

THE CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY
MINUTES OF THE REGULAR MEETING HELD ON SEPTEMBER 19, 2011

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
"	Burley	-	YES
"	Bresch	-	YES
"	Engelbert	-	YES
"	MacFarlane	-	YES
"	McKernan	-	ABSENT
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

STAFF PRESENT:

Andrew Kricun, Executive Director
 Laurence E. Rosoff, Solicitor
 John Werner, Chief Financial Officer

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

CONSULTANTS:

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

OTHERS PRESENT:

None

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 2, 2011 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 and seconded by Commissioner to adopt the Minutes of the Regular Meeting held on August 15, 2011. 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
"	Burley	-	YES
"	Bresch	-	YES
"	Engelbert	-	YES
"	MacFarlane	-	YES
"	Swartz	-	ABSTAIN
"	Wu	-	YES
Chairwoman	Dixon	-	YES

The motion was carried.

EXECUTIVE DIRECTOR'S REPORT:

I) ITEMS FOR DISCUSSION:

A) Administration:

- 1) Environmental Management System – September 2011 Report
 Commissioner Wu asked for an update to the status of the sludge dryers. Mr. Kricun commented that there was a small fire in one of the dryers which was extinguished quickly. However, no alarm sounded to alert the operators of the fire. The dryer was immediately

shut down which allowed Komline-Sanderson to ascertain the cause of the fire. As a result, it was determined that 1) an alarm system was needed and 2) the installation of a gate to facilitate cleaning had allowed air to enter the dryer which fueled the fire. Therefore, a thermocouple was installed to measure the temperature in the dryers and the gate was removed and the opening was plugged. It is hoped that by the end of next week, all sludge will pass through the dryers. Commissioner Wu expressed his concern over fire in the dryers. Mr. Kricun added that he, D&B/Guarino and Synagro representatives believe that by reducing the air intake, the potential for fire will also be reduced. Mr. Kricun noted that the changes were done at Komline's expense.

Mr. Kricun added that as of today, one dryer was re-started and it is anticipated that on Wednesday, a second dryer will be started. Once that occurs, the dryers will be taking the majority of our sludge.

- 2) Environmental Management System – 2011 Annual Audit
Commissioner Wu expressed his concerns over the deficiencies noted in the audit, specifically, the fact that we did not complete an internal audit and that poor housekeeping was noted. Mr. Kricun explained that the audit was successful and that CCMUA has maintained its certification. There were approximately 100 items reviewed by the auditor and we were cited for five deficiencies- 1) failure to conduct an internal audit; 2) failure to notify interested parties of the external audit; 3) updates to EMS manual to reflect sludge drying facility; 4) poor housekeeping at the plant and 5) failure to properly use lock out/tag out safety procedures. The CCMUA will have 90 days to make the noted corrections.

Mr. Kricun added that he had not realized an internal audit was needed in addition to the external audit. As for the housekeeping issues, Mr. Kricun noted that the audit took place only several days after Hurricane Irene. In preparing for the storm, equipment and supplies were moved indoors. In addition, he added, that he and Mr. Cornforth have discussed the possibility of hiring additional entry level Plant Attendants, as those employees in the past were generally responsible for the maintenance of the main plant.

Commissioner Wu added that the report indicated that the operating procedures needed to be updated. Mr. Kricun explained that the auditor was aware that the dryers were not yet fully operational. Therefore, the standard operating procedures (SOP) for the dryers that were developed will replace the current SOP for hauling at the appropriate time. Mr. Kricun added that overall, the audit was good. The deficiencies noted in the audit will be addressed prior to the auditor's return in mid-November/early December.

Commissioner Swartz asked for an explanation as to the lock out/tag out safety deficiency. Mr. Cornforth stated that this is an OSHA safety requirement in which all sources of energy are "locked out" before work begins on equipment. We are unsure what the auditor was referring to when he noted this deficiency since the lock out/tag out procedure is part of our manual and employees receive training on lock-out/tag out procedures once a year. In addition, since receiving notice of this deficiency, we met with all of our supervisors on Friday and reminded them that they are responsible for ensuring that these procedures are followed when working on equipment. Once we receive the specifics of this deficiency, additional steps will be taken to correct the situation. Mr. Kricun added that we will send the auditor a copy of our lock out/tag out procedures.

- 3) American Water Resources Association- 9/15/11 Environmental Justice Presentation
- 4) Green Energy/Water Reuse Opportunities
- 5) Reject Boiler Maintenance Bid (Spec #11-08A) and Authorize Re-advertisement

B) Engineering:

- 1) Authorize a Change Order to Komline-Sanderson for operation of the sludge drying facility via sub-contractor
- 2) Authorize a Change Order to D&B/Guarino for engineering services during construction of the sludge drying facility
- 3) Authorize a Change Order to WPCS for installation of a biofilter odor control system
- 4) Authorize a Change Order to Luzon for construction of the Gateway Park

Mr. Kricun offered the following explanation on the change orders listed on the agenda. The Authority is at the tail end of a five year, \$50 million dollar capital improvement plan to replace or upgrade the main processing units of the plant which is broken down as follows- \$30 million for the sludge dryers; \$10 million for the biofilter and another \$10 million for the oxygen plant upgrades. These projects are also concluding at the same time. Typically, final change orders for the projects come in as the project concludes. Therefore, these change orders should be among the final ones submitted for these projects. Specifically,

The change orders for Komline-Sanderson and D&B/Guarino go together. It was originally anticipated that the sludge dryers would be up and running by the end of April. The Authority opted to enter into separate agreements; one with Komline Sanderson for the procurement of the equipment and one with Synagro for the installation of the dryers. There are two reasons for doing it this way- 1) by contracting directly with Komline we were able to save the 20% equipment mark-up cost which was anticipated to be around \$3 million dollars and 2) this would allow for a direct line of liability and responsibility with the equipment manufacturer, which in turn allowed us to obtain a 100% performance guarantee from that manufacturer. When we entered into the contract with Komline for procurement of the dryer equipment, we had thought we would be operating it ourselves. However, subsequently, the Authority realized that it would not be able to operate the equipment which meant that we needed an agreement for the operation of the dryers during the start up phase. Until the performance test is passed and the dryers are accepted by the Authority, it is unwise to enter into a 10 year contract with Synagro for the operation of the dryers. As a result, Komline agreed to bill us for the operation and they, in turn, would pay Synagro. The \$324,000 change order to Komline-Sanderson is for operation of the dryers during the testing phase which has taken longer than anticipated. Komline has calculated the cost to be \$108,000 per month for three months or \$324,000. The monthly charge is in line with the amount negotiated by Synagro.

The change order to D&B/Guarino is a result of the fact that the dryers took much longer than anticipated to be fully operational. The dryers were originally anticipated to be operational by the end of April 2011. The \$60,000 change order for D&B represents their continued engineering services provided during the period that the dryers have been in the testing phase. These charges are considered reasonable.

This is the final change order for the biofilter project. The total change order amount of \$235,184 is a result of the NJDEP requiring that we install additional air monitoring equipment (\$35,184) that had not been anticipated and the procurement and installation of additional security cameras (\$200,00) that was also not anticipated.

Chairwoman Dixon asked for clarification regarding the original amount allotted in the contract for security upgrades. Mr. Kricun responded that it was \$25,000, but due to thefts in certain areas of the plant that occurred while the project was under construction, it was determined that additional lighting and security cameras were needed. The contractor, WPCS, hired ADT as the security subcontractor on the project. ADT recommended \$350,000 in security upgrades; however, we are recommending security upgrades in the amount of \$200,000 at this time. Mr. Cornforth added that ADT is the Authority's current security contractor for our security card access system so it makes sense that WPCS used them as a subcontractor to ensure that the upgrades to the security system would be compatible.

Commissioner Biondi questioned how the monitoring of the cameras would be handled. Mr. Cornforth explained that there are 34 views that can currently be monitored in the oxygen plant control room or the guard shack. While the cameras are not monitored 24/7, the information is, however, recorded, which can be viewed at a later time if necessary. We will be adding 12 additional cameras as a result of this change order. Commissioner Biondi asked if there was an alarm system available since the cameras are not continuously monitored to which Mr. Cornforth responded that this was a recommendation offered by ADT, however, since the plant is manned 24/7 there would likely be false alarms.

Mr. Kricun added that we would be seeking the Board's approval to issue an RFP for a security consultant to give us a plant wide recommendation for a full security upgrade.

Chairwoman Dixon asked for the total spent to date on the contract with Komline Sanderson to which Mr. Kricun stated that the original contract amount was approximately \$14 million and to date we have spent approximately 10% above that or \$15 million. Mr. Kricun added that the contract is primarily complete and only the 10% retainage fee is outstanding.

Commissioner Biondi asked if there would be additional change orders for the operation of the dryers to which Mr. Kricun responded that it was a possibility. However, Komline-Sanderson has been put on notice that the Authority is considering charging liquidated damages if the delays continue much longer. Commissioner Biondi added that he did not think we should wait any longer. Mr. Kricun believes that notifying Komline of the potential for liquidated damages is sufficient for now. We should work together with Komline to finish the project and then settle up financially afterward. Mr. Kricun explained that the two dryers are anticipated to start up this week, with the third dryer following in the next week to ten days. In addition, Komline has indicated that the performance test is still on track for October. Once the performance test is passed, then our 10 year contract with Synagro for operation of the dryers will begin.

A question was asked about timing of the equipment warranty by Commissioner Bresch. Mr. Kricun responded that the warranty begins with the operation of the dryers.

- a) Approving an agreement with Cherry Hill Twp. for implementation of an infiltration/inflow reduction program
- b) Atlantic Basin Interceptor Expansion Project- Public Hearing 10/13/2011

C) Legal:

D) Operations & Maintenance:

1) Hurricane Irene- Update
 Chairwoman Dixon stated that the report submitted was very informative. Commissioner Biondi asked how the main plant handled the high water levels along the Delaware River and if there were any flooding issues surrounding the plant. Mr. Cornforth noted that the Delaware River typically floods at Trenton and north where the Delaware River narrows, and did not flood here in Camden. Both Mr. Kricun and Mr. Cornforth complimented the Operations and Maintenance employees on the great job done in not only preparing for this storm event but for the outstanding effluent quality considering the amount of rain we had. Mr. Kricun added that our permit allows for 30 parts per million TSS (total suspended solids) and during this period of time the plant experienced 12 parts per million. He added, that we typically average 5 parts per million so it is clear that the Operations staff have done a great job in this regard.

E) Finance:

- 1) Voucher Payment Resolutions - Report on Emergency Payments

II) INFORMATIONAL ITEMS:

A) Administration

- 1) CCMUA Organizational Chart – as of September 6, 2011
- 2) Personnel Department Update – as of September 6, 2011

B) Finance

- 1) Collection Report for August 2011
- 2) Budget Review Report for August 2011
- 3) Cash Management Report – July 2011

C) Operations & Maintenance:

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

PUBLIC PARTICIPATION ON PROPOSED RESOLUTIONS:

None

OLD BUSINESS:

None

NEW BUSINESS:

A motion was made by Commissioner Engelbert and seconded by Commissioner MacFarlane to adopt Resolution #R-11:9-118, authorizing execution of an agreement between the CCMUA and Solutionwerks, Cincinnati, Ohio for the supply and delivery of parts and technical services for the CCMUA Cryogenic Oxygen Plant in accordance with Specification #11-13. 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
"	Burley	-	YES
"	Bresch	-	YES
"	Engelbert	-	YES
"	MacFarlane	-	YES
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-11:9-118 was adopted.

A motion was made by Commissioner Engelbert and seconded by Commissioner Swartz to adopt Resolution #R-11:9-119, authorizing application for Federal and State Flood Emergency reimbursement funds. 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
"	Burley	-	YES
"	Bresch	-	YES
"	Engelbert	-	YES
"	MacFarlane	-	YES
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-11:9-119 was adopted.

A motion was made by Commissioner Engelbert and seconded by Commissioner Biondi to adopt Resolution #R-11:9-120, authorizing execution of an agreement between the CCMUA and Nichem Chemical of Irvington, New Jersey for the removal and replacement of carbon in odor control absorbers in accordance with Specification #11-15. 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
"	Burley	-	YES
"	Bresch	-	YES
"	Engelbert	-	YES
"	MacFarlane	-	YES
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-11:9-120 was adopted.

A motion was made by Commissioner Engelbert and seconded by Commissioner Swartz to adopt Resolution #R-11:9-121, authorizing the execution of an agreement between the CCMUA and Infilco Degremont of Richmond, Virginia for supply and delivery of parts for Infilco Degremont Climber Screen Mechanical Bar Screens, Model IIS in accordance with Specification #11-17. Commissioner Biondi noted that this was the second resolution that had only one bid and asked for clarification on this. It was explained by Mr. Cornforth that this one bidder is the manufacturer and we are not aware of any other after-market representatives. Mr. Kricun stated that we will state this in the body of future Resolutions when this is the case and that we will be more aggressive in our bidding process by seeking additional bidders where possible, having pre-bid meetings for all specifications and being less restrictive in the specifications. Mr. Cornforth added that our current bar screens are approximately eight years old and since we are at the bid threshold for parts this year, we were required to go out for bid for this item. 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
"	Burley	-	YES
"	Bresch	-	YES
"	Engelbert	-	YES
"	MacFarlane	-	YES
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-11:9-121 was adopted.

A motion was made by Commissioner Engelbert and seconded by Commissioner MacFarlane to adopt Resolution #R-11:9-122, authorizing entering into a Shared Services Agreement between the Camden County Municipal Utilities Authority and the Camden City Parking Authority. 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
"	Burley	-	YES
"	Bresch	-	YES
"	Engelbert	-	YES
"	MacFarlane	-	YES
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-11:9-122 was adopted.

A motion was made by Commissioner Engelbert and seconded by Commissioner MacFarlane to adopt Resolution #R-9:123, authorizing rejection of bids received for Specification #11-08A and re-advertisement for bids. 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
"	Burley	-	YES
"	Bresch	-	YES
"	Engelbert	-	YES
"	MacFarlane	-	YES
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-11:9-123 was adopted.

A motion was made by Commissioner Engelbert and seconded by Commissioner MacFarlane to adopt Resolution #R-11:9-124, authorizing execution of Change Order No. 6 to the CCMUA's contract with Komline-Sanderson for operation of Sludge Drying Facility via subcontractor. Commissioner Biondi stated that he does not like change orders, however, he appreciated the earlier explanation given by Mr. Kricun, which makes the reason for the change order understandable. There being no further comment or question on the motion, a roll call vote was taken. On roll call, the Commissioners responded to their names as follows:

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

Resolution #R-11:9-124 was adopted.

A motion was made by Commissioner Engelbert and seconded by Commissioner Swartz to adopt Resolution #R-11:9-125, authorizing Change Order No. 1 to D&B/Guarino for engineering services during construction of the Delaware No. 1 WPCF Sludge Drying Facility. 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
"	Burley	-	YES
"	Bresch	-	YES
"	Engelbert	-	YES
"	MacFarlane	-	YES
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-11:9-125 was adopted.

A motion was made by Commissioner Swartz and seconded by Commissioner MacFarlane to adopt Resolution

#R-11:9-126, approving an agreement with Cherry Hill Township for implementation of an infiltration/inflow reduction program. There being no question on the motion, a roll call vote was taken. On roll call, the Commissioners responded to their names as follows:

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

Resolution #R-11:9-126 was adopted.

A motion was made by Commissioner Engelbert and seconded by Commissioner Biondi to adopt Resolution #R-11:9-127, authorizing execution of Change Order No. 3 to the CCMUA's contract with WPCS for installation of a Biofilter Odor Control System. Commissioner Biondi asked if our current security system was doing any good. Mr. Cornforth responded that we have, however, not frequently. He added that there is only one camera at the back of our plant grounds which is where on the upgrades to our security system will be focused. We will be adding lights and cameras, each costing approximately \$100,000 of the proposed total \$200,000 in upgrade stated in this change order. Mr. Kricun added that this is the biggest blind spot in the plant and is most vulnerable to theft. Commissioner Swartz asked if this was an approximate cost or not to exceed costs to which Mr. Kricun and Cornforth responded that this is the quote provided by the contractor to complete the scope of work outlined. 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
"	Burley	-	YES
"	Bresch	-	YES
"	Engelbert	-	YES
"	MacFarlane	-	YES
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-11:9-127 was adopted.

A motion was made by Commissioner Engelbert and seconded by Commissioner MacFarlane to adopt Resolution #R-11:9-128, approving Change Order No. 1, amending the CCMUA's contract with Luzon Inc. for the Gateway Park Construction. Commissioner Biondi questioned the \$1,255 quote to repair a property owner's home caused by damage during construction. Mr. Kricun stated that the homeowner recently reported the damage and was not certain if the damage occurred during the demolition of the gas station or during construction of the park. The contractor who demolished the gas station has long since been released from the job and since the repair quote was reasonable, he recommended it. Commissioner Biondi noted that the remainder of the change order was for fence and bollards. Mr. Kricun explained that the NJDEP recommended these additions after the park was constructed, mainly to keep vandals, ATV's, etc from the park. Commissioner Wu asked for a status update on the property adjacent to the park to which Mr. Kricun responded that the ball was in his court in that he had to follow up with the property owners. 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
"	Burley	-	YES
"	Bresch	-	YES
"	Engelbert	-	YES
"	MacFarlane	-	YES
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-11:9-128 was adopted.

A motion was made by Commissioner Engelbert and seconded by Commissioner Biondi to adopt Resolution #R-11:9-129, 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
"	Burley	-	YES
"	Bresch	-	YES
"	Engelbert	-	YES
"	MacFarlane	-	YES
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-11:9-130 was adopted.

A motion was made by Commissioner Engelbert and seconded by Commissioner Biondi to adopt Resolution #R-11:9-130, authorizing payment of \$3,219,993.64 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
"	Burley	-	YES
"	Bresch	-	YES
"	Engelbert	-	YES
"	MacFarlane	-	YES
"	Swartz	-	YES
"	Wu	-	YES
Chairwoman	Dixon	-	YES

Resolution #R-11:9-130 was adopted.

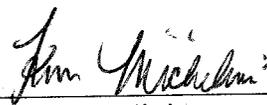
PUBLIC PARTICIPATION:

None

There being no further business, Chairwoman Dixon entertained for a motion of adjournment. A motion was made by Commissioner Biondi and seconded by Commissioner MacFarlane. The meeting adjourned at 6:57pm on a unanimous vote.

Minutes of this meeting were approved on 10/17/11

Respectfully Submitted,



Kim Michelini
Authority Secretary