

MINUTES OF THE REGULAR MEETING OF THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY HELD ON MARCH 6, 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 3:00 p.m.

The following were present: Commissioners Madsen, Sowden, Petillo, Dietz (via teleconference) and Cocula, Administrator Hatzelis, Chief Engineer Varro, Solid Waste Superintendent Sparnon, Wastewater Superintendent Nugent, Attorney Matthew Giacobbe, and Recording Secretary Kronski

Absent: Commissioner Meyer

Public: Roy Tamfield, Vernon Resident; Linda Masson, Sussex Borough Liaison

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

The Chairman opened the meeting to public comment. Mr. Roy Tamfield stood to speak to the Board, he indicated he was a Vernon Resident and is concerned with the high sewage bills for residents, especially with Great Gorge Village. He inquired about the rates and billings for Vernon Area Residents. Mr. Hatzelis responded by explaining the two different Sewer Service Agreements the Authority has within Vernon Township One is for Vernon Town Center/Mt. Creek and the second is the United Water/Vernon Valley Sewer Company. SCMUA billings are based on these separate Agreements some of which are Guaranteed Minimum Flows while others are estimated flows. He added that Vernon is just beginning to hookup and with limited connections in the Town Center, eventually the overall cost would be divisible by a larger customer base. Mr. Hatzelis acknowledged that the rates for Vernon have increased only recently, and have not risen in the last 20 years or so, a large portion of the increase is not due to the Authority. Mr. Tamfield was more concerned with the frustration Vernon residents have in the lack of information/communication being given to them regarding these billings/increases. Mr. Hatzelis stated that the information is available here at the Authority, and a Public Rate Hearing is held each year in late November explaining the rates and are published on the website. Chairman Petillo closed the meeting to public comment.

4. AGENDA APPROVAL

Chairman Petillo requested a motion to approve the Agenda. Commissioner Cocula moved the approval of the Agenda, Commissioner Madsen seconded. Chairman Petillo suggested moving Executive Session discussions to the end of the meeting and notified the public present that there may potentially be an action taken after those discussions. 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 Madsen. No discussion necessary. On voice vote (5) Ayes, (0) Nays, the motion carried.

6. MINUTES

Chairman Petillo requested a motion to approve the distribution of the February 20, 2013 Pending Action Summary Sheet, which was emailed to the Freeholder Board on February 21, 2013. Commissioner Cocula moved to approve the February 20, 2013 Pending Action Summary Sheet, seconded by Commissioner Sowden. On roll call: Ayes: (4) Commissioners Sowden, Petillo, Dietz, Cocula; Nays (0), Abstain (1) Commissioner Madsen due to absence at that meeting.

Chairman Petillo asked for a motion to approve the Open & Closed Meeting Minutes for the January 16, 2013 Authority Meeting. Commissioner Dietz moved approval of the minutes, seconded by Commissioner Madsen. No comments/discussions. On voice vote: (5) Ayes, (0) Nays, the motion carried.

The Chairman stated that the Open & Closed Meeting Minutes for the February 6, 2013 Authority Meeting have been emailed to the Commissioners for their review/comment.

7. BUSINESS

a. Executive Session (moved to end of Agenda)

b. Wastewater Program

Chief Engineer's Report

Mr. Tom Varro reported on a request from Hampshire Companies, Wantage Township regarding reducing or waiving the SCMUA's endorsement review fee. He indicated that this project requires a straightforward and simple review of mapping related to Wantage Township the amended Sewer Service Area and recommended a reduction of the SCMUA Review Fee from \$1,500 to \$500. Discussion held on project and changing future Rate Schedules. Commissioner Cocula moved to reduce the review fee to \$500 for simplistic review of Hampshire Companies sewer endorsement. Commissioner Madsen seconded. On roll call: Ayes (5) Commissioner Madsen, Sowden, Petillo, Dietz, and Cocula. The motion passed.

Administrator's Report

Administrator Hatzelis reported on the existing finance charges on sewer system user account for Aqua New Jersey. These finance charges were incurred during the transition period when Aqua New Jersey purchased the Wallkill Sewer Company. The charges total \$1876.71 and it was requested by Aqua NJ to have those charges waived. Mr. Hatzelis stated there have not been any other issues with this account and bills are paid on time. Commissioner Madsen moved to waive the finance charges, seconded by Commissioner Cocula. On roll call: Ayes (5), Commissioner Madsen, Sowden, Petillo, Dietz, Cocula. Nays (0) Abstain (0). The motion passed.

c. Solid Waste Program

Chief Engineer's Report

Mr. Varro gave a status report on the Landfill Life Extension Project and indicated that a draft application has been developed for a Solid Waste Management Plan Amendment which will be used in support of an application for NJDEP for a Solid Waste Permit major modification. Cornerstone has proposed a 6 stage plan which could ultimately extend the landfill life up until 2068. The County would retain the authority to proceed by way of approval of SCMUA project financing. Mr. Varro explained that this Plan Amendment would be to full project completion, and the project will only have to be presented once to NJDEP, not in stages. Discussion ensued regarding estimates for different stages to get comparison options and keep costs down. SCMUA Staff Comments will be submitted to Cornerstone and Mr. Varro will report to the Commissioners at the next meeting, and if the Commissioners are agreeable, the Plan will then be presented to SWAC at their April meeting. Short discussion held on future disposal needs and technology available to the County.

Administrator's Report

Administrator Hatzelis reported on the tonnages and revenues for the first quarter for 2013 compared to the same timeframe for 2012 and total overall tonnage is down 4.1%. The ID10 waste has decreased by 3.2%, as well as ID13 Waste at the Convenience Center is down 18.6% which is concerning. Mr. Hatzelis will continue to track these numbers and inform the Commissioners.

d. General Authority Business

Mr. Hatzelis reported at the Authority's Annual Reorganization Meeting of February 6th, the Commissioners appointed firms for Professional Services for Bond Counsel, General Counsel, Special Environmental Counsel, and Auditor. He presented resolutions authorizing the Chairman to execute these Agreements. Commissioner Madsen motioned to authorize the retention of Matthew Giacobbe of Cleary Giacobbe Alfieri and Jacobs for General Legal Counsel, seconded by Commissioner Sowden. On roll call: Ayes (5) Commissioners Madsen, Sowden, Petillo, Dietz, and Cocula. The resolution passed.

#13-052 AUTHORIZING THE RETENTION OF MATTHEW J. GIACOBBE, ESQ. FOR THE FURNISHING OF GENERAL LEGAL COUNSEL SERVICES FOR THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY – FEBRUARY 6, 2013 to FEBRUARY 5, 2014

Mr. Hatzelis reported that the contract has been drafted for signature/consideration. Commissioner Sowden moved the resolution for the retention of the firm of Wilentz, Goldman & Spitzer, P.A. as the Authority's Bond Counsel, seconded by Commissioner Dietz. On roll call: Ayes (5) Commissioners Madsen, Sowden, Petillo, Dietz, and Cocula. The resolution passed.

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#13-053 AUTHORIZING THE RETENTION OF WILENTZ, GOLDMAN & SPITZER, P.A. FOR THE FURNISHING OF BOND COUNSEL SERVICES FOR THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY – FEBRUARY 6, 2013 TO FEBRUARY 5, 2014

Mr. Hatzelis presented resolutions to execute agreements for 2 firms for Special Environmental Counsel Services. The first agreement is with Thomas Prol, Esq. and second is for the retention of John Hall & Associates. Commissioner Cocula moved to execute agreements with both firms for Special Environmental Counsel Services for 2013. Commissioner Madsen seconded for both firms. On roll call: Ayes (5): Commissioners Madsen, Sowden, Petillo, Dietz, and Cocula. The resolutions passed.

#13-054 AUTHORIZING THE RETENTION OF THOMAS PROL, ESQ. FOR THE FURNISHING OF SPECIAL ENVIRONMENTAL LEGAL COUNSEL SERVICES FOR THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY – FEBRUARY 6, 2013 to FEBRUARY 5, 2014

#13-055 AUTHORIZING THE RETENTION OF JOHN HALL, ESQ. OF HALL AND ASSOCIATES FOR THE FURNISHING OF CERTAIN LEGAL SERVICES IN REGARD TO WASTEWATER AND SOLID WASTE FACILITIES NJPDES PERMITS, WATERSHED MANAGEMENT PLANNING AND RELATED MATTERS FOR THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY – FEBRUARY 6, 2013 – FEBRUARY 5, 2014

Mr. Hatzelis presented the resolution for Auditor authorizing the Agreement between the Authority and the firm of Ferraioli, Wielkotz, Cerullo & Cova, P.A. Commissioner Cocula moved the resolution, seconded by Commissioner Dietz. On roll call, the vote was as follows: Ayes (5) Commissioners Madsen, Sowden, Petillo, Dietz, and Cocula; Nays (0), Abstain (0). The resolution passed.

#13-056 AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICE CONTRACT WITH PAUL CUVA, C.P.A. OF THE FIRM FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A. FOR AUDITING SERVICES IN PERFORMING THE ANNUAL AUDIT OF THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY'S FISCAL YEAR 2013

8. FINANCIAL TRANSACTIONS

a. Payment of Bills

FINANCIAL CONSENT AGENDA – Chairman Petillo asked for a motion to approve the Financial Consent Agenda with the removal of PO#67928 for the Solid Waste Operating Fund Overtime portion and the removal of the Trailer Rental PO#67888. Commissioner Cocula moved the approval of bill paying resolution, as amended seconded by Commissioner Madsen. No discussions. On roll call, the vote was as follows: Ayes (5) Commissioners Madsen, Sowden, Petillo, Dietz, Cocula; Nays (0), Abstain (0). The resolution passed.

#13-057 RESOLUTION RE: AUTHORIZING PASSAGE OF FINANCIAL CONSENT AGENDA

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Chairman requested a motion to approve Solid Waste Operating Fund, Voucher #67928 for overtime portion of payroll. Commissioner Dietz moved, seconded by Commissioner Madsen. On roll call the Ayes (4) Commissioners Madsen, Sowden, Petillo, Dietz. Nays (1) Commissioner Cocula, Abstain (0). The motion was approved.

9. PUBLIC COMMENT

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

a. Executive Session

Attorney Giacobbe noted that there will be no action taken after Closed Executive Session discussions.

Chairman Petillo asked for a motion to go into Closed Executive Session at 3:18 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.

#13-058 RESOLUTION RE: AUTHORIZING CLOSED EXECUTIVE SESSION

The public left the meeting room at this time.

Chairman Petillo called for a short break at 3:31 p.m. before going into Executive Session discussions.

The Meeting resumed in Executive Session at 3:39 p.m.

At 4:03 p.m. Commissioner Cocula moved to adjourn the Closed Executive Session and reconvene the Open Session seconded by Commissioner Madsen. On voice vote, the motion passed.

The Open Session was reconvened at 4:03 p.m. and Chairman Petillo indicated that in Closed Executive Session items discussed as specifically set forth in the resolution were negotiations and/or litigations re: Grinnell Settlement Agreement/Collection Matters; and the Franklin ViaDuct Project. When the need for confidentiality of these matters no longer exists they will be opened to the public.

Commissioner Cocula moved to give an excused absence to Commissioner Meyer, seconded by Commissioner Sowden. On voice vote (5) Ayes, (0) Nays, the motion carried.

10. COMMISSIONERS' COMMENTS/REQUEST

Commissioner Dietz gave thanks for the accommodations made for him to call into the meeting and will be back to conduct Risk Manager Interviews.

11. ADJOURN

Commissioner Cocula moved to adjourn the meeting, seconded by Commissioner Madsen. On voice vote, the motion passed. The meeting was adjourned at 4:05 p.m.

Respectfully submitted,

Andrea Cocula, Secretary