

MINUTES OF THE REGULAR MEETING OF THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY HELD ON JUNE 15, 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 3:02 p.m.

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

Also present: Freeholder Richard Vohden

Absent: Vice-Chairman Sowden (entered meeting during Executive Session @ 3:25 p.m.), Attorney Giacobbe (entered the meeting during Executive Session at 3:40 p.m.), Commissioner Zidek (excused)

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. He asked Freeholder Vohden if he any comments, Mr. Vohden stated he has no comment. 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 Cocula. Administrator Hatzelis advised adding discussions re: the July 6, 2011 Authority Meeting and a request from Joseph Zidek for an excused absence. On voice vote (5) Ayes, (0) Nays, the motion carried.

5. APPROVAL OF CONSENT AGENDA

Chairman Petillo requested a motion for approval of the Consent Agenda. Commissioner O'Halloran moved the approval of the Consent Agenda, seconded by Commissioner Meyer. 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 June 1, 2011 Pending Action Summary Sheet which was submitted to the Freeholder Board on June 2, 2011. Commissioner Cocula moved to approve the June 1, 2011 Pending Action Summary Sheet, seconded by Commissioner Dietz. No discussions necessary. On voice vote (5) Ayes, (0) Nays, the motion carried.

Chairman Petillo advised that the Regular and Closed Meeting Minutes for May 18, 2011 have been distributed to the Commissioners for comment/review.

7. BUSINESS

a. Closed Executive Session

At 3:05 p.m. Commissioner O'Halloran moved the adoption of the following resolution authorizing a Closed Executive Session seconded by Commissioner Dietz. On voice vote (5) Ayes, (0) Nays, the motion carried.

#11-81 RESOLUTION RE: AUTHORIZING CLOSED EXECUTIVE SESSION

At 4:30p.m. Commissioners Cocula moved to adjourn the Closed Executive Session and reconvene the Open Session seconded by Commissioner Meyer. On voice vote, the motion passed.

The Open Session was reconvened at 4:38 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; C&P Payment Request and Personnel matters. When the need for confidentiality of these matters no longer exists they will be opened to the public.

Vice-Chairman Sowden (entered meeting during Executive Session @ 3:25)
Attorney Giacobbe (entered the meeting during Executive Session @ 3:40p.m.)

b. Wastewater Program

Superintendent's Report

Mr. Nugent reported on the Upper Wallkill low-level mercury sampling as required by the NJDEP. He reviewed the sampling process of 3 samples taken 30 days apart. The last time these samples were taken was in 2008 before dentists were required to use an amalgam separator. Mercury is measured in parts per trillion for 2011. These samples were submitted to NJDEP for review. There is a significant reduction from 2008 to 2011 samples, about 60% reduction in mercury detection.

Chief Engineer

Mr. Varro and Mr. Hatzelis distributed a draft Memorandum of Understanding for Commissioner consideration for Edgewater Associates. Per SCMUA's 2010 and 2011 Rate Schedules, Laundromat usage is based upon a rate of 580 gpd/washing machine or 2.32 EDU's/washer. This rate is also based upon NJDEP criteria for use in its Treatment Works Approval (TWA) permitting program and yields a calculation of 17 machines x 580 gpd/machine ÷ 250 gpd/EDU = 39.44 EDU's x \$5,378 (current SCMUA connection fee/EDU) = \$212,108.00. The applicant has raised claims regarding the NJDEP and SCMUA utilization of said 580 gpd per machine Laundromat criteria, contending that usage of microprocessor controlled high efficiency washing machines substantially reduces water use and wastewater generation (and should therefore consider lowering the SCMUA rate schedule criteria for connection fees). Mr. Varro reported that the data presented by Edgewater details Laundromat water usage and washing machine rates which indicate that the SCMUA (and NJDEP) criterion of 580 gpd (2.32 EDU's) per washer may be substantially greater than actual usage, particularly when utilizing high efficiency

microprocessor controlled washing machines. The SCMUA has proposed the conditional acceptance of applicant's technical water usage data as a "pilot" or "demonstration" project to promote water conservation, while utilizing a 2.0 factor of safety. Also, applicant will be required to provide the SCMUA with quarterly water usage data for a one-year period to confirm the water efficiency of its installed and operating high efficiency washing machines. The SCMUA Staff proposes a pilot/demonstration project. The agreed upon 2011 SCMUA connection fee shall be 10 EDU's x \$5,378 = \$53,780.00. It was noted that Edgewater Associates has already paid \$13,168.32 in fees that will not be credited towards this Laundromat portion of the facility. Should the connection fee be paid after November 30, 2011, Edgewater Associates agree to pay in accordance with the applicable connection fee per the prevailing SCMUA Rate Schedule in effect at such time (@ 10 EDU's). Commissioners requested to have the Authority's Attorney review before execution, Mr. Prol indicated he has conceptually discussed and reviewed with SCMUA Staff but will take another look at it.

Consulting Engineer

Mr. Cerenzio presented a resolution for authorization to submit grant/loan application to USDA for additional funding for Paulinskill Project as discussed and approved by the Board of Freeholders and the Local Finance Board. Commissioner Cocula moved resolution seconded by Vice-Chairman Sowden, on roll call, the vote was as follows: Ayes (6) Commissioners Sowden, Petillo, Dietz, Cocula, Meyer and O'Halloran. The resolution passed.

#11-82 RESOLUTION RE: AUTHORIZATION TO EXECUTE AND SUBMIT USDA GRANT/LOAN APPLICATION FORMS FOR ADDITIONAL FUNDING FOR THE PAULINSKILL BASIN WATER RECLAMATION PROJECT

Administrator's Report

Mr. Hatzelis referred to correspondence previously sent to Commissioners from Hamburg Mayor Paul Marino. The letter requested the waiver of a connection fee for their Recreation Field Bathrooms. Mr. Hatzelis explained that this piece of property has hooked up to the Upper Walkkill Facility under a previous owner. Board discussed past practice for this situation, and Commissioner Dietz made the motion to waive the connection fee for Hamburg Borough due to it being a municipal facility and the fact that the parcel of property was previously connected to the Upper Walkkill System under different ownership. Commissioner Cocula seconded. On roll call, the vote was as follows: Ayes (7) Commissioners Sowden, Petillo, Dietz, Cocula, Meyer and O'Halloran. The motion passed.

Attorney Giacobbe left the meeting at 5:00 p.m.

Consulting Engineer Edward Enright of C&P left the meeting at 5:01

c. Solid Waste Program

Superintendent's Report

Superintendent Sparnon reported that the Solid Waste Facility has a 500 gallon underground waste oil tank that was installed during the initial construction of the facility. Maintenance has not used in many years and can be taken off the Authority's insurance policy. Mr. Sparnon has received 3 quotes and the low quote was from Norcon Environmental for

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\$6,520.00. Soil testing will be done and the Authority will do the excavating and the disposal. Commissioner Cocula made a motion to take the low bid for removal, Commissioner O'Halloran seconded. Discussion regarding cleaning process of tank and the services provided by Norcon includes NJDEP submittal/soil testing and oversight. Mr. Sparnon indicated Authority will pay an oil removal company to dispose of sludge. On roll call, the vote was as follows: Ayes (7) Commissioners Sowden, Petillo, Dietz, Cocula, Meyer and O'Halloran. The motion passed.

Chief Engineer's Report

Chief Engineer Varro reported to the Board on the Solid Waste Advisory Council (SWAC) Meeting he attended on June 14, 2011. He presented an update in Solid Waste Facilities' tonnages and tip fees, he also gave them a copy of NJDEP correspondence on Flow Control in regard to the Grinnell Recycling Case. Tom also indicated to SWAC that a copy of the NJDEP correspondence should go to the County Health Department to help clarify the enforcement program. Mr. Varro reported a presentation was given by GGI Energy for a new type of garbage processing system whereby solid waste is taken from the Solid Waste before being landfilled, with removal of all recyclables/food debris and then dehydrate it with a process called Pyrolytic Gasification. They propose to process 20 tons per day with the byproduct being bio-diesel fuel and "char". The process has not yet been approved by the NJDEP and is only actively being used in Korea at this time, although proposed for use in Texas. Mr. Varro indicated he was not confident in details of this process, but SWAC passed a motion to go to the next step to do a waste assessment survey. Commissioners discussed process options and emissions/odors of byproduct, and the permitting process.

Mr. Varro also reported he received a request from the Lafayette Township Clerk to give a presentation to the Town Council on the status of the Landfill Gas and the Solid Waste Facility. Authority representatives have given informational status reports before and the Council may also question the future plans for the landfill facility. Lafayette Township received host community benefits and this revenue is a large part of their municipal budget. Tentative dates are July 5th or a date in August, and staff will contact Lafayette to confirm a date. Commissioners discussed potential transfer station and Close/Post Closure Care Plan, which Mr. Cerenzio advised changes and final report will be ready before next SWAC Meeting of July 12, 2011. Mr. Cerenzio will email C/PCCP to Commissioners for their review before the July SWAC meeting.

d. Authority Business

Administrator's Report

Commissioners discussed canceling the July 6, 2011 Regular Authority meeting due to conflicts in schedules for some Commissioners/Staff. Commissioner Cocula moved to cancel July 6, 2011 Authority Meeting, seconded by Commissioner O'Halloran. Chairman Petillo advised to contact the Construction Review Committee to review items if necessary. On roll call, the vote was as follows: Ayes (7) Commissioners Sowden, Petillo, Dietz, Cocula, Meyer and O'Halloran. The motion passed.

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Mr. Hatzelis reported he received correspondence for the State Treasurer's Office for Contract Compliance. They conduct an inspection of the Authority's Contracts and review contract threshold amounts as well as the necessary required documents have been provided. The previous inspection was approximately 8 years ago at the Administration Building. He will report back to the Commissioners after inspection.

Administrator Hatzelis indicated that back in 2002 the Authority appointed a Qualified Purchasing Agent. However, the bid threshold was limited to \$25,000, since then the bid threshold has increased. Mr. Hatzelis advised that instead of having a resolution with a specific number, he presented a resolution referencing the statute and naming him as the QPA. Commissioner Dietz moved the resolution and Vice-Chairman Sowden seconded. On roll call, the vote was as follows: Ayes (7) Commissioners Sowden, Petillo, Dietz, Cocula, Meyer and O'Halloran. The resolution passed.

#11-83 INCREASING BID THRESHOLD AND APPOINTING A QUALIFIED PURCHASING AGENT

Mr. Hatzelis advised he received a request from Commissioner Zidek for an excused absence for today's meeting. Commissioner Cocula moved to give Commissioner Zidek and excused absence for this meeting (6/15/11), Commissioner O'Halloran seconded. On voice vote (6) Ayes, (0) Nays, the motion carried.

8. FINANCIAL TRANSACTIONS

a. Payment of Bills

FINANCIAL CONSENT AGENDA – Chairman Petillo requested a motion to adopt the Financial Consent Agenda. Commissioner O'Halloran moved the adoption of the following resolution authorizing passage of the Financial Consent Agenda, seconded by Commissioner Dietz. On roll call, the vote was as follows: Ayes (6) Commissioners Sowden, Petillo, Dietz, Cocula, Meyer and O'Halloran. The resolution passed.

#11-84 RESOLUTION RE: AUTHORIZING PASSAGE OF FINANCIAL CONSENT AGENDA

9. OPEN TO PUBLIC COMMENT

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

10. COMMISSIONERS' COMMENTS/REQUEST

Commissioner Dietz advised SCMUA Staff to have a more informal meeting with Lafayette Township representatives before agreeing to go before a Public Council Meeting.

11. ADJOURN

Vice-Chairman Sowden moved to adjourn the meeting, seconded by Commissioner Cocula. On voice vote, the motion passed. The meeting was adjourned at 5:25 p.m.

Respectfully submitted,

Andrea Cocula, Secretary

