

AGENDA
CUMBERLAND COUNTY UTILITIES AUTHORITY
OCTOBER 18, 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
5. MINUTES OF THE REGULAR MEETING OF SEPTEMBER 20, 2012
6. REPORTS
 - 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/CONSTRUCTION - 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
7. RESOLUTIONS
 - A. RESOLUTION TO AUTHORIZE PUBLIC NOTICE OF SOLICITATION OF PROFESSIONAL SERVICE CONTRACTS
 - B. RESOLUTION TO APPROVE BID SPECIFICATIONS AND AUTHORIZING ADVERTISEMENT FOR THE SUPPLY AND DELIVERY OF SODIUM HYPOCHLORITE SOLUTION
 - C. RESOLUTION AUTHORIZING THE CUMBERLAND COUNTY UTILITIES AUTHORITY TO ESTABLISH A USER REVENUE RESERVE AND ADOPT A POLICY FOR FUNDING AND USE OF THE RESERVE
 - D. RESOLUTION AUTHORIZING THE INTRODUCTION OF THE 2013 BUDGET
8. TREASURER'S REPORT
 - A. CASH POSITION OF THE AUTHORITY
 - B. RESOLUTION APPROVING AND AUTHORIZING PAYMENT OF CERTAIN OPERATING ACCOUNT VOUCHERS
9. CHAIRMAN'S REMARKS
10. OPEN FLOOR FOR COMMENTS OF COMMISSIONERS
11. PUBLIC PORTION
12. ADJOURNMENT

REGULAR MEETING
CUMBERLAND COUNTY UTILITIES AUTHORITY
October 18, 2012

The Cumberland County Utilities Authority (CCUA) held its Regular Monthly Meeting on Thursday, September 20, 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
James Crilley, Commissioner
Angelia Edwards, Commissioner
Harvey Friedman, Commissioner
Donald Olbrich, Commissioner
Keith Wasserman, Commissioner
Ronald Curcio, Engineer
Steve Testa, Auditor
James Quinn, Treasurer
Robert O'Donnell, General Counsel
Patti McAllister, Assistant Secretary
Theodore Propert, Director
Robert Rose, Public Relations
Sandy Acevedo, Business Administrator
A Michael Fernandez, Deputy Director

Chairman 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.

Assistant Secretary McAllister called the roll and a quorum was present. Commissioner Boutros is recorded as an excused absence.

Chairman Sungenis called for a motion to approve the minutes of the Regular Monthly Meeting of September 20, 2012. It was motioned by Commissioner Friedman, seconded by Commissioner Olbrich and was carried unanimously at roll call, with Chairperson Sungenis abstaining.

REPORTS

Director

Director Propert submitted the September Discharge Monitoring Report (DMR) for inclusion in the minutes of this meeting. He stated that the Authority had a seven day violation for BOD during the month of September. The minor violation is very small in nature and was our first violation for the year. Director Propert did not anticipate any repercussions or penalties.

Director Propert reported, that to date, he's received one new User Agreement returned from Fairfield Township, signed by the Mayor, but noted that no resolution of its approval was attached. Staff will follow up.

The Finance and Budget Committee met last month to finalize the User Revenue Reserve Policy. The policy and resolution were sent to all the Commissioners for review last week and minutes of the meeting are in the Commissioners folders.

Director Propert noted that sludge application at Cumberland Nursery is done for the year and will we will finish out the year hauling to Ash Lane and haul liquid to Gloucester.

He stated that he will need to schedule an Insurance Committee soon, regarding Risk Management Consultant proposals and quotes for 2013. Currently we have Hardenburg Insurance Group.

Director Propert further reported that the minor discharge upset can all be attributed to CCIA, Cumberland Dairy and Buona Vita, this past month. CCIA now has their pre-treatment plant operational and we are allowing limited disposal until we can assess performance.

A meeting has been scheduled with Cumberland Dairy to review their operational issues. They have been notified that unless they expand their pretreatment, any future penalties will be assessed at the maximum level. We have also discussed operations with Buona Vita, and will be scheduling a plant review with them when we have the results of our latest sampling back.

He also stated that the Authority met with NJ Ethanol; reminding the Commissioners of the meeting with them a few years ago (2008), when they met to discuss their operation and a connection permit fee. This has again been discussed. They have their operations building almost complete and expect to be in at the beginning of the year and in production by the end of the year.

Mike Fernandez had a meeting with the Delaware River Basin Commission regarding PCB testing. The state keeps requiring more and more expensive sampling. To date, we sample twice a year at a cost of \$2,500 per sample, which has shown that PCB in our effluent is little more than background levels found elsewhere in the river basin.

Director Propert briefly stated that Resolution "A" on tonight's agenda authorizes advertisement of the RFQs for Professional Services; Resolution "B" authorizes to advertise for Sodium Hypochlorite bids; Resolution "C" establishes the User Revenue Reserve (URR) and Resolution "D" is the Introduction of the 2013 Budget.

Engineer

Mr. Curcio reported that the bid documents have been approved by NJDEP for the FY2013 Treatment Plant Upgrades. We are waiting for their authorization to advertise, which should occur within the month. The Authority's authorization to advertise the project will be needed at either the next meeting or December's, providing we get the letter from the State.

Currently, Mr. Curcio is working with staff to prepare the 2012 Annual Report to bond holders. The Report will be submitted next month in accordance with the Authority's bond covenants.

Auditor

Mr. Testa reported that he has been working with management with regards to the proposed 2013 Budget, the Revenue Reserve Policy and the related Resolution, and the Quarterly Flow of Funds.

He further stated that the resolution on the agenda today is to introduce the 2013 Budget. Once introduced, the Budget will be submitted to the State of NJ Division of Local Government Services for their review. The State has 45 day to review the budget. As required by the Authority's Bond Resolution, the Authority will hold its public hearing on the proposed budget at the November meeting. Once the Authority receives State approval, it can adopt the budget at the December meeting, as required.

General Counsel

Mr. O'Donnell reported that he reviewed comments from the Users regarding the new agreements. So far, only two Users have made any comments. He further noted that he discussed some personnel issues with the Director. Mr. O'Donnell stated that he remains available for any questions and concerns from the staff or the Commissioners.

Committees

The Finance & Budget Committee, chaired by Commissioner Wasserman met on October 3rd to discuss the proposed 2013 Budget and the User Revenue Reserve Fund. Chairman Wasserman stated that between Mr. Probert's report and the minutes of the meeting, which are included in the packages of the Commissioners, everything was clearly stated.

RESOLUTIONS

RESOLUTION (2504) TO AUTHORIZE PUBLIC NOTICE OF SOLICITATION OF PROFESSIONAL SERVICE CONTRACTS, offered by Commissioner Friedman, seconded by Commissioner Olbrich, and carried unanimously at roll call.

RESOLUTION (2505) TO APPROVE BID SPECIFICATIONS AND AUTHORIZING ADVERTISEMENT FOR THE SUPPLY AND DELIVERY OF SODIUM HYPOCHLORITE SOLUTION, offered by Commissioner Olbrich, seconded by Commissioner Begley and carried unanimously at roll call.

Prior to the adoption of the next resolution, Commissioner Begley asked for an explanation of why the Authority sought a User Revenue Reserve Fund. Director Probert and Mr. Testa explained in detail the need to set up a designated fund as a reserve for user billing shortages and that a policy for the fund is required. They also answered a couple more questions concerning the amount of the fund which will be capped at \$2,000,000, but would be based on 15% of the largest User's revenue, and the intended funding method.

RESOLUTION (2506) AUTHORIZING THE CUMBERLAND COUNTY UTILITIES AUTHORITY TO ESTABLISH A USER REVENUE RESERVE AND ADOPT A POLICY FOR FUNDING AND USE OF THE RESERVE, offered by Commissioner Wasserman, seconded by Commissioner Olbrich, and carried unanimously at roll call.

RESOLUTION (2507) RESOLUTION AUTHORIZING THE INTRODUCTION OF THE 2013 BUDGET, offered by Commissioner Jones, seconded by Commissioner Wasserman and carried unanimously at roll call.

Treasurers Report

Revenue Account	\$	1,572,334.42
Operating Account		382,550.78
Petty Cash		500.00
Sensor Account		6,522.46
General Account		317,993.89
Plant Reconstruction/Replacement		1,849,888.35
Trust Account		2,894,366.10
Total Cash Position	\$	7,024,156.00

Treasurer Quinn reported that the bills submitted for payment today for the Operating Account total \$166,432.60. The Authority Chairperson and Assistant 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 nine months of 2012, revenues have exceeded expenses by \$508,342.51. The Treasurer stated that the monthly bank statements are available for review if anyone is interested.

RESOLUTION (2508) APPROVING AND AUTHORIZING PAYMENT OF CERTAIN OPERATING ACCOUNT VOUCHERS, offered by Commissioner Olbrich and seconded by Commissioner Edwards, carried unanimously at roll call.

Chairperson's Remarks

Chairperson Sungenis reminded everyone that the meeting date for the next meeting is on Monday, November 19th, instead of the third Thursday.

Commissioners

There were no comments.

Public

There being no comments, the meeting was adjourned on a motion from Commissioner Olbrich.

The next regular Monthly Meeting of the Cumberland Counties Utilities Authority will be held Monday, November 19, 2012 in the Public Meeting Room of the Operations Building, 333 Water Street, Bridgeton, New Jersey at 4:30 pm.

Respectfully submitted,

Patti McAllister, Assistant Secretary

RESOLUTION TO AUTHORIZE PUBLIC NOTICE OF SOLICITATION OF
PROFESSIONAL SERVICE CONTRACTS

WHEREAS, the Cumberland County Utilities Authority having approved by Resolution # 2065, dated July 20, 2006, the use of a fair and open process whenever possible for all contracts and services; and

WHEREAS, such resolution provided that the Budget and Finance Committee shall establish the criteria and standards for such a process; and

WHEREAS, the Budget and Finance Committee, with the assistance of General Counsel, established such criteria and standards; and

WHEREAS, the Authority must publish notice in accordance with those standards and criteria for the positions of General Counsel, Auditor, Consulting Engineer and Financial Advisor.

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

1. Criteria has been established for all professional services required by the Cumberland County Utilities Authority for the appointments January 1, 2013 to December 31, 2013.
2. The Authority shall publish a Public Notice in the newspaper, for the solicitation of professional services contract appointments no earlier than 10 days and no more than 30 days prior to the contract proposals being due.

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, October 18, 2012 at 4:30 p.m. prevailing time.

DATED: October 18, 2012

A RESOLUTION AUTHORIZING THE INTRODUCTION
OF THE 2013 BUDGET

WHEREAS, the Annual Budget and Capital Budget for the Cumberland County Utilities Authority for the fiscal year beginning January 1, 2013 and ending December 31, 2013 has been presented before the Commissioners of the Cumberland County Utilities Authority at its open public meeting of October 18, 2012; and

WHEREAS, the Annual Budget as introduced reflects Total Revenues of \$6,172,724 and Total Appropriations of \$6,172,724, and Total Unrestricted Net Assets utilized of \$-0-; and

WHEREAS, the Capital Budget as introduced reflects Total Appropriations of \$123,100, Total Unrestricted Net Assets planned to be utilized as funding thereof, is \$-0- and Renewal & Replacement Reserve is planned to be utilized as funding thereof, of \$-0-; and

WHEREAS, the schedule of rates, fees and other charges in effect will produce sufficient revenues, together with all other anticipated revenues to satisfy all obligations to the holders of bonds of the Authority, to meet operating expenses, capital outlays, debt service requirements, and to provide for such reserves, all as may be required by law, regulation or terms of contracts and agreements; and

WHEREAS, the Capital Budget/Program, pursuant to N.J.A.C. 5:31-2, does not confer any authorization to raise or expend funds, rather it is a document to be used as part of the said Authority's planning and management objectives. Specific authorization to expend funds for the purposes described in this section of the budget, must be granted elsewhere, by bond resolution, by a project financing agreement, by resolution appropriating funds from the Renewal and Replacement Reserve or other means provided by law.

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

1. At a open public meeting held on October 18, 2012, that the Annual Budget, including appended Supplemental Schedules, and the Capital Budget of the Cumberland County Utilities Authority for the fiscal year beginning January 1, 2013 and ending December 31, 2013 is hereby recommended for approval; and

2. That a Public Hearing on the 2013 Budget be scheduled at the November 19, 2012 open public meeting of the Authority, notice of which will be published in the Bridgeton News at least twenty (20) days prior to the date of the Public Hearing, after which it will be scheduled for adoption.

BE IT FURTHER RESOLVED, that the anticipated revenues as reflected in the Annual Budget and Capital Budget are of sufficient amount to meet all proposed expenditures/expenses and all covenants, terms and provisions as stipulated in the said Authority's outstanding debt obligations, capital lease arrangements, service contracts, and other pledged agreements; and

BE IT FURTHER RESOLVED, that the members of the Cumberland County Utilities Authority will consider the Annual Budget and Capital Budget for adoption on December 20, 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, October 18, 2012 at 4:30 p.m. prevailing time.

DATED: October 18, 2012

A RESOLUTION APPROVING SPECIFICATIONS
AND AUTHORIZING ADVERTISEMENT FOR BIDS FOR
SUPPLY AND DELIVERY OF SODIUM HYPOCHLORITE SOLUTION

WHEREAS, the Authority's Director has prepared and submitted, at this meeting, certain Specifications for Supply and Delivery of Sodium Hypochlorite Solution, as more fully appears in said Specifications; and

WHEREAS, the Commissioners of the Cumberland County Utilities Authority approve said Specifications.

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

1. That the aforesaid Specifications referred to in the preamble of this Resolution, prepared and submitted by the Director, be and the same are hereby approved.
2. That this Authority advertise for and accept bids for the Supply and Delivery of Sodium Hypochlorite Solution, a commonly used chemical product in the treatment of wastewater at the Authority's facility which requires Bidding due to the volume usage exceeding Bid limits, as set forth in said Specifications, at the earliest possible date.
3. That the Secretary of this Authority prepare all necessary advertising for bids in a form satisfactory to the approval by the General Counsel of this 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, October 18, 2012 at 4:30 p.m. prevailing time.

DATED: October 18, 2012

RESOLUTION AUTHORIZING THE CUMBERLAND COUNTY
UTILITIES AUTHORITY TO ESTABLISH A USER REVENUE RESERVE
AND ADOPT A POLICY FOR FUNDING AND USE OF THE RESERVE

WHEREAS, the Cumberland County Utilities Authority (Authority) is responsible for the operation and maintenance of its Wastewater Treatment Facilities; and

WHEREAS, pursuant to N.J.A.C. 5:31-2.1 the Authority shall prepare an annual budget for each fiscal year which shall include a schedule of rates, fees, and other charges that will produce sufficient revenues, together with all other anticipated revenues, to satisfy all obligations to the holders of bonds of the Authority; to meet operating expenses, capital outlays, and debt service requirements; and to provide for such reserves, all as may be required by law, regulation, or terms of contracts and agreements; and

WHEREAS, funding of the budget is based upon an estimate of flow received from the Users and relies upon an equitable assessment of charges to all Users based on their flow to the Facilities; and

WHEREAS, an unanticipated loss of flow could result in the Authority failing to realized sufficient revenues to meet its Bond Resolution Requirements thereby creating the potential for necessity of substantial rate increases to the Users; and

WHEREAS, it is the intent of the Authority to establish a User Revenue Reserve (URR) bank account to be maintained, and if necessary, utilized to minimize the impact of flow fluctuations from its Users, and ensure compliance with all Bond Resolution Requirements; and

WHEREAS, it is the intent of the Authority to designate net assets in an amount equal to the amount contained in the User Revenue Reserve bank account; and

WHEREAS, it is the intent of the Authority to develop a User Revenue Reserve policy for funding and use of the funds accumulated in the URR, said policy to be amended from time to time as needed;

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

1. Effective December 1, 2012 the Authority shall establish a User Revenue Reserve restricted cash account.
2. The User Revenue Reserve shall be used to offset the loss in revenue from unanticipated loss or reduction in flow.

3. A policy for funding and use of the funds, as attached, is hereby adopted.

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, October 18, 2012 at 4:30 p.m. prevailing time.

DATED: October 18, 2012

USER REVENUE RESERVE POLICY

1. It is the Authority's intent that the User Revenue Reserve (URR) be funded over a twenty-year period to attain a target funding level adequate to meet a shortfall of fifteen percent (15%) of the annual charge to the Authority's largest User for a three year period; initially projected to be two million dollars (\$2,000,000.00).
2. Annual appropriations in an amount not to exceed 1% of budgeted revenue from annual User charges shall be budgeted to fund the URR.
3. Additional funding from other revenue sources may be made as follows:
 - a. Forty percent (40%) of any income derived from Connection Fees may be deposited into the URR;
 - b. Forty percent (40%) of any income derived from User Surcharges during the year may be deposited into the URR;
 - c. Any interest income accruing to the URR shall remain in the account;
 - d. Any other revenue that may be authorized by the Authority's Commissioners.
 - e. Whenever funds in the URR exceed intended target levels, those funds shall be transferred to the general account or other accounts that the Authority's Commissioners may designate.
4. Amounts to be utilized from the fund shall be limited to initial budget preparation and mid-year budget adjustments. However should the Authority experience cash flow shortfalls as a result of unanticipated decreases in User charges, an amount equal to the shortfall may be transferred to the Authority's Revenue Fund in order for the Authority to meet the Rate Covenants in its Bond Resolution.