

MINUTES OF THE REGULAR AUTHORITY MEETING OF THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY HELD ON NOVEMBER 2, 2016 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: Commissioners Perez, Madsen, Petillo, Dietz, Cocula, Meyer and Drake, Administrator Hatzelis, Chief Engineer Varro, Solid Waste Superintendent Sparnon, Wastewater Superintendent John Nugent, Assistant Wastewater Superintendent Angelo Baron, General Counsel Napolitano, Special Counsel Prol and Recording Secretary Kronski.

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 Madsen. Administrator Hatzelis requested to add a Discussion from Special Counsel re: Solid Waste Enforcement Program in Executive Session. 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 Drake moved the approval of the Consent Agenda, seconded by Commissioner Cocula. No discussions necessary. On voice vote: Ayes (7); Nays (0). The motion carried.

6. MINUTES

Chairman Petillo requested a motion to approve/acknowledge the distribution of the October 19, 2016 Pending Action Summary Sheet (PASS), which was emailed to the Freeholder Board on October 20, 2016.

PASS Report for 10-19-16 transmittal to the Freeholder Board						
Commissioner	1st	2nd	Yea	Nay	Abstain	Absent
DAN PEREZ			x			
TOM MADSEN		x	x			
RON PETILLO			x			
WAYNE DIETZ			x			
ANDREA COCULA	x		x			
KARL MEYER					x	
JOHN DRAKE			x			

The motion passed.

Chairman Petillo requested a motion to approve the Open and Closed Minutes for the September 21, 2016 Authority Meeting.

Open and Closed Minutes from 9-21-16 Authority Meeting						
Commissioner	1st	2nd	Yea	Nay	Abstain	Absent
DAN PEREZ			x			
TOM MADSEN			x			
RON PETILLO			x			
WAYNE DIETZ			x			
ANDREA COCULA		x	x			
KARL MEYER					x	
JOHN DRAKE	x		x			

The motion passed.

Chairman Petillo requested a motion to approve the Open and Closed Minutes for the October 5, 2016 Authority Meeting. All were present at that meeting, on voice vote: Ayes (7); Nays (0); Abstain (0). The motion passed.

Chairman Petillo indicated that both the Open and Closed Minutes for the October 19, 2016 Authority Meeting has been emailed to the Commissioners for their review.

7. BUSINESS

- a. Executive Session (Chairman Petillo moved to after the Rate Hearing portion of the Agenda, noting there will be actions taken after Executive Session adjourns)
- b. Wastewater Program

Chief Engineer's Report

Discussions re: Resolution for Amendment No 2 to the Kleinfelder Agreement moved to after Executive Session discussions.

Administrator's Report

Mr. Hatzelis reported on the recent Financials for the Paulinskill Project, in which the Authority is repaid project costs by the USDA loan/grant program. Mr. Hatzelis indicated that there is a Note payment due December 1, 2016 and there will be insufficient funding for expenses to project completion. Mr. Hatzelis reviewed suggestions by the Authority's Auditor and Bond Counsel, which was to take a small loan with low interest rate from a banking institution or borrow from another unrestricted Authority account. Discussion continued regarding amount of floater funding required and the options presented. Mr. Hatzelis reiterated that at project completion there shall be a zero balance after USDA reimbursements. Commissioners discuss project financing and agree to begin steps to prepare a plan for short-term financing of project funding requirements. A detailed plan shall be presented at the next meeting.

Mr. Hatzelis updated the Commissioners on the Vernon Rate Stabilization Fund as of November 1, 2016, an additional \$52,774.00 shall be eligible for transfer for a total of \$416,446.00. A SCMUA voucher shall be prepared to transfer into the Vernon Rate Stabilization Fund and shall be available to sewer user charges for Vernon Township for 2017.

c. Solid Waste Program

Superintendent Report

Mr. Sparnon reported that the second Household Hazardous Waste Event is scheduled for Saturday, November 4th from 7am – 2pm and SCMUA staff are expecting a large amount of customers for this event. The vendor is still MXI and a full report will be provided at the next Authority Meeting.

Chief Engineer’s Report

Chief Engineer Varro gave a status report on the Landfill Life Extension Project, noting that certain documents required by the NJDEP were provided by Cornerstone on October 13th. Mr. Varro reviewed the items requested by NJDEP and his conversation with NJDEP regarding project timeline and Commissioners led discussion on potential bid date for project. A copy of the project schedule and budget will be provided to all Commissioners.

Mr. Varro reviewed the project status for the Leachate Pump Station/ Forcemain and indicated that there is a meeting scheduled with NJEIT for November 30th to discuss any further requirements or information needed. Further discussions continued on the main task timeline.

Administrator’s Report

Mr. Hatzelis reported on a request from Lafayette Township Committee regarding the use of a plot of land owned by the Authority along Route 15. Mr. Hatzelis reviewed the map and noted there is an old silo on the property that Lafayette Township would like to refurbish to create a welcome sign for the Township. Commissioners and Legal Counsel discussed how to transfer this property and its affect on Authority’s land use and property percentage as well as liability issues. Consensus is it to prepare License Agreement between SCMUA and Township of Lafayette and to include a hold harmless clause and will be brought before the Board at a later date for consideration/action.

Mr. Hatzelis reviewed the amendments required to the previously approved Proposed Budget Resolution for FY2017. The Total Revenues for FY2017 previously stated to be \$18,559,800, however, the Proposed Budget resolution should have indicated that Total Revenues for FY2017 are \$18,552,800, and Total Appropriation of \$18,559,800, with a Total Unrestrictive Net Position of \$7,000. Mr. Hatzelis also noted that the Annual Budget and Capital Budget/Program shall be considered on the November 23, 2016 Authority Meeting.

Res: #16-136: Amend FY2017 Proposed Budget Resolution of 9-21-16						
Commissioner	1st	2nd	Yea	Nay	Abstain	Absent
DAN PEREZ			x			
TOM MADSEN			x			
RON PETILLO			x			
WAYNE DIETZ			x			
ANDREA COCULA	x		x			
KARL MEYER			x			
JOHN DRAKE		x	x			

#16-136 RESOLUTION RE: AMENDING THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY FY2017 BUDGET RESOLUTION APPROVED ON SEPTEMBER 21, 2016

Mr. Hatzelis continued with his report on the 2017 Holiday Schedule for the Solid Waste Facility, Wastewater Facility and Administration Office. Commissioners did not have any issues with the proposed schedule, and approved it being posted on the SCMUA Website and provided to all account customers.

Chairman Continued with Agenda until 3:30 Rate Hearing Presentation.

8. Payment of Bills

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

Res: #16-137: FCA						
Commissioner	1st	2nd	Yea	Nay	Abstain	Absent
DAN PEREZ			x			
TOM MADSEN			x			
RON PETILLO			x			
WAYNE DIETZ			x			
ANDREA COCULA			x			
KARL MEYER		x	x			
JOHN DRAKE	x		x			

#16-137 RESOLUTION RE: CONSENT AGENDA – BILL PAYING LIST

9. PUBLIC COMMENT

Chairman Petillo opened the meeting to Public Comment, no comments, Chairman Petillo closed the meeting to Public Comment.

7. d. General Authority Business (cont.)

Administrator’s Report

Public Hearing for Proposed 2017 Schedule of Rates, Fees and Charges

At 3:30 Commissioner Cocula moved to begin the Rate Hearing for the FY2017 Proposed Rates, Fees and Charges. Commissioner Meyer seconded the motion. On voice vote: Ayes (7); Nays (0); Abstain (0). The Motion passed.

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 Walkkill Facilities; Paulinskill Water Reclamation Facility; Hampton Commons Facility; Solid Waste Facilities; Administration and the miscellaneous rates, fees and charges. Wastewater Superintendent Nugent and Solid Waste Superintendent Sparnon with Chief Engineer Varro reviewed the 5-year Capital Improvement plans for their respective facilities. Mr. Hatzelis provided extensive information on the Upper Walkkill Participants sewage flows and explained the Vernon Additional Bonds, which are not to affect other U.W. Participants. It was also reported that there is no anticipated increase in tipping fees for the Solid Waste Facility. [A verbatim transcript of the presentation will be prepared and available upon request at the Authority’s Administration Building.]

Chairman Petillo noted that these Proposed Rates, Fees and Charges will be on the November 23, 2016 Agenda for Commissioners’ consideration.

There were no questions from the Public in attendance, nor from the Commissioners. At 3:57 p.m. Commissioner Cocula made a motion to close the Public Rate Hearing, seconded by Commissioner Dietz. On voice vote: Ayes (7); Nays (0); Abstain.

Chairman Petillo called for a meeting break before going into Closed Executive Session.

Meeting resumed at 4:05 p.m. and Commissioner Cocula moved the adoption of the following resolution authorizing a Closed Executive Session. Motion seconded by Commissioner Madsen. On voice vote: (7) Ayes, (0) Nays, the motion carried. Chairman Petillo noted Closed Session should last for approximately 45 minutes and there may be actions taken after coming out into Open Session.

#16-138 RESOLUTION RE: AUTHORIZING CLOSED EXECUTIVE SESSION

Commissioners Madsen and Commissioner Drake left the meeting at approximately 4:35 p.m.

At 5:12 p.m. Commissioner Cocula moved to adjourn the Closed Session, seconded by Commissioner Meyer. On voice vote, Ayes (5); Nays (0), the motion passed.

Chairman Petillo indicated items discussed as specifically set forth in the resolution authorizing Closed Executive Session were included: Contract PRC-101 Worth & Company, Solid Waste Enforcement and Personnel Items. When the need for confidentiality of these matters no longer exists they will be opened to the public.

e. Personnel Matters

Wastewater Superintendent's Report

Mr. Nugent presented a resolution which was discussed in Executive Session to hire Edward Hastrup to fill the position of Heavy Equipment Mechanic for the Wastewater Facility.

Res #16-139: Heavy Equipment Mechanic Edward Hastrup						
Commissioner	1st	2nd	Yea	Nay	Abstain	Absent
DAN PEREZ					x	
TOM MADSEN						x
RON PETILLO			x			
WAYNE DIETZ			x			
ANDREA COCULA	x		x			
KARL MEYER		x	X			
JOHN DRAKE						x

#16-139 RESOLUTION RE: APPOINTMENT OF WASTEWATER HEAVY EQUIPMENT MECHANIC, EDWARD HASTRUP

Solid Waste Superintendent's Report

Mr. Sparnon received a notice of resignation from Nicholas Giordano and requested motion to accept said notice. Commissioner Cocula moved to accept the resignation of Nicholas Giordano, seconded by Commissioner Dietz. On voice vote: Ayes (5); Nays (0); Abstain (0).

Mr. Sparnon prepared a resolution for the hire of Frank Reginio Jr. as a Solid Waste Site Attendant to be cross trained for coverage of other positions as needed.

Res #16-140 Hire of Frank Reginio Jr. as Solid Waste Site Attendant						
Commissioner	1st	2nd	Yea	Nay	Abstain	Absent
DAN PEREZ					x	
TOM MADSEN						x
RON PETILLO			x			
WAYNE DIETZ		x	x			
ANDREA COCULA			x			
KARL MEYER	x		X			
JOHN DRAKE						x

#16-140 RESOLUTION RE: APPOINTMENT OF FRANK REGINIO JR. AS SOLID WASTE SITE ATTENDANT

10. COMMISSIONERS' COMMENTS/REQUEST

Commissioner Dietz noted information regarding the Authority's Nationwide Insurance Policy will not be renewed due to no longer covering public entities and warned there may be a substantial increase in the cost of alternatives.

11. ADJOURN

Commissioner Cocula moved to adjourn the meeting, seconded by Commissioner Meyer. On voice vote: Ayes (5), the motion passed. The meeting was adjourned at 5:25 p.m.

Respectfully submitted,

Andrea Cocula, Secretary