

MINUTES OF THE REGULAR MEETING OF THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY HELD ON MAY 16, 2012 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, Cocula, Meyer and O'Halloran, Administrator Hatzelis, Chief Engineer Varro, Solid Waste Superintendent Sparnon, Attorney Giacobbe and Recording Secretary Kronski

Absent: Wastewater Superintendent Nugent

Also Present: Auditor Paul Cuva

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 comment from the public. Chairman Petillo closed the meeting to public comment.

4. AGENDA APPROVAL

Chairman Petillo requested a motion to approve the Agenda. Commissioner Dietz moved the approval of the Agenda, Commissioner O'Halloran seconded. Administrator Hatzelis recommended that Executive Session be moved until the end of the Agenda due to Mr. Cuva's presentation on the Financial Audit. 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. Vice Chairman Sowden moved the approval of the Consent Agenda, seconded by Commissioner Madsen. 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 May 2, 2012 Pending Action Summary Sheet, which was submitted to the Freeholder Board on May 3, 2012. Commissioner O'Halloran moved to approve the May 2, 2012 Pending Action Summary Sheet, seconded by Commissioner Meyer. No discussions. On roll call the vote was as follows: Ayes (5) Commissioners Madsen, Petillo, Dietz, Meyer and O'Halloran, Nays (0), Abstain (2) Commissioners Sowden and Cocula due to absence at that meeting. The motion passed.

Chairman Petillo asked for a motion to approve the Regular & Closed Meeting Minutes of April 4, 2012. Vice Chairman Sowden motioned to approve the minutes, seconded by Commissioner Cocula. No discussions. On roll call the vote was as follows: Ayes (6) Commissioners Madsen, Sowden, Petillo, Dietz, Cocula and O'Halloran, Nays (0), Abstain (1) Commissioner Meyer, due to absence at that meeting. The motion passed.

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Chairman Petillo indicated that the Regular and Closed Meeting Minutes from the April 18, 2012 Authority Meeting have been emailed to the Commissioners for their review and comment.

7. BUSINESS

a. Executive Session

Executive Session moved to the end of the Agenda.

d. General Authority Business

The Authority's Auditor, Paul Cuva reported on the highlights of the FY2011 Financial Audit. He indicated that the Upper Wallkill Budget had \$475,000 in surplus balance unrestricted/undesignated funds. The Solid Waste Budget resulted in \$1,375,000 in unrestricted/undesignated funds, and noted that the concern is with the projected \$6 million liability for the Cell Closure Care Fund, with State Aid now being eliminated. Mr. Cuva indicated the SCMUA needs to try to close the gap, John Hatzelis explained that we have asked for \$3 million in State Aid and have budgeted for cell closure funds, but the funds may still need to be taken out due to State Aid not forthcoming this year. The SCMUA is also looking to extend the life of the facility and use the Closure/Post Closure Care funds to close the Section 3 cap. Discussions ensued on excess funds in other restricted accounts. Hampton Commons was reported to have a balance of \$85,000 of unrestricted/undesignated funds. The Paulinskill Reclamation Project and all other sewer companies all broke even for unrestricted/undesignated funds. Commissioners discussed State rules for designation and restrictions for certain funds, as well as, projections and factors for funding closure account. Mr. Cuva stated there were no findings or recommendations for the FY2011 Audit. An affidavit resolution was presented to the Commissioners to certify review of 2011 Audit. Commissioner Dietz moved the resolution, seconded by Vice Chairman Sowden. On roll call the vote was as follows: Ayes (7) Commissioners Madsen, Sowden, Petillo, Dietz, Cocula, Meyer and O'Halloran, Nays (0), Abstain (0). The resolution passed.

#12-089 RESOLUTION RE: FY2011 ANNUAL AUDIT REVIEW

Mr. Cuva left the meeting at 3:13 p.m.

b. Wastewater Program

Administrator's Report

Mr. Hatzelis reported on Septage Sludge and Hauled Sewage & Revenues for the first 5 months of FY2012 and they are strong this year, about 51% ahead of projections. He indicated that connection fees are under projections, however the Vernon Town Center is scheduled for mandatory connection this year. Mr. Hatzelis reported that he has been in touch with Jerry Giaimis of Vernon Township regarding the many connection fee questions from Vernon businesses/residents. John also noted that a proposed sewer extension may be hooked up for the Wantage A&P Plaza. Discussions ensued regarding sewer extensions and Wantage allocation availability. Mr. Hatzelis reported that the Sparta Stop and Shop Plaza has additional businesses that will need to hookup to the sewer system. Commissioners and staff discussed the Stop and Shop property lien and subsequent subdivisions of the property. A revised lien was filed on the Stop & Shop for corrected Block and Lot. Mr. Varro indicated that the TWA that was approved by NJDEP was for the entire project development,

not just for the Stop and Shop portion and all businesses are subject to SCMUA calculated connection fees.

c. Solid Waste Program

Superintendent's Report

Mr. Sparnon reported on the recent SCMUA E-Waste Event on May 12, 2012, which was done in cooperation with Sims Metal. He indicated that there was a total of 650 vehicles with over 23 tons of E-Waste collected. He also reported that Sims Metal was very organized and professional, and was off-site by 2:30 p.m.

Chief Engineer's Report

Mr. Varro reported on the recent Solid Waste Advisory Council Meeting held on May 8, 2012. The meeting agenda and supporting documents were sent on May 4th for review by SWAC Members, which included a resolution for approval of a SWMP Amendment for R.E.R. Center of Wantage. The applicant was requesting increased capacity of their Class C compost facility, and Class B wood/tree parts facility. Mr. Varro questioned the resolution that was sent by SWAC, which in his opinion, was lacking considerable and relevant information. Mr. Varro explained that the applicant had submitted all information to the County Planning office, however, SWAC members that were to vote on the resolution, did not receive it prior for their consideration. He indicated that after further discussions between County Planning and County Counsel, the resolution was pulled from the Agenda. Proper procedures need to be followed for an amendment to the SWMP, including a public hearing and review of the application by SWAC members. Commissioners agreed to have Mr. Varro continue to review all applications carefully, and hopefully, all will be in order for approval of the R.E.R. Center application for the next (June) SWAC meeting.

Attorney Prol entered the meeting at 3:40 p.m.

Administrator's Report

Mr. Hatzelis requested that his report on Solid Waste Tonnages and Revenues be done in Executive Session due to Enforcement issues, Commissioners concurred.

Administrator Hatzelis reported that the Series F&G Bond Refunding P.O.S. is almost complete, and is set to be done in early June. He indicated that the County is issuing some bonds for the County College and the Authority will be able to use the Credit/Financial Information, County Financial Statements and Demographic Information from that action for the credit rating.

8. FINANCIAL TRANSACTIONS

a. Payment of Bills

FINANCIAL CONSENT AGENDA – Chairman Petillo asked for a motion to approve the Financial Consent Resolution, with the removal of P.O. #66411. Commissioner Cocula moved the approval of bill paying resolution, as amended, seconded by Vice Chairman. No discussions or comments. On roll call, the vote was as follows: Ayes (7) Commissioners Madsen, Sowden, Petillo, Dietz, Cocula, Meyer and O'Halloran, Nays (0), Abstain (0). The resolution passed.

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#12-090 RESOLUTION RE: AUTHORIZING PASSAGE OF FINANCIAL
CONSENT AGENDA

Chairman requested a motion to approve Solid Waste Operating Fund Section E, PO#66411 for overtime portion of payroll. Commissioner Dietz, seconded by Commissioner Madsen. On roll call the Ayes (6) Commissioners Madsen, Sowden, Petillo, Dietz, Meyer and O'Halloran, Nay (1) Commissioner Cocula, Abstain (0). The motion was approved.

Chairman Petillo called for a short break at 3:44 p.m. before going into Closed Executive Session.

a. Executive Session

The meeting resumed at 4:02 p.m. and Chairman Petillo asked for a motion to go into Closed Executive Session. Commissioner Meyer moved the adoption of the following resolution authorizing a Closed Executive Session seconded by Commissioner Dietz. On voice vote (7) Ayes, (0) Nays, the motion carried.

#12-091 RESOLUTION RE: AUTHORIZING CLOSED EXECUTIVE
SESSION

At 5:03 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 5:03 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 Family of Companies; Solid Waste Tonnage/Revenues and County Enforcement Program; and Professional Services Agreement for Special Counsel for Environmental Services. When the need for confidentiality of these matters no longer exists they will be opened to the public.

Commissioner Cocula motioned to appoint Mr. Prol as Special Environmental Counsel to the Authority based on the proposal terms set forth in the General Counsel agreement executed on February 2012, detailed in Executive Session. Vice Chairman Sowden seconded. On roll call the vote was as follows: Ayes (7) Commissioners Madsen, Sowden, Petillo, Dietz, Cocula, Meyer and O'Halloran, Nays (0), Abstain (0). The motion passed.

#12-92 RESOLUTION RE: APPOINTMENT OF THOMAS H. PROL,
ESQ. AS SPECIAL LEGAL COUNSEL FOR ENVIRONMENTAL
MATTERS AND AUTHORIZING EXECUTION OF
PROFESSIONAL SERVICES AGREEMENT

9. OPEN TO PUBLIC COMMENT

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

10. COMMISSIONERS' COMMENTS/REQUEST

Commissioners had no comments.

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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 5:06 p.m.

Respectfully submitted,

Andrea Cocula, Secretary