

THE CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY

MINUTES OF THE REGULAR MEETING HELD ON JUNE 18, 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 *(arrived 6:10pm)
"	Engelbert	-	ABSENT
"	MacFarlane	-	YES
"	McKernan	-	YES
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

STAFF PRESENT:

Andrew Kricun, Executive Director
Laurence E. Rosoff, Solicitor
Wayne Planamento, Comptroller

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

CONSULTANTS:

Alan Parry, Synagro
Robert Serpente, D&B Guarino

OTHERS PRESENT:

Jean Delaney, Degan & Bateman

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 Biondi and seconded by Commissioner McKernan to adopt the Minutes of the Regular Meeting held on May 21, 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
"	MacFarlane	-	YES
"	McKernan	-	YES
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

The motion was carried.

EXECUTIVE DIRECTOR'S REPORT:

I) ITEMS FOR DISCUSSION:

A) Administration:

1) Environmental Management System – June 2012 Report

Commissioner Wu requested an update on the status of the dryers. Mr.Kricun noted that the dryers had not been able to meet the performance requirement to take all of our sludge. Back in April, Komline agreed that they were going to procure a strain press that would be installed upstream of the dryer, which they have done. Komline has two temporary strain presses installed and has now been taking all of our sludge. The bulk density has

improved as well. This has been the case for the last two weeks which indicates that the dryers are working as designed. The CCMUA has been generating more sludge than we originally anticipated and we are investigating the reason for this. O&M has been working on this matter; they have had the polymer representative and the belt filter press manufacturer in to review our current procedures in order to optimize the operation to get our sludge cake back to 27%. The dryers appear to be able to meet their performance requirements with the use of the strain press. However, several questions need to be answered: 1) how do we make this permanent; 2) how many presses do we need; and 3) which model press is the better of the two. Once a consensus is reached on these questions, I will meet with Komline to discuss who will pay for the strain press. The performance test will follow during the month of July or August once the permanent strain presses are installed. The dryers will have to meet the performance standard individually and collectively. Once the performance test is passed our contract with Komline is complete and the 10 year operations contract with Synagro begins.

It was noted that all of the dried byproduct is being hauled and delivered to a cement kiln in Maryland at \$39/ton (all-inclusive price) versus the \$79/ton we would pay to haul the sludge to a landfill and Komline is currently bearing this cost as they are trying to mitigate liquidated damages that they might be liable for.

Commissioner Wu asked what the percentage of dryness is for the byproduct. Mr. Kricun responded that it is about 98% dry. He also asked how many dryers were in use at any one time. Mr. Kricun clarified that the design was to operate two dryers at a time and have a third dryer in standby. Mr. Kricun added that we may consider it necessary to add a fourth dryer in the future should there be an increase in flow.

- 2) NJ Association of Environmental Authorities- Environmental Management Award
- 3) CCMUA Selected for National USEPA Webinar

Commissioner Wu noted that the CCMUA was one of two agencies chosen for this national presentation and that Mr. Kricun and staff is to be commended on this achievement. Commissioner Wu asked for clarification regarding succession planning which is noted on page 3 of the presentation. Mr. Kricun explained that it is not uncommon in the industry to see an aging work force. Approximately 70-75% of the CCMUA's work force is currently, or soon to be, retirement eligible.

He further added that one of the main reasons why the CCMUA took part in the Environmental Management Systems audit was to ensure that our standard operating procedures were documented, in order to insulate the CCMUA somewhat against the loss of institutional knowledge as retiring work force departs. In addition, we are also reviewing the staffing levels of each department to determine what the needs are or may be as we move forward. Being a public agency, the CCMUA must strike the right balance of proper staffing levels.

Commissioner Wu remarked that the CCMUA's goal of zero odor events as of 2013 is very ambitious. Mr. Kricun explained that he felt that this goal was obtainable once the sludge dryers were completed. There would be no hauling of odorous sludge which eliminates approximately 90% of the potential odor sources. The remaining 10% reduction in odor events will come from other miscellaneous sources. For instance, the odor event during last Saturday's community event was a result of several controllable factors: 1) the on-site contractor, Komline Sanderson, left the door to the building where the strain press is housed open despite being told to keep the doors closed; 2) the CCMUA supervisor responsible for patrolling for odor sources did not notice the open door; 3) the checklist used by the supervisor conducting the odor patrol did not contain the building in question; and 4) the building housing the strain press is a temporary location and is not under negative pressure. Corrective steps have been taken with the contractor and staff to ensure that odors are eliminated from this source. In addition, we will be eliminating the receipt of septage on weekends and the O&M staff in conjunction with the design engineers are working together to resolve the lack of odor control associated with the building housing the strain press. The Board has supported a number of capital improvement projects, such as the biofilter and sludge drying projects, designed to reduce or eliminate potential odor sources. Mr. Kricun commented that the CCMUA would be doing the community a disservice if it did not set a zero odor event goal. Commissioners Biondi and MacFarlane commented that the CCMUA should do all it can to reduce odors especially when there is a community event. The CCMUA should continue to be a good neighbor by eliminating odors. Commissioner Wu agreed, adding that the CCMUA must be vigilant in eliminating odor events. Mr. Cornforth replied that the rental unit (strain press) is currently temporarily located in a building that does not have odor control and that while the checklist used by supervisors did not contain the building since the building had nothing odorous in it; the building has since been added to the checklist. In addition, after

investigating the last Saturday's odor event, the Chief Operator attended the event and apologized and advised the community that odor source was identified and corrected. Commissioner MacFarlane noted that he believed that odor complaints primarily occurred on weekends. Mr. Kricun clarified that the Board approved the use of additional management staff on overtime on weekends to address this issue which has been successful. Chairwoman Dixon stated that we do have to remember that we are a sewage treatment plant and that odors may occur from time to time. Mr. Kricun added that the CCMUA is the third largest treatment plant in the state and is located 100 yards from the community. The actions that we do or don't take in regard to odors can significantly impact the community so we are taking the necessary steps to eliminate odors.

Commissioner Wu further noted that the direction the CCMUA is taking of using 100% renewable energy by 2017 is one in the right direction. Mr. Kricun stated that the CCMUA is well on its way in meeting this goal with the installation of the solar panels. In addition, the CCMUA will receive proposals next month for the green energy options which will help the CCMUA meet this goal. Once the CCMUA exhausts the possible on-site green energy options, we will seek off-site green energy alternatives through the RFP process.

Commissioner Wu asked for an update on the geothermal project. Mr. Kricun explained that the project is part of the green energy RFP and those responses are due in July. It is hoped that the project will be completed in time for the winter heating season. Mr. Kricun further noted that he was recently interviewed on the matter and an article on the project will be in an upcoming WEF periodical. Once the article is published a copy will be forwarded to the Board.

Mr. Kricun stated that the CCMUA is recognized as a national leader in best management practices because of the support of the Board and hard work by the staff and we should all take pride in our accomplishments.

- 4) Local 1360- Update on Middle Management Union Negotiations
- 5) Success of Connection Fee Collection Program
- 6) DRBC- Potential of New Nutrient Removal Requirements

Commissioner Swartz noted that this removal requirement, if adopted, could have a significant impact to the Authority, one that could require considerable upgrades to our facility. Mr. Kricun agreed, adding that the EPA is in litigation on this matter with the Natural Defense Resources Counsel. The NDRC has sued the EPA for failure to implement more aggressive nutrient limits for point source dischargers like the CCMUA. It is possible that the CCMUA would have to invest hundreds of millions of dollars to upgrade the plant should the more stringent limits be put into place. It is not a matter of if but a matter of when increased nutrient removal will be required and it is a debt that we will have to plan for. Luckily, our own existing debt service drops significantly in 2017 so we may have some flexibility in planning for this sizeable debt.

- 7) Camden County Sustainability Program- Update

B) Engineering:

- 1) Liney Ditch Park Upgrades- Recommendation for Award of Contract
- 2) Solar Panel Project- Update

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 June 8, 2012
- 2) Personnel Department Update – as of June 8, 2012

B) Finance

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

Commissioner MacFarlane noted that the budget report is a good one since the numbers for sludge and waste and utilities are down again this month. He continued that it is hoped that the numbers are maintained going forward so that the CCMUA is able to recoup its

investment in the recent upgrades to the plant. Mr. Kricun stated that the sludge dryer has been the key to the reduction in these items of the budget.

- 3) Cash Management Report – April 2012

C) Operations & Maintenance:

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

PUBLIC PARTICIPATION ON PROPOSED RESOLUTIONS: NONE

OLD BUSINESS: NONE

NEW BUSINESS:

Mr. Kricun opened this portion of the meeting with an explanation that the public hearing is for the revision to the 2012 connection fee. A resolution (first reading) was adopted last month to modify the connection fee from \$4,441 to \$4,653 as required by State Statute. The public was given the opportunity to speak on the matter. There being no public present to comment on this matter, a motion was made by Commissioner McKernan and seconded by Biondi to conclude the public hearing and adopt Resolution #R-12:6-88, authorizing revision of connection fee. 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
"	MacFarlane	-	YES
"	McKernan	-	YES
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-12:6-88 was adopted.

A motion was made by Commissioner Biondi and seconded by Commissioner Swartz to adopt Resolution #R-12:6-89, accepting annual audit for the year ending December 31, 2011 as prepared by Bowman and 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
"	MacFarlane	-	YES
"	McKernan	-	YES
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-12:6-89 was adopted. Mr. Kricun commended the Finance staff, especially Mr. Werner and Mr. Planamento, on the excellent way in which they managed the finances in order to receive an audit result with no findings.

A motion was made by Commissioner McKernan and seconded by Commissioner Wu to adopt Resolution #R-12:6-90, authorizing the execution of an agreement between the CCMUA and the Workforce Investment Board (WIB) for participation in WIB's 2012 Summer Youth Employment Program. Commissioner MacFarlane asked how many students were being hired under the program to which Mr. Kricun replied that there were two positions available. 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	-	ABSTAIN
"	Bresch	-	YES
"	Burley	-	YES
"	MacFarlane	-	YES
"	McKernan	-	YES
"	Swartz	-	ABSTAIN

"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-12:6-90 was adopted.

A motion was made by Commissioner MacFarlane and seconded by Commissioner Swartz to adopt Resolution #R-12:6-91, authorizing the execution of an agreement between CCMUA and RJM Services, Inc., of Gloucester City, New Jersey and Spectraserv, Inc., of South Kearny, New Jersey for the hauling and disposal of dewatered sludge cake in accordance with Specification #12-09. 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
"	MacFarlane	-	YES
"	McKernan	-	YES
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-12:6-91 was adopted.

A motion was made by Commissioner Biondi and seconded by Commissioner Swartz to adopt Resolution #R-12:6-92, authorizing the execution of an agreement between CCMUA and Univar USA, Inc., of Middletown, PA for sodium hydroxide liquid in accordance with Specification #12-19. 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
"	MacFarlane	-	YES
"	McKernan	-	YES
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-12:6-92 was adopted.

A motion was made by Commissioner MacFarlane and seconded by Commissioner Swartz to adopt Resolution #R-12:6-93, authorizing the rejection and re-advertisement of bids received for Specification #12-10, supply and delivery of regular unleaded gasoline. Commissioner Biondi asked why the bid was rejected to which Mr. Cornforth replied that the bid specification did not specify the date that all vendors should use for the published Philadelphia Harbor price of gasoline when putting together their bid. He added that the harbor price is the price/gallon or wholesale price charged on a particular day. Commissioner Swartz asked if the CCMUA could enter into a shared service agreement with the County for this service. Mr. Cornforth responded that the County does not have shared services for gasoline. Commissioner McKernan asked if this could have been bid without using the harbor price since it is the markup price that determines the low bid. Mr. Cornforth stated that the harbor price plus mark up price is used in order to determine the total annual cost of the contract which is required for the resolution; Mr. Rosoff agreed that the harbor price was needed to determine the total annual cost. 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
"	MacFarlane	-	YES
"	McKernan	-	YES
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-12:6-93 was adopted.

A motion was made by Commissioner McKernan and seconded by Commissioner Swartz to table Resolution #R-12:5-94, until the end of closed session discussions. There being no question on the motion, a roll call vote was taken. On roll call, the Commissioners voted as follows:

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

Resolution #R-12:6-94 was tabled until the end of closed session discussion. At 7:05pm the meeting returned to open session and a motion was made by Commissioner Biondi and seconded Commissioner Swartz to adopt Resolution #R-12:5-94 authorizing the execution of the Collective Bargaining Agreement between the CCMUA and Local 1360 of the United Food and Commercial Workers Union (UFCW) with the changes that were discussed:

- 1) Instead of giving union members an annual 3% cost of living increase, they would get a 2% raise annually, plus a 1% cost of living increase annually.
- 2) The sick time sell back provision upon retirement will terminate at the end of 2012, instead of at the end of the contract
- 3) The contract would be reduced to 2 years in duration, and expire at the end of 2013
- 4) The contract would confirm that employee contributions to benefit costs must comply with State law
- 5) Floating holidays would be reduced from 3 to 2, starting in 2013.
- 6) New employees shall not receive longevity

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

Resolution #R-12:6-94 was adopted.

A motion was made by Commissioner McKernan and seconded by Commissioner Biondi to adopt Resolution #R-12:6-95, authorizing agreement for dental plan provider. Commissioner MacFarlane asked if the disqualified bidder was also the low bidder. Mr. Rosoff responded that he did not see the bid, rather, he was informed by the Purchasing Agent that the bid was considered to be disqualified since they submitted their bid via email in advance of the bid due date. Mr. Rosoff further noted that the instructions to bidders clearly indicate that emailed bids are not accepted. Commissioner Biondi asked if it was possible that, given today's advances in technology, the bids could be received via email. Mr. Rosoff responded that he would research the matter further. 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
"	MacFarlane	-	YES
"	McKernan	-	YES
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-12:6-95 was adopted.

A motion was made by Commissioner McKernan and seconded by Commissioner Biondi to adopt Resolution #R-12:6-96, awarding the Liney Ditch Park Upgrade Project to EB Fence. Mr. Kricun advised the Board that it came to his attention after the bid opening that the low bidder is owned by a relative of a CCMUA employee. However, it was a closed, sealed bid and EB Fence was the low bidder. Chairwoman Dixon asked if the employee was part of the bid process. Mr. Kricun stated that the employee is not involved in the bid process and while the bid results were very close, no bid protests were received. Chairwoman Dixon asked where EB Fence was located and it was noted that the company is located in Sicklerville, NJ. Commissioner Biondi asked for clarification as to the location of the fence. Mr. Kricun replied that the fence to be replaced and/or installed is located along the entire perimeter of the park next to our parking lot. This park is a haven for gangs and is also used by the school, so the idea is to enclose the park with an eight foot high steel fence. Camden City police will be responsible for locking and unlocking the park each day. In addition, the lights that are damaged will be replaced. Commissioner Biondi stated that anything that we can do to keep the park safe for the community is a good effort. 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
"	MacFarlane	-	YES
"	McKernan	-	YES
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-12:6-96 was adopted.

A motion was made by Commissioner Swartz and seconded by Commissioner Biondi to adopt Resolution #R-12:6-97, ratifying approval of expense vouchers as approved by the Executive Director under authorization granted by CCMUA Resolution #R-97:3-60, dated March 17, 1997. There being no question on the motion, a roll call vote was taken. On roll call, the Commissioners responded to their names as follows:

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

Resolution #R-12:6-97 was adopted.

A motion was made by Commissioner Biondi and seconded by Commissioner Swartz to adopt Resolution #R-12:6-98, authorizing payment of \$3,515,885.67 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
"	MacFarlane	-	YES
"	McKernan	-	ABSTAIN
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-12:6-98 was adopted.

A motion was made by Commissioner and seconded by Commissioner to adopt Resolution #R-12:6-99, confirming a payment schedule for the Camden County – CCMUA Road Indemnification Agreement for the Atlantic Basin Interceptor. 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
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"	Bresch	-	YES
"	Burley	-	YES
"	MacFarlane	-	YES
"	McKernan	-	YES
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-12:6-99 was adopted.

A motion was made by Commissioner McKernan and seconded by Commissioner Swartz to adopt Resolution #R-12:6-100, authorizing that the Authority hold a Closed Session Meeting to discuss personnel matters. There being no question on the motion, a roll call vote was taken. On roll call, the Commissioners responded to their names as follows:

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

Resolution #R-12:6-100 was adopted.

The Regular Meeting was adjourned to Closed Session at 6:54pm

The Regular Meeting returned to open session at 7:05pm. A motion was made to adopt Resolution #R-12:5-94 (see above).

PUBLIC PARTICIPATION:
NONE

There being no further business, the meeting adjourned at 7:06pm.

Minutes of this meeting were approved on July 16, 2012

Respectfully Submitted,



Kim Michelini
Authority Secretary