

MINUTES OF THE REGULAR AUTHORITY MEETING OF THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY HELD ON OCTOBER 17, 2023 AT THE AUTHORITY'S ADMINISTRATION BUILDING, LAFAYETTE, NEW JERSEY

1. CALL TO ORDER; ROLL CALL; PLEDGE OF ALLEGIANCE

The Meeting was called to order at 3:00 p.m.

The following were present: Chairman Ronald Petillo, Vice Chairman John Drake, Commissioners Karl Meyer, Thomas Madsen, Andrea Cocula, Wayne Dietz (via telecom), John Finkeldie, Robert Dabinett, John Wesley Executive Director Joseph Sesto, Comptroller Timothy Day, Solid Waste Superintendent Jonathan Morris, Wastewater Superintendent Timothy Phillips, WRWVG Director Sajdak General Counsel John Napolitano, Special Counsel Thomas Prol, and Recording Secretary Tara Kronski

Also in Attendance: SCMUA Auditor Paul Cuva

2. PUBLIC STATEMENT REGARDING SUNSHINE LAW

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 Petillo opened the meeting to public comment. No public present, Mr. Petillo closed the meeting to public comment.

4. AGENDA APPROVAL

Executive Sesto requested to add Personnel Matter under Solid Waste Superintendent's Report Open Session & to move the 2022 Audit Report prior to Closed Session. Commissioner Cocula moved to approve the Final Agenda, seconded by Commissioner Drake. On voice vote: Ayes (9); Nays (0). The motion carried.

5. APPROVAL OF CONSENT AGENDA

Commissioner Madsen moved to approve the Consent Agenda, seconded by Commissioner Drake. No discussions requested. On voice vote: Ayes (9); Nays (0). The motion carried.

6. MINUTES

Chairman Petillo requested a motion to approve/acknowledge the email distribution of the October 3, 2023 Pending Action Summary Sheets (PASS) to the County Commissioner Board in accordance with N.J.S.A. 40:14B-14(e). Commissioner Drake moved the PASS, seconded by Commissioner Cocula. On voice vote: Ayes (9); Nays (0). The motion carried.

No minutes were up for approval or distributed to Commissioners at this meeting.

7. BUSINESS

Chairman Petillo gave the floor to Mr. Cuva to report on the SCMUA 2022 Audit. Mr. Cuva reported the he received the GASB75 report in August from the State of New Jersey to complete the Audit. The 2022 Audit is in compliance with state and county principals and all requirements have been met. A single federal audit was also prepared due to project funding from I-bank, and all requirements have been met for the single Audit Act. Mr. Cuva reviewed the fiscal year net financial position with all funds including the Upper Wallkill Facility, Solid Waste Facility, Paulinskill Water Reclamation Facility and Hampton Commons Facility. Net financial position increased with all funds is \$3,881,000 which is on a gap basis. Mr. Cuva noted the only comment is on the cell closure deficit which is at \$3,695,000. Over one million was paid towards the deficit last year, and the Authority is making progress on its reduction. Mr. Cuva reviewed the Authority's debt service schedule, 36 million in notes that are going to permanent financing, it will cause debt service to go up. Funding will be available and to look forward to lowering debt service in the future. Commissioners were satisfied with report and thanked Mr. Cuva for his report. Mr. Cuva left the room at 3:07 p.m.

a. Executive Session

At 3:07 p.m. Mr. Petillo requested a motion to go into Closed Executive Session, Commissioner Finkeldie moved the resolution, seconded by Commissioner Dabinett. On voice vote: Ayes (9), Nays (0). The motion carried.

Chairman Petillo noted the Closed Session should be approximately 7 minutes and discussions shall include: Landfill Life Expansion Project and Personnel Matters.

#23-165 RESOLUTION RE: AUTHORIZING CLOSED EXECUTIVE SESSION

At 3:17 p.m. Commissioner Finkeldie moved to adjourn the Closed Session, seconded by Commissioner Dabinett. On voice vote: Ayes (9), Nays (0). The motion carried.

Chairman Petillo confirmed discussions held as specifically set forth in the resolution authorizing Closed Executive Session: Landfill Life Expansion Project and Personnel Matters.

b. Wastewater Program

Superintendent's Report

Mr. Phillips reported that the Franklin Pump Station Upgrades Project. All old pumps have been replaced. Completion expected in 6-8 weeks.

Watershed Director's Report

Mr. Sajdak reported on a rain garden project at High Point High School, high school students worked on planting and construction thereon. Mr. Sajdak also wanted to thank Wantage Excavating who provided two days of in-kind services for all the excavation work. He indicated that the next rain garden project will be done at the Sussex Technical School, and should begin next week. US Fish and Wildlife will be assisting construction and excavation thereof.

Comptroller's Report

Mr. Day reported on the Upper Wallkill Revenues through September 30, 2023. Septage is currently at 68% of anticipated revenues, Sludge is 46%, and Hauled Sewage is 83%. Overall 67% percent of all three categories have been received for the fiscal year, and this slightly lower than anticipated. Mr. Day reported on connection fees for Upper Wallkill and Pualinskill Facilities for the month of September.

Mr. Day reviewed resolution prepared for a budget amendment to the Upper Wallkill FY2023 Capital Outlay Budget. A funds transfer is requested for Boiler Upgrades for the UW Plant. There is no increase in overall budget amount. Commissioner Drake moved the resolution, seconded by Commissioner Finkeldie. On roll call: Ayes (9) Commissioners Meyer, Madsen, Cocula, Dietz, Petillo, Drake, Wesley, Finkeldie, Dabinett; Nays (0); Abstain (0). The resolution passed.

#23-166 RESOLUTION RE: AMENDING THE SCMUA'S FY2023 UPPER WALLKILL CAPITAL OUTLAY BUDGET

c. Solid Waste Program

Solid Waste Superintendent's Report

Mr. Morris reported on the ongoing Leachate Tank Repairs. The Contractor is expected to be done within the next two weeks, and Mr. Morris is satisfied with their progress. There are no major issues at this point.

Mr. Morris indicated that the last E-waste Event of 2023 was held on Saturday, October 14th. He reported that 565 cars came through for the Event, and 2.5 trailer loads of E-waste was collected.

Mr. Morris reported that he has had a spike in requests for tours of the Solid Waste Facility. The latest was a request from SCARC's Senior Center, and asked the Commissioner to host 4-5 individuals to come to the facility for an educational program. No issues from Commissioners as long as extra personnel on site to assist with supervision and safety.

Executive Director's Report

Mr. Sesto reviewed a resolution for a change order request for the Stage 2 Expansion Project for a modification of the contractor drop off area. Commissioner Drake moved the resolution, seconded by Commissioner Madsen. On roll call: Ayes (9) Commissioners Meyer, Madsen, Cocula, Dietz, Petillo, Drake, Wesley, Finkeldie, Dabinett; Nays (0); Abstain (0). The resolution passed.

#23-167 RESOLUTION RE: AUTHORIZATION TO EXECUTE CHANGE ORDER NO.208 TO SCMUA CONTRACT NO. 551 – STAGE 2 LANDFILL EXPANSION, TOMCO CONSTRUCTION, INC.

Comptroller's Report

Mr. Day prepared a resolution for a Budget Amendment for FY2023 Solid Waste Facility. He noted moved funding from diesel fuel to the purchase of a portable pump for leachate PS/FM. Commissioner Dabinett moved the resolution, seconded by Commissioner Wesley. On roll call: Ayes (9) Commissioners Meyer, Madsen, Cocula, Dietz, Petillo, Drake, Wesley, Finkeldie, Dabinett; Nays (0); Abstain (0). The resolution passed.

#23-168 RESOLUTION RE: AMENDING THE SCMUA'S FY2023 SOLID WASTE FACILITIES OPERATING AND CAPITAL OUTLAY BUDGETS

d. General Authority Business

Executive Director's Report

Rate Hearing agenda item scheduled for 3:30 p.m. Chairman Petillo continued with Agenda until that time.

Mr. Sesto reported on his attendance at Lafayette Day, with Dawn Latincics and Kristine Rogers and indicated that it went well and was a good chance for community outreach. He reviewed the booth that was set up and provided historical information on the landfill and answered all questions and concerns from residents.

Comptroller's Report

Mr. Day presented a resolution for flexible spending account (FSA) to set up for employees, for health benefits. Staff has been working with World Insurance Associates, SCMUA health benefit consultants, over the past year to implement this program. Commissioner Madsen moved the resolution, seconded by Commissioner Dietz. On roll call: Ayes (9) Commissioners Meyer, Madsen, Cocula, Dietz, Petillo, Drake, Wesley, Finkeldie, Dabinett; Nays (0); Abstain (0). The resolution passed.

#23-169 RESOLUTION RE: AUTHORIZING THE APPOINTMENT OF METROPOLITAN LIFE INSURANCE COMPANY AS ADMINISTRATOR OF THE AUTHORITY'S SECTION 125 – FLEXIBLE SPENDING ACCOUNT (FSA) IN ACCORDANCE WITH THE REGULATIONS PROMULGATED BY CHAPTER 78 OF THE LAWS OF THE STATE OF NEW JERSEY

Mr. Day reported on the resolution, prepared by Auditor per statute for Commissioners to acknowledge review of SCMUA FY2022 Annual Financial Audit. An affidavit was signed by all Commissioners to confirm receipt and review of "General Comment" section. Commissioner Madsen moved the resolution/affidavit, seconded by Commissioner Finkeldie. On roll call: Ayes (9) Commissioners Meyer, Madsen, Cocula, Dietz, Petillo, Drake, Wesley, Finkeldie, Dabinett; Nays (0); Abstain (0). The resolution passed.

#23-170 RESOLUTION RE: SCMUA FY2022 ANNUAL FINANCIAL AUDIT

e. Personnel

Wastewater Superintendent's Report

Mr. Phillips presented resolution to hire a wastewater plant attendant Khalid Bouzarzi, as discussed in Closed Session. This resolution supersedes the previous resolution from 10/4/23. Commissioner Dabinett moved the resolution, seconded by Commissioner Cocula . On roll call: Ayes (9) Commissioners Meyer, Cocula, Dietz, Petillo, Drake, Wesley, Finkeldie, Dabinett; Nays (0); Abstain (1) Commissioner Madsen. The resolution passed.

#23-171 RESOLUTION RE: APPOINTMENT OF WASTEWATER PLANT ATTENDANT, KHALID BOUZARZI

Solid Waste Superintendent’s Report

Mr. Morris presented a resolution for authorization of an 30 day leave of absence for solid waste employee JH3855, as discussed in Closed Session. Commissioner Drake moved the resolution, seconded by Commissioner Wesley. On roll call: Ayes (9) Commissioners Meyer, Madsen, Cocula, Dietz, Petillo, Drake, Wesley, Finkeldie, Dabinett; Nays (0); Abstain (0). The resolution passed.

#23-172 RESOLUTION RE: REQUEST FOR OFFICIAL LEAVE OF ABSENCE WITH PAY FOR A THIRTY (30) DAY PERIOD FOR JH3855

Executive Director’s Report

Mr. Sesto read into record, a declaration of appreciation resolution for Kathleen DeGroot for her retirement after over 35 years with the Authority. Commissioners send their best wishes to Ms. DeGroot and thank her for her dedication to the Authority. Commissioner Cocula moved the resolution, seconded by Commissioner Madsen. On roll call: Ayes (9) Commissioners Meyer, Madsen, Cocula, Dietz, Petillo, Drake, Wesley, Finkeldie, Dabinett; Nays (0); Abstain (0). The resolution passed.

#23-173 RESOLUTION RE: DECLARATION OF APPRECIATION FOR KATHLEEN DEGROOT

8. Financial Transactions

a. Payment of Bills

FINANCIAL CONSENT AGENDA – Chairman Petillo asked for a motion to approve the Financial Consent Agenda (FCA). On roll call:

Res #23-174 Financial Consent Agenda						
Commissioner	1st	2nd	Yea	Nay	Abstain	Absent
MEYER			x			
MADSEN			x			
COCULA			x			
DIETZ			x			
PETILLO			x			
DRAKE	x		x			
WESLEY			x			
FINKELDIE		x	x			
DABINETT			x			

#23-174 RESOLUTION RE: CONSENT AGENDA – BILL PAYING LIST

At 3:31 p.m. Chairman Petillo asked for a motion to begin the FY2024 Public Rate Hearing Presentation. Commissioner Cocula moved to Open Public Hearing portion of the Agenda, seconded by Commissioner Madsen. On voice vote: Ayes (9); Nays (0). The motion carried.

Executive Director Sesto began the FY2024 Public Rate Hearing. Notice of the Rate Hearing was published in The New Jersey Herald and The Daily Record, as well as proposed rates sent to all Sussex County Municipalities and SCMUA Solid Waste and Wastewater Account Holders. A packet was distributed and reviewed expenses and revenues for each facility, and the proposed rates for the Upper Walkkill Wastewater Facility, Hampton Commons Wastewater Facility, Paulinskill Water Reclamation Facility, Solid Waste Facility and Administration/Miscellaneous fees. Mr. Sesto reported on the increases from the previous year, septage and sludge treatment shall increase 23% and 55%, respectively. Hauled Sewage will increase to \$12.14 per 1,000 gallons. Connection fees for Upper Walkkill Facility shall be set at \$8,051.00/EDU. Wastewater Participants will see slight increase/decrease depending on their Service Agreements with the Authority and flow data. Hampton Commons Facility Budget shall increase to \$306,150. Paulinskill Water Reclamation Facility's budget shall increase to \$815,600 the connection fee shall be set at \$2,953.00 per EDU. The Solid Waste Facilities' Budget shall increase 17.50% compared to FY2023, for a total of \$13,844,000. Mr. Sesto noted the many causes and reasons for the following increases in tip fees, including inflation, health care costs, permit fees, and taxes. Mr. Sesto highlighted certain waste class tip fees to the proposed FY2024 Rate increases: Bagged Household Waste (ID10) to Convenience Center to \$.15/lb., Construction/Bulky Waste (ID113/113C) at \$125/ton, Non-hazardous Contaminated Soil (ID27N) \$107/ton, Septic Disposal/Leach Field Soil (ID27S) \$107/ton and Municipal Waste (ID10) \$107/ton. Commingled Clean and Dirty Recyclables shall increase to \$65/ton and \$85/ton, respectively. There is no increase in Fiber tonnage. Increase in Tire Charges to \$375/ton, and asbestos \$250/ton (full list of waste class rates in FY2024 Rate Schedule). Individual Tire rate shall increase to \$4.50/tire. Miscellaneous charges, Vegetative Waste and Mulch shall remain the same.

No members of the public were in attendance.

Executive Director Sesto noted that these Proposed FY2024 Rates, Fees and Charges will up for approval at the November 1, 2023 Authority Meeting for Commissioners' consideration per resolution.

At 3:50 p.m. Commissioner Finkeldie made a motion to close the Public Rate Hearing, seconded by Commissioner Dabinett. On voice vote: Ayes (9); Nays (0); Abstain. The motion passed.

Chairman Petillo continued with the Agenda.

9. PUBLIC COMMENT

No public comment.

10. COMMISSIONERS COMMENTS/REQUEST

Commissioners thanked staff and Executive Director Sesto for his presentation of the Rate Hearing.

11. ADJOURN

At 3:55 p.m. Commissioner Dabinett moved to adjourn the meeting, seconded by Commissioner Finkeldie. On voice vote: Ayes (9); Nays (0). The motion passed.

Respectfully submitted,

Andrea Cocula, Secretary