

AGENDA
CUMBERLAND COUNTY UTILITIES AUTHORITY
JUNE 21, 2012

1. CALL TO ORDER
2. ANNOUNCEMENT THAT ADEQUATE NOTICE OF THIS MEETING WAS PROVIDED IN ACCORDANCE WITH CHAPTER 231, P.L. 1975 (THE OPEN PUBLIC MEETINGS ACT)
3. FLAG SALUTE
4. ROLL CALL
6. MINUTES OF REGULAR MEETING OF MAY 17, 2012
7. REPORTS

PRESENTATION –BOWMAN & COMPANY LLP
 - A. DIRECTOR
 - B. ENGINEER
 - C. AUDITOR
 - D. GENERAL COUNSEL
 - E. COMMITTEES
 - (1) COMMUNITY RELATIONS – Commissioner A. Edwards
 - (2) EMPLOYEE RELATIONS – Vice Chairman Jones
 - (3) FACILITIES EXPANSION – Commissioner Olbrich
 - (4) FINANCE AND BUDGET – Commissioner Wasserman
 - (5) INDUSTRIAL WASTE - Commissioner Crilley
 - (6) INSURANCE – Commissioner Friedman
 - (7) OPERATIONS - Commissioner Boutros
 - (8) AD HOC – Commissioner Begley
8. RESOLUTIONS
 - A. RESOLUTION AUTHORIZING A PUBLIC HEARING ON AMENDMENTS TO THE SEWER USE RULES AND REGULATIONS
 - B. RESOLUTION ESTABLISHING REGULAR FULL-TIME EMPLOYMENT, TITLE AND RATE OF PAY OF STEVEN RUGGIERO
 - C. RESOLUTION ESTABLISHING AN EMPLOYMENT AGREEMENT FOR THEODORE PROPERT AS DIRECTOR OF THE CUMBERLAND COUNTY UTILITIES AUTHORITY
 - D. RESOLUTION TO ENTER INTO A CONSTRUCTION ENGINEERING SERVICES AGREEMENT WITH ADMAN, REHMANN & HEGGAN AND ASSOCIATES FOR THE FY2013 TREATMENT PLANT UPGRADE PROJECT
9. TREASURER'S REPORT
 - A. CASH POSITION OF THE AUTHORITY
 - B. RESOLUTION APPROVING AND AUTHORIZING PAYMENT OF CERTAIN OPERATING ACCOUNT VOUCHERS
 - C. RESOLUTION OF THE CUMBERLAND COUNTY UTILITIES AUTHORITY AUTHORIZING PAYMENT OF CERTAIN COSTS AND EXPENSES FROM THE CCUA NJEIT 2010 CONSTRUCTION FUND
10. CHAIRPERSON'S REMARKS
11. MOTION FOR EXECUTIVE SESSION
12. OPEN FLOOR FOR COMMENTS OF COMMISSIONERS
13. PUBLIC PORTION
14. ADJOURNMENT

REGULAR MEETING
CUMBERLAND COUNTY UTILITIES AUTHORITY
June 21, 2012

The Cumberland County Utilities Authority (CCUA) held its Regular Monthly Meeting on Thursday, June 21, 2012 in the Meeting Room of the Operations Building, 333 Water Street, Bridgeton, New Jersey.

Representing the CCUA:

Nancy Sungenis, Chairperson
Albert Jones, Vice Chairman
James Begley, Commissioner
Sam Boutros, Commissioner
James Crilley, Commissioner
Angelia Edwards, Commissioner
Harvey Friedman, Commissioner
Donald Olbrich, Commissioner
Keith Wasserman, Commissioner
Steve Testa, Auditor
Ronald Curcio, Engineer
James Quinn, Treasurer
Thelma D.Scott, Secretary
Theodore Propert, Director
Michael Fernandez, Deputy Director
Robert Rose, Public Relations
Patti McAllister, Assistant Secretary – Treasurer

Chairperson Sungenis called the meeting to order, announced that adequate notice of this meeting has been given in accordance with Chapter 231, P.L. (THE OPEN PUBLIC MEETING ACT) and led in the flag salute.

Chairperson Sungenis called for a motion to approve the minutes of the Regular Monthly Meeting of May 17, 2012. It was motioned by Commissioner Friedman, seconded by Commissioner Jones and carried at roll call. Commissioner Sam Boutros abstained. Chairperson Sungenis stated that the minutes had been changed **from the original draft** to reflect that Commissioner Jones and Commissioner Boutros were recorded as an excused absence.

Chairperson Sungenis called on Director Propert to introduce our guest presenter Tim Kiel, CPA from the Bowman & Company LLP, to the CCUA Board members for a presentation on the **proposed** rate structure **change** for the Users. Mr.Kiel **further** introduced his partner Carol A. McAllister, CPA, RMA.

Commissioners were given booklets with the presentation of the projections. Mr. Kiel **explained the report, stating** that the first two pages of the report were accounting standards. The balance of the report contained projections of the study. **Unlike most authorities that bill individual users, CCUA bills the townships. Therefore, they had to come up with a straight rate usage for all the gallons used and put it together with what the Authority's 2013 budget would look like.**

Mr. Kiel explained that the projections presented were from actual flow numbers from 2009, 2010 & 2011 with an average for 2012 and a projected 2013 average (of all combined), with the exception that 10,000,000 gallons were subtracted from **the** flow to allow for the past couple years, severe storms. In other words, his projection was based on historical trends.

In the area of revenue, **conservative figures were used. Items that have been historically very small or fluxed greatly, such as interest income are not part of the study.**

Mr. Kiel showed a comparison of two rates (high and low) and its impact on each User. As presented, the comparison showed that under the old rate structure, smaller users did not **actually** pay their fair share of the costs when based solely on flows. That **accounts** for the sizable jump noted in 2013 to the smaller users. The increase to the smaller Users could be offset by offering a discount to all Users, capped with a maximum amount of \$5,000 and eliminated over the next three years.

Taking a look at the Authority's budgeted expenses, Mr. Kiel looked for historical fluxing and increases over those same years, and included Capital expenses, as well as \$50,000 for replenishing the R&R and \$55,000 for 2013 NJEIT expenses to balance the projected budget amount for 2013.

Mr. Kiel stated that he came up with a figure of \$4.85 per thousand gallons using the past year averages. In setting that rate, he informed the Authority that he looked at what the standards are and how they would affect the smaller customers. This rate would average out the cost for all Users. The discount rate would be phased out with the new rate due to all Users, small or large, paying for their usage only. Using a lower rate than \$4.85 would run the Authority in a deficit, which is not allowed by Bond Covenant.

Commissioner Olbrich was concerned about the surcharge application to the Users. Director Probert explained that the surcharges fluctuate month to month, and they would only be applied when the Users exceed the allowable rate. He further stated that they are usually caused by industries and would be easy to locate. Commissioner Begley asked how the rates for Bridgeton would be calculated. Mr. Kiel noted that there would not be much of a change, and they would be billed in total for the year. Commissioner Crilley noted that Upper Deerfield would have a small increase with the new rate structure, but with no more adjustments, it takes away the unpredictability.

Mr. Kiel informed the Commissioners that the Committee recommended that the discounts be phased out. General Counsel O'Donnell added that when Sewer Use Rules & Regulations are adopted, new user agreements will be drafted. Auditor Testa related that in the past, bills offered no incentives for conservation or system upgrades. The use of a flow based billing system offers immediate cause and effect to the User's bill, now there is an incentive for the customer to reduce their flow or better their system.

Chairperson Sungenis thanked Mr. Kiel for the splendid presentation and Director Probert and staff for working closely with the project.

REPORTS

Director

Director Probert submitted the May Discharge Monitoring Report (DMR) for inclusion in the minutes of this meeting. He stated that all parameters were met for the month of May.

In his report, Director Probert stated that during the past month, over \$2,000.00 dollars was added to the General Account Fund from the sale **of scrap metal on the premises.**

Director Probert reported that the Budget & Finance Committee met on June 5th for a presentation from Bowman & Company on the proposed changes to the billing structure. Resolution "A" on the agenda will allow an advertisement for **a public hearing on the changes to the Sewer Use Rules and Regulations on July 19th. Prior to that meeting, an informational meeting with the Users, Committee, Mr. Testa and General Counsel will be held on July 12th.**

Summarizing, Director Probert further stated that Resolution “B” is to change an employee’s status from introductory to regular employment. Resolution “C” is for a contract agreement between the Director and the Authority and Resolution “D” is to enter into agreement with ARH for expenses from the 2013 NJEIT Fund.

Director Probert stated that a meeting with Employee Relation Committee will need to be scheduled to start negotiations with the salaried staff.

Sludge disposal in the fields is done for the time being, but we anticipate getting back to Cumberland Nursery later in July. For now, sludge is being taken to Ash Lane and GCUA as needed.

Director Probert further reported that Upper Deerfield’s influent has returned to more “normal” values after the spikes earlier in the year. We’re continuing to spot check flow at Seabrook Bros., when we’re in the areas, and will be conducting a second sampling at Carlls Corner pump station later this summer, at which time, a final report will be prepared for the township.

Under our current discharge permit, we are required to test for PCB’s twice a year and develop a plan to reduce them in our wastewater. Mike Fernandez is finalizing the plan of work to be submitted to DRBC, and anticipate annual spot samples throughout our service area.

In conclusion, he reported that the Authority needs to re-submit lab proficiency sample tests for chlorine demand, and total nitrogen. It is critical that we have chlorine demand approval for permit compliance.

Engineer

Mr. Curcio reported that they responded to all review letters from the various entities of the NJDEP reviewing the environmental and technical aspects of the Fiscal Year 2013 Treatment Plant Upgrade Project application and documents. Probable bid advertisement date will be late fall, with the project award prior to the first of the year.

Mr. Curcio further stated that the Director requested that they review the engineering aspects by looking for alternatives associated with utilizing the 24” spare influent force main entering the head-works as a alternate means to carry flow from the City of Bridgeton influent lines to the head-works. Currently he is performing this evaluation and will assist the Director in contracting the work.

Also, as a result of Perna and Finnigan’s sub-contractor’s scheduling conflicts, the final paving for the Upper Deerfield Force Main Replacement Project has not been completed. Mr. Curcio stated that they continually correspond with the contractor advising him that the paving needs to be done, so that the project can be completed.

Auditor

Mr. Testa reported that he has begun compiling information necessary to prepare the Authority’s Secondary Market Disclosure Report. He further stated that to date he has not received all the information necessary to complete the report and is still waiting for a few reports. He reported last month that this report updates the economic and demographic information of the City of Bridgeton and the Township of Upper Deerfield that was included in the Authority’s last official statement issued in connection with the Series 2006A and 2006B Bond Issues. Once the balance of the information has been received, the report will be forwarded to the Trustees, and then will be sent by them together with the previously submitted year 2011 Audit Report. This information will be sent to the National Repository that collects updated information on all Bond Issuers by June 30th.

Mr. Testa stated that they have prepared and sent to the Authority the updated calculation of the Authority’s maximum allowable Connection Fee as of December 31, 2011 in accordance with the

Statutes, (N.J.S.A. 40:14b-22. The calculation resulted in a maximum allowable connection fee as of December 31, 2011 of \$2,870.00. The Authority's current connection fee is \$2,700.00.

In conclusion, Mr. Testa reported that he attended a Finance and Budget meeting Committee meeting and continues to work with the Authority and the firm preparing the rate study and User charge calculation scenarios using various assumptions.

General Counsel

Mr. O'Donnell reported that he has assisted with the drafting of the Director's contract, which is one of the resolutions on the agenda for this meeting.

He also stated that he met with the Budget & Finance Committee, along with Bowman & Company LLP to discuss changes to the rate structure for the Users. He has reviewed all the contracts with each User to determine how the changes would affect their contracts. **After meeting with the Users, and the approval of any rate changes, new contracts will be drafted, uniform for everyone.** He further stated that **he will be attending** the meeting with the Finance & Budget Committee and Users on July 12th to discuss the proposed changes being presented by the Commissioners and Bowman & Company LLP.

Mr. O'Donnell **stated that he** remains available for any questions and concerns from the staff or the Commissioners.

Committees

The Finance & Budget Committee met on June 5th and June 11th to discuss the proposed Rate Change Structure **as presented** by Bowman & Company. Chairperson Sungenis asked if there were any questions or **comments from** the Commissioners **concerning** the minutes that were included in their packages. There were none.

RESOLUTIONS

RESOLUTION (2486) AUTHORIZING A PUBLIC HEARING ON AMENDMENTS TO THE SEWER USE RULES AND REGULATIONS, offered by Commissioner Wasserman and seconded by Commissioner Jones, carried unanimously at roll call with a nay vote by Commissioner Begley.

RESOLUTION (2487) ESTABLISHING REGULAR FULL-TIME EMPLOYMENT TITLE AND RATE OF PAY OF STEVEN RUGGIERO. **Commissioner Begley raised a question on this resolution and was informed that discussion on Personnel Matters should be addressed in Executive Session. A motion was made to table this Resolution by Commissioner Jones, seconded by Commissioner Olbrich.**

Motion was offered by Commissioner Olbrich and seconded by Commissioner Begley that the Commissioners go into Executive Session to discuss Personnel Matters pertaining to Resolution "B" and "C". The Executive Session Minutes are under separate cover.

Upon returning to the Regular Meeting, a motion for Resolution # 2487 was offered by Commissioner Jones, seconded by Commissioner Olbrich, and carried unanimously at roll call.

RESOLUTION (2488) ESTABLISHING AN EMPLOYMENT AGREEMENT FOR THEODORE PROPERT AS DIRECTOR OF THE CUMBERLAND COUNTY UTILITIES AUTHORITY, offered by Commissioner Wasserman, seconded by Commissioner Jones, and carried unanimously at roll call.

RESOLUTION (2489) TO ENTER INTO A CONSTRUCTION ENGINEERING SERVICES AGREEMENT WITH ADAM, REHMANN & HEGGAN AND ASSOCIATES FOR THE FY2013

TREATMENT PLANT UPGRADE PROJECT, offered by Commissioner Olbrich and seconded by Commissioner Edwards, carried unanimously at roll call.

Treasurers Report

Revenue Account	\$	1,697,174.97
Operating Account		775,318.64
Petty Cash		500.00
Sensor Account		6,421.56
General Account		305,839.69
Plant Reconstruction/Replacement		1,729,316.03
Trust Account		2,552,716.45
Total Cash Position	\$	7,067,287.34

Treasurer Quinn reported that the bills submitted for payment today for the Operating Account total \$173,532.91. The Authority Chairperson and Secretary have checked the vouchers. The Operating Account has sufficient funds to cover these checks and approval of Resolution B is recommended. For the first five months of 2012, revenues have exceeded expenses by \$153,103.20. The Treasurer stated that the monthly bank statements are available for review if anyone is interested.

RESOLUTION (2490) APPROVING AND AUTHORIZING PAYMENT OF CERTAIN OPERATING ACCOUNT VOUCHERS, offered by Commissioner Wasserman, seconded by Commissioner Crilley and carried unanimously at roll call.

RESOLUTION (2491) OF THE CUMBERLAND COUNTY UTILITIES AUTHORITY AUTHORIZING PAYMENT OF CERTAIN COSTS AND EXPENSES FROM THE CCUA NJEIT 2010 CONSTRUCTION FUND, offered by Commissioner Olbrich, seconded by Commissioner Edwards and carried unanimously at roll call.

Chairperson's Remarks

Chairperson Sungenis congratulated Director Propert, Auditor Testa and Bowman & Company for their work on the Rate Structure Projections. She also thanked the Commissioners for their teamwork, for the Authority.

Commissioners

There were none.

Public

There being none, the meeting was adjourned on a motion from Commissioner Edwards.

The next regular Monthly Meeting of the Cumberland Counties Utilities Authority will be held Thursday, July 19, in the Public Meeting Room of the Operations Building, 333 Water Street, Bridgeton, New Jersey at 4:30 pm.

Respectfully submitted,

Thelma D. Scott, Secretary

A RESOLUTION TO ENTER INTO A CONSTRUCTION ENGINEERING SERVICES
AGREEMENT WITH ADAMS, REHMANN & HEGGAN ASSOCIATES FOR
THE FY2013 TREATMENT PLANT UPGRADE PROJECT

WHEREAS, N.J.S.A. 40:14B-18 authorizes the Authority to appoint and employ such agents and employees as it may require; and

WHEREAS, there exists a need for professional services in the construction management, and resident inspection of a proposed project consisting of various rehabilitation work at the Cumberland County Utilities Authority's wastewater treatment plant including replacement of aeration basin diffusers, replacement of two digester covers, installation of new screw press, and concrete rehabilitation and coating of primary clarifiers; and

WHEREAS, funds are available through the New Jersey Environmental Infrastructure Trust Program, Project #S340550-06; and

WHEREAS, the Local Public Contracts Law (N.J.S.A. 40A:11-1 et seq.) requires that the Resolution authorizing the award of contracts for "Professional Services" without competitive bids must be publicly advertised.

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the Cumberland County Utilities Authority as follows:

1. That the Chairman and Secretary of the Cumberland County Utilities Authority are hereby authorized and directed to execute an agreement with Adams, Rehmann & Heggan, 850 S. White Horse Pike, P.O. Box 579, Hammonton, N.J. for Professional Services to act as Consulting Engineers for the FY2013 Treatment Plant Upgrade Project for the Cumberland County Utilities Authority.
2. This contract is awarded without competitive bidding as a "Professional Service" and under the provisions of the Local Public Contracts Law because the services to be rendered are professional services of such a qualitative nature as will not reasonably permit the drawing of specifications or the receipt of competitive bids.
3. That this contract is structured as a "not to exceed" \$50,750.00 type fee schedule for the tasks performed.
4. A Notice of Contract Award shall be published in the Bridgeton Evening News, as required by law, within ten days of its passage.

Passed and adopted at the special meeting of the Cumberland County Utilities Authority, held at the Authority's Administration Building, 333 Water Street, Bridgeton, New Jersey, on Thursday afternoon, June 21, 2012 at 4:30 p.m. prevailing time.

DATED: June 21, 2012

A RESOLUTION AUTHORIZING AMENDMENTS TO THE SEWER
USE RULES AND REGULATIONS, ARTICLE IX AND EXHIBIT B

WHEREAS, the Cumberland County Utilities Authority adopted Sewer Use Rules and Regulations on November 16, 1978; and

WHEREAS, by Resolution of the Authority, said Rules and Regulations have been revised periodically and were last amended on January 19, 2012; and

WHEREAS, a public hearing was held on jULY 19, 2012 to review proposed changes to the Sewer Use Rules and Regulations, Article IX and Exhibit B; and

WHEREAS, ; and

WHEREAS, the proposed revision to Article IX is being made to ; and

WHEREAS, it is the determination of the Authority to amend the Sewer Use Rules and Regulations as outlined above.

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the Cumberland County Utilities Authority as follows:

1. That the CCUA Commissioners do approve the amended Sewer Use Rules and Regulations which are attached hereto and made a part hereof.
2. That the Sewer Use Rules and Regulations as amended shall become effective January 1, 2010.

Passed and adopted at the regular meeting of the Cumberland County Utilities Authority, held at the Authority's Administration Building, 333 Water Street, Bridgeton, New Jersey, on Thursday afternoon, December 17, 2009 at 4:30 p.m. prevailing time.

DATED: December 17, 2009

A RESOLUTION AUTHORIZING A PUBLIC HEARING ON AMENDMENTS
TO THE SEWER USE RULES AND REGULATIONS

WHEREAS, P. L. 1977, Chapter 384 (N.J.S.A. 40:14B-1 et seq.) and Article V, Section 502 of its Service Agreements permit the Cumberland County Utilities Authority to periodically amend its Sewer Use Rules and Regulations; and

WHEREAS, N.J.S.A. 40:14B-22 permits the Cumberland County Utilities Authority to charge its Customers periodic service charges; and

WHEREAS, the Cumberland County Utilities Authority has adopted sewer use rules and regulations governing use of and charges for the sewer system; and

WHEREAS, N.J.S.A. 40:14B-23 requires that a public hearing be held in order to revise said levels of treatment, fees and charges.

NOW THEREFORE, BE IT RESOLVED by the Commissioners of the Cumberland County Utilities Authority as follows:

1. That the Cumberland County Utilities Authority Commissioners do authorize that a Public Hearing in regard to revising calculations to its user charges be held on Thursday afternoon July 19, 2012 at 4:30 p.m. at the Authority's Administration Building, 333 Water Street, Bridgeton, New Jersey.
2. That a copy of a Public Hearing notice shall be published in the two newspapers of general circulation in the area and mail notice of said public hearing to the clerk of each municipality serviced by the Authority.

Passed and adopted at the regular meeting of the Cumberland County Utilities Authority, held at the Authority's Administration Building, 333 Water Street, Bridgeton, New Jersey, on Thursday afternoon, June 21, 2012 at 4:30 p.m. prevailing time.

DATED: June 21, 2012

RESOLUTION ESTABLISHING REGULAR FULL-TIME EMPLOYMENT,
TITLE AND RATE OF PAY OF STEVEN RUGGIERO

WHEREAS, the Cumberland County Utilities Authority owns and operates a Sewerage Treatment Plant located in the City of Bridgeton, and requires employees to operate, manage, and conduct its business; and

WHEREAS, among the powers granted to the Authority by N.J.S.A. 40:14B-18, are the powers to hire employees and determine their duties and compensation; and

WHEREAS, the Authority hired Steven Ruggiero to serve in the classification of Electrician, and

WHEREAS, the said Steven Ruggiero has successfully completed a 90-day employment introductory period.

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the Cumberland County Utilities Authority as follows:

1. That Steven Ruggiero be established as a Regular Employee of the Authority, in the classification title of Electrician, at the hourly rate of pay of \$18.00 effective, June 3, 2012.

Passed and adopted at the regular meeting of the Cumberland County Utilities Authority, held at the Authority's Administration Building, 333 Water Street, Bridgeton, New Jersey, on Thursday afternoon, June 21, 2012 at 4:30 p.m. prevailing time.

DATED: June 21, 2012

A RESOLUTION ESTABLISHING AN EMPLOYMENT AGREEMENT
FOR THEODORE PROPERT AS DIRECTOR
OF THE CUMBERLAND COUNTY UTILITIES AUTHORITY

WHEREAS, the Cumberland County Utilities Authority employs Theodore Propert as Director of the Authority; and

WHEREAS, the Commissioners are desirous of establishing an employment agreement with Mr. Propert; and

WHEREAS, a Special Committee with members of the Authority's Employee Relations Committee and Finance & Budget Committee and General Counsel have negotiated conditions of employment with Mr. Propert and unanimously support the agreement.

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the Cumberland County Utilities Authority to establish an Employment Agreement with Theodore Propert, Director of the Authority, as follows:

1. The Agreement sets conditions of employment, salary and benefits for Theodore Propert for a period effective January 1, 2012 through December 31, 2012.
2. The Agreement shall remain in force until the expiration date or as terminated by procedures established in said agreement.

Passed and adopted at the regular meeting of the Cumberland County Utilities Authority, held at the Authority's Administration Building, 333 Water Street, Bridgeton, New Jersey, on Thursday afternoon, June 21, 2012 at 4:30 p.m. prevailing time.

DATED: June 21, 2012