

MINUTES OF THE REGULAR AUTHORITY MEETING OF THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY HELD ON NOVEMBER 6, 2024 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, John Wesley, John Finkeldie, Mario Poggi, Executive Director Joseph Sesto, Comptroller Timothy Day, Solid Waste Superintendent Jonathan Morris, Wastewater Superintendent Timothy Phillips, WRWVG Director Nathaniel 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 comment. Chairman Petillo closed the meeting to public comment.

4. AGENDA APPROVAL

Chairman Petillo requested a motion to approve the Final Agenda. Commissioner Finkeldie moved to approve the 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 16, 2024 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 Poggi. On roll call: Ayes (8) Commissioners Madsen, Cocula, Dietz, Drake, Petillo, Wesley, Finkeldie, Poggi; Nays (0); Abstain (1) Commissioner Meyer. The motion carried

There were no minutes for approval at this meeting.

The Open and Closed Minutes for both the October 2, 2024 and the October 16, 2024 Authority Meetings have been emailed to the Commissioners for their review.

7. BUSINESS

a. Executive Session (moved to after the Auditor's Report)

Chairman Petillo gave the floor to SCMUA Auditor Paul Cuva to give a report on the FY2023 SCMUA Financial Audit. Mr. Cuva reported that he was waiting on information on medical liability from the State of New Jersey. The Audit is now complete and was performed in conformance with standards required by the State. He reported that the Solid Waste Facility is in good financial condition and the Upper Wallkill Wastewater Facility is in satisfactory condition. The biggest item that has changed from FY2024 was the Solid Waste Closure/Post Closure Cell Account. The 2024 Closure/Post Closure Care plan included an updated cost estimate for the closure liabilities which resulted in an increase in those future costs. This increase is a result of the current economic inflationary environment and utilizing actual recent bidding unit costs in lieu of book cost-estimating values. Mr. Cuva noted that there are plans in place to alleviate the effect of the future liabilities. He addressed Commissioners' questions and concerns and discussions ensued regarding revenues, investments, bank trustees, landfill cell closures and the distribution of a draft audit, which could be addressed in the RFP for 2025.

Mr. Cuva left the meeting at this time.

a. Executive Session

At 3:25 p.m. Commissioner Cocula moved the adoption of the following resolution authorizing a Closed Executive Session. Motion was seconded by Commissioner Madsen. On voice vote: Ayes (9), Nays (0). The motion carried.

Chairman Petillo noted the Closed Executive Session should be approximately 5 minutes and discussions shall include: Upper Wallkill Nitrate Litigation and Personnel Matters.

#24-157 RESOLUTION RE: AUTHORIZING CLOSED EXECUTIVE SESSION

At 3:30 p.m. Commissioner Madsen moved to close Executive Session, seconded by Commissioner Cocula. 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 included: Upper Wallkill Nitrate Litigation and Personnel Matters.

At 3:32 p.m. Chairman Petillo asked for a motion to begin the FY2025 Public Rate Hearing Presentation. Commissioner Cocula moved to Open Public Hearing portion of the Agenda, seconded by Commissioner Finkeldie. On voice vote: Ayes (9); Nays (0). The motion carried.

Executive Director Sesto began the FY2025 Public Rate Hearing. Notice of the Rate Hearing was published in The New Jersey Herald and The Daily Record on October 16, 2024, as per NJ State Statute. The proposed rate letters were sent to all Sussex County Municipal Clerks and SCMUA Solid Waste and Wastewater Account Holders. A packet was distributed and Mr. Sesto reviewed expenses and revenues for each facility, and the proposed rates for the Upper Wallkill Wastewater Facility, Hampton Commons Wastewater Facility, Paulinskill Water Reclamation Facility, Solid Waste Facility, and Administration/Miscellaneous fees.

The Upper Wallkill FY2025 Budget was proposed to increase by 4.28% (i.e. \$426,100) compared to 2024 for a total budget of \$10,380,000. He reviewed revenue sources including system users, connection fees, investment earnings, and wastewater treatment costs. Connection fees for Upper Wallkill Facility were proposed to be set at \$8,274/EDU which is an increase of \$223/EDU. Wastewater Participants will see slight increases to their user charges depending on actual flow data.

The Hampton Commons FY2025 Budget was proposed to increase by 15% (i.e. \$44,850) compared to 2024 for a total budget of \$351,000. This increase is predominately due to administrative costs for an Engineering Study required to refute the NJDEPs Nitrate effluent limit set to be effective in 2026.

The Paulinskill Water Reclamation Facility's budget was proposed to increase 8% (i.e. \$68,400) compared to 2024 for a total budget of \$884,000. This increase is predominately due to increased costs of chemicals/supplies and the purchase of required equipment. Connection fees for the facility were proposed to be set at \$3,374 per EDU which is an increase of \$421/EDU.

The Solid Waste Facilities' Budget was proposed to increase 9.75% (i.e. \$1,350,000) compared to FY2024 for a total of \$15,194,000.00. Mr. Sesto noted the R&R Fund contribution increase is attributed to required potable water system and fire pump work. Additionally, the Debt Service increase is due to the Landfill Expansion Project which has been completed enabling SCMUA to serve the residents of Sussex County for years to come. All tip fees for the rate classes are proposed to remain the same. All miscellaneous charges, Vegetative Waste and Mulch charges shall also remain the same.

He concluded the Public Rate Hearing noting that the Proposed FY2025 Rates, Fees and Charges will be considered for adoption via resolution at the November 27, 2024 Authority Meeting.

No members of the public were in attendance.

At 3:52, Commissioner Cocula moved to close the Public Rate Hearing for FY2025, seconded by Commissioner Finkeldie. On voice vote: Ayes (9); Nays (0). The motion carried.

b. Wastewater Program

Superintendent's Report

Mr. Phillips reported that truck traffic at the Upper Wallkill Plant shall be suspended on Friday (11/8) to pave the area where the overhead conveyor supports were previously relocated.

Executive Director's Report

Mr. Sesto gave a status report on the Nitrate Upgrades Project. The Engineers are on schedule to submit 90% design documents on November 12th. Staff met with the Engineers and further discussed proposed layout and design. All the SCMUA's comments and concerns will be incorporated in the 90% submission.

Watershed Director's Report

Mr. Sajdak reported that the final grant report has been submitted for the Paulinskill Plant Project. Over the past four (4) years 1,000 trees, habitat pools, and beaver dam analogs have been installed within the 10 acres of wetlands. Approximately 200 local students participated on all the projects. Mr. Sajdak brought a sign that was created by Kristine Rogers which will be installed on-site noting the projects completed and why they are an important part in the ecosystem and WRWVG mission.

Commissioners Dietz and Finkeldie left the meeting room at 3:55 p.m.

Comptroller's Report

Mr. Day reported on the Upper Wallkill Revenues through October 2024. Sludge is at 88% of the anticipated amount for the year, Septage is 97%, Hauled Sewage is at 523%. Overall UW Revenues are at 96% of projections for this time of year. UW Connection fees have remained unchanged from last month totaling \$580,486 and Paulinskill Connection fees are currently at \$8,859.

Mr. Day prepared a resolution to authorize the auction of the UW JetVac on GovDeals.com. Commissioner Cocula moved the authorizing resolution, seconded by Commissioner Drake. On roll call: Ayes (7) Commissioners Meyer, Madsen, Cocula, Petillo, Drake, Wesley, Poggi; Nays (0); Abstain (0); Absent from meeting room (2) Commissioners Dietz, Finkeldie. The resolution passed.

#24-158 RESOLUTION RE: AUTHORIZING THE PUBLIC SALE OF SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY (SCMUA) WASTEWATER PROPERTY NO LONGER NEEDED FOR PUBLIC USE THROUGH GOVEDEALS.COM PUBLIC ONLINE AUCTION

c. Solid Waste Program

Superintendent's Report

Superintendent Morris reported that SCMUA flushed and inspected the Leachate Force Main; all was found to be in good working order. The Force Main will remain out of operation until more leachate is generated.

Mr. Morris reported that at the Annual ANGR Recycling Award Symposium, the NJDEP awarded Sussex and Morris Counties the Recycling Resource Management Sustainability Award for the Boat Shrink Wrap Program. The ongoing program has been conducted between the SCMUA and MCMUA to recycle boat shrink wrap and save valuable landfill space.

Mr. Morris indicated that the Town of Newton has a local recycling center for their residents, and they would like to begin collecting Styrofoam. A Shared Services Agreement was prepared for a three-month pilot program to accept the Styrofoam from the Town of Newton. Mr. Morris noted that Newton is aware that the material needs to be clean, dry and free from debris in order for the SCMUA to process it.

Mr. Morris reported on the recent Household Hazardous Waste Event held on November 2nd which collected 13.32 tons of hazardous waste. MXI, Inc. and SCMUA staff unloaded 568 vehicles throughout the event.

Executive Director’s Report

Mr. Sesto reported on the Northern Cap Construction. TOMCO continues to place soil cover on the geotextile fabric on Phase I of the cap. They are also starting the installation of the stormwater down chutes and temporary storm drains. They are currently on track to start Phase II of the project on Monday. ALCO is scheduled to be on-site December 2, 2024 for the liner installation of Phase II.

Mr. Sesto reported that the bid opening for SCMUA Contract #25-04 for Landfill Cover Soil was held on November 5, 2024. Braen Stone was the sole bid received at \$7.07/ton. The total contract amount for 2025 is \$247,450. The bid has been reviewed by Staff and General Counsel, and a resolution was prepared for contract award to Braen Stone. Commissioner Cocula moved the authorizing resolution, seconded by Commissioner Drake. On roll call: Ayes (7) Commissioners Meyer, Madsen, Cocula, Petillo, Drake, Wesley, Poggi; Nays (0); Abstain (0); Absent from meeting room (2) Commissioners Dietz, Finkeldie. The resolution passed.

#24-159 RESOLUTION RE: AWARD OF CONTRACT 25-04 FURNISH AND DELIVER OF LANDFILL COVER SOIL TO BRAEN STONE

d. Authority General Business

Comptroller’s Report

[The FY2025 Audit Report was earlier in the meeting before Closed Session.]

Mr. Day prepared two (2) resolutions as per the Auditor to certify the 2023 Audit, confirming that Commissioners have reviewed the Audit and the findings, and one to establish a corrective action plan. An affidavit was signed by each Commissioner. Commissioner Madsen moved both resolutions seconded by Commissioner Cocula. On roll call: Ayes (7) Commissioners Meyer, Madsen, Cocula, Petillo, Drake, Wesley, Poggi; Nays (0); Abstain (0); Absent from meeting room (2) Commissioners Dietz, Finkeldie. The resolution passed.

#24-160 RESOLUTION RE: FY2023 ANNUAL FINANCIAL AUDIT

#25-161 RESOLUTION RE: AUTHORIZING THE SUBMITTAL OF THE SCMUA’S FY2023 AUDIT CORRECTIVE ACTION PLAN

Mr. Day reported on the Tonnage and Revenues through October 2024. Tonnage is up 2.2% (2,118 tons) compared to last year within the same time period. Revenues are at \$11,983,393 for the year.

At 4:00 Commissioners Dietz and Finkeldie returned to the meeting room.

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 #24-162 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	x			
FINKELDIE			x			
POGGI			x			

#24-162 RESOLUTION RE: CONSENT AGENDA – BILL PAYING LIST

9. PUBLIC COMMENT

No public comment.

10. COMMISSIONERS' COMMENTS/REQUEST

No comments.

11. ADJOURN

At 4:05 p.m. Commissioner Finkeldie moved to adjourn the meeting, seconded by Commissioner Drake. On voice vote: Ayes (9); Nays (0). The motion passed.

Respectfully submitted,

Andrea Cocula, Secretary