

MINUTES OF THE REGULAR AUTHORITY MEETING OF THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY HELD ON JANUARY 20, 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 3:03 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 John Napolitano, Special Counsel Prol and Recording Secretary Kronski; John Scheri, of Hatch Mott MacDonald SCMUA Wastewater Consultant

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, and to move the Executive Session to the end of the Agenda to accommodate Mr. Scheri's report on the UW Annual Inspection. Commissioner Drake moved the approval of the amended Agenda, seconded by Commissioner Sowden. 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 Sowden. No discussions necessary. On voice vote: Ayes (7); Nays (0). The motion carried.

6. MINUTES

Chairman Petillo requested a motion to approve the distribution of the January 6, 2016 Pending Action Summary Sheet (PASS), which was emailed to the Clerk of the Freeholder Board on January 7, 2016.

PASS Report for 1-6-16 transmittal to the Clerk of the Freeholder Board						
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			

Motion passed.

Chairman Petillo asked for a motion to approve the Open and Closed Meeting Minutes for both the November 25, 2015 and December 2, 2015 Authority Meetings.

Approve Minutes for 11-25-15 and 12-2-15 Authority Meetings						
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			

The motion passed.

Chairman Petillo noted that the Open and Closed Minutes for both the December 16, 2015 and January 6, 2016 Authority Meetings have been emailed to the Commissioners for their review.

7. BUSINESS

- a. Executive Session (moved to end of Agenda after Public Comments)

- a. Wastewater Program

**Superintendent’s Report**

Mr. Nugent distributed photos showing recent improvements made to the Upper Walkkill Facilities. He reported on electrical upgrades of UV cabinets; paving projects including drainage improvements; primary pump stations; and gravity thickener pumps were installed by SCMUA staff. Many cost saving measures were taken with Morris County Co-op pricing and staff installations and paint work.

Mr. Nugent reported on the 3 quotes he received to demolish the Barn on the FMI property in Branchville. Discussion took place regarding debris disposal; leaving the foundation slab to rebuild if necessary and whether project funding would include demolition cost. Mr. Hatzelis noted cost should be included in USDA grant/loan program, he will make a call to the USDA to confirm.

**Consulting Engineer’s Report**

Mr. John Scheri from the SCMUA’s Wastewater Consultants, Hatch Mott MacDonald reported on the Upper Walkkill Facilities Annual Report. He reviewed the necessary upgrades that will have to be made including MicroStrainer replacement and funding thereof. He also reviewed 5 year Capital Plan; Phase II and Phase III Construction Funds project plans. He noted planning is in place for the leachate force main from the SW Facility to the UW Facility. He noted the facilities are in good shape and that the Authority Staff does an excellent job keeping the plant and related facilities looking clean and very well kept. The Commissioners thanked Mr. Scheri for his thorough report.

Mr. Scheri reported on the Hampton Commons Plan Repairs and discussed the necessity of an extension to the installed brackets, which will not be an added cost to the Authority. Discussions continued on confidence of structurally sound repairs moving forward.

**Administrator’s Report**

Administrator Hatzelis reported on the status of the Paulinskill Project Financing, noting the loan portion has been expended, and the grants will be used moving forward. Mr. Hatzelis provided a handout to the Commissioners that showed up-to-date figures from the USDA and interest rates on loans, which included Branchville’s data and indicated the significant amount of savings based on the current quarter’s interest rates. This will have a positive effect on sewer user charges.

3:34 pm Commissioner Sowden left the meeting room.

Mr. Hatzelis reported on the U.W. Series 2008 Bonds that are available for refunding at a lower interest rate, noting these are Capital Appreciate Bonds owned by the Authority. He reviewed to potential future long term interest savings to the Authority and in turn to Vernon Township. Mr. Hatzelis recommended meeting with Vernon Township and VTMUA officials to review numbers and to contact SCMUA bond professionals to begin the refunding process and to close when market conditions are favorable.

Authorization to begin process to refund Series 2008 Capital Apprec. Bonds for Vernon Town Center financing						
Commissioner	1 <sup>st</sup>	2 <sup>nd</sup>	Yea	Nay	Abstain	Absent
JOHN SOWDEN						Out of room
TOM MADSEN			x			
RON PETILLO			x			
WAYNE DIETZ		x	x			
ANDREA COCULA	x		x			
KARL MEYER			x			
JOHN DRAKE			x			

The motion passed.

At 3:37 p.m. Commissioner Sowden re-entered meeting room.

c. Solid Waste Program

**Superintendent’s Report**

Mr. Sparnon reported on the status of the Electronic Waste Event Program RFQ/RFPs which are to be received on February 1<sup>st</sup>. He also reviewed the volatile market situation in the State of NJ for electronic recycling and current legislation, other county utilities have scrapped the program if it has to be paid for. Mr. Sparnon noted that he will have more information for the Commissioners after he receives the RFQ/RFPs.

Mr. Sparnon reported that Cambria Automotive delivered the New Truck Tractor and removed the trade-in. The truck is in service and all insurance documents have been received.

**Chief Engineer’s Report**

Mr. Varro reported on the status of the Permit for Landfill Life Extension Project and indicated that he met with Cornerstone on the design details and schedule which seems to be on track to be complete by the 3<sup>rd</sup> week in February, prior to the March 4<sup>th</sup> submittal deadline for NJEIT financing.

**Administrator’s Report**

Mr. Hatzelis distributed tonnage data from Cavalier Recycling Facility. He reviewed Sussex County waste processed compared to out-of-county waste from 2008 – 2015. Recent Sussex County tonnage from Cavalier is significantly higher compared to previous years under Grinnell Ownership. He reviewed SCMUA tonnage for waste classes for Bulky Waste (ID13) and Construction Debris (ID13C) and noted from 2014 to 2015 there has been a reduction in tonnage received at the SCMUA of approximately 2,000 tons for ID13 and just over 5,000 tons of ID13C. He continued that Cavalier reported that out of 10,984 tons of C&D, 1,905 came to the SCMUA Solid Waste Facility as residual, approximately 17.3%. It was also reported that a response letter was sent to Cavalier’s attorney notifying them that the Authority is not the proper agency to ask for a Solid Waste Management Plan Amendment and referred them the Solid Waste Advisory Council (SWAC), however, over the last 10 months they have had only two meetings.

d. General Authority Business

**Administrator’s Report**

Mr. Hatzelis reported on the RFQ/RFPs that were received for Professional Services for 2016, at the next authority meeting, appointments should be made if the Commissioners are ready to do so. Risk manager will need to be appointed after further discussions in Executive Session.

Mr. Hatzelis presented a resolution appointing a Public Agency Compliance Officer as required by the State Treasurer’s Office for Affirmative Action Compliance. The resolution appoints John Hatzelis as the PACO for 2016.

Res: #16-023 PACO appointment for 2016						
Commissioner	1st	2nd	Yea	Nay	Abstain	Absent
JOHN SOWDEN			x			
TOM MADSEN		x	x			
RON PETILLO			x			
WAYNE DIETZ			x			
ANDREA COCULA	x		x			
KARL MEYER			x			
JOHN DRAKE			x			

#16-023 RESOLUTION RE: AUTHORIZING ANNUAL APPOINTMENT OF A PUBLIC AGENCY COMPLIANCE OFFICER (PACO) FOR THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY (SCMUA)

Mr. Hatzelis reported on his presentation to the Freeholder Board Meeting as requested by the Freeholders. It was very well received and many questions were addressed regarding Solid Waste Enforcement Program issues, loss of tonnage, Authority Meeting times, Landfill Life Extension Schedule, Vernon Additional Bonds, Paulinskill Project and Wallkill River Watershed Program. Discussions continued on scheduling a meeting with NJDEP regarding Solid Waste Enforcement Program correspondence from same.

At 3:59 p.m. Commissioner Dietz left the meeting room for the following discussions.

Mr. Hatzelis reported that there were two proposals received for Risk Management Services from The Morville Agency and The Mitchell Agency. He reviewed the Statewide Fund requirements and he provided risk management duties and fees. After discussions a recommendation was made for The Mitchell Agency.

Res: #16-024 Risk Manager - 2016						
Commissioner	1st	2nd	Yea	Nay	Abstain	Absent
JOHN SOWDEN		x	x			
TOM MADSEN			x			
RON PETILLO			x			
WAYNE DIETZ						Out of mtg room
ANDREA COCULA			x			
KARL MEYER	x		x			
JOHN DRAKE			x			

**#16-024 RESOLUTION RE: APPOINTING A RISK MANAGEMENT CONSULTANT - 2016**

Commissioner Dietz re-entered the meeting room at 4:01 p.m.

John presented a resolution for appointment of a Fund Commissioner to Statewide Insurance Fund, John Hatzelis has been appointed over the past years and Patricia Frey has been the alternate.

Res: #16-025 2016 Fund Commissioner to Statewide Insurance						
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			

**#16-025 RESOLUTION RE: APPOINTMENT OF FUND COMMISSIONER TO THE STATEWIDE INSURANCE FUND**

Mr. Hatzelis presented a Declaration of Appreciation resolution for Jack Kinney, who will be retiring at the end of January after 28½ years employment with the Authority. Commissioners thanked Jack for his service and wished him health and happiness in his retirement years.

Res: #16-026 Declaration of Appreciation to Jack Kinney						
Commissioner	1st	2nd	Yea	Nay	Abstain	Absent
JOHN SOWDEN			x			
TOM MADSEN			x			
RON PETILLO			x			
WAYNE DIETZ		x	x			
ANDREA COCULA	x		x			
KARL MEYER			x			
JOHN DRAKE			X			

**#16-026 RESOLUTION RE: DECLARATION OF APPRECIATION FOR JACK KINNEY**

8. Payment of Bills

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

Res: #16-027 Financial Consent Agenda						
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			

#16-027 RESOLUTION RE: AUTHORIZING PASSAGE OF FINANCIAL CONSENT AGENDA

9. PUBLIC COMMENT

Chairman Petillo opened the meeting to public comment. No Comments. Mr. Petillo closed the meeting to public comment.

At 4:03 p.m. Commissioner Cocula moved the adoption of the following resolution authorizing a Closed Executive Session. Motion seconded by Commissioner Meyer. On voice vote: (7) Ayes, (0) Nays, the motion carried. Chairman noted Closed Session to be approximately 15 minutes.

#16-028 RESOLUTION RE: AUTHORIZING CLOSED EXECUTIVE SESSION

At 4:18 p.m. Commissioner Cocula moved to adjourn the Closed Session, seconded by Commissioner Madsen. On voice vote: Ayes (7); Nays (0). The motion passed.

Chairman Petillo indicated items discussed as specifically set forth in the resolution authorizing Closed Executive Session were included: re: Solid Waste Enforcement Shared Services Agreement and RFP/RFQ for Professional Services. When the need for confidentiality of these matters no longer exists they will be opened to the public.

10. COMMISSIONERS' COMMENTS/REQUEST

Commissioner Sowden mentioned he was very proud of the work done by this Board during his tenure and noted the biggest challenge moving ahead is the eventual replacement of the many employees with pending retirements and the knowledge they have of all the ongoing and future projects. Commissioner wished Mr. Sowden the best and thanked him for his time and dedication to this Board.

11. ADJOURN

Commissioner Sowden moved to adjourn the meeting, seconded by Commissioner Drake. On voice vote: Ayes (7), the motion passed. The meeting was adjourned at 4:20 p.m.

Respectfully submitted,

Andrea Cocula, Secretary