

MINUTES OF THE REGULAR AUTHORITY MEETING OF THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY HELD ON AUGUST 6, 2025 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 (arrived 3:05 P.M., attended remotely), John Finkeldie, Mario Poggi, Executive Director Joseph Sesto, Comptroller Timothy Day, Solid Waste Superintendent Jonathan Morris, Wastewater Superintendent Timothy Phillips, WRWMG Educational Outreach Coordinator Kristine Rogers, General Counsel John Napolitano, Special Counsel Thomas Prol (arrived at 3:05 P.M., attended remotely), and Recording Secretary Tara Kronski

Public In Attendance: County Commissioner Alan Henderson, Keith Mitchell from Acrisure, Vernon Mayor Anthony Rossi, Vernon Township Engineer Steven Benosky

Absent: Commissioner John Wesley

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. Vernon Engineer Steven Benosky from Dewberry Engineers addressed the Board. He discussed the history of the Vernon Township Wastewater Management Plan Amendment application and the timeline of the following steps towards State approval and adoption. It was noted that consideration of a SCMUA Endorsement resolution regarding the Vernon Township Wastewater Management Plan Amendment application is on today's Agenda, and he is hoping to see it pass in order to present the application to the Sussex County Policy Advisory Committee (PAC). With nobody else from the public seeking to be heard, Chairman Petillo closed the meeting to public comment.

4. AGENDA APPROVAL

Chairman Petillo requested approval of the Agenda. Commissioner Drake moved to approve the Final Agenda, seconded by Commissioner Poggi. On voice vote: Ayes (7); 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 (7); Nays (0). The motion carried.

6. MINUTES

Chairman Petillo requested a motion to approve/acknowledge the email distribution of the July 16, 2025 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 Finkeldie. On voice vote: Ayes (7); Nays (0). The motion carried.

Commissioner Cocula moved to approve the Open and Closed Minutes for the June 18, 2025 Authority Meeting, seconded by Commissioner Madsen. On voice vote: Ayes (7); Nays (0). The motion carried.

No minutes were distributed at this meeting for Commissioner Review.

7. **BUSINESS**

Executive Session moved to after Financial Transactions portion of Agenda.

b. **Wastewater Program**

**Wastewater Superintendent's Report**

Mr. Phillips reported on a power outage at the Upper Wallkill Facility on Sunday, July 13<sup>th</sup>. The Electrical Contractor arrived onsite Monday and discovered a blown fuse on the transformer on the Authority's pole. This was caused due to a blown fuse on the JCP&L transformer. Mr. Phillips noted there was no equipment damaged at the Upper Wallkill facility. Following this event, a meeting with held with JCP&L to help ensure more expeditious responses in the future.

**Watershed Director's Report**

WRWMG Director Sajdak reported that the SCMUA and WRWMG were represented at the Sussex County Farm and Horse Show for Green Day and the entire week at the fair. A display booth was set up by Watershed Outreach Coordinator Kristine Rogers and Mary Legg; they greeted the public and answered questions.

**Comptroller's Report**

Mr. Day reported on the Septage, Sludge and Sewage Report through July 2025. He reported that septage is at 58% of annual projections, sludge is at 67% of annual projections, and hauled sewage volumes are currently at 64% of annual projections. Overall, 58% of totals which are slightly behind budget expectations. There were no new connection fees for either the Upper Wallkill Treatment system or Paulinskill Reclamation Facility system as of July 2025.

c. **Solid Waste Program**

**Comptroller's Report**

Mr. Day reviewed the tonnages and revenues through July 2025 for the Solid Waste Facility. Tonnage was up 2.5%, for a total amount of 1,778 tons. Revenues are up \$208,000 for July 2025. This increase was due to large amount of asbestos and soil acceptance.

Commissioner Dietz and Special Counsel Prol entered the meeting remotely at 3:05 p.m.

d. **General Authority Business**

**Attorney's Report**

Special Counsel Prol reported on the Unpaid Service Charges for Vernon Township MUA that have been billed and remain unpaid for approximately two (2) years with accruing interest. As legal counsel to SCMUA for over two decades, Special Counsel Prol discussed the Authority's wastewater system history and provided an overview of the SCMUA's wastewater treatment system and its general operational structure. He noted that the

SCMUA Upper Wallkill wastewater system includes seven (7) participating municipalities and a (minor) non-public entity, for a total of eight (8) SCMUA wastewater system participating entities. Each of these participants' relationship with SCMUA is established and is governed under separate sewer service contracts.

He then provided a timeline of significant events and actions related to the Vernon Township Sewer Service Agreement, noting that Vernon was the last entity to join SCMUA's wastewater treatment system, doing so in 2005. Vernon's choice to join the SCMUA wastewater system later than others, while perhaps grounded in sound basis, had consequences. For example, Vernon had to comply with new, significant NJDEP requirements, including the "depletive use policy" and "interbasin transfer rule"; SCMUA acquired a 5-mile pipeline that runs between Vernon and Hamburg that was needed for the new Vernon Township wastewater treatment facility, sparking a litigation by almost two dozen entities led by Gene Mullvihill that claimed to own "excess capacity" rights in the pipeline (SCMUA prevailed); SCMUA constructed and installed a second, 5-mile return-flow pipeline to service Vernon's sewer needs for its system operation; the timing of Vernon's decision to join the SCMUA wastewater system in 2005 came at a time when costly, specialized treatment system requirements were mandated related to the Vernon discharge-to-ground-bed system (behind George Inn) that includes a tertiary membrane process.

Special counsel Prol reported on past incidents that have occurred regarding Vernon Township's attempts to avoid paying their sewer service charges in accordance with their Service Agreements with the Authority. One notable instance included the involvement of the New Jersey Department of Community Affairs' Local Finance Board directing the Township to pay their arrears owed to the Authority or it would not approve their municipal budget. Mr. Prol explained that he felt the 2021 lawsuit brought by Vernon Township and VTMUA against the Authority seeking to rescind the sewer service agreement between SCMUA and Vernon continued Vernon's pattern & practice of trying to avoid paying their sewer service charges. Ultimately, the trial court and appellate division ruled in favor of the Authority with prejudice.

Currently, Vernon Township owes the Authority for service charges for the costs related to professional fees incurred in operating the system, including its defense in court. Mr. Prol reviewed the Municipal Utilities statute regarding sewer service utilities' agreements and indicated that the eight (8) other participants of the Upper Wallkill Sewer System should not have to pay for avoidable charges directly related to the legitimate costs incurred in operating the Vernon system filed by Vernon Township and Vernon Township MUA. Mr. Prol reviewed and dismissed the alternate theory stated by Vernon Township officials that the American Rule is applicable because, among several reasons, SCMUA is collecting professional costs incurred in operation of the Vernon System and is not seeking to collect attorney's fees as a prevailing party.

### **Executive Director's Report**

Mr. Sesto reported that the SCMUA received an application for a Wastewater Management Plan Amendment from Vernon Township to expand their sewer service area. The SCMUA had previously commented on the application. Since then, Vernon has addressed all comments and has paid the review fee. A resolution was prepared to endorse said application. Commissioner Cocula moved the resolution, seconded by Commissioner Poggi. On roll call: Ayes (8) Commissioners Meyer, Madsen, Cocula, Dietz, Petillo, Drake, Finkeldie, Poggi; Nays (0); Abstain (0). The resolution passed.

**#25-107** RESOLUTION RE: SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY’S (SCMUA) ENDORSEMENT OF THE AMENDMENT TO THE SUSSEX COUNTY WASTEWATER QUALITY MANAGEMENT PLAN (WMP) FOR VERNON TOWNSHIP EXPANSION OF THEIR SEWER SERVICE AREA

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 #25-108 Financial Consent Agenda						
Commissioner	1st	2nd	Yea	Nay	Abstain	Absent
MEYER			x			
MADSEN	x		x			
COCULA			x			
DIETZ			x			
PETILLO			x			
DRAKE		x	x			
WESLEY						x
FINKELDIE			x			
POGGI			x			

**#25-108** RESOLUTION RE: CONSENT AGENDA – BILL PAYING LIST

9. PUBLIC COMMENT

Chairman Petillo opened the meeting to public comment. Vernon Mayor Anthony Rossi thanked the Board for passing the endorsement resolution for the Wastewater Management Plan Amendment and looked forward to building a relationship with the Authority. He indicated he hoped to find common ground with the outstanding amounts due and is willing to work together to find a solution.

a. Executive Session (moved from beginning of Agenda)

At 3:25 p.m. Commissioner Cocula moved the adoption of the following resolution authorizing a Closed Executive Session. The Motion was seconded by Commissioner Drake. On voice vote: Ayes (8), Nays (0). The motion carried.

Chairman Petillo noted the Closed Executive Session should be approximately fifteen (30) minutes and discussions shall include: Upper Wallkill Nitrate Legal Discussion, Vernon Township Unpaid Service Charges Legal Discussion, and Personnel Matters.

**#25-109** RESOLUTION RE: AUTHORIZING CLOSED EXECUTIVE SESSION

At 4:20 p.m. Commissioner Finkeldie moved to close Executive Session, seconded by Commissioner Poggi. On voice vote: Ayes (8), 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 Legal Discussion, Vernon Township Unpaid Service Charges Legal Discussion, and Personnel Matters.

Commissioner Meyer left the meeting at 4:05 p.m.

e. Personnel Matters

**Executive Director's Report**

Mr. Sesto presented a resolution, as per discussions in Executive Session, to terminate a Wastewater Employee. Commissioner Dietz moved the resolution, seconded by Commissioner Madsen. On roll call: Ayes (7) Commissioners Madsen, Cocula, Dietz, Petillo, Drake, Finkeldie, Poggi; Nays (0); Abstain (0). The resolution passed.

**#25-110** RESOLUTION RE: TERMINATION OF EMPLOYEE ZV2419

10. COMMISSIONERS' COMMENTS/REQUEST

Commissioners wished Commissioner Dietz a Happy Birthday.

Commissioner Cocula made a motion to give an excused absence to Commissioner Wesley, seconded by Commissioner Madsen. On roll call: Ayes (7) Commissioners Madsen, Cocula, Dietz, Petillo, Drake, Finkeldie, Poggi; Nays (0); Abstain (0). The resolution passed.

11. ADJOURN

At 4:23 p.m. Commissioner Finkeldie moved to adjourn the meeting, seconded by Commissioner Drake. On voice vote: Ayes (7); Nays (0). The motion passed.

Respectfully submitted,

Andrea Cocula, Secretary