

CERTIFICATION

I hereby certify the attached to a true and correct copy of the unapproved Minutes of the October 15, 2012 Regular Meeting of the Camden County Municipal Utilities Authority. It is anticipated that these minutes will be adopted by the CCMUA's Board of Commissioners at the November 19, 2012 Regular Meeting.



Kim Michelini
Authority Secretary

THE CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY

MINUTES OF THE REGULAR MEETING HELD ON OCTOBER 15, 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	-	ABSENT
"	Engelbert	-	YES
"	MacFarlane	-	YES
"	McKernan	-	YES
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

STAFF PRESENT:

Andrew Kricun, Executive Director/Chief Engineer
Laurence E. Rosoff, Solicitor
Wayne Planamento, Chief Financial Officer

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

CONSULTANTS:

Alan Parry, Synagro
Bob Serpente, D&B/Guarino

OTHERS PRESENT:

Jack Hain, Blue Sky Power
Charles Licata, Camden Maritime Museum

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.

ADOPTION OF MINUTES:

A motion was made by Commissioner McKernan and seconded by Commissioner Biondi to adopt the Minutes of the Regular Meeting held on September 17, 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
"	Engelbert	-	YES
"	MacFarlane	-	ABSTAIN
"	McKernan	-	YES
"	Swartz	-	ABSTAIN
"	Wu	-	YES
Chairwoman	Dixon	-	YES

The motion was carried.

EXECUTIVE DIRECTOR'S REPORT:

D) ITEMS FOR DISCUSSION:

A) Administration:

1) Environmental Management System – October 2012 Report

Commissioner Wu commented that the sludge dryers appear to be operating well in that there have not been any odor complaints. What is the next step regarding the performance test for the dryers? Mr. Kricun replied that the performance test started last Tuesday and ran through Sunday and that it appeared to be successful. He introduced Alan Parry of Synagro, who was present at the meeting to offer more information. Mr. Parry explained that he met with Oleg Zonis of D&B/Guarino this morning and Doug Grunwald of Komline Sanderson and from the energy perspective everything is good. The only issue is that we were not able to sustain the maximum throughput for the entire system because of the bulk density dropping. However, the dryers were able to take all of the CCMUA's sludge during the test. D&B/Guarino is satisfied with the results thus far and we are where we thought we'd be regarding the efficiency of the dryer, the variation rates of the kilowatts are all within the limits set by the Komline agreement, etc. Mr. Kricun added that the CCMUA considers the dryers to have passed the performance test. The next step is to negotiate a settlement

agreement with Komline because the dryers cannot take all of our sludge without the presence of the strain presses, and, therefore, cannot meet the parameters set by the performance test. There are temporary strain presses in now; permanent strain presses must be installed. A meeting with Komline is scheduled for October 23rd to continue those discussions as explained in last month's closed session. The outline of the settlement has already been largely agreed to. Commissioner Wu asked when the CCMUA expected to begin its contract with Synagro. Mr. Kricun responded that a lot will depend on the negotiations with Komline because we wouldn't want to turn it over to Synagro unless we knew that Komline had agreed to the conditions of the settlement. Mr. Kricun further explained that the dryer's performance is a success. It's a matter of contractually arranging with Komline Sanderson so that we are made whole. We will also need to negotiate with Synagro the changes to the dryers. The dryers are somewhat different than those designed in and negotiated for in 2011 so we must make some adjustments. In some ways, it's a little easier, as we installed some equipment that makes it easier, however, in some respects it's different and more difficult too. So, we will need to see if any substantive changes are necessary to the contract with Synagro. Mr. Kricun added that he is hoping to have a settlement with Komline to present to the Board at the November meeting.

Commissioner Wu asked for a status update regarding the Green Energy RFP. Mr. Kricun responded that the RFP was issued and two proposals were received and reviewed. One proposal was for the installation of solar panels; however, the majority of the solar panels were not being installed on our property. It is not likely that we will proceed with this proposal. The other proposal received is for the geothermal project which is likely to go forward. We will probably be negotiating the final contract with NovaThermal Energy to install the geothermal project in at the headworks of the plant. It will be a modest cost savings for us, approximately \$80,000 per year. In addition, we received a \$1,000,000 grant from PSE&G which will help reduce our costs.

Mr. Kricun reminded the Board that the Green Energy RFP was bifurcated. The second RFP is a digester RFP and this RFP was approved by the Department of Community Affairs (DCA) last Thursday. The RFP will be issued November 1st with a return date in early January 2013. We have at least three vendors who appear interested in responding to the RFP. These vendors have indicated that the digester gas produced/generated from our plant could be used to power the entire plant. This was verified by the design engineer of the plant, Greeley and Hansen. It is a matter of feasibility and cost. The RFP will be issued as a design, build, own, operate and maintain and the vendor will sell us back the power that is generated as a fuel in lieu of electricity. It is hoped that by summer of 2015, the CCMUA will be off the power grid entirely.

- 2) Recognizing Anthony DeLuca's 14 years as CCMUA's liaison with the Public Employee's Charitable Campaign
- 3) Participation in NJ Board of Public Utilities Energy Audit Program
Commissioner Wu commented that it is a good opportunity for the CCMUA to participate in this free energy audit and that hopefully; the CCMUA can utilize and implement their recommendations. Mr. Kricun agreed that the audit would likely result in recommendations that the CCMUA could take advantage of. The program has been adapted to allow our wastewater treatment plant to be a part of their energy audit. Commissioner Wu wanted to know when the program was to start to which Mr. Kricun replied that we have submitted the RFP to the Board of Public Utilities (BPU) who will supply quotes back to us. There are five or six agencies statewide who are approved to conduct the audit. We will pick the best combination of lowest price and experience. It is anticipated that the auditor would be on site in approximately 45-60 days. Mr. Kricun commended Scott Schreiber, of our Finance Department, for the great job he did in putting together the RFP.
- 4) NJ Alliance for Action "Savior of the Environment" Award
- 5) 2013 Annual Budget
Mr. Kricun commended Wayne Planamento and his staff, as well as Bob Cornforth for their work on putting together the proposed 2013 Budget. The CCMUA has not raised rates since 1996 and the rate at that time was \$337/year. In 2012, the CCMUA was faced with our first increase since 1996 and we had the choice to increase the rate one time which would have probably been good for five (5) years or so or we could increase the rates incrementally. It was decided to raise the rates incrementally. Therefore, we are looking to increase the 2013 annual user rate by \$14, from \$324 to \$338 per year. This increase will allow us to meet our costs/financial obligations; deal with some external costs/extra payments, the increase in debt service due to the recent capital improvements, and the fact that our connection fee revenue has decreased due in part to the changes in the housing market. This increase should be sufficient to meet those additional costs and loss of revenue. If the Board adopts the resolution on the Budget, the budget will then be sent to the Department of Community Affairs (DCA) for approval. Once the DCA approves the budget, a public hearing will be scheduled on the budget and user rate increase.
- 6) National Association of Clean Water Agencies/Water Environment Federation
Selection of CCMUA to Serve on National Utility of the Future Task Force
Commissioner Wu congratulated Mr. Kricun and the staff on being selected to serve on this national task force. Mr. Kricun noted that it starts with the direction of the Board regarding environmental and community service matters. The task force was developed by the Water Environment Federation. It is a nationwide task force consisting of approximately 40 people; approximately 15 are from utilities, 15 are from industry and 10 or so are educators. The task

force will develop a report/blue print of the best practices for the water/wastewater utility of the future with the intention of presenting the recommendations to the United States Congress. It is an honor for the CCMUA to have been selected.

B) Engineering:

- 1) Sludge Drying Facility- PKF-Mark III Electrical Claim

Mr. Kricun noted that the electrical claim, as discussed in last month's closed session, was received. He will be responding to that claim immediately.

C) Legal:

D) Operations & Maintenance:

E) Finance:

- 1) Voucher Payment Resolutions - Report on Emergency Payments

II) INFORMATIONAL ITEMS:

A) Administration

- 1) CCMUA Organizational Chart – as of October 1, 2012

B) Finance

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

Commissioner MacFarlane commented that the sludge and waste numbers were ridiculously low-finally. He added that it is a wonderful achievement in many ways because from an environmental perspective, it means that we have less trucks going out; less energy being wasted; we are not disposing of waste, rather we are using it to create something that can be used. It is a great savings to the CCMUA and through the installation of new technology; we have managed to achieve all of this and then some. It is also wonderful with respect to the community because it reduces the odor potentials which was the main purpose for the installation of the sludge dryers. He thanked Mr. Kricun and the staff that worked through this, noting that while it certainly didn't come without some gnashing of teeth, the result in the end is a benefit to everyone. Mr. Kricun concurred, stating that he is pleased at the results and that the CCMUA was able to reduce odors in a cost effective way. He added that the CCMUA is looking forward to our partnership with Synagro.

Commissioner MacFarlane also commented that the budget looks great.

- 3) Cash Management Report – August 2012
4) Accounts Receivable, Collection & Aging Report (October 2012)

C) Operations & Maintenance:

- 1) Del. No. 1 WPCF & Winslow STP- Discharge Monitoring Report (Aug 2012)
2) Del. No. 1 WPCF & Winslow STP- Sludge Quality Assurance Report (July 2012)
3) Del. No. 1 WPCF & Winslow STP- Operations Report (Aug 2012)

PUBLIC PARTICIPATION ON PROPOSED RESOLUTIONS: NONE

OLD BUSINESS:

Commissioner McKernan stated that the Shared Services Agreement for human resources as submitted by Camden County is old business and that before it is considered by the Board of Commissioners, it should be discussed in closed session.

NEW BUSINESS:

A motion was made by Commissioner Biondi and seconded by Commissioner Engelbert to adopt Resolution #R-12:10-132, authorizing the execution of an agreement between the CCMUA and Gayle Corporation of Malvern, PA for the supply and delivery of parts for Gorman Rupp Pumps in accordance with Specification #12-26. Commissioner McKernan directed his question regarding this resolution and the next (#133) to Mr. Cornforth. He noted that there is only one bidder for both of these bids and asked if the reason was because it is considered proprietary. Mr. Kricun added that this resolution was tabled last month because there was a question as to the difference in bid price from the previous contract to this contract. Mr. Cornforth stated that regarding this resolution, there was only one bidder. He explained that he is not certain whether it is considered proprietary or not since we currently have a two year contract with a different vendor. However, that contract, with Process Technologies, is for after-market parts. He added that he understood that they chose not to bid this time and that we are not sure of the reason why. Did they choose not to bid because of the problems we have had with their parts or because there was a mix up in their office and they simply missed the bid deadline? They have been supplying after-market parts under the current two year contract are about half the price from that which was bid on the current specification (\$130,000 versus \$240,000 for the exact same number of parts), but we have had serious problems with these inferior parts. As you can see from the explanatory memo attached to the resolution, we only spent \$29,000 over two year contract period mainly because the parts that were ordered from Process Technologies did not work properly. As a result, we either bought parts directly from Gayle Corporation on quotes or emergency purchase orders because we knew the parts did not fit properly. So, to answer the original question, it is sort of proprietary, however there is an after market vendor,

however, that vendor did not bid on this specification. 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
"	Engelbert	-	YES
"	MacFarlane	-	YES
"	McKernan	-	YES
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-12:10-132 was adopted.

A motion was made by Commissioner Biondi and seconded by Commissioner MacFarlane to adopt Resolution #R-12:10-133, authorizing the execution of an agreement between the CCMUA and Thermo Fisher Scientific of Sugar Land, Texas for disposal agreement and site service for 2 Kay Ray Units in accordance with request for Quote #2012-Q1. Commissioner McKernan noted that there was only one bid and asked if it was proprietary. Mr. Cornforth responded that we have three nuclear density meters which are regulated by the Nuclear Regulatory Commission and NJDEP Bureau of Radiation. The two meters in question were left over from the original Camden City Plant and have been abandoned in place since that time. We were recently audited by the NJDEP Bureau of Radiation and it was noted that we did not regularly inventory and/or monitor them. He added that we knew that the prices were over the quote limit, but less than the bid limit, therefore, with the County's help, we went out for a publically advertised Request for Quotations (RFQ) which was publically advertised in the local newspapers. The vendors must be an NRC licensed vendor to properly dispose of these devices and there may likely more than one vendor, however, only one vendor responded to our RFQ. 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
"	Engelbert	-	YES
"	MacFarlane	-	YES
"	McKernan	-	YES
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-12:10-133 was adopted.

A motion was made by Commissioner Swartz and seconded by Commissioner MacFarlane to adopt Resolution #R-12:10-134, authorizing acceptance of, and payment for, permanent Deed of Easement. 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
"	Engelbert	-	YES
"	MacFarlane	-	YES
"	McKernan	-	YES
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-12:10-134 was adopted.

A motion was made by Commissioner Biondi and seconded by Commissioner McKernan to adopt Resolution #R-12:10-135, approving the Authority's 2013 Budget. 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
"	Engelbert	-	YES
"	MacFarlane	-	YES
"	McKernan	-	YES
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-12:10-135 was adopted.

A motion was made by Commissioner MacFarlane and seconded by Commissioner Engelbert to adopt Resolution #R-12:10-136, resolution rejecting bids and authorizing rebid of Specification #12-22, Removal and Disposal of Grit and Scum. Mr. Kricun noted that this resolution was tabled at last month's meeting due to a bid protest. He explained that our Solicitor reviewed the matter and determined that the specification was ambiguous and felt that the best course of action was to reject all bids, revise the specifications and re-advertise. 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
"	Engelbert	-	YES
"	MacFarlane	-	YES
"	McKernan	-	YES
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-12:10-136 was adopted.

A motion was made by Commissioner Biondi and seconded by Commissioner Engelbert to adopt Resolution #R-12:10-137, updating the CCMUA's list of titles to correspond to existing Civil Service titles. 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
"	Engelbert	-	YES
"	MacFarlane	-	YES
"	McKernan	-	YES
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-12:10-137 was adopted.

A motion was made by Commissioner Biondi and seconded by Commissioner Swartz to adopt Resolution #R-12:10-138, ratifying approval of expense vouchers as approved by the Executive Director under authorization granted by the 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
"	Engelbert	-	YES
"	MacFarlane	-	YES
"	McKernan	-	YES
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-12:10-138 was adopted.

A motion was made by Commissioner Biondi and seconded by Commissioner MacFarlane to adopt Resolution #R-12:10-139, authorizing payment of \$6,310,358.11 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
"	Engelbert	-	YES
"	MacFarlane	-	YES
"	McKernan	-	ABSTAIN
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-12:10-139 was adopted.

A motion was made by Commissioner McKernan and seconded by Commissioner MacFarlane to adopt Resolution #R-12:10-140, authorizing that the Authority holds 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

"	Engelbert	-	YES
"	MacFarlane	-	YES
"	McKernan	-	YES
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-12:10-140 was adopted.

The meeting adjourned to closed session at 6:27pm.

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

A motion was made by Commissioner McKernan and seconded by Commissioner Biondi to adopt Resolution #R-12:10-141, authorizing a Shared Services Agreement by and between the County of Camden and the CCMUA for provision of Human Resources 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
"	Engelbert	-	YES
"	MacFarlane	-	YES
"	McKernan	-	YES
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

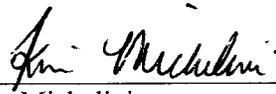
Resolution #R-12:10-141 was adopted.

PUBLIC PARTICIPATION: NONE

There being no further business, Chairwoman Dixon adjourned the meeting at 6:41pm

Minutes of this meeting were approved on Nov 19, 2012

Respectfully Submitted,



 Kim Michelini
 Authority Secretary