a resolution for the renewal of membership to the Morris County Cooperative Pricing Council. No discussions. Commissioner O'Halloran seconded, on roll call the vote was as follows: Ayes (6) Commissioners Madsen, Sowden, Petillo, Dietz, Cocula, and O'Halloran, Nays (0), Abstain. The resolution was approved.

#12-049 RESOLUTION RE: AUTHORIZING EXECUTION OF AN AGREEMENT BETWEEN THE SCMUA AND THE MORRIS COUNTY COOPERATIVE PRICING COUNCIL TO RENEW MEMBERSHIP THEREIN FOR THE PERIOD OF OCTOBER 1, 2011 THROUGH SEPTEMBER 30, 2016

8. FINANCIAL TRANSACTIONS

a. Payment of Bills

FINANCIAL CONSENT AGENDA – Chairman Petillo asked to remove PO# 65903 under Solid Waste Item D and then asked for a motion to adopt the Financial Consent Agenda, as amended. Commissioner Dietz moved approval of bill paying resolution as amended, seconded by Vice Chairman Sowden. No discussions or comments. On roll call, the vote was as follows: Ayes (6) Commissioners Madsen, Sowden, Petillo, Dietz, Cocula, and O'Halloran. The resolution passed.

#12-050 RESOLUTION RE: AUTHORIZING PASSAGE OF FINANCIAL CONSENT AGENDA AND SUPPLEMENT AS AMENDED

Chairman requested a motion to approve Solid Waste Operating Fund PO#65903 for overtime portion of payroll. Commissioner Cocula moved, seconded by Commissioner O'Halloran. On roll call the Ayes (5) Commissioners Madsen, 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, no public comment. The Chairman closed the meeting to public comment.

BUSINESS (cont.)

a. Executive Session

At 3:30 p.m. Chairman Petillo asked for a motion to go into Closed Executive Session. Commissioner Dietz moved the adoption of the following resolution authorizing a Closed Executive Session seconded by Commissioner Madsen. On voice vote (6) Ayes, (0) Nays, the motion carried.

#12-051 RESOLUTION RE: AUTHORIZING CLOSED EXECUTIVE SESSION

FEBRUARY 15, 2012

At 5:36 p.m. Commissioner Cocula moved to adjourn the Closed Executive Session and reconvene the Open Session seconded by Commissioner Dietz. On voice vote, the motion passed.

The Open Session was reconvened at 5:36 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 Family of Companies; Frankford-Branchville Wastewater Project; Landfill Air Permit; Wastewater Engineering Agreements; Special Consulting Engineering Agreements and Solid Waste/Flow Control Enforcement Program. 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 excuse Commissioner Meyer from this meeting, seconded by Commissioner Dietz. On voice vote Ayes (6), Nays (0). The motion passed.

Commissioner congratulated Attorney Thomas Prol who was nominated to the Secretary of the State Bar this past week.

Commissioner Cocula moved to excuse Commissioner Madsen from the March 7, 2012 Authority Meeting, seconded by Commissioner O'Halloran. On voice vote Ayes (6), Nays (0). The motion passed.

Commissioners commended Chief Engineer Varro and Recycling Coordinator Reenee Casapulla on their presentation at the Sussex County League of Municipalities on February 8, 2012, and for Administrator Hatzelis answer and question session thereon.

11. ADJOURN

Vice Chairman Sowden moved to adjourn the meeting, seconded by Commissioner O'Halloran. On voice vote, the motion passed. The meeting was adjourned at 5:45 p.m.

Respectfully submitted,

Andrea Cocula, Secretary