

MINUTES OF THE REGULAR MEETING OF THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY HELD ON OCTOBER 19, 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 3:02 p.m.

The following were present: Commissioners Sowden, Petillo, Cocula, Meyer and O'Halloran, Administrator Hatzelis, Consulting Engineer Mikulka (C&P), Chief Engineer Varro, Solid Waste Superintendent Sparnon, Attorney Prol, Recording Secretary Kronski (Commissioner Zidek arrived at 3:06 pm during Executive Session)

Absent: Commissioner Dietz, Consulting Engineer Cerenzio, Attorney Giacobbe, and Wastewater Superintendent Nugent

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 public present, 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. Commissioner O'Halloran moved the approval of the Agenda, seconded by Vice Chairman Sowden. On voice vote (5) Ayes, (0) Nays, the motion carried.

5. APPROVAL OF CONSENT AGENDA

The Chairman requested a motion for approval of the Consent Agenda. Commissioner Cocula moved the approval of the Consent Agenda, seconded by Commissioner O'Halloran. No discussion necessary. On voice vote (5) Ayes, (0) Nays, the motion carried.

6. MINUTES

Chairman requested a motion to approve the distribution of the October 5, 2011 Pending Action Summary Sheet which was submitted to the Freeholder Board on October 6, 2011. Commissioner Cocula moved to approve the October 5, 2011 Pending Action Summary Sheet, seconded by Vice-Chairman Sowden. No discussions necessary. On roll call, the vote was as follows: Ayes (4) Commissioners Sowden, Petillo, Cocula, and O'Halloran, Abstain (1) Commissioner Meyer due to absence at that meeting. The motion carried.

Chairman Petillo advised that there are no minutes for approval at this meeting.

Chairman Petillo noted that the Regular & Closed Meeting Minutes of September 21, 2011 have been distributed for Commissioner review/comment.

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7. BUSINESS

a. Closed Executive Session

At 3:04 p.m. Commissioner Cocula moved the adoption of the following resolution authorizing a Closed Executive Session seconded by Commissioner O'Halloran. On voice vote (5) Ayes, (0) Nays, the motion carried.

#11-107 RESOLUTION RE: AUTHORIZING CLOSED EXECUTIVE SESSION

Commissioner Joseph Zidek arrived during Closed Executive Session at 3:06 p.m.

At 3:27 p.m. Commissioners Cocula moved to adjourn the Closed Executive Session and reconvene the Open Session seconded by Vice Chairman Sowden. On voice vote (6) Ayes, (0) Nays, the motion carried.

Chairman Petillo called a short break before continuing with the Open Session Agenda.

The Open Session was reconvened at 3:33 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 Litigation; Frankford-Branchville Sewer Project Service Agreement Provisions; High Ridge Properties' Litigation; NJDPES Permit; Vernon Township Settlement Agreement; DMR Construction Services Contract. When the need for confidentiality of these matters no longer exists they will be opened to the public.

b. Wastewater Program

Chief Engineer's Report

Chief Engineer Varro reported on bids received for Contract #11-10 for Sludge Cake Hauling and Disposal for the Upper Wallkill Plant. He reviewed the 3 bids that were received with the apparent low bidder as Spectraserv of South Kearny, NJ. The bids are currently under review by Authority Counsel and a resolution will be presented for award at the next Authority Meeting. Commissioners discussed one year or two year contract, and agreed to a two year contract until March 2013.

Mr. Varro reported on various connection fee issues, first he indicated that the Edgewater Associates' connection fee has been received for \$53,780.00 and the Laundromat is open for business. The second connection fee issue is concerning Mountain Creek Developers, who are constructing a new lodge and Discovery Center. Project plans were reviewed by SCMUA staff and a compromise was offered to Mountain Creek Developers not to "recalculate" the connection fee for the rebuilt Lodge, and the Authority would just require a connection fee for the Discovery Center which is a separate building from the Lodge. No records exist to show that an SCMUA connection fee was ever paid. Mr. Varro reviewed the calculation method that Mountain Creek Developers used for the Day Lodge, and it is not the correct calculation for a restaurant serving alcohol. Mr. Hatzelis reviewed the history of the property/buildings at the Mountain Creek Area. Chairman Petillo suggested closing this discussion and continue in Closed Session to discuss further.

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Mr. Varro next reported on the Stop & Shop connection fee which was recently submitted for the shopping center in Sparta. The check received was for about 1/3 of the total connection fee required. The Developer apparently used the wrong calculation to determine the fee. SCMUA Staff sent a certified letter dated September 23rd to the Developer acknowledging receipt of partial fee payment and request of balance due, return receipt was received confirming delivery. Sparta Township did receive a connection fee from the Developer with a negotiated EDU calculation. Mr. Varro reported that he has been in correspondence with Sparta Township Manager and indicated to him that the Authority's connection fees are required per the SCMUA Rate Schedule and also according to the Service Agreement with Sparta Township. In order to receive a Certificate of Occupancy from the Township, Stop & Shop needs to pay the Authority's complete connection fee. The balance is approximately \$97,000. Mr. Varro also noted that the Grand Opening of the Stop & Shop is scheduled for Thursday and the issue is still not resolved. Mr. Varro further reported that the Developer was scheduled to appear before the SCMUA Commissioners to request relief, but cancelled on short notice due to lack of authorization to attend without legal counsel. Commissioners discussed project history and the Commissioners agree no negotiations are authorized at this time. The Authority must adhere to our Rate Schedule.

Administrator's Report

Mr. Hatzelis presented a resolution authorizing the execution of the Memorandum of Agreement with Vernon Township as discussed in Closed Session. Commissioner Cocula moved the resolution, for settlement for the 2007 Indemnification Agreement and outstanding arrears. Commissioner Zidek seconded, on roll call, the vote was as follows: Ayes (6) Commissioners Zidek, Sowden, Petillo, Cocula, Meyer and O'Halloran. The resolution was approved.

#11-108 RESOLUTION RE: AUTHORIZING EXECUTION OF MEMORANDUM OF AGREEMENT WITH VERNON TOWNSHIP

c. Solid Waste Program

Chief Engineer's Report

Mr. Varro reported on the Solid Waste Advisory Council meeting, which he attended and presented the Closure/Post Closure Care Plan. He said there was an overall agreement on the report from SWAC and they will be endorsing the transfer station in their recommendations. C&P will send C/PCCP to NJDEP by the end of the fiscal year which is November 30, 2011 for their review.

d. Authority Business

Administrator's Report

Administrator Hatzelis indicated that the FY2012 Proposed Rate Schedule Public Hearing needs to be scheduled and advertised. Rate schedule is based on the Budgets approved by the Commissioners at a previous meeting. The Authority will look to adopt rate schedule and budgets that same day. Commissioners discussed time and date of Public Hearing and Commissioner Cocula moved to schedule the Public Hearing for the Proposed FY2012 Rate Schedule be held on November 23, 2011 at 4:00 p.m. Commissioner Sowden seconded, on voice vote (6) Ayes, (0) Nays, the motion carried.

8. FINANCIAL TRANSACTIONS

a. Payment of Bills

FINANCIAL CONSENT AGENDA – Chairman Petillo requested a motion to adopt the Financial Consent Agenda. Commissioner O'Halloran moved approval of bill paying resolution and supplement, seconded by Commissioner Meyer. On roll call, the vote was as follows: Ayes (6) Commissioners Zidek, Sowden, Petillo, Cocula, Meyer and O'Halloran. The resolution passed.

#11-109 RESOLUTION RE: AUTHORIZING PASSAGE OF FINANCIAL CONSENT AGENDA AND SUPPLEMENT

9. OPEN TO PUBLIC COMMENT

The Chairman opened the meeting to Public Comment, no public present, the Chairman closed the meeting to public comment.

At 4:07 p.m. Chairman Petillo asked for a motion to go back into Closed Executive Session to further discuss the Mountain Creek New Ski Lodge and relocated Discovery Center. Commissioner Zidek moved Executive Session, seconded by Commissioner Cocula. On voice vote (6) Ayes, (0) Nays, the motion carried.

At 4:22 p.m. Commissioner Meyer moved to adjourn the Closed Executive Session and reconvene the Open Session seconded by Commissioner Zidek. On voice vote, the motion passed. Chairman Petillo stated that when the need for confidentiality of discussions for the Mountain Creek Lodge/Discovery Center Connection Fee no longer exists the minutes would be opened to the public.

10. COMMISSIONERS' COMMENTS/REQUEST

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

Commissioners wished a Happy Anniversary to Ms. Kronski, and for Commissioner O'Halloran's one-year Anniversary as a member of the Board.

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 4:23 p.m.

Respectfully submitted,

Andrea Cocula, Secretary