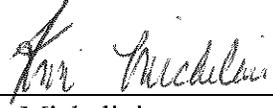


CERTIFICATION

I hereby certify the attached to a true and correct copy of the unapproved Minutes of the December 21, 2015 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 January 19, 2015 Regular Meeting.



Kim Michelini
Authority Secretary

THE CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY

MINUTES OF THE REGULAR MEETING HELD ON DECEMBER 21, 2015

The Regular Meeting of The Camden County Municipal Utilities Authority was called to order by Chairman Brennan 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	Bresch	-	YES
"	Burley	-	YES
"	Dixon	-	YES
"	Kelly	-	YES
"	MacFarlane	-	YES
"	Swartz	-	YES
"	Wu	-	YES
Chairman	Brennan	-	YES

STAFF PRESENT:

Andrew Kricun, Executive Director	Kim Michelini, Authority Secretary
Marge DellaVecchia, Deputy Executive Director	Alisa Smith, Secretarial Assistant
Wayne Planamento, Chief Financial Officer	
Robert Cornforth, Director of O&M	
Jack Connolly, Director of O&M	

CONSULTANTS:

Joseph Carney, Brown & Connery (Solicitor)

OTHERS PRESENT:

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 18, 2015 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 MacFarlane and seconded by Commissioner Bresch to adopt the Minutes of the Regular Meeting held on November 16, 2015. 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, Burley, Kelly, MacFarlane, Swartz, Wu	-	YES
Commissioner Dixon	-	ABSTAIN
Chairman Brennan	-	ABSTAIN

The motion was carried.

EXECUTIVE DIRECTOR'S REPORT:

I) ITEMS FOR DISCUSSION:

A) Administration:

- 1) Environmental Management System- December 2015
Commissioner Swartz noted that the CCMUA will receive a 19% grant for the digester project and the balance of the funding is to be paid at less than 1% interest over 30 years. Is the interest rate fixed? Mr. Kricun explained that the interest rate is fixed. At closing in May 2016, depending on the overall market, it is anticipated that the interest rate will be locked in at somewhere around .7% to .8% and the debt service payment will likely be approximately \$810,000 per year for 30 years. In addition, the overall O&M savings will exceed this amount due to drops in utility expenses and sludge disposal costs.
- 2) CCMUA Green & Grey Infrastructure Program

Mr. Kricun explained that the United States Environmental Council of the States, to mark the 30th anniversary of the State Revolving Fund (SRF), chose the CCMUA's green and grey infrastructure program as one of the three most innovative uses of the SRF (NJ Environmental Infrastructure Trust) in the entire country throughout the 30 year history of the SRF program. The green and grey infrastructure project involved creation of two parks, combined sewer separation and several rain gardens across Camden City. A webcast is scheduled in February to present the three selected projects. This is quite an honor for the CCMUA to have been chosen and Mr. Kricun thanked the Board for its continued support. Chairman Brennan asked that Freeholder Nash and Dan Keashen be notified.

B) Engineering:

C) Legal:

D) Operations & Maintenance:

Chairman Brennan complimented the O&M staff for their efforts regarding the emergency repairs to the odor control system. Mr. Kricun commended Mr. Connolly and the Maintenance Department for the prompt repair of the standby odor control system as well as for their follow up to ensure that it was in good working order as failure of the odor control system would have been adversarial to the community.

E) Finance:

- 1) Voucher Payment Resolutions - Report on Emergency Payments

II) INFORMATIONAL ITEMS:

A) Administration

- 1) Organizational Chart

B) Finance

- 1) Collections Report for November 2015
- 2) Budget Review Report for November 2015

Commissioner MacFarlane stated that through November, the totals for sludge and waste were not as anticipated given the installation of the dryers and asked how the overall budget would look by year's end. Mr. Planamento said he didn't anticipate much of a change. Commissioner MacFarlane noted that there has been an improvement in utilities this year and asked what the anticipated negatives might be at year's end. Mr. Planamento stated that he believed that the budget would be about \$1.4 million over. Mr. Kricun added that, on the good news side, regarding sludge, when the sludge dryers were running consistently all year long in 2014, the dryers processed approximately 90% of the sludge at a cost of \$3.6million. In comparing the same figures in 2015, the CCMUA is \$1.1million over as a result of one or two dryers being out of service. So, it is not unreasonable to expect 2016's costs to be similar to 2014 since the dryer will be back in full service. A meeting was held with Komline regarding the dryer currently out of service. It was originally anticipated that this dryer would be back in service by the end of January; however, this has been delayed until the end of March. So, Komline has committed to paying the CCMUA \$2,000/day toward its additional sludge disposal costs for approximately 6 weeks starting February 1st.

- 3) Cash Management Report for October 2015

C) Operations & Maintenance:

- 1) Del. No. 1 WPCF & Winslow STP- Operations Report (October 2015)

PUBLIC PARTICIPATION ON PROPOSED RESOLUTIONS: NONE

OLD BUSINESS: NONE

NEW BUSINESS:

A motion was made by Commissioner MacFarlane and seconded by Commissioner Swartz to adopt Resolution #R-15:12-166, authorizing award pursuant to solicitation of quotations with All Industrial Safety Products for Calibration Service Agreement of GMI & Honeywell Multigas Portable Monitors 2015-Q2. 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, Burley, Dixon, Kelly, MacFarlane, Swartz, Wu	-	YES
Chairman Brennan	-	YES

Resolution #R-15:12-166 was adopted.

A motion was made by Commissioner MacFarlane and seconded by Commissioner Bresch to adopt Resolution #R-15:12-167, authorizing rejection of bids received for Specification #15-20B, hauling and disposal of dewatered sludge cake and authorize negotiation of a contract for these services. Mr. Kricun advised the Board that he received a call from the bidder who indicated that he hoped the CCMUA would not reject bids as he felt that his price was reasonable. However, the bid price is quite a bit higher than that ever awarded and higher than the bids that were rejected previously. The issue was discussed with our Solicitor and it is the recommendation that the CCMUA reject all bids. Since this is the third time bids were rejected, the CCMUA will negotiate with the bidders. If a price cannot be successfully negotiated, the CCMUA will again go out for bids. Commissioner Bresch asked what the possible reason might be for the higher prices to which Mr. Kricun responded that it may be due to the fact that we produce and haul less sludge, and are so more of a "spot market" as opposed to a consistent market, and the remaining landfills available are further away. Commissioner Swartz asked if it was possible for the CCMUA to haul the sludge to which Mr. Connolly explained that the available landfills are much further away making hauling by CCMUA employees impractical. Mr. Kricun further added that it is good that the CCMUA is getting out of this business – by installing the dryer, there is little sludge to be hauled. With the addition of the digester, the sludge produced will be reduced by 50%, making it even less likely that hauling will be needed. Mr. Kricun added that Mr. Connolly reviewed the CCMUA's sludge disposal contract with ACUA and found that the contract allows for ACUA drivers to pick up sludge at the CCMUA and haul it to ACUA for disposal which provides a further level of protection for 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, Burley, Dixon, Kelly, MacFarlane, Swartz, Wu	-	YES
Chairman Brennan	-	YES

Resolution #R-15:12-167 was adopted.

A motion was made by Commissioner Bresch and seconded by Commissioner Swartz to adopt Resolution #R-15:12-168, authorizing the execution of an agreement between the CCMUA and Shupper-Brickle Equipment Company of Clarksburg, New Jersey for the repair and certification of cranes and hoists in accordance with Specification #15-16A. 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, Burley, Dixon, Kelly, MacFarlane, Swartz, Wu	-	YES
Chairman Brennan	-	YES

Resolution #R-15:12-168 was adopted.

A motion was made by Commissioner Swartz and seconded by Commissioner Bresch to table Resolution #R-15:12-169, authorizing the execution of an agreement between the CCMUA and Xylem Water Solutions USA, Inc., of Malvern, PA for parts for ITT Allis Chalmers Pumps in accordance with Specification #15-33. Mr. Kricun explained that our Solicitor has reviewed the resolution and paperwork submitted with the bid and more time is needed to research the Financial Disclosure Statement submitted. Chairman Brennan added that the Solicitor will research the 10% or greater section of the Financial Disclosure form submitted with the bid and the Solicitor will advise the CCMUA of whether or not it is a waivable 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 Bresch, Burley, Dixon, Kelly, MacFarlane, Swartz, Wu	-	YES
Chairman Brennan	-	YES

Resolution #R-15:12-169 was tabled.

A motion was made by Commissioner Bresch and seconded by Commissioner Wu to adopt Resolution #R-15:12-170, authorizing the execution of an agreement between the CCMUA and Hibrett Puratex of

Pennsauken, New Jersey for the supply and delivery of ethylene glycol in accordance with Specification #15-37. 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, Burley, Dixon, Kelly, MacFarlane, Swartz, Wu	-	YES
Chairman Brennan	-	YES

Resolution #R-15:12-170 was adopted.

A motion was made by Commissioner Bresch and seconded by Commissioner MacFarlane to adopt Resolution #R-15:12-171, authorizing an extension of the shared services agreement between the CCMUA and Camden County College for provision of security guard services. There being no question on the motion, a roll call vote was taken. On roll call, the Commissioners responded to their names as follows:

Commissioner Bresch, Burley, Dixon, Kelly, MacFarlane, Swartz, Wu	-	YES
Chairman Brennan	-	YES

Resolution #R-15:12-171 was adopted.

A motion was made by Commissioner Bresch and seconded by Commissioner Burley to adopt Resolution #R-15:12-172, authorizing Change Order No. 1 to the contract for special legal services with DeCotiis, Fitzpatrick & Cole for development of a Contract Operations RFP for the City of Camden. Mr. Kricun explained that the job is now complete as the City awarded a contract to American Water earlier today. 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, Burley, Dixon, Kelly, MacFarlane, Swartz, Wu	-	YES
Chairman Brennan	-	YES

Resolution #R-15:12-172 was adopted.

A motion was made by Commissioner Kelly and seconded by Commissioner Burley to adopt Resolution #R-15:12-173, adopting a late budget resolution. 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, Burley, Dixon, Kelly, MacFarlane, Swartz, Wu	-	YES
Chairman Brennan	-	YES

Resolution #R-15:12-173 was adopted.

A motion was made by Commissioner MacFarlane and seconded by Commissioner Swartz to adopt Resolution #R-15:12-174, authorizing award pursuant to solicitation of quotations with Sherwood Logan & Associates for supply and delivery of Biosec Enviro grit washer replacement parts 2015-Q3. 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, Burley, Dixon, Kelly, MacFarlane, Swartz, Wu	-	YES
Chairman Brennan	-	YES

Resolution #R-15:12-174 was adopted.

A motion was made by Commissioner MacFarlane and seconded by Commissioner Kelly to adopt Resolution #R-15:12-175, authorizing execution of an agreement between the CCMUA and Print & Mail Communications for regional sewer billing service in accordance with Specification #15-41. Chairman Brennan noted that the CCMUA bills are mailed 4 times per year which provides a great opportunity for the CCMUA and other County agencies to include educational or informational inserts in the bills. 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, Burley, Dixon, Kelly, MacFarlane, Swartz, Wu	-	YES
Chairman Brennan	-	YES

Resolution #R-15:12-175 was adopted.

A motion was made by Commissioner MacFarlane and seconded by Commissioner Kelly to adopt Resolution #15:12-176, authorizing an extension of existing shared services agreement permitting Gloucester Township MUA to utilize services of a C-4 licensed sewer collection system operator employed by the CCMUA. Commissioner Dixon asked if there was an end point in mind regarding this shared services agreement to which Mr. Kricun explained that this agreement will terminate in July 2016 and that the GTMUA was advised that it will not be extended any 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 Bresch, Burley, Dixon, Kelly, MacFarlane, Swartz, Wu	-	YES
Chairman Brennan	-	YES

Resolution #R-15:12-176 was adopted.

A motion was made by Commissioner Swartz and seconded by Commissioner Bresch to adopt Resolution #R-15:12-177, ratifying approval of expense vouchers as approved by the Executive Director under authorization granted by CCMUA and 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, Burley, Dixon, Kelly, MacFarlane, Swartz, Wu	-	YES
Chairman Brennan	-	YES

Resolution #R-15:12-177 was adopted.

A motion was made by Commissioner Kelly and seconded by Commissioner Bresch to adopt Resolution #R-15:12-178, authorizing payment of \$5,664,190.14 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, Burley, Dixon, Kelly, Swartz, Wu	-	YES
Commissioner MacFarlane	-	ABSTAIN
Chairman Brennan	-	YES

Resolution #R-15:12-178 was adopted.

Mr. Kricun explained that after discussion in the Finance Committee, there is no longer a need for Resolution #R-15:12-179, authorizing that the Authority hold a closed session meeting to discuss legal matters and requested that the resolution be withdrawn. All Commissioners agreed.

Resolution #R-15:12-179 was withdrawn.

ADDED ON 12/21/15

Mr. Kricun explained that there are two additional resolutions for the Board to consider. He explained that earlier the CCMUA adopted a late budget resolution to allow time for the CCMUA to deal with two problems: 1) a shortfall in overall revenues vs. expenses and 2) a cash flow timing issue (a debt service payment is due mid-year which exceeds our revenues at that time). With the assistance of its Bond Counsel and Financial Advisor, it is recommended that the CCMUA raise rates 2.9% or \$10/EDU per year to help offset the revenue shortfall. Resolution #180, if adopted, authorizes a public hearing for the proposed rate increase, \$352 to \$362 per household per year. Regarding the cash flow shortfall, it is recommended that the CCMUA make application to the Local Finance Board (LFB) to borrow additional funds to help pay for capital expenses and debt service payments. The corresponding resolution is #181.

A motion was made by Commissioner MacFarlane and seconded by Commissioner Kelly to adopt Resolution #R-15:12-180, authorizing a public hearing on the revision of sewer use charges. Commissioner Dixon asked if this rate increase will take the CCMUA through 2017 to which Mr. Kricun stated that it will not. It will only take

the CCMUA through 2016. In 2017, the CCMUA will again be short and will have to consider similar financing options. Commissioner Dixon asked if it would be better to raise the rates one time even if it is a larger increase than the proposed \$10 increase. Mr. Kricun explained that if the CCMUA were to do this, the increase would likely be 25-30%, which is not favorable. In addition, the amount that to be borrowed depends upon the amount of connection fees received. So, if the anticipated projects- like Subaru, Liberty Complex, Pennsauken Mart, and the Sixers practice facility, etc and the corresponding connection fees materialize, the CCMUA may need to borrow less. If they don't, then the CCMUA will need to borrow more. The thought is to evaluate how much in connection fees materialize in 2016 and use that information to determine how much to borrow in 2017. 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, Burley, Dixon, Kelly, MacFarlane, Swartz, Wu	-	YES
Chairman Brennan	-	YES

Resolution #R-15:12-180 was adopted.

A motion was made by Commissioner Kelly and seconded by Commissioner Bresch to adopt Resolution #R-15:12-181, resolution of the Camden County Municipal Utilities Authority making application to the Local Finance Board in connection with a proposed project financing to assist the CCMUA with its capital and cash flow issues in 2016. Commissioner Swartz asked if the staff explored a revenue anticipation note or line of credit to help with the cash flow shortfalls. Mr. Kricun explained that the revenue anticipation note was considered, however, after pushback from the Local Finance Board, other avenues were pursued. The capital bond has a dual purpose in that it can fund both capital projects and the cash shortfalls. A line of credit was not discussed. Chairman Brennan suggested that Mr. Kricun and Ms. DellaVecchia contact Bond Counsel for their input on whether or not this is a viable option. He added that the primary focus is that the prospectus and disclosure statement clearly states the CCMUA's obligations so there is no confusion. 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, Burley, Dixon, Kelly, MacFarlane, Swartz, Wu	-	YES
Chairman Brennan	-	YES

Resolution #R-15:12-181 was adopted.

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 Swartz. All Commissioners responded "Aye" in favor. The meeting adjourned at 6:32pm.

Minutes of this meeting were approved on 1/19/2016

Respectfully Submitted,



Kim Michelini
Authority Secretary