

THE CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY

MINUTES OF THE REGULAR MEETING HELD ON FEBRUARY 21, 2012

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
"	Bresch	-	YES
"	Burley	-	YES
"	Engelbert	-	YES
"	MacFarlane	-	YES
"	McKernan	-	ABSENT
"	Swartz	-	YES
"	Wu	-	YES
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:

Robert Serpente, D&B/Guarino

OTHERS PRESENT:

Tomo Hirata
Gail Rosati, United Trucking

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 1, 2012 as set forth in its annual schedule of meetings, in compliance with the Open Public Meetings Law.

Chairwoman Dixon remarked that as she begins her 14th year as Chairperson, the CCMUA has undergone great transformation. Over the past 14 years, the CCMUA Board, staff and operations have become an award winning operation; become a leader in the industry in terms of what we do; been recognized publically for its initiative. We don't say it enough, but thank you to the management team and staff for making this entity what it is today. With that said, as we look toward the future, one of the things we have realized is that our staff has become very lean. We need to begin thinking about increasing the staff of building the team for the longevity of the CCMUA. We need to look at brining in new members to strengthen and enhance the current staff, especially since many employees are eligible for retirement. In addition, we want to continue to be a county resource by being the leader in the sustainability efforts. We want to work toward the completion of the sludge drying facility to realize the full cost savings. We also want to continue to be good neighbors. We have all experienced the green energy efforts, such as the solar panels, the geothermal project, etc. Our Vice-Chair has attended the green infrastructure events held in the City (rain gardens) and we want to continue these efforts. The riverfront park will be another green project that will benefit the community. Finally, we look to begin the extension of the regional sewer system in the southern end of the county. By way of the Executive Director's Report, the Board will receive monthly updates as to how these initiatives are progressing. I ask that the Board support these initiatives as we go forward and that the staff be recognized for their efforts in helping us become a leader in what we do to protect the environment.

ADOPTION OF MINUTES:

A motion was made by Commissioner Engelbert and seconded by Commissioner Burley to adopt the Minutes of the Annual Reorganization Meeting held on February 6, 2012. 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	-	YES
"	Bresch	-	YES
"	Burley	-	YES
"	Engelbert	-	YES
"	MacFarlane	-	YES
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

The motion was carried.

EXECUTIVE DIRECTOR'S REPORT:

Mr. Kricun thanked the Chairwoman for her remarks and thanked the entire Board for support for their support of our environmental initiatives and our green initiatives.

I) ITEMS FOR DISCUSSION:

A) Administration:

1) Environmental Management System – February 2012 Report
 Commissioner MacFarlane expressed his concern over the sludge dryers and asked for an update on the status of them. Mr. Kricun responded that through December, steady progress was being made, but in January, there was a setback. As a result, weekly status meetings with the manufacturer, Komline, the contract operator, Synagro, the design engineer, D&B and CCMUA staff, were resumed to discuss the progress of the dryers. It appeared that the dryers may not be compatible with our sludge as our sludge varies. Based on these discussions, a number of things became apparent- 1) the dryer has problems with our sludge when our sludge varies. They took a sample of the sludge and designed the dryer around it. However, our sludge varies from day to day, making their dryer not as versatile as was needed. We approached the problem in two ways- what could be done operationally to make the sludge more consistent and what can Komline do to make the dryers more flexible given the variations with our sludge? Our operations department has done a very good job in that they have cut back on the overall usage of polymer which has the added benefits of decreasing the chemical cost and making the sludge more consistent for the dryers. This was a change in task for O&M in that prior to the dryers; the task was to obtain the driest cake possible because we wanted to spend as little as possible in hauling. Now, consistency is more important rather than overly dry cake. This adjustment solved one of three issues faced.

The second issue is regarding the general workmanship. Those adjustments have been made as of late this afternoon and the second and third dryers have been running and doing well.

The third issue faced is whether there is a systemic problem with the dryers or a mechanical defect in one of the dryers. We believe that it may be that it is just a mechanical problem with one dryer only, but will not know for sure until the second and third dryers have run consistently- week to 10 days. If, optimistically, it is just an issue with one dryer, we believe that the workmanship issues can be resolved. However, if the issue with the dryers is systemic, then Komline will have to reassess and possibly redesign a portion of the system. To summarize, Mr. Kricun added that he is cautiously optimistic at this time that these matters will be resolved.

Commissioner Wu commented that he agreed with Commissioner MacFarlane's concern regarding the dryers. Mr. Kricun added that if the problem is a systemic problem with all three dryers, then he could call the bond which is equal to the \$14.5 million. He further noted that he has put Komline on notice that he could charge them \$5,000 per day in liquidated damages. They have every incentive to fix the issues. However, it makes more sense to stay the course, to allow Komline to fix the problems.

Commissioner Wu asked when the performance test would occur. Mr. Kricun clarified that it would not occur until these matters have been resolved. There are two options: if the problem is systemic, then upgrades to the transport system would be likely, which is costly in both time and money and Komline would be liable for the additional cost. It is estimated that the upgrades would take approximately 90 to 120 days. If the problem is because of workmanship, the problem can be resolved in a relatively short period of time.

Commissioner Wu asked when Synagro's contract was starting. It was explained that their contract would not start until we accepted the dryers and that won't happen until all of these issues have been resolved.

Commissioner Swartz asked if the onus was on the CCMUA to provide compatible sludge that is compatible to their dryer or was it on Komline to provide a dryer that is compatible with our sludge to which Mr. Kricun replied that it is on them; we are providing sludge as required.

Commissioner Bresch asked if the design engineer is the same as the builder. Mr. Kricun clarified that there were three entities- the design engineer, the installation contractor and the manufacturer. Commissioner Bresch asked who was responsible for quality control. In this case, all parties agreed that the installation was done properly and not the problem, rather, it appears to be a fabrication problem which makes it a problem for the manufacturer. It was not a problem that could have been detected by an on-site project inspector. It was asked if the warranty was in any way in jeopardy to which Mr. Kricun replied that it was not since the Authority does not yet own the equipment since the performance test was not administered nor passed. The manufacturer is responsible for the defects found in the equipment. It was asked if the equipment could be tweaked so that it could pass the performance test only to find that there are problems with the equipment at a later date. Mr. Kricun noted that the CCMUA hired the leading expert, Synagro, to operate the dryers. Synagro wouldn't want to accept the dryers unless they pass the performance test legitimately as they have a contract to operate the dryers for the next 10 years. The contracts with Komline and Synagro were structured so that the CCMUA is never really responsible for the dryers. Commissioner Swartz asked if Synagro also had a bond in place should there be problems, to which Mr. Kricun replied that they will be required to have a letter of credit in place.

Commissioner Engelbert asked for clarification regarding the difficulty in transporting the sludge to the dryer. Mr. Kricun replied that difficulty is in transporting the final product from the dryer. Currently, the consistency of the byproduct has been in the form of either: powder (65%), nuggets (25%) or cotton ball/fluff (10%) and the powder is the correct form. Mr. Cornforth added that the fluff is too light and feathery to be transported. Commissioner Engelbert asked if we knew what was causing the problems with the byproduct to which Mr. Cornforth responded that it was believed to be a problem with the last dryer. Mr. Kricun added that the nugget problem was resolved when we reduced our use of polymer. The fluff remains a problem, but we are hoping that it is simply a mechanical problem and not a systemic issue.

- 2) Camden Green Infrastructure Summary Report
- 3) Geothermal Energy Project
- 4) Personnel Matter
- 5) Update on PCB Trackdown Study- DRBC Directive

Commissioner MacFarlane stated requested clarification on the status of this matter. Mr. Kricun commented that three main contributors have been identified to date- one being the EPA who is overseeing the cleanup of the Martin Aaron superfund site. They have agreed to install a storm water control system. The other two identified sources are private companies with whom we will be following up with shortly.

Commissioner Wu asked Mr. Kricun for clarification on the CCMUA's legal responsibility in this matter. Mr. Kricun explained that the DRBC is a higher ranking agency (over the NJDEP). In this case, the CCMUA is the third largest discharger of PCB's; we don't generate them, but they pass through our system. In lieu of numerical limits, the CCMUA and other agencies agreed to track down the source in a best effort manner. In addition, the CCMUA has strict liability to track down the source and legally enforce. Mr. Rosoff added that the CCMUA is the delegated local agency for the NJDEP. Mr. Kricun added that the NJDEP Enforcement Bureau and the DRBC is involved in this matter.

Commissioner Swartz asked if the CCMUA could in any way lessen its financial, or otherwise, responsibility over the Martin Aaron superfund site since that site is overseen by the federal government. Mr. Kricun stated that the federal government agreed to do remediation by modifying their storm water collection system. The DRBC has directed the CCMUA to take the next steps with the other identified sources

- 6) Atlantic Basin Interceptor Project Update

B) Engineering:

- 1) Baldwins Run Site Remediation Contract- Final quantities change order to Neri's Construction
- 2) Ancora Sewage Treatment Plant Demolition- Final quantities change order to Neri's Construction

C) **Legal:**

D) **Operations & Maintenance:**

1) 2011 Maintenance Capital Projects

Commissioner Wu commented that the report and work performed is quite impressive. The staff is to be commended for work performed. Mr. Cornforth agreed and commented that the maintenance and electrical staff received additional training through the CCMUA's apprenticeship program and with those tools the staff is talented and knowledgeable in the work that they do. It was added that the CCMUA saved approximately \$450,000 by doing this work ourselves rather than by using a private contractor.

E) **Finance:**

1) Voucher Payment Resolutions - Report on Emergency Payments

II) **INFORMATIONAL ITEMS:**

A) **Administration**

- 1) CCMUA Organizational Chart – as of February 1, 2012
- 2) Personnel Department Update – as of February 1, 2012

B) **Finance**

- 1) Collections Report for January 2012
- 2) Budget Review Report for January 2012

Commissioner MacFarlane noted that the impact of the dryers not being fully operational is apparent. Mr. Werner stated that the \$108,000 charge by Komline for sludge disposal and the actual costs incurred for sludge disposal is being charged accordingly. Commissioner MacFarlane also questioned the utility and maintenance repair numbers. Mr. Werner clarified that these numbers are estimates this early in the year and is based on past accruals. He added that by March or April, we will have a better handle on it.

Mr. Kricun commented that our sludge disposal costs have been reduced from 2011 to 2012 from \$480,000/month to \$400,000/month, however the reduction was not what was anticipated, \$240,000/month. The \$160,000/month difference represents liquidated damages which the CCMUA has not lost its right to.

- 3) Cash Management Report – December 2011

C) **Operations & Maintenance:**

- 1) Del. No. 1 WPCF & Winslow STP- Discharge Monitoring Report (Dec 2011)
- 2) Del. No. 1 WPCF & Winslow STP- Sludge Quality Assurance Report (Nov 2011)
- 3) Del. No. 1 WPCF & Winslow STP- Operations Report (Dec 2011)

PUBLIC PARTICIPATION ON PROPOSED RESOLUTIONS:

NONE

OLD BUSINESS:

NONE

NEW BUSINESS:

A motion was made by Commissioner MacFarlane and seconded by Commissioner Biondi to adopt Resolution #R-12:2-33, authorizing a contract extension, 1st year option, with Office Basics through the Camden County Cooperative Pricing system, Camden County Bid A-51/2010), System Identifier #57-CCCPS. 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
"	Swartz	-	YES
"	Wu	-	YES

Chairwoman	Dixon	-	YES
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Resolution #R-12:2-33 was adopted.

A motion was made by Commissioner Biondi and seconded by Commissioner MacFarlane to adopt Resolution #R-12:2-34, authorizing the execution of purchase orders between the CCMUA and vendors under the New Jersey State Cooperative Purchasing Program FY 2012. 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
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-12:2-34 was adopted.

A motion was made by Commissioner Biondi and seconded by Commissioner MacFarlane to adopt Resolution #R-12:2-35, authorizing award of contract extension, 3rd one year option, for Exterminating Services with Tri-County Termite and Pest Control, Inc. through the Camden County Cooperative Pricing System, Camden County Bid A-50/2009 System Identifier #57. 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
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-12:2-35 was adopted.

A motion was made by Commissioner Biondi and seconded by Commissioner MacFarlane to adopt Resolution #R-12:2-36, authorizing the execution of an agreement between the CCMUA and USALO, LLC, of Baltimore, Maryland for supply and delivery of liquid polymer in accordance with Specification #11-32. 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
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-12:2-36 was adopted.

A motion was made by Commissioner Biondi and seconded by Commissioner Burley to adopt Resolution #R-12:2-37, authorizing the execution of an agreement between the CCMUA and Longo Electrical-Mechanical, Inc., of Wharton, New Jersey for the requirements for providing the CCMUA with electric motor repair services in accordance with Specification #11-31. Commissioner noted that there is a big price difference between the first and second bidder and asked if we have ever worked with Longo before. Mr. Cornforth stated that this is the first time we are awarding a contract to them, however, they have bid before. Commissioner MacFarlane noted that the award amount is an upset amount which hopefully we do not fully spend. Mr. Cornforth clarified that this is a not to exceed amount and the contract will be used on an as-needed basis. 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
	"	Swartz	-	YES
	"	Wu	-	YES
Chairwoman		Dixon	-	YES

Resolution #R-12:2-37 was adopted.

A motion was made by Commissioner Biondi and seconded by Commissioner Engelbert to adopt Resolution #R-12:2-38, authorizing the execution of an agreement between the CCMUA and J Fletcher Creamer & Son, Inc., Hackensack, New Jersey for emergency/urgent repair services in accordance with Specification #11-25. Commissioner MacFarlane noted that their headquarters is located in Hackensack, NJ and asked if the response would be affected. Mr. Cornforth stated that this concern is addressed in that the contractor has a two hour time frame in which to respond to the initial call on site. He added that he is aware that they have several yards throughout the State. Chairwoman Dixon asked if they could not timely respond, how we would determine who to use. Mr. Cornforth stated if needed we would likely use the contractor named for the non-urgent repair work (#R-12:2-39) since rates are established and if they were not available, we would use last year's contractor for this service. Commissioner Swartz noted that it is unfortunate that the second lowest bidder was a Camden County company. 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
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-12:2-38 was adopted.

A motion was made by Commissioner Biondi and seconded by Commissioner Engelbert to adopt Resolution #R-12:2-39, authorizing the execution of an agreement between the CCMUA and Mount Construction Company, Inc., Berlin, New Jersey for miscellaneous excavation, paving and utility repair services (non-urgent) in accordance with Specification #11-26. 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
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-12:2-39 was adopted.

A motion was made by Commissioner MacFarlane and seconded by Commissioner Engelbert to adopt Resolution #R-12:2-40, authorizing a time extension to the CCMUA's Agreement with TD Bank for Cash Management Lock Box Services. 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
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-12:2-40 was adopted.

A motion was made by Commissioner Engelbert and seconded by Commissioner MacFarlane to adopt Resolution #R-12:2-41, authorizing final change order to the Ancora Sewage Treatment Plant demolition contract with Neri's Construction. 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	-	NO
"	Bresch	-	YES
"	Burley	-	YES
"	Engelbert	-	YES
"	MacFarlane	-	YES
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-12:2-41 was adopted.

A motion was made by Commissioner Engelbert and seconded by Commissioner MacFarlane to adopt Resolution #R-12:2-42, authorizing final change order to the Baldwin's Run Site Remediation Contract with Neri's Construction. 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	-	NO
"	Bresch	-	YES
"	Burley	-	YES
"	Engelbert	-	YES
"	MacFarlane	-	YES
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-12:2-42 was adopted.

A motion was made by Commissioner Biondi and seconded by Commissioner Engelbert to adopt Resolution #R-12:2-43, designating a Service Provider for the Administration of the Authority's Drug and Alcohol Program. 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
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-12:2-43 was adopted.

A motion was made by Commissioner Swartz and seconded by Commissioner Biondi to adopt Resolution #R-12:2-44, establishing and/or amending salary range 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
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-12:2-44 was adopted.

A motion was made by Commissioner Swartz and seconded by Commissioner Biondi to adopt Resolution #R-12:2-45, authorizing payment of \$2,063,196.51 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	-	YES ABSTAIN (<i>see below</i>)
"	MacFarlane	-	YES
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-12:2-45 was adopted.

A motion was made by Commissioner Biondi and seconded by Commissioner Swartz to adopt Resolution #R-12:2-46, authorizing that the Authority hold a Closed Session Meeting to discuss legal 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
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-12:2-46 was adopted.

The meeting adjourned to closed session at 6:48pm.
The meeting returned to open session at 6:58pm.

PUBLIC PARTICIPATION:


NONE

Commissioner Engelbert noted for the record that he was changing his vote on Resolution #R-12:2-45 from YES to ABSTAIN.

There being no further business, the meeting adjourned at 6:58pm on a unanimous vote.

Minutes of this meeting were approved on 3/19/12

Respectfully Submitted,



Kim Michelini
Authority Secretary