

MINUTES OF THE REGULAR AUTHORITY MEETING OF THE SUSSEX COUNTY MUNICIPAL UTILITIES AUTHORITY HELD ON NOVEMBER 5, 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, Commissioners Karl Meyer, Thomas Madsen, Andrea Cocula, Wayne Dietz, John Wesley, Mario Poggi, Executive Director Joseph Sesto, Comptroller Timothy Day, Solid Waste Superintendent Jonathan Morris, Wastewater Superintendent Timothy Phillips, General Counsel John Napolitano, Special Counsel Thomas Prol, and Recording Secretary Tara Kronski

Also in attendance: SCMUA Auditor Paul Cuva

Absent: Vice Chairman John Drake, Commissioner John Finkeldie, Walkkill River Watershed Management Director Nathaniel Sajdak

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. There was no public in attendance. Chairman Petillo then closed the meeting to public comment.

4. AGENDA APPROVAL

Commissioner Dietz moved to approve the revised Agenda, seconded by Commissioner Meyer. On voice vote: Ayes (7); Nays (0). The motion carried.

5. APPROVAL OF CONSENT AGENDA

Commissioner Poggi moved to approve the Consent Agenda, seconded by Commissioner Madsen. 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 October 15, 2025 SCMUA Meeting's Pending Action Summary Sheets (PASS) to the County Commissioner Board in accordance with N.J.S.A. 40:14B-14(e). Commissioner Madsen moved the PASS, seconded by Commissioner Wesley. On voice vote: Ayes (7); Nays (0). The motion carried.

Commissioner Poggi moved to approve the Open and Closed Minutes for the September 17, 2025 Authority Meeting, seconded by Commissioner Dietz. On roll call: Ayes (5) Commissioners Meyer, Madsen, Cocula, Dietz, Petillo, Poggi; Nays (0); Abstain (1) Commissioner Wesley. The motion passed.

The Open and Closed Minutes for both October 1, 2025 and October 15, 2025 Commissioner Board Meetings were emailed to the Commissioners for their review.

7. BUSINESS

Comptroller Tim Day gave the floor to SCMUA Auditor, Paul Cuva, to give a report on the FY2024 SCMUA Financial Audit. Mr. Cuva noted he was waiting for information regarding retirement health insurance liability data from the State of New Jersey which caused the delay in finalization of the Audit. The Audit is now complete and was performed in conformance with standards required by the State. He reported that all the SCMUA's Facility Audits are in good standing, he reviewed the difference between budgeted and actual expenses for the year for each budgets as follows: Solid Waste Facility - \$2,754,000, Upper Wallkill Wastewater Facility - \$2,725,000, Hampton Commons - \$58,000, and Paulinskill - \$107,000. All Facilities are in satisfactory condition and. The Solid Waste Closure/Post Closure Cell Account has a shortfall of approximately \$6 million. He noted that gap is closing and a corrective action plan continues to be in place to implement procedures in the annual budget to fund the shortfall in the cell closure reserve account; contributions have and will increase for FY2025 and FY2026. He addressed Commissioners' questions and concerns regarding the Authority's present and future obligations for retirees' state health benefits and Medicare B reimbursements for those hired before January 2010.

Mr. Cuva left the meeting at 3:10 pm.

**Comptroller's Report**

Mr. Day prepared two (2) resolutions as per the Auditor to certify the 2024 Audit, confirming that Commissioners have reviewed the Audit and the findings, and one to establish a corrective action plan for the Cell Closure Account. An affidavit was signed by each Commissioner. Commissioner Madsen moved both resolutions seconded by Commissioner Cocula. On roll call: Ayes (6) Commissioners Meyer, Madsen, Cocula, Petillo, Wesley, Poggi; Nays (0); Abstain (0); Absent from meeting room during vote (1) Commissioners Dietz. The resolution passed.

**#25-134** RESOLUTION RE: FY2024 ANNUAL FINANCIAL AUDIT

**#25-135** RESOLUTION RE: AUTHORIZING THE SUBMITTAL OF THE SCMUA'S FY2024 AUDIT CORRECTIVE ACTION PLAN

a. Wastewater Program

**Comptroller's Report**

Mr. Day reported on the Upper Wallkill Septage, Sludge and Sewage Report through October 2025. He reported that septage is at 84% of annual projections, sludge is at 89% of annual projections, and hauled sewage is at 140% of annual projections. Overall, revenue is at 84% of annual projections which is slightly below projected estimate. The total for the Upper Wallkill Facility connection fees is currently at \$252,313.00, which is over the anticipated amount projected. The Paulinskill Reclamation Facility connection fees are currently at \$6,750.

Mr. Sesto reported that he received a request from Congressman Gottheimer to tour the Upper Wallkill Facility. A tour has been scheduled for Monday, November 10<sup>th</sup> at 1:45pm.

b. Solid Waste Program

**Solid Waste Superintendent’s Report**

Solid Waste Superintendent Morris reported that the SCMUA received an Outstanding Education Award from the NJDEP. The Murphy Administration honored individuals, businesses, schools and organizations whose dedication to recycling inspires others to improve their own recycling practices and advance New Jersey’s sustainability goals. The SCMUA provided recycling education through a redesigned website that features improved recycling graphics and new content including a Recycling in Your Town section, food waste reduction guidance and recycling guidance for businesses. The SCMUA offers recycling center tours and educational events, exhibitions, and presentations.

Mr. Morris reported on the November 1<sup>st</sup> Household Hazardous Waste Event in which 550 vehicles utilized the program. There were 29 tons of Hazardous Waste collected for a total cost of \$35,334.62. The event ran smoothly with contractor MXI, Inc.

**Comptroller’s Report**

Mr. Day reviewed the tonnages and revenues through October 2025 for the Solid Waste Facility. Tonnages are up 2.1% or 298,000 tons and revenues are up 2.23% or \$167,000 compared to the same time period for the previous year.

d. Executive Session

At 3:14 p.m. Commissioner Cocula moved the adoption of the following resolution authorizing a Closed Executive Session. The Motion was seconded by Commissioner Meyer. On voice vote: Ayes (7), Nays (0). The motion carried.

Chairman Petillo noted the Closed Executive Session should be approximately 10 minutes and discussions shall include: Upper Wallkill System Debt Collection and Personnel Matters.

**#25-136** RESOLUTION RE: AUTHORIZING CLOSED EXECUTIVE SESSION

At 3:25 p.m. Commissioner Cocula moved to close Executive Session, seconded by Commissioner Meyer. On voice vote: Ayes (7), Nays (0). The motion carried.

Chairman Petillo confirmed discussions held as specifically set forth in the resolution authorizing Closed Executive Session included: Upper Wallkill System Debt Collection and Personnel Matters.

e. Personnel Matters

**Solid Waste Superintendent’s Report**

Superintendent Morris reported that he received a request for an Official Leave of Absence for one (1) month from Solid Waste Employee SC2594. Commissioner Cocula moved the authorizing resolution, seconded by Commissioner Dietz. On roll call: Ayes (7) Commissioners Meyer, Madsen, Cocula, Dietz, Petillo, Wesley, Poggi; Nays (0); Abstain (0). The resolution passed.

**#25-137** RESOLUTION RE: AUTHORIZATION TO GRANT A ONE (1) MONTH “OFFICIAL LEAVE OF ABSENCE WITH PAY” FOR SC2594

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 #25-138 Financial Consent Agenda						
Commissioner	1st	2nd	Yea	Nay	Abstain	Absent
MEYER			X			
MADSEN	X		X			
COCULA			X			
DIETZ			X			
PETILLO			X			
DRAKE						
WESLEY			X			
FINKELDIE						
POGGI		X	X			

**#25-138** RESOLUTION RE: CONSENT AGENDA – BILL PAYING LIST

9. PUBLIC COMMENT

No public comment.

10. COMMISSIONERS' COMMENTS/REQUEST

Commissioner Madsen congratulated the SCMUA on their Recycling Award from the State of New Jersey for being recognized for Education and Outreach.

Commissioner Wesley noted the high winds expected in the coming days and to keep safe.

Commissioner Cocula moved to give Commissioners Drake and Finkeldie excused absences, seconded by Commissioner Madsen. On voice vote: Ayes (7), Nays (0). The motion carried.

A discussion was held to reschedule upcoming meetings, Chairman Petillo ordered to move the November 26, 2025 Commissioner Meeting to a start time of 1:00 p.m. December 3<sup>rd</sup> and 17<sup>th</sup>, 2025 Meetings are to be cancelled, and a meeting shall be scheduled for December 10, 2025 at 3:00 p.m.

**Executive Director’s Report (FY26 Rate Hearing @ 3:30 pm)**

At 3:30 p.m. Chairman Petillo asked for a motion to begin the FY2026 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 FY2026 Public Rate Hearing. Notice of the Rate Hearing was published in The New Jersey Herald on October 12, 2025 and The Daily Record on October 10, 2025, as per NJ State Statute. The proposed rate letters were sent to all Sussex County Municipal Clerks and SCMUA Solid Waste and Wastewater frequent user haulers. 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.

NOVEMBER 5, 2025

The Upper Walkkill FY2026 Budget is proposed to increase by 4.06% from last year, totaling \$10,801,900. He reviewed revenue sources including system users, connection fees, investment earnings, and wastewater treatment costs. Connection fees for Upper Walkkill Facility were proposed to be set at \$8,803/EDU which is an increase of 6.2%/EDU. Wastewater Participants will see slight increases to their user charges depending on actual flow data.

The Hampton Commons FY2026 Budget is proposed to increase by 5.8% and increase of \$20,450 compared to 2025 for a total budget of \$371,450. This increase is predominately due to cost of operations such as chemicals, laboratory supplies, testing services, utilities, O&M changes, and funding allocation for future debt service due to age and condition of facility.

The Paulinskill Water Reclamation Facility's budget is proposed to increase 6.1% or \$54,100.00 compared to 2025 for a total budget of \$938,100. This increase is due to increased costs of chemicals/supplies and the purchase of required equipment, as well as R&R costs for influent screens and biological treatment membranes. Connection fees for the facility are proposed to be set at \$3,787 per EDU which is an increase of 12%.

The Solid Waste Facilities' Budget was proposed to increase 16.64% or \$2,528,700 compared to FY2025 for a total budget amount of \$17,722,700.00. Mr. Sesto noted the R&R Fund contribution increase is attributed to fence replacement, odor control improvements, and required landfill equipment replacements. Additionally, there is need to close the shortage in the Cell Closure Account as per past Audit Reports. The only increase in tip fees is proposed to be for ID10 Municipal Household Waste from \$107/ton to \$110/ton, all other waste classes will remain the same as 2025. All miscellaneous charges, Vegetative Waste and Mulch charges shall also remain the same.

He concluded the Public Rate Hearing noting that the Proposed FY2026 Rates, Fees and Charges will be considered for adoption via resolution at the November 26, 2025 Authority Meeting.

No members of the public were in attendance.

At 3:44, Commissioner Cocula moved to close the Public Rate Hearing for FY2025, seconded by Commissioner Dietz. On voice vote: Ayes (7); Nays (0). The motion carried.

11. ADJOURN

At 3:45 p.m. Commissioner Madsen moved to adjourn the meeting, seconded by Commissioner Poggi. On voice vote: Ayes (7); Nays (0). The motion passed.

Respectfully submitted,

Andrea Cocula, Secretary