

**THE CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY**

**MINUTES OF THE REGULAR MEETING HELD ON NOVEMBER 21, 2011**

The Regular Meeting of The Camden County Municipal Utilities Authority was called to order by Chairwoman Dixon at 6:00 P.M. The meeting was held at the Administration Building located at 1645 Ferry Avenue, Camden, New Jersey. On roll call, the Commissioners responded to their names as follows:

Commissioner	Biondi	-	YES
"	Burley	-	YES
"	Bresch	-	YES
"	Engelbert	-	YES
"	MacFarlane	-	YES
"	McKernan	-	YES
"	Swartz	-	YES
"	Wu	-	ABSENT
Chairwoman	Dixon	-	YES

**STAFF PRESENT:**

Andrew Kricun, Executive Director  
Laurence E. Rosoff, Solicitor  
John Werner, Chief Financial Officer

Robert Cornforth, Director of O&M  
Kim Michelini, Authority Secretary  
Alisa Smith, Secretarial Assistant

**CONSULTANTS:**

Alan Parry, Synagro  
Peter Nissen, Acacia Financial Group  
Robert Serpente, D&B/Guarino

**OTHERS PRESENT:**

Marge DellaVecchia, Camden County

Chairwoman Dixon read the 'Chairperson's Commencement Statement' acknowledging that proper notice of this Regular Meeting setting forth the date, time and place of the meeting has been prominently posted on (1) a public bulletin board located in the lobby of the Administration building (2) mailed to the Courier-Post and Inquirer and (3) filed with the Clerk of Camden County on February 2, 2011 as set forth in its annual schedule of meetings, in compliance with the Open Public Meetings Law.

**ADOPTION OF MINUTES:**

A motion was made by Commissioner Burley and seconded by Commissioner Engelbert to adopt the Minutes of the Regular Meeting held on October 17, 2011. There being no question on the motion, a roll call was taken. On roll call, the Commissioners responded to their names as follows:

Commissioner	Biondi	-	ABSTAIN
"	Burley	-	YES
"	Bresch	-	YES
"	Engelbert	-	YES
"	MacFarlane	-	YES
"	McKernan	-	ABSTAIN
"	Swartz	-	YES
Chairwoman	Dixon	-	YES

The motion was carried.

**EXECUTIVE DIRECTOR'S REPORT:**

**I) ITEMS FOR DISCUSSION:**

**A) Administration:**

- 1) Environmental Management System – November 2011 Report
- 2) Water Environment Federation Sustainability Archive
- 3) PCB Trackdown Study- Submission of Results to Regulatory Agencies
- 4) Presentation to the Council of Infrastructure Financing Authority

- B) **Engineering:**
  - 1) Delaware #1 WPCF- Sludge Drying Facility Installation- Change Order No 5 to PKF Mark III
  - 2) County Road Indemnification Agreement
  - 3) Delaware #1 WPCF- Odor Control System Upgrades- Change Order No 4 WPCS
- C) **Legal:**
  - 1) Flexible Spending Account
- D) **Operations & Maintenance:**
- E) **Finance:**
  - 1) Voucher Payment Resolutions - Report on Emergency Payments

II) **INFORMATIONAL ITEMS:**

- A) **Administration**
  - 1) CCMUA Organizational Chart – as of November 11, 2011
  - 2) Personnel Department Update – as of November 9, 2011
- B) **Finance**
  - 1) Collections Report for October 2011
  - 2) Budget Review Report for October 2011  
 Commissioner MacFarlane noted that the actual numbers for sludge and waste were finally less than the budgeted estimate. Mr. Kricun updated the Board as to the status of the dryers. The dryers are taking approximately 50% of our sludge. There are three dryers, two of which will operate full time and the third will act as a stand by. Of the three dryers, presently, one dryer is running steadily; one dryer is running fairly consistently and the third dryer should be completed by the end of next week. All three dryers should be running and taking 100% of our sludge by the end of this month.
  - 3) Cash Management Report – September 2011
  - 4) Annual Budget Review  
 Mr. Kricun noted that a correction was made to one page of the 2012 Budget attached to Resolution #148 and the updated page has been replaced and distributed to the Board.
- C) **Operations & Maintenance:**
  - 1) Del. No. 1 WPCF & Winslow STP- Discharge Monitoring Report (Sept 2011)
  - 2) Del. No. 1 WPCF & Winslow STP- Sludge Quality Assurance Report (Aug 2011)
  - 3) Del. No. 1 WPCF & Winslow STP- Operations Report (Sept 2011)
  - 4) O&M Project Summary for 2010  
 Mr. Kricun stated that the O&M Project Report for 2010 represents a summary of projects that have been completed by the O&M staff and, as a result, have reduced capital costs. This report will be submitted to the Board on a quarterly basis. He also praised the O&M staff for their work to improve the performance of the plant and save the Authority money.

**PUBLIC PARTICIPATION ON PROPOSED RESOLUTIONS:**

NONE

**OLD BUSINESS:**

NONE

**NEW BUSINESS:**

A motion was made by Commissioner McKernan and seconded by Commissioner Engelbert to adopt Resolution #R-11:11-145, authorizing the execution of an agreement between the CCMUA and J. P. Smith Contractors, Inc. for painting of Authority pump stations, interior and exterior in accordance with Specification #11-18. Commissioner MacFarlane expressed concern over the disparity between the second and third place bidders in comparison to the lowest bidder and asked if we had any experience with the low bidder. Mr. Cornforth responded that this vendor has worked for the CCMUA in the past, painting its pump stations, so we are comfortable with the vendor's quality of work, however, we will keep an eye on the work performed. Commissioner Biondi asked to what extent the vendor's work will be monitored to which Mr. Cornforth replied that the supervisor checks in once a day and will ensure that the vendor prepares the surface of the objects to be painted accordingly. Mr. Engelbert asked if corrosion was a factor in the \$22,800 quote for the Cooper River pumping station. Mr. Cornforth stated that the work at this station includes roof top work on the radiator for the emergency generator, and the quote, in his opinion, is more suitable to the work to be done. There being no further question on the motion, a roll call vote was taken. On roll call, the Commissioners responded to their names as follows:

Commissioner	Biondi	-	YES
"	Bresch	-	YES
"	Burley	-	YES
"	Engelbert	-	YES
"	MacFarlane	-	YES
"	McKernan	-	YES
"	Swartz	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-11:11-145 was adopted.

A motion was made by Commissioner MacFarlane and seconded by Commissioner Swartz to adopt Resolution #R-11:11-146, authorizing execution of a Road Indemnification Agreement with Camden County. There being no question on the motion, a roll call vote was taken. On roll call, the Commissioners responded to their names as follows:

Commissioner	Biondi	-	YES
"	Bresch	-	YES
"	Burley	-	YES
"	Engelbert	-	YES
"	MacFarlane	-	YES
"	McKernan	-	YES
"	Swartz	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-11:11-146 was adopted.

A motion was made by Commissioner Swartz and seconded by Commissioner Biondi to adopt Resolution #R-11:11-147, authorizing Shared Services Agreement with County of Camden. Commissioner Engelbert asked if this was the same or similar agreement that has been adopted in the past. Mr. Kricun responded that the agreement was mostly similar with the main difference being that the CCMUA would not be reimbursed for costs associated with plowing. Mr. Kricun continued to explain that much of the CCMUA's cost in previous years were "sunk" costs (employee salary), and represented approximately 50-60% of the total reimbursed by the County. There being no further question on the motion, a roll call vote was taken. On roll call, the Commissioners responded to their names as follows:

Commissioner	Biondi	-	YES
"	Bresch	-	YES
"	Burley	-	YES
"	Engelbert	-	YES
"	MacFarlane	-	YES
"	McKernan	-	YES
"	Swartz	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-11:11-147 was adopted.

A motion was made by Commissioner MacFarlane and seconded by Commissioner Swartz to adopt Resolution #R-11:11-148, approving the Authority's 2012 Budget (First Reading). Mr. Kricun noted that this budget represents a 2.9% rate increase. It is the first increase since 1996 and will be increased by \$9 from \$315 to \$324 per household per year and is lower than the \$337 rate that was in effect in 1996. There are several factors attributing to the rate increase, however, the biggest factor is the reduction in connection fee revenue. The CCMUA has previously received connection fee revenue around \$6 million per year. This has been reduced to \$3 million per year and is not anticipated to change in the foreseeable future. The hope is that we will see an increase in sewer revenue when the Atlantic Basin Interceptor expansion project is complete, but that is several years off. In addition, he noted the end of the PSE&G rebate, which had netted the CCMUA about \$800K per year, and the additional debt service associated with the plant improvements recently undertaken. Commissioner Swartz asked if the increase in the amount has anything to do with bond competence in the terms of debt service ratio, cash on hand, etc. to which Mr. Werner replied yes it did. There being no further question on the motion, a roll call vote was taken. On roll call, the Commissioners responded to their names as follows:

Commissioner	Biondi	-	YES
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"	Bresch	-	YES
"	Burley	-	YES
"	Engelbert	-	YES
"	MacFarlane	-	YES
"	McKernan	-	YES
"	Swartz	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-11:11-148 was adopted.

A motion was made by Commissioner Engelbert and seconded by Commissioner MacFarlane to adopt Resolution #R-11:11-149, approving Change Order No. 5, amending Contract 196 with PKF Mark III for Sludge Drying Facility. Commissioner McKernan asked Mr. Kricun if any additional change orders were anticipated on this project. Mr. Kricun replied that the project is substantially complete but that there is one additional change order which is being reviewed. The total amount of change orders presented to date (\$1.5 million) on this contract represent approximately 10% of the total cost (\$13 million). These change orders have primarily been the result of retrofitting the existing compost facility which can be more challenging. Commissioner McKernan asked what the projected amount of the final change order will be to which Mr. Kricun replied that because he is presently negotiating the change order with the contractor, he is not able to disclose the amount. However, he added, it is in the six digit range, and hopefully the matter does not result in litigation since there is a significant difference of opinion between the CCMUA and the contractor. Commissioner Bresch asked for clarification as to the unit that was down and asked if that was part of the change order. Mr. Kricun replied that it was not as it was considered warranty work. Commissioner Biondi noted that based on the attachments to the resolution it appeared that the trucks used for hauling did not fit as planned which indicates that planning was insufficient. Mr. Kricun clarified that the majority of the change order costs are a result of retrofitting, however, this particular cost is not. He added that not only was the consultant's estimate not conservative enough, but the contract operator, Synagro, is utilizing trucks that are longer than our own trucks, which was the basis for the estimate. The Authority spent \$30 million on this project to eliminate odors. He continued that to have the trucks not fully enclosed in the building and under negative pressure (eliminating odors) would be inexcusable. Mr. Kricun added that had the building been initially designed for the larger vehicle, the project cost would have reflected that. Commissioner Biondi asked if a smaller truck could be used. Mr. Kricun explained that the negotiations with the hauler came after the design of the building. The CCMUA insisted that a certain type of truck be used so that the dried byproduct would never hit the open air. Mr. Cornforth added by way of further explanation that the building was designed to fit a cement-type truck, which is the type of vehicle the staff saw in operation at Kent County, which was prior to the design. The truck in use at the CCMUA is an 18 wheel dump truck and necessitated the change to the building. In addition, the truck in use at the CCMUA loads differently and required a differently loading area which could not have been known in advance since the vendor who would be doing the hauling, hadn't even been selected yet. Mr. Kricun added that we could have planned for a larger building, but that would have increased the cost and it wasn't known at the time of design that a larger building was actually needed. Mr. Kricun stated that it is his philosophy that it is better to be conservative in the original base price and deal with the occasional change order as it arises as it helps keep the overall costs lower. Commissioner MacFarlane asked if we were set on using the truck that then requires a change to the building. Mr. Kricun stated that the truck in question meets the requirements, thereby eliminating odors and dust. Alan Parry, representative of Synagro, explained how the use of this truck as opposed to other types of truck, eliminates the possibility of dust and odor escaping the truck and affecting the nearby park and neighborhood. Commissioner Swartz asked if the 10% overhead and 10% profit allowance on the cost estimate equates to 21%. Mr. Kricun responded that yes it is 21% of the total cost because the profit is calculated on the base cost and overhead. There being no further question on the motion, a roll call vote was taken. On roll call, the Commissioners responded to their names as follows:

Commissioner	Biondi	-	NO
"	Bresch	-	YES
"	Burley	-	YES
"	Engelbert	-	YES
"	MacFarlane	-	YES
"	McKernan	-	YES
"	Swartz	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-11:11-149 was adopted.

A motion was made by Commissioner Biondi and seconded by Commissioner Engelbert to adopt Resolution #R11:11-150, authorizing contract with a Flexible Benefit Account Administrator, and establishing a bank of

depository for the flexible benefit account. There being no question on the motion, a roll call vote was taken. On roll call, the Commissioners responded to their names as follows:

Commissioner	Biondi	-	YES
"	Bresch	-	YES
"	Burley	-	YES
"	Engelbert	-	YES
"	MacFarlane	-	YES
"	McKernan	-	ABSTAIN
"	Swartz	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-11:11-150 was adopted.

A motion was made by Commissioner Engelbert and seconded by Commissioner MacFarlane to adopt Resolution #R-11:11-151, authorizing execution of Change Order No. 4 to the CCMUA's Contract with WPCS for installation of a Biofilter Odor Control System. Commissioner Biondi requested further explanation on this change order. Mr. Kricun explained that the contractor indicated that during the air balance test it was discovered that the dampers were rusted shut. As a result, pressure built up causing damage to the wall. There being no further question on the motion, a roll call vote was taken. On roll call, the Commissioners responded to their names as follows:

Commissioner	Biondi	-	YES
"	Bresch	-	YES
"	Burley	-	YES
"	Engelbert	-	YES
"	MacFarlane	-	YES
"	McKernan	-	YES
"	Swartz	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-11:11-151 was adopted.

A motion was made by Commissioner McKernan and seconded by Commissioner Biondi to adopt Resolution #R-11:11-152, establishing and/or amending job position(s) and salary hiring ranges for Authority position(s). There being no question on the motion, a roll call vote was taken. On roll call, the Commissioners responded to their names as follows:

Commissioner	Biondi	-	YES
"	Bresch	-	YES
"	Burley	-	YES
"	Engelbert	-	YES
"	MacFarlane	-	YES
"	McKernan	-	YES
"	Swartz	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-11:11-152 was adopted.

A motion was made by Commissioner Swartz and seconded by Commissioner Biondi to adopt Resolution #R-11:11-153, ratifying approval of expense vouchers as approved by the Executive Director under authorization granted by CCMUA Resolution #R-97:3-60, dated March 17, 1997. There being no question on the motion, a roll call vote was taken. On roll call, the Commissioners responded to their names as follows:

Commissioner	Biondi	-	YES
"	Bresch	-	YES
"	Burley	-	YES
"	Engelbert	-	ABSTAIN
"	MacFarlane	-	YES
"	McKernan	-	YES
"	Swartz	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-11:11-153 was adopted.

A motion was made by Commissioner Biondi and seconded by Commissioner MacFarlane to adopt Resolution #R-11:11-154, authorizing payment of \$2,218,296.04 for expenses disbursed from various trust accounts. There being no question on the motion, a roll call vote was taken. On roll call, the Commissioners responded to their names as follows:

Commissioner	Biondi	-	YES
"	Bresch	-	YES
"	Burley	-	YES
"	Engelbert	-	ABSTAIN
"	MacFarlane	-	YES
"	McKernan	-	YES
"	Swartz	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-11:11-154 was adopted.

A motion was made by Commissioner Engelbert and seconded by Commissioner Swartz to adopt Resolution #R-11:11-155, authorizing that the Authority hold a Closed Session Meeting to discuss personnel matters. There being no question on the motion, a roll call vote was taken. On roll call, the Commissioners responded to their names as follows:

Commissioner	Biondi	-	YES
"	Bresch	-	YES
"	Burley	-	YES
"	Engelbert	-	YES
"	MacFarlane	-	YES
"	McKernan	-	YES
"	Swartz	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-11:11-155 was adopted.

The meeting adjourned to closed session at 6:33pm.

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The Meeting returned to open session at 6:40pm.


**PUBLIC PARTICIPATION:**

NONE

There being no further business, Chairwoman Dixon entertained for a motion of adjournment. A motion was made by Commissioner McKernan and seconded by Commissioner MacFarlane. The meeting adjourned at 6:40 on a unanimous vote.

Minutes of this meeting were approved on Dec. 19, 2011

Respectfully Submitted,

  
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 Kim Michelini  
 Authority Secretary