

THE CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY

MINUTES OF THE REGULAR MEETING HELD ON MAY 21, 2012

The Regular Meeting of The Camden County Municipal Utilities Authority was called to order by Chairwoman Dixon at 6:03 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	-	ABSENT
"	MacFarlane	-	ABSENT
"	McKernan	-	YES
"	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:

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

OTHERS PRESENT:

Jim Rhodes, 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 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 Wu to adopt the Minutes of the Regular Meeting held on April 23, 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
"	McKernan	-	YES
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

The motion was carried.

EXECUTIVE DIRECTOR'S REPORT:

Andrew Kricun introduced Jim Rhodes, Deputy County Administrator, who is in attendance to brief the Board on participation in the State Health Benefits Plan (Resolutions #84 and #85). The CCMUA receives medical and prescription coverage through the County's plan. It is the County's intention to switch from the existing private plan to the State Health Benefits Plan. Mr. Rhodes thanked the staff for the opportunity to speak to the Board on this matter. He stated that he is the Deputy County Administrator responsible for the employee benefits, including evaluating the benefits provided to its employees especially since Chapter 78 became law effective June 28, 2011. The State mandated increased cost sharing for all public employees for health insurance premiums. This law may not affect everyone yet since the cost sharing is phased in over time at the expiration of union agreements. Once the union agreements expire, employees become subject to the premium cost sharing as established by the law. The cost sharing escalates over a four year period.

The benefits provided by the County are very rich in design. The County currently provides benefits through one carrier, Amerihealth. The plans are equal to or better than the plans negotiated with the unions. We initially had a 2 year agreement with Amerihealth for a fully insured product, which meant that the County paid premiums to Amerihealth.

However, this was not cost effective for Amerihealth nor were we able to obtain fully insured rates from other carriers. Therefore, the plans offered were switched to self-funded plans which are administered by Amerihealth. This means that the County benefits from all discounts offered by Amerihealth but the County pays all claims. This is the same for prescription, except Medco is the claims administrator.

We have been evaluating participation in the State Health Benefits Plan (SHBP) for quite some time. In part, because this helps us in negotiating with other carriers since the possibility exists that we could move to the SHBP. We have benefited from these cost savings in the last several years in that we have received only 10 or 12% increases. However, this is no longer the case. We have found that we are not able to keep up with the savings offered by the SHBP.

We have been approached by most of our unions, including Council 10, PPA and FOP, who are in favor of switching to the SHBP. We have found in our analysis that we will be able to save an estimated 20% by joining the SHBP, which is significant. This savings is important to both the employer and employee. There are more choices available to the employee and the plan premiums are less than those of the plans offered through the County. We made this information available to the Freeholders several months ago. We were asked to verify the savings. During the process we received questions which presented obstacles. For instance, part-time employees working less than 25 hours are currently eligible for benefits, but under the State's plan, they are not eligible; employees must be members of PERS to have benefits through the SHBP but the County does not require that. For these employees who are found ineligible, an alternative plan will need to be found.

The initial projected savings for the County, including all agencies, was approximately \$6 million per year which has dropped some upon recalculations. The annual savings are now estimated to be approximately \$3.5 million or \$300,000 per month. These savings are due to the fact that there is a much larger pool. The rates are published on the State's website and will be available in August; this year's rates are much better. There are 16 plans offered by three different carriers, Cigna, Aetna and Horizon. The prescription plan is administered by Medco; however, the design, co-pays and requirements may be slightly different. With that said, the premium of the richest plan offered by the State is Direct 10. It is a PPO plan which requires no primary care physician, no referrals and has a \$10 co-pay are less than our lowest cost plan. Based on this, the Freeholders instructed the County staff to move forward with switching to the SHBP.

Mr. Rhodes apologized to the Board for the short notice given on the SHBP. In order for the County to move to the SHBP by September 1st and realize the \$300,000/month savings, the resolutions must be submitted to the State by June 1st. The CCMUA is being asked to participate in the SHBP since its employees, except for Local 1360 members, currently receive medical and prescription benefits through the County. In answer to the earlier question regarding CCMUA employees on a union provided health and prescription plan, since employees associated with Local 1360 receive benefits as part of a Taft-Hartley plan, they are not part of the County's group and, therefore, not affected by this change or included in the SHBP.

For those employees who are not eligible for participation in the SHBP because of lack of PERS membership, etc. we are working toward developing an alternative plan for those employees. There may be some eligibility issues with the retirees. If we are notified by the State that they are not eligible for participation, we will include them in an alternative plan. We have met with the unions and will be meeting with the retirees regarding the change to the SHBP. We have asked each union to acknowledge that they are satisfied with the County moving forward with the SHBP.

Retirees will have the same access as active employees to physicians, hospitals, etc. However, there will be some changes to the plans offered to retirees eligible for Medicare. The carriers have a national network from which to choose from. There are many benefits to the joining the SHBP, including lower premiums, better plan design plans and more options for employees. While time is of the essence, Mr. Rhodes assured the Board that the County would meet with the CCMUA employees, unions and retirees if needed. He thanked the Board and asked if there were any questions.

Chairwoman Dixon asked if the open enrollment period in October would be available to the CCMUA employees. Mr. Rhodes responded that the State would come in next month to assist with the September 1st enrollment and there would be an additional open enrollment period for January 1st enrollment changes. According to Chapter 78, the rates change July 1st, however selections are made effective January 1st. It is thought that the County will have an additional open enrollment period to coincide with the rate changes that take place July 1st.

Commissioner Swartz asked if the County would be offering an FSA and HRA. Mr. Rhodes responded that the County currently offers an FSA (flexible spending account), but not an HRA (health reimbursement account). An HRA can be rolled over from year to year versus an FSA, which cannot. Both an FSA and HRA lowers one's out of pocket costs since the deductions are made on pre-tax dollars. The County is also exploring other types of voluntary benefits like AFLAC, disability plans, etc. Chairwoman Dixon asked if the employees would be paying the same premium sharing percentages associated with salaries. Mr. Rhodes responded that Chapter 78 applies to all public employees and once enrolled in the SHBP, employees will receive the benefits of the plans offered (co-pays, out of pocket maximums, etc). Since employees will now be contributing a greater portion toward their health benefits, there is a greater likelihood that they may select lower cost plans. This not only helps the County and the employee, but also the taxpayer. If we were to assume 10% increases per year, our current budget of \$54 million for benefits would be \$80 million in five years and that is just not sustainable.

Commissioner Bresch asked if there were any restrictions to the plans (i.e., restricted to New Jersey). Mr. Rhodes indicated that this was not a restriction at this time. The County is not limiting the number of plans it is offering to its employees; all 16 plans currently available will be offered. Commissioner Bresch asked if there was a minimum plan offered to the

employee and if they selected a plan better than that, were they obligated to contribute more. Mr. Rhodes replied that the employees have a choice from all plans offered. The richness of each plan determines the cost of the plan. Employees will contribute a set percentage of the plan cost according to the scale set by Chapter 78. The idea is that the increase in cost sharing will help employees make better decisions regarding benefit selection. For instance, if the most expensive plan is \$30,000 per year versus the cost of the HMO is \$22,000 per year and the employee is contributing 30% of that annual premium, they may choose the lower cost plan which benefits everyone. The County is considering establishing a Health and Welfare Board that will continue to look at health benefits. It is an opportunity to bring all parties together to discuss such topics as wellness plans, evaluate the current plan versus the private market, etc.

Mr. Rosoff stated that it is his understanding that if the County moves forward with the SHBP effective September 1st, the current Amerihealth plan, of which the CCMUA is a part of, will terminate and should the CCMUA not be part of the SHBP, there is the potential for a loss of coverage for its employees. The CCMUA would have to seek coverage on its own. Mr. Rhodes agreed. He added that the County is working on developing a plan for those employees who are ineligible for the SHBP. Mr. Rosoff asked if participation in the SHBP is pretty much automatic. Mr. Rhodes responded that the State will notify the CCMUA of those employees who are found to be ineligible and the County will assist us in ensuring that those employees are provided benefits through an alternative plan. It is not the County's intention to have an employee lose coverage because we are switching coverage.

Chairwoman Dixon asked if there was a pre-existing condition clause. Mr. Rhodes responded that there was not; employees currently receiving treatment for a particular condition will continue to receive coverage for that same condition. Chairwoman Dixon asked if the employees would be joining Year 2 of the scale for premium sharing to which Mr. Rhodes responded that Year 1 of the scale began July 1 of last year for those employees not covered by a union contract. For County management employees- Year 1 began in January of 2012 and Year 2 of the premium sharing will begin on July 1st of 2012. For employees covered by a union contract, Year 1 of the cost sharing begins upon the termination of the contract. In the case of the County's Council 10 employees, their contract expires on December 31, 2012. Therefore, Year 1 of the contributions begins January 1st 2013 and Year 2 of the contributions begins July 1st 2013.

No further questions or comments were made.

I) ITEMS FOR DISCUSSION:

A) Administration:

1) Environmental Management System – May 2012 Report

Commissioner Wu asked for a status update on the sludge dryer, specifically on the installation of the strain press. Mr. Kricun responded that the strain press was installed and appears to be working as the bulk density of the byproduct is improving and the tonnage per dryer is up. One dryer is taking approximately 60 tons/day (almost full capacity). The other two dryers have had a few mechanical issues which have been resolved and they too appear to be working. We are meeting with Komline and Synagro on Wednesday, May 23rd to discuss the status of the dryers. The strain press does appear to be working properly at this time. Mr. Kricun added that Komline has requested and granted an additional three months, or until August, to install, operate and evaluate the use of the strain press. If the strain press does not work, then we will seek to have Komline install a 4th dryer to act as the standby unit which we are entitled to.

Commissioner Wu asked if our material was meeting the spec to which Mr. Kricun replied that it was. The problem is a through-put issue as the dried byproduct is not dense enough for the size of the dryers. The dryers are designed for a byproduct that is 30% or so bulk density. The actual bulk density the by product has been in the 15-18% range. The strain press has caused the bulk density to increase, however, the dryers and stain press have only been running a few days. Mr. Kricun added that he would email the Board with an update after the May 23rd meeting.

Commissioner Wu asked if there was still an issue with the transport systems and the drying of the by-product. Mr. Kricun explained that this issue was corrected.

Commissioner Wu stated that he is in full support of the CCMUA's goal to use 100% renewable energy within the next five years. He asked for an update on this issue. Mr. Kricun responded that there are three phases to this initiative. Phase 1 included an overall reduction of our current carbon footprint with the replacement of our existing gas engines to electric, replacing the pure oxygen facility and the new biofilter odor control system. Phase 2 includes the installation of the solar panels. The solar panels should be energized soon and will generate 2 megawatts of power or approximately 10% of our energy needs. Phase 3 is the RFP for renewable energy which is out now and due back on July 8th. The pre-proposal meeting was held and we anticipate receiving proposals for biogas, digesters, combined heating power, solar panels, etc. It is hoped that the responses to the RFP will result in the 100% goal in the next 2 to 2 ½ years. If they do not meet 100% of our needs, Phase 4 will be to issue an RFP to seek offsite green energy.

Commissioner Wu asked if there was a completion date for the geothermal project. Mr. Kricun responded that this pilot program is anticipated to be complete by the fall/winter of 2012.

Commissioner Wu asked for an update on the status of the PCB study and enforcement. Mr. Kricun advised the Board the 3 sites have been identified as probable significant sources. He added that he has met with two of the three entities. Martin Aaron is one of the sites and is a superfund site. The EPA has committed to installing an onsite storm water control system. The

second industry has indicated that it too is committed to reducing the keeping the storm water on site. Mr. Kricun reported that he has not yet met with the third entity, but will do so soon and report back to the Board accordingly. Commissioner Wu asked how these entities were going to be monitored. Mr. Kricun explained that we will monitor what they build.

Commissioner Biondi wanted to know how the collected PCB water is disposed of. Mr. Kricun clarified that the PCB contaminated water percolates through the soil. It is the goal to keep PCB's from entering the water supply/Cooper River as it is most dangerous to the fish and then to those who eat the fish. He added that there is no known way to destroy PCB's permanently.

- 2) NJ Association of Environmental Authorities- Environmental Management Award
- 3) USEPA- Environmental Quality Award
- 4) Local 1360- Update on Middle Management Union Negotiations

B) Engineering:

- 1) Atlantic Basin Interceptor- Additional Design Service provided by Adams, Rehmann & Haggen
- 2) Atlantic Basin Interceptor- Additional Design Engineering Service provided by Consulting Engineer Services
- 3) Shared Services Agreement with Gloucester City for Installation of a Rain Garden

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 May 11, 2012
- 2) Personnel Department Update – as of May 11, 2012

B) Finance

- 1) Collections Report for April 2012
Chairwoman Dixon noted that collections for April were high. Mr. Werner stated that they received a few large connection fees which helped boost this figure.
- 2) Budget Review Report for April 2012
- 3) Cash Management Report – March 2012

C) Operations & Maintenance:

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

PUBLIC PARTICIPATION ON PROPOSED RESOLUTIONS:

NONE

OLD BUSINESS:

NONE

NEW BUSINESS:

A motion was made by Commissioner McKernan and seconded by Commissioner Biondi to adopt Resolution #R-12:5-77, authorizing the execution of agreement for hauling and beneficial reuse of dewatered sludge cake with United Trucking, Inc., Mount Laurel, New Jersey and We Care Organics, Inc., of Berlin, New Jersey in accordance with Specification #12-07. 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
"	McKernan	-	YES
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-12:5-77 was adopted.

A motion was made by Commissioner McKernan and seconded by Commissioner Biondi to adopt Resolution #R-12:5-78, authorizing the execution of an agreement between the CCMUA and Kilcoyne Equipment Services, Gibbsboro, NJ for supply of Front End-Wheel Loaders and other mobile equipment in accordance with Specification #12-16. Commissioner Biondi asked how many front end loaders do we have. Mr. Cornforth replied that there are 4 front end loaders, 1 tractor excavator and 1 tractor grass cutter covered by this agreement. He added that the contract covers preventative maintenance

costs, time and material costs and labor costs when approved; we only spend against this contract as needed. Commissioner Swartz noted that the low bidder was considered non-responsive and asked for an explanation why. Mr. Cornforth stated that the vendor made changes to the language regarding prevailing wage which is unacceptable. 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
"	McKernan	-	YES
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-12:5-78 was adopted.

A motion was made by Commissioner Biondi and seconded by Commissioner Wu to adopt Resolution #R-12:5-79, authorizing a Change Order to the CCMUA's Engineering Services Agreement with Adams, Rehmann & Heggan, for design of the Atlantic Basin Interceptor. Commissioner Biondi noted that this change order is one-third of the bid amount. Mr. Kricun explained that overall, the bids received for design services were very low. In addition, it was thought that there was the potential for the CCMUA to save money by relocating the Winslow Pumping Station and if so this would require additional design work. All bidders were advised of this during the preconstruction meeting. This required additional design work not required in the original design. This additional work resulted in the relocation of the pumping station, a reduction in size and cost of the pumping station and force main. While this change order is significant, the overall savings in construction costs is approximately \$6 million. 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
"	McKernan	-	ABSTAIN
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-12:5-79 was adopted.

A motion was made by Commissioner Swartz and seconded by Commissioner Wu to adopt Resolution #R-12:5-80, approving Change Order No. 5 amending the CCMUA's contract with Consulting Engineer Services for design of a portion of the Atlantic Basin Interceptor Extension. 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
"	McKernan	-	YES
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-12:5-80 was adopted.

A motion was made by Commissioner McKernan on the condition that the resolution be revised to include the cost of the project and seconded by Commissioner Biondi to adopt Resolution #R-12:5-81, authorizing execution of an International Agreement with Gloucester City for construction and maintenance of a new rain garden. There being 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
"	McKernan	-	YES
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-12:5-81 was adopted.

A motion was made by Commissioner Biondi and seconded by Commissioner McKernan to adopt Resolution #R-12:5-82, authorizing a Public Hearing concerning the 2012 revision of connection fees. 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
"	McKernan	-	YES

"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-12:5-82 was adopted.

In light of the information presented earlier regarding the State Health Benefits Plan, a motion to table the resolution to allow Management to discuss this new opportunity with the union, was made by Commissioner McKernan and seconded by Commissioner Biondi to table Resolution #R-12:5-83, authorizing the execution of the Collective Bargaining Agreement between the CCMUA and Local 1360 of the United Food and Commercial Workers Union (UFCW). 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
"	McKernan	-	YES
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-12:5-83 was tabled.

A motion was made by Commissioner McKernan and seconded by Commissioner Swartz to adopt Resolution #R-12:5-84, authorize participation in the State Health Benefits Program and/or School Employee's Health Benefits Program (SEHBP). 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
"	McKernan	-	YES
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-12:5-84 was adopted.

A motion was made by Commissioner McKernan and seconded by Commissioner Biondi to adopt Resolution #R-12:5-85, adopt the provisions of Chapter 48 (NJSA 52:14-17-38) under which a public employer may agree to pay for the State Health Benefits Program (SHBP) and/or School Employee's Health Benefits Program (SEHBP) coverage for certain retirees. 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
"	McKernan	-	YES
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-12:5-85 was adopted.

A motion was made by Commissioner Swartz and seconded by Commissioner Biondi to adopt Resolution #R-12:5-86, 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
"	McKernan	-	ABSTAIN
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-12:5-86 was adopted.

A motion was made by Commissioner Biondi and seconded by Commissioner Swartz to adopt Resolution #R-12:5-87, authorizing payment of \$2,852,167.28 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
"	McKernan	-	ABSTAIN
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-12:5-87 was adopted.

PUBLIC PARTICIPATION:

NONE

There being no further business, Chairwoman Dixon adjourned at 7:11pm.

Minutes of this meeting were approved on _____

Respectfully Submitted,



Kim Micheline
Authority Secretary