

CERTIFICATION

I hereby certify the attached to a true and correct copy of the unapproved Minutes of the January 27, 2014 adjourned 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 February 18, 2014 Annual Reorganization Meeting.



Kim Michelini
Authority Secretary

THE CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY

MINUTES OF THE REGULAR MEETING HELD ON JANUARY 27, 2014

The Regular Meeting of The Camden County Municipal Utilities Authority which was postponed from January 21, 2014 due to inclement weather was called to order by Chairman Brennan at 6:02 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	Bresch	-	YES
"	Burley	-	ABSENT
"	Dixon	-	ABSENT (<i>arrived late- 6:09pm</i>)
"	Engelbert	-	YES
"	MacFarlane	-	YES
"	Swartz	-	YES
"	Wu	-	YES
"	Young	-	YES
Chairman	Brennan	-	YES

STAFF PRESENT:

Andrew Kricun, Executive Director
Laurence E. Rosoff, Solicitor
Wayne Planamento, Chief Financial Officer
Robert Cornforth, Director of O&M

Kim Michelini, Authority Secretary
Alisa Smith, Secretarial Assistant

CONSULTANTS:

Robert Serpente, D&B/Guarino
Doug Bacher, NW Financial
Robert Beinfield, Hawkins Delafield & Wood

OTHERS PRESENT:

Marge DellaVecchia, Camden County

Chairman Brennan 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 13, 2013 as set forth in its annual schedule of meetings, in compliance with the Open Public Meetings Law. The originally scheduled January 21, 2014 meeting was postponed due to inclement weather and notice for the new date was published in the Courier Post on January 23, 2014.

ADOPTION OF MINUTES:

A motion was made by Commissioner MacFarlane and seconded by Commissioner Engelbert to adopt the Minutes of the Regular Meeting held on December 16, 2013. There being no question on the motion, a roll call was taken. On roll call, the Commissioners responded to their names as follows:

Commissioner	Bresch	-	YES
"	Engelbert	-	YES
"	MacFarlane	-	YES
"	Swartz	-	YES
"	Wu	-	YES
"	Young	-	YES
Chairman	Brennan	-	YES

The motion was carried.

EXECUTIVE DIRECTOR'S REPORT:

D) ITEMS FOR DISCUSSION:

A) Administration:

- 1) Environmental Management System- January 2014
Commissioner Wu asked for an update regarding the status of the sludge dryers. Mr. Kricun stated that the matter would be discussed in further detail in closed session.
- 2) Environmental Management System- Receipt of National Certification
- 3) National Utilities Convening Partnership
- 4) Camden County Sustainability Program- Sustainability Benchmarking Program

B) Engineering:

- 1) Sludge Digestion Facility

C) Legal:

D) Operations & Maintenance:

E) Finance:

- 1) Voucher Payment Resolutions - Report on Emergency Payments

II) INFORMATIONAL ITEMS:

A) Administration

Mr. Kricun updated the Board on four recent items:

- 1) The Governor signed a new bill that allows three New Jersey authorities, as a pilot, to undertake additional capital infrastructure beyond their normal scope of services by using any surplus funds it may have. For instance, the CCMUA could assist Camden County with infrastructure improvements by using its surplus funds. The pilot program will run from 2014 through 2018. Each project would have to be approved by the CCMUA Board of Commissioners, Camden County Board of Freeholders and the Local Finance Board. Only County, not municipal, infrastructure projects would apply. This gives the CCMUA more flexibility and opportunity to make improvements to the County's infrastructure.
- 2) A copy of a recent Philadelphia Inquirer article was sent to the Board regarding Philadelphia's digester/energy generation program. The CCMUA is looking to enter into a similar agreement. Philadelphia's program sends all sludge through the digester which reduces the total sludge quantities generated. In addition to there being less sludge produced, it is easier to dry and the process generates electricity. The CCMUA received four digestion proposals and all four proposals indicate that the process will generate about 16,000,000 kilowatt hours of electricity from the biogas that is generated from the digestion process. This represents about 50% of our total electricity used at the main plant.
- 3) At the November Board meeting, the CCMUA approved an agreement with the City of Camden for the CCMUA to oversee their operations and maintenance of the water and wastewater systems. Camden City Council approved the agreement and Mayor Redd signed the agreement last Friday. Therefore, the CCMUA will be going forward with an RFP to retain a consulting engineer to assist us with oversight and inspection of Camden's sewer system. The main goal is to minimize raw sewage flooding, and also water loss on the drinking water side. The CCMUA and the City will also be working together to develop an RFP for a new contract operations agreement, assuring that best management practices for sewer and water are required in the new contract. Camden's current agreement with United Water expires at the end of this year.
- 4) The CCMUA and the County of Camden entered into a shared services agreement for the CCMUA to provide assistance during the Cooper River Water Quality Improvement project, which will involve dredging of the lake. The County had requested our assistance as the CCMUA has a good reputation with environmental groups. As a result, meetings were held with the various environmental groups whereby their concerns were incorporated into the plan. The plan is to go out for bids next month and award a contract at the CCMUA's March meeting. This will require an additional agreement with the County to ensure that there is an efficient manner in which the funds are transferred from the County to the CCMUA to ensure that there is no delay in reimbursement. Chairman Brennan noted that the CCMUA is willing to assist the County however reimbursement of expended funds needs to be timely, especially on a project of this size. One possibility is that the available monies be transferred to us, which would not be spent without the County's approval and it was

suggested to Ms. DellaVecchia as a possibility that a workgroup be formed to keep the process of project approvals, payments and reimbursements moving timely and efficiently. Mr. Kricun noted that a conference call was held today regarding this matter and a consensus was reached as to how the CCMUA Board and the Freeholder Board will handle this matter. Commissioner Bresch noted the only concern on such undertakings is that these matters do not interfere with Mr. Kricun's ability to also oversee the CCMUA's daily operation.

B) Finance

- 1) Collections Report for December 2013
- 2) Budget Review Report for December 2013

Commissioner MacFarlane noted that the last expenditures for 2013 were listed on this month's report and that sludge and waste were over budget and utilities were close to budget for the year. Mr. Planamento explained that the CCMUA received the actual gas and electric invoices and as a result, actual utility costs came out as projected. Commissioner MacFarlane asked if the sludge and waste budget line item was adjusted for 2014. Mr. Kricun stated that during 2013, there were six or seven months where the dryers took all of our sludge and five or six months (colder) where the dryers did not take all of our sludge. At the present time, the CCMUA is working to improve upon these statistics and the matter will be discussed further in closed session. Mr. Kricun added that he believed that the dryer's productivity can be improved. In addition, he stated that he, David Luthman of the PCFA and Marge DellaVecchia met with representatives of Covanta Energy, owner of the trash to steam plant in Camden, and there is a good possibility that they may be willing to take the dried byproduct from the dryers and materials from the screening process. This would significantly reduce our per ton disposal cost. The CCMUA presently pays \$80/ton to dispose of the screenings. Covanta would need to modify their permit to accept the dried product and they seem very open to doing so. In addition, Covanta appears to be community oriented in that they helped Sacred Heart and the Heart of Camden over the holidays. It is hoped that not only will we be able to decrease the unit cost for disposal, but once the optimal protocol for the dryers is determined, there will be a decrease in the production of the dried byproduct.

- 3) Cash Management Report for November 2013
- 4) On-Line Payment Options

C) Operations & Maintenance:

- 1) Del. No. 1 WPCF & Winslow STP- Operations Report (November 2013)
- 2) Bid Price Comparison

PUBLIC PARTICIPATION ON PROPOSED RESOLUTIONS:

None

OLD BUSINESS:

None

NEW BUSINESS:

Mr. Kricun noted that the CCMUA's former Solicitor, Thomas Higgins, recently passed away. Mr. Higgins was a great help to the CCMUA and his passing is a great loss to the CCMUA and the legal community. The CCMUA lowered the flag to commemorate his passing.

A motion was made by Commissioner MacFarlane and seconded by Commissioner Bresch to adopt Resolution #R-14:1-1, authorizing the execution of an agreement between the CCMUA and Ed Kurth & Sons, Inc., for maintenance and repair of boilers and boiler systems in accordance with Specification #13-21. 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	Bresch	-	YES
"	Dixon	-	YES
"	Engelbert	-	YES
"	MacFarlane	-	YES
"	Swartz	-	YES
"	Wu	-	YES

"	Young	-	YES
Chairman	Brennan	-	YES

Resolution #R-14:1-1 was adopted.

A motion was made by Commissioner Engelbert and seconded by Commissioner Bresch to adopt Resolution #R-14:1-2, authorizing the execution of an agreement between the CCMUA and Mount Construction of Berlin, New Jersey for the rehab of plant drain and pipe system in accordance with Specification #13-26. 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	Bresch	-	YES
"	Dixon	-	YES
"	Engelbert	-	YES
"	MacFarlane	-	YES
"	Swartz	-	YES
"	Wu	-	YES
"	Young	-	YES
Chairman	Brennan	-	YES

Resolution #R-14:1-2 was adopted.

A motion was made by Commissioner Engelbert and seconded by Commissioner Bresch to adopt Resolution #R-14:1-3, authorizing the execution of an agreement between the CCMUA and Polydyne, Inc., of Riceboro, Georgia, for supply and delivery of liquid polymer in accordance with Specification #13-25. 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	Bresch	-	YES
"	Dixon	-	YES
"	Engelbert	-	YES
"	MacFarlane	-	YES
"	Swartz	-	YES
"	Wu	-	YES
"	Young	-	YES
Chairman	Brennan	-	YES

Resolution #R-14:1-3 was adopted.

A motion was made by Commissioner Swartz and seconded by Commissioner Engelbert to adopt Resolution #R-14:1-4, authorizing the execution of an agreement between the CCMUA and Total Equipment Training for NCCCO Mobile Crane Training and Testing in accordance with Request for Quote. Mr. Rosoff clarified that attached to the resolution is an agreement that was prepared by Total Equipment Training. Mr. Cornforth and I reviewed the agreement and the paragraph referring to indemnification is very broad. I am recommending that the agreement be modified before the agreement is signed by the CCMUA. 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	Bresch	-	YES
"	Dixon	-	YES
"	Engelbert	-	YES
"	MacFarlane	-	YES
"	Swartz	-	YES
"	Wu	-	YES
"	Young	-	YES
Chairman	Brennan	-	YES

Resolution #R-14:1-4 was adopted.

A motion was made by Commissioner Engelbert and seconded by Commissioner Bresch to adopt Resolution #R-14:1-5, authorizing Change Order No. 3 to Clyde Lattimer and Son for construction of the Sicklerville Pump Station. 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	Bresch	-	YES
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"	Dixon	-	YES
"	Engelbert	-	YES
"	MacFarlane	-	YES
"	Swartz	-	YES
"	Wu	-	YES
"	Young	-	YES
Chairman	Brennan	-	YES

Resolution #R-14:1-5 was adopted.

Mr. Kricun noted that this resolution is for debt service payment assistance and the CCMUA's bond counsel, Bob Beinfield (Hawkins Delafield & Wood) and financial advisor, Doug Bacher (NW Financial), were in attendance to answer any questions on this matter. A motion was made by Commissioner Bresch and seconded by Commissioner Dixon to adopt Resolution #R-14:1-6, resolution of the Camden County Municipal Utilities Authority authorizing a credit facility to be deposited to enable the CCMUA to access the debt service reserve fund and other matters incidental thereto. Chairman Brennan asked if the agreement and documents were in proper form and was this the best step for the Authority at this time? Mr. Beinfield responded that it is 100% the proper step for the CCMUA at this time. The agreement with the bank has been reviewed and all the necessary paperwork has been negotiated and we feel very comfortable with it as presented at this time. Mr. Bacher agreed noting that it is a good fit for the CCMUA. Chairman Brennan thanked both gentlemen for their work in assisting the CCMUA with this matter. Commissioner Engelbert asked if there was a down side to this process to which Mr. Kricun responded it allows the CCMUA to utilize money from the debt service reserve fund to pay the debt service today and noted that the only real down side is that the CCMUA won't have the money available in 2016 and 2017. However, the CCMUA needs this money now. The thought is that by the end of February 2014 the Atlantic Basin Interceptor Expansion project will be completed, connecting the southern end of the County to the system, allowing for additional connection fee revenue. It is this revenue that is hoped to make up for the short fall caused by this process. The CCMUA has recently reduced its surplus significantly with the unexpected expenses incurred last year (additional paving, surplus payments, etc). This letter of credit will help to plug the hole for 2014 and 2015 and hopefully the CCMUA will have the additional revenue from connection fees from the newly expanded interceptor in 2016 and 2017. Mr. Beinfield explained that sometimes there is a downside in that they don't extend for the life of the bonds. For instance, it is not common to see 10 or 15 years in duration. In the CCMUA's case, this letter of credit extends 3 1/2 years and it is believed that it will not be needed after this point so that down side is not there for the CCMUA. Chairman Brennan noted that there is a cost to the CCMUA, however, Mr. Bacher pointed out that the RFP was designed in such a way so as to attract different kinds of facilities. The fees associated with this process is approximately \$325,000 for the life of the letter of credit which is 3 1/2 years. It was the cheapest money resulting from the RFP process. There were other options but they were significantly higher in cost. Mr. Kricun explained that there were four responses to the RFP that was issued. Not only was the Bank of New York the lowest response, but they are also our Trustee which gives a level of comfort in this matter. Mr. Kricun thanks Chairman Brennan, Bob Beinfield and Doug Bacher for their support and hard work in seeing this through for the Authority. 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	Bresch	-	YES
"	Dixon	-	YES
"	Engelbert	-	YES
"	MacFarlane	-	YES
"	Swartz	-	YES
"	Wu	-	YES
"	Young	-	YES
Chairman	Brennan	-	YES

Resolution #R-14:1-6 was adopted.

A motion was made by Commissioner MacFarlane and seconded by Commissioner Swartz to adopt Resolution #R-14:1-7, authorizing settlement of condemnation proceeding for prior acquisition of Sicklerville Pump Station site, Winslow Township, New Jersey. Commissioner Dixon wanted to know what the attorneys fees were on this matter. Mr. Rosoff stated that the bulk of the negotiation was done earlier when negotiating the initial settlement. Mr. Kricun clarified that the entire settlement negotiation process, including this additional negotiation, cost the CCMUA approximately \$5,000 to \$6,000. The owners of the property were very demanding and difficult to deal with. 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	Bresch	-	YES
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"	Dixon	-	YES
"	Engelbert	-	YES
"	MacFarlane	-	YES
"	Swartz	-	YES
"	Wu	-	YES
"	Young	-	YES
Chairman	Brennan	-	YES

Resolution #R-14:1-7 was adopted.

A motion was made by Commissioner Swartz and seconded by Commissioner MacFarlane to adopt Resolution #R-14:1-8, 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	Bresch	-	YES
"	Dixon	-	YES
"	Engelbert	-	YES
"	MacFarlane	-	YES
"	Swartz	-	YES
"	Wu	-	YES
"	Young	-	YES
Chairman	Brennan	-	YES

Resolution #R-14:1-8 was adopted.

A motion was made by Commissioner Engelbert and seconded by Commissioner Young to adopt Resolution #R-14:1-9, authorizing payment of \$6,514,011.98 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	Bresch	-	YES
"	Dixon	-	YES
"	Engelbert	-	YES
"	MacFarlane	-	ABSTAIN
"	Swartz	-	YES
"	Wu	-	YES
"	Young	-	YES
Chairman	Brennan	-	YES

Resolution #R-14:1-9 was adopted.

A motion was made by Commissioner MacFarlane and seconded by Commissioner Swartz to adopt Resolution #R-14:1-10, authorizing that the Authority hold a Closed Session Meeting to discuss legal matters. All Commissioners responded "Aye" in favor. Chairman Brennan noted that he was requesting that Marge DellaVecchia remain present during the Closed Session meeting since she is the CCMUA's liaison and advisor and he is comfortable that any conversation in front of Ms. DellaVecchia is protected. Commissioner Dixon asked what if a Board member did not agree to which Chairman Brennan replied. There was no additional comment or discussion on the matter and the meeting adjourned to Closed Session.

Resolution #R-14:1-10 was adopted.

The meeting adjourned to closed session at 6:27pm.
The meeting returned to open session at 7:03pm.

Chairman Brennan noted that Freeholder Leonard commented that the CCMUA staff has done a great job in assisting the County during the recent snow storms, both in plowing and repairing of vehicles, going so far as to say that the County couldn't have made it without the CCMUA's talent and efforts.

In addition, Chairman Brennan stated that Commissioner Swartz' comments regarding how best to utilize the surplus funds were on target. The CCMUA will distinguish itself from other agencies by taking care of its core mission first and if there is additional surplus then the CCMUA can help the County.

As a reminder, the annual Reorganization Meeting is on Tuesday, February 18, 2014.

PUBLIC PARTICIPATION:

None

There being no further business, Chairman Brennan entertained for a motion of adjournment. A motion was made by Commissioner MacFarlane and seconded by Commissioner Young. All Commissioners responded "Aye" in favor and the meeting adjourned at 7:03pm. The meeting adjourned at on a unanimous vote.

Minutes of this meeting were approved on Feb 18, 2014

Respectfully Submitted,



Kim Michelini
Authority Secretary