

MINUTES OF THE REGULAR AUTHORITY MEETING OF THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY HELD ON MARCH 19, 2014 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 3:01 p.m.

The following were present: Commissioners Sowden, Madsen, Petillo, Cocula, Meyer (arrived @ 3:05 p.m.) and Drake, Administrator Hatzelis, Chief Engineer Varro, Solid Waste Superintendent Sparnon, Wastewater Superintendent Nugent, Attorney John Napolitano, Special Counsel Prol and Recording Secretary Kronski

Absent: Commissioner Dietz

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. AGENDA APPROVAL

Chairman Petillo asked for a motion to approve the Agenda, Commissioner Sowden moved the approval of the Agenda, seconded by Commissioner Madsen. On voice vote: Ayes (5); Nays (0). The motion carried.

5. 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 Madsen. No discussions. On voice vote: Ayes (5); Nays (0). The motion carried.

6. MINUTES

Chairman Petillo requested a motion to approve the distribution of the March 5, 2014 Pending Action Summary Sheet, which was emailed to the Freeholder Board on March 6, 2014. Commissioner Drake moved to approve the March 5, 2014 Pending Action Summary Sheet, seconded by Commissioner Cocula. On roll call: Ayes (4) Commissioners Sowden, Petillo, Cocula, Drake; Nays (0); Abstain (1) Commissioner Madsen due to absence at that meeting.

Chairman Petillo asked for motion to approve the Open and Closed Meeting Minutes for the February 19, 2014 Annual Reorganization Meeting. Commissioner Cocula approved the minutes, seconded by Commissioner Madsen. All were present. On voice vote: Ayes (5); Nays (0).

Chairman Petillo stated that the Open & Closed Meeting Minutes for the March 5, 2014 Authority Meeting was previously emailed to the Commissioners for their review.

7. BUSINESS

a. Executive Session

At 3:03 p.m. Commissioner Cocula moved the adoption of the following resolution authorizing a Closed Executive Session seconded by Commissioner Sowden. On voice vote (5) Ayes, (0) Nays, the motion carried.

#14-049 RESOLUTION RE: AUTHORIZING CLOSED EXECUTIVE SESSION

Commissioner Meyer entered the meeting at 3:05 pm during Closed Session

At 3:15 p.m. Commissioner Sowden moved to adjourn the Closed Executive Session and reconvene the Open Session seconded by Commissioner Meyer. On voice vote, Ayes (6); Nays (0), the motion passed.

Chairman Petillo called for a meeting recess at 3:15 p.m.

The meeting resumed at 3:27 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: LFGTE Facility Operations; Vernon Township sewer user charges; Grinnell Collection Matter. When the need for confidentiality of these matters no longer exists they will be opened to the public.

b. Wastewater Program

Superintendent's Report

Mr. Nugent reported on the recent upgrades to the Upper Wallkill U.V. Disinfection System. Ironbrook Partners refurbished the entire system which was a big cost savings to the Authority as opposed to replacing the entire unit. The refurbishment should extend the life of the U.V. System for an additional 17 years.

Chief Engineer's Report

Chief Engineer Varro reported on the recent Electric Aggregation Meeting in which the Authority is currently a member of the New Jersey Sewerage and Municipal Utility Authority Electrical Supply Aggregation. Bids are expected to be received and opened on April 8th, they will be submitted electronically and considered that day because they will expire at 3 p.m. that same day. Mr. Varro will consult with the Authority's energy consultant, Gabel Associates to obtain an idea of favorable market pricing. He offered a resolution to have Commissioner authorize the Administrator, Chief Engineer and/or General Counsel to accept and award bid. He noted that energy prices have been generally higher than last year, and will consider fixed rates and term lengths to get the best price possible. Commissioner Cocula moved the resolution to authorize SCMUA Chief Engineer and Administrator to make recommendations for the most lucrative pricing for energy supply for Upper Wallkill Facility, seconded by Commissioner Meyer. On roll call: Ayes (6) Commissioners Sowden, Madsen, Petillo, Cocula, Meyer and Drake; Nays (0); Abstain (0).

#14-050 RESOLUTION RE: AUTHORIZATION TO BID AND AWARD A CONTRACT FOR ELECTRIC GENERATION SERVICES AS PARTICIPANT IN AGGREGATION

Mr. Varro reported on the status of the Paulinskill Project Design which is approximately 60% complete, design drawings were provided to the Authority and Branchville by Kleinfelder/Omni for review. There will be another Construction Review Committee Meeting scheduled to address any questions/concerns with all parties to attend. Mr. Varro reported that the NJDEP has approved the extension for the original Treatment Works Approval Application. He and Mr. Bradley of KLF/Omni will be meeting with the NJDEP to discuss prior stormwater permits and continued TWA approval.

Chief Engineer Varro reported that Steve Smailer of Duffield Associates is the hydrogeologist for the Paulinskill Project and he will be submitting permit modifications to the NJPDES – DGW. A resolution has been prepared to this submittal to NJDEP and for authorization for John Hatzelis and Thomas Varro to be the contacts and to designate Mr. Smailer as the Authority's agent. Commissioner Cocula approve the resolution, seconded by Commissioner Madsen. On roll call: Ayes (6) Commissioners Sowden, Madsen, Petillo, Cocula, Meyer and Drake; Nays (0); Abstain (0).

#14-051 RESOLUTION RE: AUTHORIZATION TO SUBMIT APPLICATION FOR MODIFICATION TO A NJDEP DISCHARGE TO GROUNDWATER PERMIT FOR THE PAULINSKILL WASTEWATER TREATMENT PLANT AND DISPOSAL BEDS

Administrator's Report

Mr. Hatzelis referred to discussions in Executive Session regarding the correspondence from Vernon Township regarding a credit for fiscal year 2013. Commissioner Sowden moved to accept revised final sewer user charges to the Vernon Valley Sewer Company based on flow data from the Vernon Town Center Pump Station meter readings provided by Vernon Township, seconded by Commissioner Drake. On roll call: Ayes (6) Commissioners Sowden, Madsen, Petillo, Cocula, Meyer and Drake; Nays (0); Abstain (0). The motion passed.

Mr. Hatzelis reviewed a memorandum provided to the Commissioners in regard to funding future Capital Projects for the U.W. Facility and the available cash in the Bond Reserve Fund. He reported that Authority Staff and Professionals recommend substituting a surety bond in the amount of \$1.4 million cash that is currently in the Bond Reserve Fund. The surety bond would free up the cash for capital improvements for U.W. Facility. Commissioners discuss this option and agree it is the least costly method of obtaining additional funding for U.W. capital improvements, without having to apply for additional bonds/notes and take on additional debt service. Discussion continued regarding 5 year plan for capital improvements. Commissioner Cocula moved to have Authority's staff and professionals begin process to obtain surety bond, seconded by Commissioner Madsen. On roll call: Ayes (6) Commissioners Sowden, Madsen, Petillo, Cocula, Meyer and Drake; Nays (0); Abstain (0). The motion passed.

c. Solid Waste Program

Superintendent's Report

Mr. Sparnon reported on the March 15th Electronics Recycling Event and indicated that the event ran smoothly and the vendor, Vintage Tech performed well. There were approximately 630 customers, 12 schools and agencies that dropped off electronics free of charge and a tonnage amount will be provided soon.

Chief Engineer's Report

Mr. Varro indicated that at the recent Annual Reorganization Meeting, the Commissioners authorized to extend the Engineering Consulting Agreements with Cornerstone, SCS and Hatch Mott MacDonald for an additional year, and he has 3 resolutions authorizing the execution of those agreements. He noted that amended rate schedules were submitted and new language was added requesting excel spreadsheets of percentage tracking of all budgeted items be provided. Commissioner Sowden moved to authorize execution of the agreement with Cornerstone Environmental Group for general solid waste consulting engineering services, Commissioner Cocula seconded. On roll call: Ayes (6) Commissioners Sowden, Madsen, Petillo, Cocula, Meyer and Drake; Nays (0); Abstain (0).

#14-052 RESOLUTION RE: AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT WITH CORNERSTONE ENVIRONMENTAL GROUP FOR GENERAL SOLID WASTE CONSULTING ENGINEERING SERVICES

Commissioner Sowden also moved the authorization to execute professional services agreement with Sterns, Conrad and Schmidt for Consulting Engineering Services, seconded by Commissioner Drake. On roll call: Ayes (6) Commissioners Sowden, Madsen, Petillo, Cocula, Meyer and Drake; Nays (0); Abstain (0).

#14-053 RESOLUTION RE: AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT WITH STERNS, CONRAD AND SCHMIDT CONSULTING ENGINEERS, INC. FOR GENERAL SOLID WASTE CONSULTING ENGINEERING SERVICES

Commissioner Drake moved the execution of Professional Services Agreement with Hatch Mott MacDonald for Consulting Engineering Services. Commissioner Meyer seconded. On roll call: Ayes (6) Commissioners Sowden, Madsen, Petillo, Cocula, Meyer and Drake; Nays (0); Abstain (0).

#14-054 RESOLUTION RE: AUTHORIZING EXECUTION OF A ONE YEAR EXTENSION OF A PROFESSIONAL SERVICES AGREEMENT WITH HATCH MOTT MACDONALD FOR GENERAL WASTEWATER CONSULTING ENGINEERING SERVICES

d. General Authority Business

Administrator's Report

Mr. Hatzelis reported on correspondence from the Sussex County Community College asking for reconsideration concerning the suspension of the Authority's Solid Waste/Recycling educational tours. He indicated that this program may have to be postponed or cancelled due to bus transportation around the Solid Waste Facility on legality and liability of the use of the bus on site. Commissioners discuss the popularity of the tour and importance of community outreach. It was agreed to offer the option of continuing the program by having the college agree to provide a bus.

8. Payment of Bills

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

#14-055 RESOLUTION RE: AUTHORIZING PASSAGE OF FINANCIAL CONSENT AGENDA

9. PUBLIC COMMENT

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

10. COMMISSIONERS' COMMENTS/REQUEST

Commissioner Cocula moved to give an excused absence for Commissioners Dietz, seconded by Commissioner Meyer. On voice vote: Ayes (6); Nays (0); Abstain (0). The motion passed.

11. ADJOURN

Commissioner Sowden moved to adjourn the meeting, seconded by Commissioner Meyer. On voice vote, the motion passed. The meeting was adjourned at 3:51 p.m.

Respectfully submitted,

Andrea Cocula, Secretary