

MINUTES OF THE REGULAR MEETING OF THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY HELD ON JUNE 20, 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, and Meyer, Administrator Hatzelis, Chief Engineer Varro, Solid Waste Superintendent Sparnon, Wastewater Superintendent Nugent, Consulting Engineer John Vena, Attorneys Giacobbe and Prol, Recording Secretary Kronski

Absent: Commissioner O'Halloran

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. Vice Chairman Sowden moved the approval of the Agenda, Commissioner Madsen seconded. No additions or deletions. On voice vote (6) 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 Dietz. No discussion necessary. On voice vote (6) Ayes, (0) Nays, the motion carried.

6. MINUTES

Chairman requested a motion to approve the distribution of the June 6, 2012 Pending Action Summary Sheet, which was submitted to the Freeholder Board on June 7, 2012. Commissioner Dietz moved to approve the June 6, 2012 Pending Action Summary Sheet, seconded by Commissioner Madsen. No discussions. On voice vote (6) Ayes, (0) Nays, the motion carried.

Chairman Petillo asked for a motion to approve the Regular & Closed Meeting Minutes of May 2, 2012. Commissioner Cocula motioned to approve the minutes, seconded by Vice Chairman Sowden. No discussions. On roll call, the vote was as follows: Ayes (4) Commissioners Madsen, Petillo, Dietz, and Meyer, Nays (0), Abstain (2) Commissioners Cocula and Sowden due to their absence at that meeting.

Chairman Petillo indicated that the Regular and Closed Meeting Minutes from the May 16, 2012 Authority Meeting has been emailed to the Commissioners for their review and comment.

7. BUSINESS

a. Executive Session

Chairman Petillo asked for a motion to go into Closed Executive Session at 3:04 p.m. Commissioner Meyer moved the adoption of the following resolution authorizing a Closed Executive Session seconded by Commissioner Dietz. On voice vote (6) Ayes, (0) Nays, the motion carried.

#12-095 RESOLUTION RE: AUTHORIZING CLOSED EXECUTIVE SESSION

At 3:35 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 3:44 p.m. after a short break 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; Hampton Commons Draft NJPDES Permit; PNC Bank Escrow Agreement. When the need for confidentiality of these matters no longer exists they will be opened to the public.

b. Wastewater Program

Chief Engineer's Report

Mr. Varro reported on revised Sewer Service Area Mapping provided by the County 208 PAC and prepared by the NJDEP. Mr. Hatzelis previously addressed questions and concerns for those municipalities in the Upper Wallkill Facilities' service area. Certain Municipalities in the Upper Wallkill Service Area are concerned that NJDEP is eliminating potential future development areas because of endangered species/environmental concerns, which can lead to a reduced sewer service area and allocation. Mr. Varro also noted that the lines established by NJDEP are not by Block and Lot. SCMUA Staff would recommend sending a comment letter to PAC 208 representing county municipalities, Commissioners agree and direct to send letter regarding concerns.

Chief Engineer Varro reported that there will be a 9:30 informational meeting for the Paulinskill Project Value Engineering Study on Monday, June 25th at the Authority's Administration Building. He indicated that representatives for Frankford, Branchville, the Omni VE Team and C&P Engineering will be attending. Discussions regarding C&P's representation at the meeting, Mr. Oliva is more than capable to answer any question regarding project design issues, however Commissioners agree to request Mr. Cerenzio to be present for any historical/financial questions that may need to be addressed. Mr. Varro noted all the materials that have been sent and requested by Omni Engineering. Chairman Petillo confirmed he will be attending, as well as, Commissioner Meyer and Dietz. The County has been notified of the meeting, but has not responded that anyone will come to represent. The VE Study will commence immediately following the meeting and continue until Thursday afternoon with a findings report to be set for 3:00 p.m., with a subsequent final report and formal presentation scheduled for July.

Mr. Varro reported on the Franklin Walmart TWA, in which he was contacted by Bohler Engineering today. Bohler indicated that there have been revisions to the original TWA for this project. Both the building and the gallonage per day have been reduced. Mr. Varro met with Bohler today and the application with a review check was received. He presented a resolution to approve a revised Treatment Works Approval Application contingent upon further staff and legal counsel review and approval. Commissioner Cocula moved the resolution, seconded by Vice Chairman Sowden. On roll call, the vote was as follows: Ayes (6) Commissioners Madsen, Sowden, Petillo, Dietz, Cocula, and Meyer, Nays (0), Abstain (0). The resolution passed.

#12-96 RESOLUTION RE: APPROVAL OF REVISED TWA APPLICATION FOR THE CONSTRUCTION OF A SANITARY SEWER EXTENSION TO SERVE A PROPOSED WALMART RETAIL DEVELOPMENT

Consulting Engineer's Report

Mr. John Vena reported on Birdsall Engineering Services' evaluation of replacement of the Primary and Secondary Gravity Thickeners. He reported and distributed pictures of the current condition of the tanks. These tanks have major corrosive issues. He reported on the analysis comparing costs and future resilience of sandblasting and recoating the existing tanks or replacing them with fiberglass. John indicated the weirs if refurbishment would cost \$24,000 per tank and will have to redo in another 10 years or so, fiberglass replacement is costlier but will last virtually forever. He advised that fiberglass will cost approximately \$40,000 per tank, and can be slowly replaced overtime. Correspondence was previously sent by Birdsall with different scenarios to replace and repaint clarifiers/thickeners, with a total cost of \$408,000 for total construction cost. Commissioners will review correspondence letters with estimated costs and will get back to staff before the next meeting on decision how to proceed.

Administrator's Report

Mr. Hatzelis reported on the Series F & Series G Bond Refunding, which was completed yesterday and he indicated that the Authority should have a net savings of approximately \$318,000 over the next three years in debt service. He distributed handouts and reviewed future bond payments and savings for the Authority. John indicated that there is limited money in the R&R account and the General Fund account is depleted. Staff will revise and review 5-year plan for the U.W. and provide future savings information. Mr. Hatzelis discussed future projects and improvements that will be needed to be done at the U.W. Facility, and will be included in the 5 year plan.

Mr. Hatzelis reported on his meeting with the Vernon Township MUA Chairman, Edward Rolando that took place at the Upper Wallkill Facility. John indicated that he and John Nugent gave Mr. Rolando a tour of the facility and discussed the new ownership of the Vernon Sewage Transmission Company by Vernon Township MUA, as well as purchasing Pump Stations #1 & #2. Mr. Hatzelis discussed the multiple agreements between different parties (i.e. Vernon Township has an agreement with Mountain Creek and Town Center [265,000 gpd]). The Authority has existing agreements with the Vernon Transmission Sewage Company and Vernon Township. Discussions regarding need to keep both agreements between Vernon and the Authority separate, due to billing issues. Mr. Hatzelis reported that Vernon Township MUA has sent out a letter to

residents/businesses required to hookup to the town center sewer service, and provided the Authority a list of recipients. Discussions regarding mandatory hookups and a public meeting held at Vernon Township Building on May 21st. Vernon Township must have a certain amount of connections to pay for their debt service.

c. Solid Waste Program

Chief Engineer's Report

Mr. Varro reported on the Solid Waste Advisory Council (SWAC) meeting he attended on June 12th, in which the Grinnell correspondence regarding the MRF option was discussed. He indicated that SWAC discussed Grinnell debt and questions regarding payments, and they agreed to refer Grinnell MRF proposal option to the Freeholders for consideration. Mr. Varro also reported that SWAC passed the resolution to approve RCR Center for clean wood waste, leaves and grass composting at their facility. Mr. Varro reported to SWAC on the reduction in SCMUA tonnage for ID10 – Household Waste. Mr. Varro explained to SWAC that ID10 usually is not effected by economy, being household waste. The County Health Department needs to look into if waste is going elsewhere. Discussion on reduction for ID10 for certain municipalities, and theories why this is occurring.

d. General Authority Business

Commissioner Cocula moved to give an excused absence to Commissioner O'Halloran, seconded by Commissioner Dietz. On voice vote (6) Ayes, (0) Nays, the motion carried.

e. Personnel Matters

Administrator Hatzelis presented a resolution per Executive Session discussions of June 6, 2012 regarding Chief Engineer Thomas Varro. Vice Chairman Sowden moved the resolution as presented, seconded by Commissioner Dietz. On roll call, the vote was as follows: Ayes (6) Commissioners Madsen, Sowden, Petillo, Dietz, Cocula, and Meyer, Nays (0), Abstain (0). The resolution passed.

#12-097 RESOLUTION RE: THOMAS J. VARRO, CHIEF ENGINEER – SALARY ADJUSTMENT

8. FINANCIAL TRANSACTIONS

a. Payment of Bills

FINANCIAL CONSENT AGENDA – Administrator Hatzelis indicated that there is a large supplemental bill list due to the fact that the next Authority Meeting is July 18th. Chairman Petillo asked for a motion to approve the Financial Consent Resolution plus the supplement, with the removal of P.O. numbers 66635 & 66667 from the Solid Waste Facility portion. Commissioner Cocula moved the approval of bill paying resolution, as amended, seconded by Vice Chairman Sowden. No discussions. On roll call, the vote was as follows: Ayes (6) Commissioners Madsen, Sowden, Petillo, Dietz, Cocula and Meyer, Nays (0), Abstain (0). The resolution passed.

#12-098 RESOLUTION RE: AUTHORIZING PASSAGE OF FINANCIAL CONSENT AGENDA

Chairman requested a motion to approve Solid Waste Operating Fund Section E, PO#66635 & 66667 for overtime portion of payroll. Commissioner Dietz moved, seconded by Vice Chairman Sowden. On roll call the Ayes (5) Commissioners Madsen, Sowden, Petillo, Dietz, and Meyer, Nays (1) Commissioner Cocula, Abstain (0). The motion was approved.

9. OPEN TO PUBLIC COMMENT

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

11. COMMISSIONERS' COMMENTS/REQUEST

Commissioners wished Recording Secretary Tara Kronski a Happy Birthday and thanked Chief Engineer Varro for his professionalism during negotiations. Mr. Varro expressed his appreciation and is glad to continue his career at the SCMUA. Commissioners also gave kudos to the accounting department for their work in discovery of the PNC Bank questionable escrow investment practices.

12. ADJOURN

Vice Chairman Sowden moved to adjourn the meeting, seconded by Commissioner Meyer. On voice vote, the motion passed. The meeting was adjourned at 4:31 p.m.

Respectfully submitted,

Andrea Cocula, Secretary