

MINUTES OF THE REGULAR MEETING OF THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY HELD ON DECEMBER 7, 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 3:20 p.m.

The following were present: Commissioners Zidek, Sowden, Petillo, Dietz, Cocula, Meyer and O'Halloran, Administrator Hatzelis, Consulting Engineer Cerenzio, Chief Engineer Varro, Solid Waste Superintendent Sparnon, Wastewater Superintendent Nugent, Attorneys Giacobbe and Prol, Recording Secretary Kronski

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 comment, 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 Dietz moved the approval of the Agenda, seconded by Commissioner Sowden. Mr. Hatzelis offered moving Closed Session until the end of the meeting, indicating no actions are expected after Closed Executive Session. On voice vote (7) Ayes, (0) Nays, the motion carried.

5. APPROVAL OF CONSENT AGENDA

The Chairman requested a motion for approval of the Consent Agenda. Commissioner Zidek moved the approval of the Consent Agenda, seconded by Commissioner Sowden. No discussion necessary. On voice vote (7) Ayes, (0) Nays, the motion carried.

6. MINUTES

Chairman requested a motion to approve the distribution of the November 23, 2011 Pending Action Summary Sheet which was submitted to the Freeholder Board on November 28, 2011. Commissioner Zidek moved to approve the November 23, 2011 Pending Action Summary Sheet, seconded by Commissioner Sowden. No discussions necessary. On roll call, the vote was as follows: Ayes (6) Commissioners Zidek, Petillo, Dietz, Cocula, Meyer and O'Halloran, Abstain (1) Vice Chairman Sowden due to absence at that meeting. The motion carried.

Chairman Petillo asked for a motion to approve the Regular & Closed Meeting Minutes of October 5, 2011. Commissioner Zidek motion to approve the minutes, seconded by Vice Chairman Sowden. On roll call the vote was as follows: Ayes (6) Commissioners Zidek, Petillo, Dietz, Cocula and O'Halloran, Abstain (1) Commissioner Meyer due to absence at that meeting. The motion carried.

Chairman Petillo asked for a motion to approve the Regular & Closed Meeting Minutes of October 19, 2011. Commissioner Zidek motion to approve the minutes, seconded by Commissioner Cocula. On roll call the vote was as follows: Ayes (6) Commissioners Zidek, Sowden, Petillo, Cocula, Meyer and O'Halloran, Abstain (1) Commissioner Dietz due to absence at that meeting. The motion carried.

7. BUSINESS

a. Executive Session

Closed Executive Session was moved to the end of the meeting.

b. Wastewater Program

**Superintendent's Report**

Mr. Nugent reported that a Very Small Water System (VSWS) Inspection was conducted by the Sussex County Department of Environment and Public Health Services at the Solid Waste Facility's Administration Building. Mr. Nugent is the licensed operator for the facility and indicated that the inspection went well with no deficiencies noted, except that moving forward, there will be more regulations and reporting requirements that will need to be completed. He and Chief Engineer Varro will establish an Operations Manual and evaluate additional requirements for sampling and other compliance actions. Mr. Nugent reviewed all the additional regulations and new classifications for the water system.

Mr. Nugent reported that an inspection was done on two underground storage tanks at the Hamburg Regional Pump Station and the Franklin Pump Station. The tanks are for fuel oil for the generators. NJDEP inspected all records and tanks, no violations were received, but a corrective action was necessary at the Hamburg Pump Station with an issue on the tank monitoring system, contractor was called and the repair made.

**Chief Engineer's Report**

Mr. Varro indicated that the SCMUA is a member of the NJ Sewerage and Municipal Utilities Authority Electrical Supply Aggregation Group. He explained that this group seeks electrical supply bids for the participating Wastewater Facilities, which would include the Authority's Wastewater Plant in Hardyston Township. Mr. Varro reviewed the procedure of bidding and acceptance, which award is set for December 22, 2011. He presented a resolution which authorizes himself or Administrator Hatzelis along with the SCMUA's Energy Consultant Gabel Associates to accept a recommended award bid price within a trigger price range for a one or two year contract. He explained that the resolution is recommended by the group to ensure continued dedication to the bid process for the bidders submitting. Commissioner Cocula moved the resolution to award an electrical supply contract with NJMUAESAG, seconded by Vice Chairman Sowden. Discussion on term of contract, two year contract would be ideal. On roll call the vote was as follows: Ayes (7) Commissioners Zidek, Sowden, Petillo, Dietz, Cocula, Meyer and O'Halloran. The resolution was approved.

#12-001 RESOLUTION RE: AUTHORIZATION TO AWARD CONTRACT FOR AN ELECTRICAL POWER SUPPLY SERVICE AGREEMENT

**Administrator's Report**

Mr. Hatzelis reported on the need for appointing an Acting Treasurer for the Authority. According to the Authority's by-laws it is suggested that a Treasurer be available to sign necessary documents and project note documents. He presented a resolution appointing himself as the Acting Treasurer until the Authority's Annual Reorganization Meeting in February, 2012. Commissioner Cocula moved the resolution appointing John Hatzelis as the Authority's Acting Treasurer, seconded by Commissioner Dietz. On roll call the vote was as follows: Ayes (7) Commissioners Zidek, Sowden, Petillo, Dietz, Cocula, Meyer and O'Halloran. The resolution was approved.

#12-002 RESOLUTION RE: APPOINTMENT OF JOHN HATZELIS, ADMINISTRATOR AS ACTING TREASURER

Mr. Hatzelis gave a status report on the Paulinskill Project and indicated that the Project Note will be rolled in accordance with Branchville Borough's direction. In order for the note to be rolled before its maturity date of February 15, 2012, application needs to be made to the Local Finance Board. He presented a resolution authorizing SCMUA Staff and Professionals to prepare application to the Local Finance Board for Paulinskill Project Note roll, Commissioner Zidek moved the resolution, seconded by Commissioner Cocula. Commissioners discussed the cost of the note roll, which will be taken out of the note and also ensuring that Branchville Borough understands the cost involved. Commissioners recommend to prepare letter to Branchville reminding them they authorized the note roll and to notify of the cost. On roll call the vote was as follows: Ayes (7) Commissioners Zidek, Sowden, Petillo, Dietz, Cocula, Meyer and O'Halloran. The resolution was approved.

#12-003 RESOLUTION RE: THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY AUTHORIZING THE MAKING OF AN APPLICATION TO THE LOCAL FINANCE BOARD PURSUANT TO N.J.S.A. 40A:5A-6

Administrator Hatzelis presented a resolution authorizing the Chairman to issue certificates of estimated sewer user charges to the participants of the Upper Wallkill System for FY2012. He explained these certificates are issued every year and are adjusted accordingly after audit of FY2011 charges. Commissioner Zidek moved the resolution, seconded by Commissioner Dietz. On roll call the vote was as follows: Ayes (7) Commissioners Zidek, Sowden, Petillo, Dietz, Cocula, Meyer and O'Halloran. The resolution was approved.

#12-004 RESOLUTION RE: AUTHORIZATION FOR CHAIRMAN TO ISSUE CERTIFICATES OF ESTIMATED CHARGES FOR FY2012, UPPER WALLKILL SYSTEM

Mr. Hatzelis then presented a resolution the Chairman to issue certificates of estimated sewer user charges to the participants of the Hampton Commons System for FY2012. The certificates will also be adjusted accordingly for Hampton Commons Association and Hampton Township (Lowes Improvement Center) after audit of FY2011 charges. Commissioner Zidek moved the resolution, seconded by Commissioner Cocula. On roll call the vote was as follows: Ayes (7) Commissioners Zidek, Sowden, Petillo, Dietz, Cocula, Meyer and O'Halloran. The resolution was approved.

#12-005 RESOLUTION RE: AUTHORIZATION FOR CHAIRMAN TO  
ISSUE CERTIFICATE OF ESTIMATED CHARGES FOR FY2012,  
HAMPTON COMMONS SYSTEM

c. Solid Waste Program

**Superintendent's Report**

Superintendent Sparnon reviewed the Electronic Waste (E-Waste) Program for the Solid Waste Facility for the past few years. He indicated that the program is doing well and revenue is steadily increasing in 2011, the Authority received \$32,948.00 for E-waste disposal. Mr. Sparnon advised that the current vendor for the E-waste events is Sims Recycling and both parties would like to extend the letter of agreement for 2012. Four dates are scheduled for 2012: March 24<sup>th</sup>, May 12<sup>th</sup>, July 21<sup>st</sup> and October 13<sup>th</sup>, also the agreement locks in pricing for certain types of electronic recyclables. Commissioner Cocula moved to approve extension of the Letter of Agreement with Sims Recycling to dispose of electronics for the Authority for 2012, Commissioner Dietz seconded. On voice vote: (7) Ayes, (0) Nays. The motion passed.

Mr. Sparnon then reported that the two-year contract with Care Environmental for Household Hazardous Waste Event services has expired. He is looking for authorization from the Board to prepare and advertise bid specifications for 2012 & 2013 Hazardous Waste Events. Commissioner Zidek made a motion to authorize the preparation and advertisement for a Household Hazardous Waste Event contractor for a two year contract, seconded by Commissioner O'Halloran. On voice vote: (7) Ayes, (0) Nays. The motion passed.

**Administrator's Report**

Administrator Hatzelis reviewed a handout for 2011 tonnages and revenues for the Solid Waste Facility and the Cell Closure Account. He reported that \$1.5 million was transferred from the Cell Closure Account to cover the Bond Service Payment on November 30, 2011 due to no state aid received this year. He also indicated that there is a projected \$17.4 million shortfall in the Cell Closure Account by 2018. He also received a call from Senator Oroho's office asking for information and indicated they will submit a request for State Aid to the NJ Governor's Office. The State is reviewing solid waste facilities throughout the State that have financial issues due to past flow control regulations and debt service obligations.

Mr. Varro reported he received a call today from the NJDEP's Assistant Commissioner of Solid Waste to request a meeting with SCMUA Solid Waste Representatives (J. Hatzelis, T. Varro, J. Sparnon, Chairman Petillo) County Solid Waste Coordinator Eric Snyder regarding future solid waste planning issues of the Authority. Discussions ensued regarding date and time of meeting and agreed to try to meet on Wednesday, January 11, 2012 @ 10:30 at NJDEP offices. Mr. Varro will confirm with NJDEP and notify SCMUA staff attending.

8. FINANCIAL TRANSACTIONS

a. Payment of Bills

FINANCIAL CONSENT AGENDA – Chairman Petillo requested a motion to adopt the Financial Consent Agenda. Commissioner Cocula moved approval of bill paying resolution, seconded by Vice Chairman Sowden. No discussions or comments. On roll call, the vote was as follows: Ayes

(7) Commissioners Zidek, Sowden, Petillo, Dietz, Cocula, Meyer and O'Halloran. Nays (0), the resolution passed.

#12-006 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 4:00 Chairman Petillo took a meeting break before going into Closed Executive Session.

The meeting reconvened at 4:12 p.m. and Chairman Petillo asked for a motion to go into Closed Executive Session.

BUSINESS (CONT).

a. Closed Executive Session

At 4:12 p.m. Commissioner Zidek moved the adoption of the following resolution authorizing a Closed Executive Session seconded by Vice Chairman Sowden. On voice vote (7) Ayes, (0) Nays, the motion carried.

#12-007 RESOLUTION RE: AUTHORIZING CLOSED EXECUTIVE SESSION

At 5:00 p.m. Commissioners Zidek moved to adjourn the Closed Executive Session and reconvene the Open Session seconded by Vice-Chairman Sowden. On voice vote (7) Ayes, (0) Nays, the motion carried.

The Open Session was reconvened at 5:00 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 Hauling; Landfill Air Permit; Frankford-Branchville Sewer Project; NJDPES Permit Appeal; DMR Construction Services Contract 601D; Sussex Borough Surcharges 2010; Mt. Creek Connection Fee; County Solid Waste Enforcement Program and General Engineering Services RFQ/RFP and update on Personnel Committee Meeting. When the need for confidentiality of these matters no longer exists they will be opened to the public.

10. COMMISSIONERS' COMMENTS/REQUEST

Commissioners wished Commissioner Meyer, Superintendent Sparnon and Attorney Prol a Happy Birthday for the month of December.

11. ADJOURN

Vice Chairman Sowden moved to adjourn the meeting, seconded by Commissioner Dietz. On voice vote, the motion passed. The meeting was adjourned at 5:05 p.m.

Respectfully submitted,

Andrea Cocula, Secretary