

MINUTES OF THE REGULAR MEETING OF THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY HELD ON DECEMBER 18, 2013 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 3:08 p.m.

The following were present: Commissioners Madsen, Sowden, Petillo, Dietz, Meyer and Drake, Administrator Hatzelis, Chief Engineer Varro, Solid Waste Superintendent Sparnon, Wastewater Superintendent Nugent, Attorney Matthew Giacobbe, Special Counsel Prol, Wastewater Engineer John Scheri and Recording Secretary Kronski

Absent: Commissioner Cocula

Public: Linda Masson, Sussex Borough Liaison

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

The Chairman opened the meeting to public comment. No public comment. Chairman Petillo closed the meeting to public comment.

4. APPOINTMENT OF SECRETARY PRO TEM

Commissioner Dietz nominated Commissioner Meyer to be Secretary Pro Tem due to the absence of Commissioner Cocula, seconded by Commissioner Sowden. On voice vote: Ayes (6); Nays (0); Abstain (0). The motion carried.

5. AGENDA APPROVAL

Chairman Petillo asked for a motion to approve the Agenda, Commissioner Madsen moved the approval of the Agenda, seconded by Commissioner Drake. On voice vote: Ayes (6); Nays (0). The motion carried.

6. 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 Dietz. No discussions. On voice vote: Ayes (6); Nays (0). The motion carried.

7. MINUTES

Chairman Petillo requested a motion to approve the distribution of the November 27, 2013 Pending Action Summary Sheet, which was emailed to the Freeholder Board on December 3, 2013. Commissioner Meyer moved to approve the November 27, 2013 Pending Action Summary Sheet, seconded by Commissioner Drake. On voice vote: Ayes (6); Nays (0). The motion carried.

Chairman Petillo asked for a motion to approve the Open & Closed Meeting Minutes for the November 6, 2013 Authority Meeting. Commissioner Sowden moved approval of the minutes, seconded by Commissioner Drake. On roll call: Ayes (5) Commissioners Madsen, Sowden, Petillo, Dietz, and Drake; Nays (0); Abstain (1) Commissioner Meyer due to absence at that meeting. The motion passed.

There are no minutes for distribution at this meeting.

8. BUSINESS

a. Executive Session

At 3:11 p.m. Commissioner Sowden moved the adoption of the following resolution authorizing a Closed Executive Session seconded by Commissioner Drake. On voice vote (6) Ayes, (0) Nays, the motion carried.

#14-001 RESOLUTION RE: AUTHORIZING CLOSED EXECUTIVE SESSION

At 3:53 p.m. Commissioner Drake moved to adjourn the Closed Executive Session and reconvene the Open Session seconded by Commissioner Sowden. On voice vote, Ayes (6); Nays (0), the motion passed.

Chairman Petillo indicated that in Closed Executive Session items discussed as specifically set forth in the resolution were negotiations and/or litigations re: Grinnell Collection Matter and Permit Renewal; Sludge Cake Hauling & Disposal Bid; Landfill Gas to Energy Contract; OPRA Request; Greenfield Specialists; Edgewater Associates Collection Matter; Shared Services Agreement with County Sheriff's SLAP Program and Personnel Items. When the need for confidentiality of these matters no longer exists they will be opened to the public.

Chairman Petillo called for a meeting break at 3:54 p.m.

The meeting resumed at 4:05 p.m.

b. Wastewater Program

**Superintendent's Report**

Mr. Nugent presented an award resolution for Contract #13-10 based on discussions in Executive Session. Commissioners award one year contract to lowest bid, Spectraserv with the option for a one year extension to be based on budget appropriations. Commissioner Dietz moved the resolution, seconded by Commissioner Sowden. On roll call: Ayes (6) Commissioners Madsen, Sowden, Petillo, Dietz, Meyer and Drake; Nays (0); Abstain (0). The Resolution passed.

#14-002 AWARD OF CONTRACT NO. 13-10 TO SPECTRASERV, SO. KEARNY, N.J. FOR ANNUAL SLUDGE CAKE HAULING AND DISPOSAL

**Consulting Engineer's Report**

Mr. John Scheri of Hatch Mott MacDonald reviewed the highlights of the Annual Facilities Inspection Report for the Upper Wallkill Water Pollution Control Facility. He indicated during the course of the year many visual and physical inspections of all facilities took place and they are in very

good operating condition and continued maintenance is in excellent standing. He reviewed the 4 sections of the report including conclusions and recommendations, results and a narrative of physical inspections, summary of operating results, and annual budget review and issued necessary engineering certificates for bond purposes. General improvements may be required if there is a change in permit regulations for Nitrate for the permit renewal, which is not until July 2016. He reviewed necessary maintenance items that will need replacing/upgrading in the near future (i.e. weirs, baffles, pump parts, microstrainer units, Hardyston P.S. etc.) along with the priming and painting of clarifiers and gravity thickeners. Decisions need to be made regarding continued operations of the composting/biosolids operations, which will be better considered after the Sludge Study is completed next month. The 5 Year Capital Plan was reviewed and included all improvements/repairs necessary. Discussions held on the additional Sparta flows, which can absolutely accommodate the added town center allocation. R&R fund have adequate budget balances for any emergency repairs or issues at \$1.4 million. The last section of the report shows a geographical map of all the wastewater facilities and the communities it serves. Commissioners all agreed it was a thorough report and thanked Mr. Scheri for his presentation.

Mr. Scheri left the meeting at this point 4:16 p.m.

### **Administrator's Report**

Mr. Hatzelis indicated that regarding discussions in Executive Session, Commissioners agree to waive the remaining interest charges totaling \$349.17 for Edgewater Associates. A written request was received from Edgewater Associates to waive the balance after paying off the revised connection fee and to also remove the property lien imposed by the Authority. Commissioner Madsen motioned to waive interest charges and remove property lien, seconded by Commissioner Sowden. On roll call: Ayes (6) Commissioners Madsen, Sowden, Petillo, Dietz, Meyer, Drake; Nays (0); Abstain (0).

Mr. Hatzelis reported on the actual sewer flows for FY2013. He distributed the data and stated that the estimated charges were sent to the participants at the end of the fiscal year. The final adjustments are then made according to actual flows or guaranteed minimum flows depending on the participants' Sewer Service Agreements. He reviewed the total expenditures and revenues for the Upper Wallkill which totaled \$6,388,171 for FY2013 (unaudited – in house data). He reviewed each participants monthly average flows for FY2013 including Hamburg Borough, Franklin Borough, Vernon Sewage Transmission Co., Wallkill Sewer Co., Hardyston Township MUA, Sussex Borough, Wantage Township, Sparta Township, Vernon Township. Each participants' service contract with the Authority is based on either actual flows or guaranteed minimum flows and includes debt service and O&M services. Some participants received credit or charges depending on flows and guaranteed minimums for an average change of plus 0.9%. He presented a resolution to approve and adopt the actual charges for sewer service and authorizes the Chairman's signature of the certificates. Commissioner Sowden moved the resolution and final certificates for participants, seconded by Commissioner Drake. On roll call: Ayes (6) Commissioners Madsen, Sowden, Petillo, Dietz, Meyer and Drake; Nays (0); Abstain (0). The resolution passed.

#14-003 RESOLUTION RE: APPROVAL AND ADOPTION OF  
CALCULATION OF ACTUAL ANNUAL CHARGES FOR SEWER  
SERVICE FOR FISCAL YEAR 2013 – UPPER WALLKILL  
SYSTEM

c. Solid Waste Program

**Chief Engineer's Report**

Mr. Varro reported that he received a letter from Lafayette Township Committee regarding their long standing concern with the Route 15 & 94 intersection. They have been in discussions with the NJDOT regarding a traffic study of this intersection. Lafayette Township will contribute 25% of the cost of the study, they asked the Authority to send NJDOT a letter of endorsement. Discussions were held regarding past accidents and SCMUA customer traffic and Commissioners agree to support the study with a letter to NJDOT and include daily vehicle customer count for SCMUA.

**Administrator's Report**

Mr. Hatzelis reported on revenues, expenses and tonnages for FY2013. He indicated that for the year total tonnages are up about 1.3% compared to last year. He noted that ID10 (municipal household waste) is down about 1.4%, however overall revenues are up by 2.47%. Mr. Hatzelis reported that no state or county aid has been received over the last few years and the Bond Payment was due November 30, 2013, end of the Authority's fiscal year. In order to make that payment, \$157,882 was transferred from the Cell Closure account, which was approved at the previous meeting. Debt service will be reduced next year by about \$2 million, however the cell closure account needs to be reimbursed.

d. General Authority Business

**Administrator's Report**

Mr. Hatzelis indicated that the request for RFPs for Professional Services was posted on the SCMUA's website and will be opened January 9<sup>th</sup> and results will be discussed at the January authority meeting. He noted that there is only one meeting schedule to be held for January. Some Commissioners will not be available on January 15<sup>th</sup> and a quorum will not be available for that day. Commissioners discuss and agree to cancel the January 15<sup>th</sup> Authority Meeting and reschedule it for January 22<sup>nd</sup>. It will be advertised and noted on the website. Commissioner Sowden motioned to reschedule January 15<sup>th</sup> meeting to January 22<sup>nd</sup> and to authorize payroll procedures, if necessary, seconded by Commissioner Madsen. On roll call: Ayes (6) Commissioners Madsen, Sowden, Petillo, Dietz, Meyer and Drake; Nays (0); Abstain (0). The motion passed.

Short discussion held regarding speculation of ID10 reduction indicated in tonnage report. It was noted that this information should be reported to the County Health Department to notify the Solid Waste Enforcement Program.

e. Personnel Items

**Administrator's Report**

Mr. Hatzelis indicated that during Executive Session discussions were held regarding changes in the Personnel Policy for the Authority for 2014. He

presented a resolution adopting those noted changes in the Personnel Policy Manual. Commissioner Dietz moved the resolution, seconded by Commissioner Drake. On roll call: Ayes (6) Commissioners Madsen, Sowden, Petillo, Dietz, Meyer and Drake; Nays (0); Abstain (0). The resolution passed.

#14-004 RESOLUTION RE: ADOPTION OF AMENDED SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY ORGANIZATIONAL STRUCTURE, STAFF POSITION DESCRIPTION, SALARY STRUCTURE AND PERSONNEL AND EMPLOYEE POLICIES (EFFECTIVE JANUARY 1, 2014)

Mr. Hatzelis presented a resolution as discussed in Executive Session regarding salary adjustments and personnel actions for 2014. Commissioner Dietz moved the resolution, seconded by Commission Madsen. On roll call: Ayes (6) Commissioners Madsen, Sowden, Petillo, Dietz, Meyer and Drake; Nays (0); Abstain (0). The resolution passed.

#14-005 RESOLUTION RE: FY2014 SALARY ADJUSTMENTS AND PERSONNEL ACTIONS FOR SCMUA EMPLOYEES

8. Payment of Bills

FINANCIAL CONSENT AGENDA – Chairman Petillo asked for a motion to approve the Financial Consent Agenda (FCA) and supplement provided. Commissioner Drake moved the FCA, seconded by Commissioner Meyer. On roll call, the vote was as follows: Ayes (6) Commissioners Madsen, Sowden, Petillo, Dietz, Meyer and Drake; Nays (0); Abstain (0). The resolution passed.

#14-006 RESOLUTION RE: AUTHORIZING PASSAGE OF FINANCIAL CONSENT AGENDA FY2013

9. PUBLIC COMMENT

Chairman Petillo opened the meeting to public comment. Sussex Councilwoman Linda Masson inquired if the final end of the year actual annual charges can be released at this point. Mr. Hatzelis advised that he can email them to her tomorrow. The Chairman closed the meeting to public comment.

10. COMMISSIONERS' COMMENTS/REQUEST

Commissioners wished all a very Merry Christmas and thanked everyone for all their work this past year.

11. ADJOURN

Commissioner Sowden moved to adjourn the meeting, seconded by Commissioner Meyer. On voice vote, the motion passed. The meeting was adjourned at 4:39 p.m.

Respectfully submitted,

Karl Meyer, Secretary Pro Tem