

MINUTES OF THE REGULAR MEETING OF THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY HELD ON FEBRUARY 16, 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 3:06 p.m.

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

Absent: Attorney Matthew Giacobbe

2. PUBLIC STATEMENT

The Chairman 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. There being no public present Chairman Petillo closed the meeting to public comment.

4. AGENDA APPROVAL

The Chairman requested a motion for approval of the Agenda, as well as any additions or deletions. Chairman noted an addition for Attorney Report in Closed Session regarding negotiations on Paulinskill Property Purchase. Commissioner Zidek moved the approval of the Agenda, seconded by Commissioner O'Halloran. On voice vote, the motion carried.

5. APPROVAL OF CONSENT AGENDA

Chairman Petillo requested a motion for approval of the Consent Agenda, Commissioner Zidek moved the approval of the Consent Agenda, seconded by Commissioner O'Halloran. On voice vote, the motion carried.

6. MINUTES

Chairman Petillo requested a motion to approve the distribution of the February 9, 2011 Pending Action Summary Sheet, which was submitted via e-mail to the Freeholder Board on February 10, 2011. Commissioner Meyer moved to approve the February 9, 2011 Pending Action Summary Sheet, seconded by Commissioner Sowden. On voice vote, the motion carried.

Chairman Petillo requested a motion for approval of the Minutes of the Regular and Closed Meeting of January 19, 2011. Commissioner Zidek moved the adoption of the Minutes seconded by Commissioner Cocula. On voice vote, the motion passed.

No minutes distributed at this meeting.

7. BUSINESS

a. Closed Executive Session

At 3:10 p.m. Commissioner Zidek moved the adoption of the following resolution authorizing a Closed Executive Session seconded by Commissioner Meyer. On voice vote the motion carried.

The Closed Executive Session was convened at 3:10 p.m. for the purpose of discussing the DMR and High Ridge litigation, negotiations on the DMR Settlement, and contract negotiations regarding the Paulinskill Wastewater Project and the Upper Walkkill Draft NJPDES Permit, Vernon Billings and related claim and property misappropriation as specifically set forth in the resolution.

#11-45 RESOLUTION RE: AUTHORIZING CLOSED EXECUTIVE SESSION

At 4:05 p.m. Commissioner Meyer moved to adjourn the Closed Executive Session and reconvene the Open Session seconded by Commissioner Cocula. On voice vote, the motion passed.

b. Wastewater Program

Superintendent's Report

Wastewater Superintendent Nugent reported NJDEP performed a Collection System Inspection. The inspection included 7 pump stations, pipes and interceptors in the ground that the Authority owns. No deficiencies noted and NJDEP should forward written report within a month.

Chief Engineer's Report

Mr. Varro reported on his meeting with NJDEP and Edgewater Associates' Engineer regarding reducing their sewer connection fee rates through lowering the standard EDU number for clothes washers established by NJDEP. The NJDEP did not accept Edgewater's analysis and are sticking to their criteria for washing machines. It is now up to Edgewater Associates to apply for a Treatment Works Approval (TWA) Permit.

Consulting Engineer's Report

Consulting Engineer Bongiovanni reported on his meeting with the USF&WS, Chief Engineer Varro and Patricia Kerhrberger from HydroQual also attended (a Representative from Assemblyman Garrett's office was in on conference call). Meeting was very productive in trying to reduce USF&WS overly stringent testing requirements for the Paulinskill Water Reclamation Project. Parameter list, passive sampling, and the number of locations were discussed. USF&WS agreed to reduce the number of parameters, and suggested speaking to USGS and Axys Labs regarding the passive sampling issue and other processes that may be available. The sampling locations are negotiable and Mr. Bongiovanni is working with USF&WS on lowering the number of mandatory locations. In summary, the "5-Year Sampling Program" costs appear to have been significantly reduced and are estimated to be between \$40,000 - \$90,000 from about \$150,000 total cost over a 5-year period.

c. **Solid Waste Program**

Superintendent's Report

Mr. Sparnon reported on the E-waste Events and have finalized the Event portion of the agreement with Sims Recycling Solutions, however the Authority is waiting for an answer from NJDEP on the collection of electronic materials between Events. Mr. Sparnon asked for approval from the Board to increase the number of E-waste Events for 2011 from two to four. Discussions on grants covering the cost of labor for all events continued with little cost to the Authority. Commissioner Cocula moved the approval of four E-waste Events for 2011, Commissioner Sowden seconded. On voice vote, the motion passed.

Superintendent Sparnon advised the Board the SCMUA submitted a grant application last year to NJDEP to which included funding for a new walking floor trailer. He received a letter from NJDEP approving the grant request and the check was being sent. Mr. Sparnon indicated the need for a replacement walking floor trailer, to transport recyclables. Commissioners discussed longevity of truck and the need for use after landfill closes for recycling transport. Commissioners discussed amount of grant money and use thereof. Superintendent Sparnon asked for Commissioner authorization to advertise for bids for a Walking Floor Trailer and was moved by Commissioner Cocula, and seconded by Commissioner Meyer. On voice vote, the motion passed.

Mr. Sparnon informed the Board of a Sussex County Sheriff's Department Program for residents to drop off old prescriptions. They have asked the Authority to participate and be a drop off location for residents to dispose of them on April 30, 2011 at no cost to the Authority. Commissioner O'Halloran moved the request and Commissioner Cocula seconded. On voice vote, the motion passed.

Administrator's Report

Administrator Hatzelis reported that John Eskilson has sent a request on behalf of SWAC to the Authority to put together closure/post closure care plan analysis and cost estimate on upgrading current landfill to transfer station. Administrator Hatzelis asked for authorization to submit information for SWAC after review by Commissioners. Commissioner O'Halloran moved approval, seconded by Commissioner Dietz. On voice vote, the motion passed.

Commissioner Dietz questioned the increased price of Class A commingled fiber from \$20/ton to \$52/ton, which Superintendent Sparnon confirmed. The Authority is currently receiving \$52/ton from Waste Management/Recycle America.

c. **General Authority Business**

Administrator's Report

Administrator Hatzelis presented a resolution to the Board to enter into a service agreement with AXA Equitable Life Insurance Company to provide SCMUA Employees and Commissioners an option for deferred compensation plan. At the previous Authority Meeting a presentation was made, and questions were answered by Steven Battagliano, AXA Representative. SCMUA already has a deferred compensation plan with Nationwide, but this would give employees an option. Commissioner Dietz

moved the resolution and Commissioner Cocula seconded. On roll call, the vote was as follows: Ayes (7): Commissioners Zidek, Sowden, Petillo, Dietz, Cocula, Meyer and O'Halloran.

#11-46 RESOLUTION RE: AUTHORIZING SERVICE AGREEMENT WITH AXA EQUITABLE LIFE INSURANCE COMPANY FOR NEW JERSEY DIVISION OF LOCAL GOVERNMENT SERVICES APPROVED DEFERRED COMPENSATION PLAN

Mr. Hatzelis updated the Board on the ongoing process of trying update computer software. The Authority has many systems that operate separately (i.e. scalehouse – Solid Waste Technologies, accounting – DAC Easy, accts. Payable – Microsoft Access), Authority is looking into consolidate all into one data base system. Administrator Hatzelis reviewed all systems of accounts receivables/payables for all facets of the Authority, and the pros and cons of current system. The idea for new system would be for reduction in redundancy, to be user friendly, and to integrate into one system, and Mr. Hatzelis will set up meeting with current vendor and SCMUA Staff to determine feasibility.

Commissioners discussed ways to find the proper company to analyze the Authority's system, it was suggested by Commissioner Dietz to look into students at NJIT. The students do programming and work on an hourly basis. Commissioner Meyer mentioned using middleware to combine the systems, with a relatively low cost to the Authority. Discussions continued on different options regarding how and when to establish new system.

8. FINANCIAL TRANSACTIONS

a. Payment of Bills

FINANCIAL CONSENT AGENDA – Commissioner Petillo asked for a motion to approve the Financial Consent Agenda and the supplemental bill list. A motion was made by Commissioner Cocula and seconded by Commissioner Meyer. On roll call, the vote was as follows: Ayes: (7) Commissioners Zidek, Sowden, Petillo, Dietz, Cocula, Meyer and O'Halloran

#11-47 RESOLUTION RE: AUTHORIZING PASSAGE OF FINANCIAL CONSENT AGENDA

9. OPEN TO PUBLIC COMMENT

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

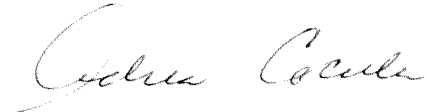
10. COMMISSIONERS' COMMENTS/REQUEST – Commissioner Dietz had questions for Administrator Hatzelis regarding packet handed out for Sussex Borough allocation and per gallon user charge. Mr. Hatzelis gave detailed explanation of his response to Sussex Borough's request for historical data. Discussions continued on Sussex Borough's situation with billing and past I&I issues and waiting on Sussex Borough's request to reduce surcharge. No further comments/questions from Commissioners.

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11. ADJOURN

Vice Chairman Sowden moved to adjourn the meeting, seconded by Commissioner Meyer. On voice vote, the motion passed. The meeting was adjourned at 5:20 p.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Andrea Cocula".

Andrea Cocula, Secretary