

MINUTES OF THE REGULAR MEETING OF THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY HELD ON JUNE 1, 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 3:00 p.m.

The following were present: Commissioners Zidek, Sowden, Petillo, Dietz, Cocula, Meyer and O'Halloran, Administrator Hatzelis, Consulting Engineers Cerenzio & Donati, Chief Engineer Varro, Solid Waste Superintendent Sparnon, Wastewater Superintendent Nugent, Recording Secretary Kronski, Attorneys Prol and 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, he 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. Commissioner O'Halloran moved the approval of the Agenda, seconded by Commissioner Zidek. On voice vote (7) Ayes, (0) Nays, the motion carried.

5. APPROVAL OF CONSENT AGENDA

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

6. MINUTES

Chairman Petillo requested a motion to approve the distribution of the May 18, 2011 Pending Action Summary Sheet which was submitted to the Freeholder Board on May 19, 2011. Commissioner Meyer moved to approve the May 18, 2011 Pending Action Summary Sheet, seconded by Commissioner Cocula. No discussions necessary. On voice vote (7) Ayes, (0) Nays, the motion carried.

Chairman Petillo asked for a motion to approve the Regular & Closed Minutes for the May 4, 2011 Meeting. Commissioner Zidek moved, seconded by Commissioner Cocula. On voice vote, Ayes (6), Nays (0), Abstain (1) Commissioner Dietz, the motion passed.

Chairman Petillo advised the Commissioners no minutes for distribution at this meeting.

7. BUSINESS

a. Closed Executive Session

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At 3:03 p.m. Commissioner Cocula moved the adoption of the following resolution authorizing a Closed Executive Session seconded by Commissioner Meyer. On voice vote the motion carried.

#11-75 RESOLUTION RE: AUTHORIZING CLOSED EXECUTIVE SESSION

The Open Session was reconvened at 4:20 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: Frankford - Branchville Wastewater Project; High Ridge Properties; Grinnell Recycling; Vernon Township; Hampton Commons Permit; DMR Contract 601D and Personnel items. When the need for confidentiality of these matters no longer exists they will be opened to the public.

Attorney Giacobbe left the meeting at 4:20 pm after Executive Session.

b. Wastewater Program

Administrator's Report

Mr. Hatzelis introduced Reenee Casapulla, SCMUA Recycling Coordinator to present the new SCMUA Website to the Commissioners. John and Reenee gave a detailed presentation and reviewed the Department Web Pages and also took questions and comments from the Commissioners. It was noted that much more information will be available to residents including Authority Meeting Agendas and Open Session Minutes, as well as, budgets and audits for the last 3 years. After covering all the highlights of the website, the Commissioners thanked Mr. Hatzelis and Ms. Casapulla for the presentation. The website is expected to go live by the end of June 2011.

Superintendent's Report

Mr. Nugent advised the Commissioners that Chemical Bids were received on May 19th for operations at the Wastewater Facilities for Ferric Chloride (#11-05), Potassium Permanganate Powder (#11-06), Liquid Sodium Hypochlorite (#11-07), and Hydrogen Peroxide 50% Solution (#11-08). Mr. Nugent noted the bids were reviewed by himself and Chief Engineer Varro and there were no deficiencies or issues with the low bid packages. He reviewed the resolutions for award and indicated the low bid award for each: Ferric Chloride to Coyne Chemical Co.; Potassium Permanganate Powder to Univar USA, Inc.; Liquid Sodium Hypochlorite to JCI Jones Chemical; and Hydrogen Peroxide 50% Solution to Coyne Chemical Co. Commissioner Cocula moved the resolutions for chemical bid awards, seconded by Commissioner Zidek. On roll call, the vote was as follows: Ayes (7) Commissioners Zidek, Sowden, Petillo, Dietz, Cocula, Meyer and O'Halloran. The resolutions passed.

#11-76 RESOLUTION RE: AUTHORIZATION TO AWARD SCMUA CONTRACT #11-05 FERRIC CHLORIDE SOLUTION

#11-77 RESOLUTION RE: AUTHORIZATION TO AWARD SCMUA CONTRACT #11-06 POTASSIUM PERMANGANTE POWDER

#11-78 RESOLUTION RE: AUTHORIZATION TO AWARD SCMUA CONTRACT #11-07 LIQUID SODIUM HYPOCHLORITE SOLUTION

#11-79 RESOLUTION RE: AUTHORIZATION TO AWARD SCMUA CONTRACT #11-08 HYDROGEN PEROXIDE 50% SOLUTION

c. Solid Waste Program

Superintendent's Report

Superintendent Sparnon reminded the Commissioners that Saturday, June 4th the Authority will be holding a Household Hazardous Waste Event from 7am – 2pm. The Authority will be set up on Friday to receive hazardous waste from schools and municipalities. Normal operations will be ongoing on Saturday as well.

Chairman Petillo referred to Mr. Sparnon's Consent Agenda and asked if the concrete settlement and pipe crack at the Landfill Gas Flare site caused any problems with the gas operations. Mr. Sparnon advised that no issues or problems occurred due to early detection. Discussions re: sediment settling and visual monitoring of the entire flare area needs to be done to avoid problems in the future.

Chief Engineer's Report

Mr. Varro reported on the Landfill Gas to Energy Project which should be ready for interconnect to the electrical grid tomorrow Thursday, June 2nd. He will keep the Commissioners advised regarding progress. SXLE is working with subconsultant EarthRes Group to conduct initial readings and make recommendations on increasing gas flow.

Consulting Engineer's Report

Consulting Engineer Cerenzio presented information regarding a Draft Landfill Closure/Post Closure Care Plan and the State requirements thereon. He provided a handout containing all the support documents for closure plan/post closure care plan, including transfer station option analysis. Pete reviewed State financial requirements for post closure and the closure account balance should be approximately \$7,765,000 when landfill closes in 2018. Sections 1 & 2 Caps have been provided for. Final Cap should be completed by 2020, and the Authority will need to be initiated in late 2018 when the landfill ceases accepting solid waste to be landfilled, which equals no revenue generation. Post Closure Care will begin at that time, and be carried out for the next 30 years, including maintenance of all slopes, extracting and disposing of leachate and all the groundwater sampling wells, as well as, Landfill Gas Extraction. Discussion continued regarding the State's analysis of inflation rates compared to actual inflation rates and investment returns and Commissioners agreed the analysis should be conservative. Mr. Cerenzio explained that regulations mandate that \$1 per ton be placed in the post closure fund, and the Authority must make additional deposits to meet requirements. He reviewed the history of dollar per ton deposited ranging from \$8/ton to \$3/ton. The Board and Staff also discussed the inclusion of Landfill Gas to Energy funding and how long the gas can be extracted and the life expectancy of landfill gas production and the flare. Mr. Varro acknowledged the bulk of the gas will peak at 2017 and may slowly decrease after capping. Mr. Cerenzio reviewed finances lost during the absence of flow control for many years resulting in the Authority being unable to fund the closure/post closure account. However, funding is now somewhat more viable due to the reinstatement of flow control. He also indicated that in order to cap the last 2 phases, the Authority will need approximately \$23 million. After monetary transfers and additional closure account funding of \$4/ton, the Authority at this point, has a \$12.8 million shortfall. Discussions regarding how the deficit has increased over time which included loss of flow control regulations which necessitated lower tip fees in order to compete with other facilities, as well as, the absence of State Aid and economic factors have all contributed to low

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funding of the Closure Account. Deficiency may have to be covered by a Revenue Bond, but the Authority will have debt service to address. Revenue generation can be achieved with the conversion to a transfer station. Mr. Cerenzio said this is at this time the most viable option for long term revenue generation, and will have to research the process further to implement current regulations. Pete concluded that these figures are for discussion purposes only and they will be further detailed and reviewed with SCMUA Staff and Construction Review Committee.

d. Authority Business

Administrator's Report

Mr. Hatzelis reviewed the tonnage and revenue reports for the Solid Waste Facility and reported that tonnages are up by about 16%, but average per ton tipping fees are down. He reminded Commissioners that it was a year ago today (6/1/11) that Flow Control was implemented and he will have a better idea how effective the program is by comparing tonnage and revenue data to last year's.

8. FINANCIAL TRANSACTIONS

a. Payment of Bills

FINANCIAL CONSENT AGENDA – Chairman Petillo requested a motion to adopt the Financial Consent Agenda. Commissioner Dietz moved the adoption of the following resolution authorizing passage of the Financial Consent Agenda, seconded by Commissioner Sowden. On roll call, the vote was as follows: Ayes (7) Commissioners Zidek, Sowden, Petillo, Dietz, Cocula, Meyer and O'Halloran. The resolution passed.

#11-80 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

Commissioners wished Chairman Petillo a Happy Birthday!

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 5:35 p.m.

Respectfully submitted,

Andrea Cocula, Secretary