

MINUTES OF THE REGULAR MEETING OF THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY HELD ON AUGUST 3, 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 3:09 p.m.

The following were present: Commissioners Zidek (arrived at 3:30 pm in Executive Session) Sowden, Petillo, Dietz, Cocula, and O'Halloran, Administrator Hatzelis, Consulting Engineers Cerenzio & Enright, Chief Engineer Varro, Solid Waste Superintendent Sparnon, Wastewater Superintendent Nugent, Attorneys Giacobbe and Prol, Recording Secretary Kronski

Absent: Commissioner Meyer (excused)

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 public present, Chairman Petillo closed the meeting to public comment.

4. AGENDA APPROVAL

Chairman Petillo requested a motion for approval of the Agenda, as well as any additions or deletions. Commissioner Cocula moved the approval of the Agenda as presented, seconded by Commissioner Dietz. 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. Vice Chairman Sowden moved the approval of the Consent Agenda, seconded by Commissioner O'Halloran. No discussion necessary. On voice vote (5) Ayes, (0) Nays, the motion carried.

6. MINUTES

Chairman requested a motion to approve the distribution of the July 20, 2011 Pending Action Summary Sheet which was submitted to the Freeholder Board on July 21, 2011. Commissioner Dietz moved to approve the July 20, 2011 Pending Action Summary Sheet, seconded by Commissioner Sowden. No discussions necessary. On voice vote (4) Ayes, (0) Nays, (1) Abstain Commissioner O'Halloran due to absence at that meeting. The motion carried.

The Chairman asked for a motion to approve the Regular & Closed Minutes for both the June 1, 2011 and June 15, 2011 Meetings. Commissioner O'Halloran moved, seconded by Commissioner Sowden. On voice vote, Ayes (5), Nays (0), Abstain (0), the motion passed

Chairman Petillo advised that the Regular and Closed Meeting Minutes for July 20, 2011 have been distributed to the Commissioners for comment/review.

7. BUSINESS

a. Closed Executive Session

At 3:10 p.m. Commissioner Dietz moved the adoption of the following resolution authorizing a Closed Executive Session seconded by Commissioner Sowden. On voice vote (5) Ayes, (0) Nays, the motion carried.

#11-90 RESOLUTION RE: AUTHORIZING CLOSED EXECUTIVE SESSION

At 4:25 p.m. Commissioners Zidek moved to adjourn the Closed Executive Session and reconvene the Open Session seconded by Commissioner Sowden. On voice vote, the motion passed.

The Open Session was reconvened at 4:40 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: Landfill Gas to Energy Facility; Frankford-Branchville Wastewater Project; High Ridge Properties; Grinnell Recycling; Vernon Township; DMR Contract 601D; Carbon Credits Payment; Northern Sanitation, Inc.; 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.

b. Wastewater Program

Attorney's Report

Mr. Prol asked for Commissioners approval of the Standstill and Tolling Agreement with United to freeze expiration date of Indemnification Agreement regarding the Claremont Litigation Matter. Commissioner Cocula moved the approval of the Standstill and Tolling Agreement with United Water, seconded by Commissioner Sowden. On roll call, the vote was as follows: Ayes (6) Commissioners Zidek, Sowden, Petillo, Dietz, Cocula, and O'Halloran.

Attorney Prol requested a motion from Commissioners to execute Agreement with Energenics for pipe and well installation at Energenics cost to facilitate additional gas extraction from the landfill. Commissioner Cocula moved, Commissioner Sowden seconded, discussions regarding approval contingent upon the Authority Staff and Cerenzio & Panaro's approval of revisions of final project specifications and drawings. On roll call, the vote was as follows: Ayes (6) Commissioners Zidek, Sowden, Petillo, Dietz, Cocula, and O'Halloran.

Commissioners authorize Authority's Administration to develop a Memorandum of Agreement between the Authority and Vernon Township for a settlement amount of \$150,000 for professional services reimbursement of fees due for the Claremont litigation, under the Vernon 2007 Indemnification Agreement. Commissioners move to settle with Vernon Township for the Claremont litigation fees and Vernon's payment of past due and future sewer charges, which must be kept current. Commissioner Cocula moved, seconded by Commissioner O'Halloran. On roll call, the vote was as follows: Ayes (5) Commissioners Zidek, Sowden, Petillo, Cocula, and O'Halloran. Abstain (1) Commissioner Dietz.

Mr. Pete Cerenzio and Edward Enright of C&P left the meeting at 4:45 p.m.

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Attorney Prol indicated that as per discussions in Executive Session, he will advise Judge Gannon on the issue of the 45 returned checks for insufficient funds from Grinnell Recycling.

Chairman Petillo informed the Commissioners that an agreement has been reached with Cerenzio & Panaro, PC for a settlement amount of \$105,000 for the Vernon RE&I Contract. An Agreement will be drafted by Attorney Giacobbe and will try to have all parties review and will schedule for presentation and execution at the Authority's September 7, 2011 Meeting. Mr. Giacobbe stated that half of the settlement amount will be given at September 7th meeting, with the remaining amount of \$52,500 released after the Authority receives and Staff approved O&M Manuals. It was noted that the Agreement will not include C&P services for any 3rd party litigation matters, general consulting rates will apply.

c. Solid Waste Program

Solid Waste Superintendent's Report

Superintendent Sparnon reported on the Ewaste Event held on July 30, 2011. The vendor was Sims Recycling, they were very organized and the event ran well. Jim reported 560 vehicles came in and 35 tons of Ewaste was collected.

Mr. Sparnon reported to the Board that the Solid Waste Facility is in need of Heavy Equipment replacements, and he discussed these items earlier in the day with the Construction Review Committee (CRC). The Compactor Wheels are in need of replacement, the CRC agreed that the wheels have reached their life expectancy. Mr. Sparnon indicated an estimate for replacement wheels is approximately \$48,000, and requested a motion from the Commissioners to prepare bid specifications. Commissioners discussed need for replacement and agreed to go out for bid for replacement wheels. Commissioner Dietz moved for Superintendent Sparnon to prepare bid specifications for replacement wheels for the Solid Waste Compactor, seconded by Commissioner Sowden. On roll call, the vote was as follows: Ayes (6) Commissioners Zidek, Sowden, Petillo, Dietz, Cocula, and O'Halloran. The motion passed.

Mr. Sparnon also indicated that the John Deere Dozer 750C has compiled 19,300 operating hours and the CRC is looking for more information on comparison pricing from other manufacturers to replace this piece of equipment. Commissioners discussed this equipment cannot be used for transfer station operations. Mr. Sparnon will provide additional pricing information at the next meeting.

The next equipment discussed was the John Deere 744H Loader, which has 20,500 operating hours. This loader can be used after the life of the landfill, Construction Review Committee requested replacing with a smaller loader. Jim reported the machine is currently operational, but cannot predict when it will breakdown, and the number of operating hours is high for this piece of equipment.

Mr. Sparnon reported on the Caterpillar Loader 966G which is a 2005 model, and has compiled over 10,390 hours and is due for an engine rebuild in the near future. Caterpillar has a rebuild program with a cost of \$132,000, this rebuild should bring the use of machine beyond landfill life and equipment can be used at transfer station. Commissioners discussed manufacturer's recommendations and the need for rebuild or future problems can occur. Funds will be out of Renew and Replacement Fund.

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Commissioner Zidek moved for Superintendent Sparnon to obtain quotes for the rebuild of the Caterpillar 966G. Commissioner Sowden seconded. On roll call, the vote was as follows: Ayes (6) Commissioners Zidek, Sowden, Petillo, Dietz, Cocula, and O'Halloran. The motion passed.

Chief Engineer's Report

Chief Engineer Thomas Varro reported on the SCMUA's participation in the County's Solar Renewable Energy Program. The County was unsure about the Authority's electricity needs after the facility possibly becomes a transfer facility. Mr. Hatzelis provided data for potential electricity usage, including Administrative Buildings, well pumps, LFGTE Facility and there is significant electrical demands and the Authority could save \$5,000 - \$11,000 in electrical costs. However, the Authority has not received confirmation from the County that the SCMUA's Solid Waste Facility is still included in the County program. County Counsel recommended the SCMUA adopt a form resolution to agree to participate in the project since the deadline is today. Commissioners discussed cost savings of future electricity usage 15 years into the future, and if the Authority can sustain usage after landfill close. Commissioner Zidek moved the resolution to be included in solar program, seconded by Commissioner Cocula. Commissioners discussed there is no downside to joining the program, yet County has not provided definitive answer to include the Solid Waste Facility and instructions are not clear on a deadline or if an extension can be granted. Discussed Freeholder approvals and timeline of meetings, etc. Commissioners agree to approve resolution to enter Solar Renewable Energy Program subject to attorney review of resolution and approval will take effect in 45 days. On roll call, the vote was as follows: Ayes (5) Commissioners Zidek, Sowden, Petillo, Cocula, and O'Halloran. Nay (1) Commissioner Dietz. The resolution passed.

#11-91 RESOLUTION THE SERIES 2011 LOCAL UNIT PARTICIPATING IN THE MORRIS COUNTY IMPROVEMENT AUTHORITY'S SERIES 2011 RENEWABLE ENERGY PROGRAM, AND AUTHORIZING SUCH AUTHORITY TO APPLY TO THE LOCAL FINANCE BOARD FOR THE NECESSARY CONSENTS AND APPROVALS ON BEHALF OF SUCH PARTICIPANT, ALL IN CONNECTION WITH THE AUTHORITY'S COUNTY OF SUSSEX GUARANTEED RENEWABLE ENERGY PROGRAM LEASE (FEDERALLY TAXABLE) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$50,000,000 AND THE PARTICIPANT PROJECT FINANCED

Administrator's Report

Mr. Hatzelis gave a status report on the Closure/Post Closure Care Plan. C&P provided a draft summary report at the last meeting, and SCMUA Staff has been preparing plan for 2012 – 2018. He reported that beyond 2018, Staff will review transfer station costs, which now stand at approximately \$7 million. The SCMUA must update the 1997 plans to become current with NJDEP standards for the new transfer station. Mr. Hatzelis stated that the spreadsheets are almost complete data is until 2018. The Draft report will be presented at the September 7th meeting, if approved, will then be forward for presentation to the Solid Waste Advisory Council.

Mr. Hatzelis reported on Solid Waste Revenues for December 1st – July 30th, he distributed a handout with a comparison for 2010 and 2011 tonnages. Flow control has made a difference in revenue, which is up

from 2010, and are currently meeting the budgetary target. Commissioners discussed Residents' Convenience Center and how to keep tipping rates down.

d. Authority Business

Administrator's Report

Mr. Hatzelis reported on the FY2012 Budgets which are required to be submitted to Department of Community Affairs 60 days before the end of the fiscal year, September 30th is the due date. He recommended having a meeting with the Budget Review Committee and will send out an email to schedule the meeting and provide budget information for review.

e. Personnel Matters

Commissioners discussed cancellation of the August 17, 2011 Authority Meeting. Commissioner Cocula moved and Commissioner Dietz seconded the cancellation of the August 17, 2011 Regular Authority Meeting. On roll call: Ayes (6) Commissioners Zidek, Sowden, Petillo, Dietz, Cocula, and O'Halloran. The motion passed.

Wastewater Superintendent Nugent presented a resolution as discussed in Executive Session for a request from Wastewater Employee James Cathcart for a 90-day leave of absence without pay for personal medical reasons through the Family Medical Leave Act. Commissioner Cocula moved the resolution, seconded by Commissioner Sowden. On roll call: Ayes (6) Commissioners Zidek, Sowden, Petillo, Dietz, Cocula, and O'Halloran.

#11-92 RESOLUTION RE: REQUEST FOR OFFICIAL LEAVE OF ABSENCE WITHOUT PAY FOR PERSONAL MEDICAL REASONS FOR A 90-DAY PERIOD

Mr. Hatzelis indicated Commissioner Meyer has requested an excused absence from today's meeting. Commissioner Zidek moved granting an excused absence for Commissioner Meyer, seconded by Commissioner Sowden. On roll call: Ayes (6) Commissioners Zidek, Sowden, Petillo, Dietz, Cocula, and O'Halloran. The motion passed.

8. FINANCIAL TRANSACTIONS

a. Payment of Bills

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

#11-93 RESOLUTION RE: AUTHORIZING PASSAGE OF FINANCIAL CONSENT AGENDA

9. OPEN TO PUBLIC COMMENT

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

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10. COMMISSIONERS' COMMENTS/REQUEST

Commissioners wished Wayne a Happy Birthday and Mr. Dietz stated he attended the E-waste event noted it was well attended and very efficiently run.

11. ADJOURN

Vice-Chairman Sowden moved to adjourn the meeting, seconded by Commissioner O'Halloran. On voice vote, the motion passed. The meeting was adjourned at 5:30 p.m.

Respectfully submitted,

Andrea Cocula, Secretary