

MINUTES OF THE REGULAR MEETING OF THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY HELD ON JULY 17, 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 3:05 p.m.

The following were present: Commissioners Sowden, Petillo, Dietz, Cocula and Drake, Administrator Hatzelis, Chief Engineer Varro, Solid Waste Superintendent Sparnon, Wastewater Superintendent Nugent, Attorney Matthew Giacobbe, Special Counsel Prol and Recording Secretary Kronski

Absent: Commissioners Meyer and Madsen

Public: Linda Masson, Sussex Borough Liaison; James Lombardo, Vernon Business Owner

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. Jim Lombardo approached the Board to discuss the determination of the SCMUA's connection fee for his business in Vernon Township. He indicated that he did pay the \$5,474 SCMUA connection fee, however a stop payment was put on the check in which the Authority then rescinded the Certificate of Payment. He explained that he has a small building (20 x 30 ft) on Route 515 (lot size 50 x 100ft) which is part of a mandatory hookup for the Vernon Township MUA. The Vernon Township MUA assessed his property connection fee at 0.25 EDUs. The SCMUA's policy for commercial properties is a minimum of 1 EDU at a cost of \$5,474, Mr. Lombardo would like the SCMUA to reconsider this policy for his property due to the small building size and amount of water usage with 1 toilet, he would like the Board to conform with Vernon Township MUA at .25 EDU. Chairman Petillo explained that for each block and lot connection there is a potential expansion to the property and the SCMUA can only charge a one-time connection fee. Discussions ensued regarding future demolish/rebuild and no ability to "rebill" new property owner. Discussion regarding water usage and standardizing fees included in Town Service Agreements as well as financing/budgeting aspect of system. Chairman Petillo stated that the Board will discuss this issue further in Executive Session and will have Chief Engineer Varro contact Mr. Lombardo regarding the discussions.

Chairman Petillo closed the meeting to public comment.

4. AGENDA APPROVAL

Chairman Petillo asked for a motion to approve the Agenda, Commissioner Sowden moved the approval of the Agenda, and Commissioner Dietz seconded. Mr. Hatzelis noted he would like to add discussions for a proposal received from McKirdy & Riskin regarding legal fees, as well as, Mr. Lombardo's request in Executive Session. Mr. Chairman recommended moving the Executive Session to the end of the Agenda to accommodate the public present and stated that there may be actions taken after Executive Session. Administrator Hatzelis 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 Drake moved the approval of the Consent Agenda, seconded by Commissioner Dietz. No discussions. On voice vote (5) Ayes; (0) Nays, the motion carried.

6. MINUTES

Chairman Petillo requested a motion to approve the distribution of the June 19, 2013 Pending Action Summary Sheet, which was emailed to the Freeholder Board on June 20, 2013. Commissioner Cocula moved to approve the June 19, 2013 Pending Action Summary Sheet, seconded by Commissioner Drake. On Roll Call: Ayes (4) Commissioner Petillo, Dietz, Cocula and Drake; Nays (0); Abstain (1) Commissioner Sowden (absence at that meeting).

Chairman Petillo asked for a motion to approve the Open & Closed Meeting Minutes for the June 5, 2013. Commissioner Drake moved approval of the minutes, seconded by Commissioner Dietz. On voice vote: (5) Ayes; (0) Nays. The motion carried.

The Chairman stated that the Open & Closed Meeting Minutes for the June 19, 2013 Authority Meetings have been emailed to the Commissioners for their review/comment.

7. BUSINESS

- a. Executive Session (moved to the end of Agenda)
- b. Wastewater Program

Superintendent's Report

Mr. Nugent updated the Commissioners on some of the projects completed for 2013. He distributed photos of ongoing and completed projects, that included the replacement of parts for the ultraviolet disinfection unit #1 at the U.W. Plant and repaving. He also explained improvements made for post Sandy emergency operations at all plants. Mr. Nugent explained an older generator from Project 601D was refurbished by WW employees for use at any SCMUA facility. It will now be used for future purposes. Also, electrical upgrades/improvements were made to the Sparta Regional Pump Station #1 by High Point Electric, who submitted the lowest quote for the repairs.

Administrator's Report

Mr. Hatzelis reported on a grant program under the Wallkill Watershed Management Group, in which the USDA is offering funds for local farmers to improve water quality. He indicated that the WRWMG is in the process of finalizing an agreement with a local farm owner, only one application has been approved by National Resources Conservation Service and the USDA to date, and once this first agreement has been approved, WRWMG will come to update Commissioners on the project. Mr. Hatzelis also noted that the application submitted for grant funding for the implementation of the Paulinskill Restoration Project has been approved for approximately \$700,000 in federal grant funding for the Watershed Program. Discussions ensued regarding how many landowners have

applied for the USDA program. Mr. Hatzelis explained that the NRCS is the lead agency for applications and approvals and the WRWMG received direction from them. Hopefully more applications/agreements will be forthcoming.

c. Solid Waste Program

Superintendent's Report

Mr. Sparnon reported on a request made from the Lafayette Township Fire Department for the Solid Waste Facility to donate out of service vehicles for training purposes. Mr. Sparnon reported that there are 3 vehicles available that are beyond repair for donation, a 1990 Dodge van; 1991 Jeep; 1992 Chevy Blazer. He presented a resolution for Commissioners consideration. Commissioner Dietz moved the resolution and Commissioner Cocula. On roll call: Ayes (5) Commissioner Sowden, Petillo, Dietz, Cocula and Drake; Nays (0); Abstain (0).

#13-091 RESOLUTION RE: SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY DECLARING CERTAIN PROPERTY NO LONGER SERVICEABLE FOR SCMUA USE

Mr. Sparnon reported on Contract #13-02 that was for soil cover material awarded to Braen Stone for \$3.75 per ton with a cap of 40,000 tons. Mr. Sparnon indicated that the Solid Waste Facility is still in need of additional cover material and would like the Commissioners to consider increasing the contract by 20% and continue delivery at the same price per ton. Commissioners discuss 2 year contract and Commissioner Cocula made motion to increase Contract 13-02 by 20%, seconded by Commissioner Drake. On roll call: Ayes (5) Commissioner Sowden, Petillo, Dietz, Cocula and Drake; Nays (0); Abstain (0). The motion passed.

Chief Engineer's Report

Mr. Varro reported on the recent SWAC Meeting he attended where he distributed the latest data on SCMUA tonnages compared to years past, and it showed that ID10 Household Waste has the biggest reduction. However, ID13 Construction Debris has increased. He reported to SWAC that the budget projections are on track due to this decrease/increase scenario. Mr. Varro indicated that the County Health Director spoke at the meeting addressing SWAC concerns of commercial recycling inspections, and he stated that his Department has insufficient funding/manpower to conduct the inspections. Mr. Yardley suggested that the municipal recycling coordinators should undertake the responsibility for compliance inspections, and to notify his office that will in-turn write up the violation. Mr. Yardley indicated that the County Health Department intends to hold a meeting in the Fall to address this and other issues. The Commissioners and Staff discussed municipal health tax and second hand reporting. Mr. Sparnon reported that a complaint was received by the SCMUA regarding a hauler mixing cardboard with regular garbage and there is currently an ongoing investigation by the Health Department.

Administrator's Report

Mr. Hatzelis reported on the Solid Waste Tonnages and Revenues for the period of December 31st – June 30th and distributed a graph on the tonnages. He reviewed the handout that showed overall tonnage is up 1.4% from the same period last year. He reviewed each waste class and summarized that C&D waste has increased and household waste has

decreased, however the budget is on track. Discussions continued regarding debt service payments and possible reasons for reduction in ID10 household waste.;

8. FINANCIAL TRANSACTIONS

a. Payment of Bills

FINANCIAL CONSENT AGENDA – Chairman Petillo asked for a motion to approve the Financial Consent Agenda and with the removal of PO#68511 the Solid Waste Operating Fund Overtime vouchers. Commissioner Drake moved the approval of bill paying resolution, as amended seconded by Commissioner Cocula. No discussions. On roll call, the vote was as follows: Ayes (5) Commissioners Sowden, Petillo, Dietz, Cocula and Drake; Nays (0); Abstain (0). The resolution passed.

#13-092 RESOLUTION RE: AUTHORIZING PASSAGE OF FINANCIAL CONSENT AGENDA

Chairman requested a motion to approve Voucher #68511 for Solid Waste overtime portion of payroll. Commissioner Sowden moved, seconded by Commissioner Dietz. On roll call the Ayes (4) Commissioners Sowden, Petillo, Dietz and Drake; Nays (1) Commissioner Cocula; Abstain (0). The motion was approved.

9. PUBLIC COMMENT

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

At: 3:48 p.m. Chairman Petillo called for a five minute recess before going into Executive Session.

The public left the meeting at this time.

Executive Session

At 4:01 p.m. Commissioner Cocula moved the adoption of the following resolution authorizing a Closed Executive Session seconded by Commissioner Drake. On voice vote (5) Ayes, (0) Nays, the motion carried.

#13-093 RESOLUTION RE: AUTHORIZING CLOSED EXECUTIVE SESSION

At 5:24 p.m. Commissioner Cocula moved to adjourn the Closed Executive Session and reconvene the Open Session seconded by Commissioner Drake. On voice vote, the motion passed.

Chairman Petillo indicated that in Closed Executive Session items discussed as specifically set forth in the resolution were negotiations and/or litigations re: FMI Property Purchase Agreement; Vernon Twp. Connection Fee Hardship Policy; Grinnell Proposal for Amendment to Settlement Agreement; Sussex and Vernon Service Agreements and Frankford Town Center Draft NJPDES Permit/Developer's Agreement; McKirdy & Riskin fee proposal; Mr. James Lombardo connection fee request. When the need for confidentiality of these matters no longer exists they will be opened to the public.

July 17, 2013

10 COMMISSIONERS' COMMENTS/REQUEST

Commissioner Cocula moved to give Commissioners Meyer and Madsen excused absences for this meeting, seconded by Commissioner Sowden. On voice vote: Ayes (5), Nays (0), Abstain (0). No further comments from the Commissioners

11. ADJOURN

Commissioner Sowden moved to adjourn the meeting, seconded by Commissioner Dietz. On voice vote, the motion passed. The meeting was adjourned at 5:30 p.m.

Respectfully submitted,

Andrea Cocula, Secretary