

AGENDA
CUMBERLAND COUNTY UTILITIES AUTHORITY
July 19, 2012

1. CALL TO ORDER
2. ANNOUNCEMENT THAT ADEQUATE NOTICE OF THIS MEETING WAS PROVIDED IN ACCORDANCE WITH CHAPTER 231, P.L. 1975 (THE OPEN PUBLIC MEETINGS ACT)
3. FLAG SALUTE
4. ROLL CALL
5. MOTION TO OPEN THE MEETING TO THE PUBLIC FOR THE PURPOSE OF PRESENTING QUESTIONS OR COMMENTS RELATIVE TO ANY PROPOSED AMENDMENTS TO THE SEWER USE RULES AND REGULATIONS
6. MOTION TO CLOSE THE PUBLIC HEARING ON ANY AMENDMENTS TO THE SEWER USE RULES AND REGULATIONS
7. MINUTES OF THE REGULAR MEETING AND EXECUTIVE SESSION OF JUNE 21, 2012
8. REPORTS
 - A. DIRECTOR
 - B. ENGINEER
 - C. AUDITOR
 - D. GENERAL COUNSEL
 - E. COMMITTEES
 - (1) COMMUNITY RELATIONS – Commissioner Edwards
 - (2) EMPLOYEE RELATIONS – Vice-Chairman Jones
 - (3) FACILITIES EXPANSION/CONSTRUCTION - Commissioner Olbrich
 - (4) FINANCE AND BUDGET – Commissioner Wasserman
 - (5) INDUSTRIAL WASTE - Commissioner Crilley
 - (6) INSURANCE – Commissioner Friedman
 - (7) OPERATIONS - Commissioner Boutros
 - (8) AD HOC – Commissioner Begley
9. RESOLUTIONS
 - A. RESOLUTION AMENDING THE GENERAL BOND RESOLUTION OF THE CUMBERLAND COUNTY SEWERAGE AUTHORITY ADOPTED FEBRUARY 7, 1997, AS SUPPLEMENTED AND AMENDED
 - B. RESOLUTION ESTABLISHING REGULAR FULL-TIME EMPLOYMENT, TITLE AND RATE OF PAY OF PAUL LEVICK
10. TREASURER'S REPORT
 - A. CASH POSITION OF THE AUTHORITY
 - B. RESOLUTION APPROVING AND AUTHORIZING PAYMENT OF CERTAIN OPERATING ACCOUNT VOUCHERS
11. CHAIRMAN'S REMARKS
12. OPEN FLOOR FOR COMMENTS OF COMMISSIONERS
13. PUBLIC PORTION
14. ADJOURNMENT

REGULAR MEETING
CUMBERLAND COUNTY UTILITIES AUTHORITY
July 19, 2012

The Cumberland County Utilities Authority (CCUA) held its Regular Monthly Meeting on Thursday, July 19, 2012 in the Meeting Room of the Operations Building, 333 Water Street, Bridgeton, New Jersey.

Representing the CCUA:

Nancy Sungenis, Chairperson
James Begley, Commissioner
Sam Boutros, Commissioner
James Crilley, Commissioner
Angelia Edwards, Commissioner
Harvey Friedman, Commissioner
Donald Olbrich, Commissioner
Keith Wasserman, Commissioner
Steve Testa, Auditor
Ronald Curcio, Engineer
Robert O'Donnell, General Counsel
James Quinn, Treasurer
Theodore Propert, Director
Michael Fernandez, Deputy Director
Robert Rose, Public Relations
Patti McAllister, Assistant Secretary – Treasurer
Sandy Acevedo, Business Administrator

Chairperson Sungenis called the meeting to order, announced that adequate notice of this meeting has been given in accordance with Chapter 231, P.L. (THE OPEN PUBLIC MEETING ACT) and led in the flag salute.

Assistant Secretary McAllister called the roll and a quorum was present. Commissioner Jones is recorded as an excused absence.

Chairperson Sungenis called for a motion to open the meeting to the public for the purpose of presenting questions or comments relative to any proposed amendments to the Sewer Use Rules and Regulations. Motion was offered by Commissioner Olbrich, seconded by Commissioner Wasserman and carried unanimously at roll call.

Chairman Sungenis acknowledged Theodore Dansforth, who introduced himself as an independent consultant. He is currently working with White Wave. Mr. Dansforth had concerns and questions on what impact the new billing structure would have on the City of Bridgeton, and in turn, their rates to the industries. During discussion, General Counsel stated that the new billing is based on Flow and actually may bring the City of Bridgeton's cost down; however, the Authority has no say on what the User charges its industries. Mr. Dansforth was concerned that they may see a larger impact due to the proposed surcharges and wondered how they would be able to project such flow for budgeting. Director Propert suggested that it would be a good idea for the industries to contact the city on these issues, and offered Deputy Director Fernandez's assistance. He further thanked Mr. Dansforth, stating that he made some good points and that the Authority would try to work with the Users to address them.

There being no other questions or comments from the public, Chairperson Sungenis called for a motion to close the public hearing on any amendments to the Sewer Use Rules and Regulations and return to the Regular Meeting. Motion was offered by Commissioner Olbrich and seconded by Commissioner Edwards, carried unanimously at roll call.

Chairperson Sungenis called for a motion to approve the minutes of the Regular Monthly Meeting of June 21, 2012. It was motioned by Commissioner Wasserman, seconded by Commissioner Edwards and carried unanimously at roll call.

Chairperson Sungenis called for a motion to approve the minutes of the Executive Session of June 21, 2012. It was motioned by Commissioner Olbrich, seconded by Commissioner Begley and carried unanimously at roll call.

REPORTS

Director

Director Probert submitted the June Discharge Monitoring Report (DMR) for inclusion in the minutes of this meeting. He stated that all parameters were met for the month.

He stated that he, along with the Deputy Director, General Counsel, Auditor and members of the Budget & Finance Committee met with the Users last week, to explain the proposed Sewer Use Rules and Regulations changes which was the public hearing portion of tonight's meeting. The meeting was well attended and he felt, well received.

In his report, Director Proper stated that last month, the Authority received a payment of \$5,111.33 for its participation in Power Pay with Energy Curtailment Specialists.

Resolution A on the agenda is an amendment to our supplemental bond and a change to the bond funding structure. Resolution B establishes regular employment status to Paul Levick.

He noted that the Employee Relations Committee met earlier this week to begin preliminary talks with the salaried employees for 2013.

In his report, he stated that we anticipate getting back to Cumberland Nursery for a small amount of sludge application next week and will continue to haul to Ash Lane and GCUA as needed.

Director Probert further reported that many of our industrial users were without power for extended periods of time as a result of the storms the first of the month. Any permit excursions that occurred during that time, were excused. From what has been determined, the major food processing industries were fairly effective in preventing the discharge of spoiled product during this time.

In conclusion, he reported that the Authority received an invoice for \$1,760 to renew our Emergency Generator Permits. Instead of renewing them, they were re-submitted under one of the new "general" air permits for minor processes; this will result in a savings of \$1,350.00.

Engineer

Mr. Curcio reported that they only had one thing to report, that being the contractor for the Upper Deerfield Force Main Project completed the final paving of the trenches last week and the final cost of the contract will be slightly less than originally bid.

Auditor

Mr. Testa reported that they prepared and submitted the Authority's Secondary Market Disclosure Report, as discussed at the last meeting.

He further stated that he attended and participated in the presentation of the proposed new billing method to the Authority Users. He also met and worked with management on the proposed new billing methods and impact of the same.

Also, during the month, they worked with management, the Trustee and Bond Counsel on the flow of funds under the new supplemental bond resolution language. With regards to that, on the agenda, there is a resolution amending the General Bond Resolution. This resolution, changes the required quarterly flow of funds to permit the Authority to deposit each quarter, an amount that will provide enough funds to pay the debt service when due; but not have to fund up the bond service account for the next payment as well. It's basically a language change and it also changes the definition of "Authorized Newspapers" contained in the General Bond Resolution, because certain annual publications of notices, etc., were very expensive due to the number of publications required. This new language will provide adequate publication and distribution, but at significantly less cost.

General Counsel

Mr. O'Donnell reported that he attended last week's meeting and also felt that the Users were very receptive to the proposed changes of the billing structure. He is working on the language for new agreements. One type of contract, uniform for everyone; that is simplified and easy to read. He intends on getting the contracts out to the Users by September so that they could present them and get them back to us by the end of the year.

In conclusion, Mr. O'Donnell stated that he remains available for any questions and concerns from the staff or the Commissioners.

Committees

The Employee Relations Committee met on July 17th and the minutes are included in the Commissioners' packages. Chairman Jones was not here to comment on the initial negotiations, but Commissioner Crilley emphasized that we are in difficult times right now, on an economy stand point.

RESOLUTIONS

RESOLUTION (2492) AMENDING THE GENERAL BOND RESOLUTION OF THE CUMBERLAND COUNTY SEWERAGE AUTHORITY ADOPTED FEBRUARY 7, 1997, AS SUPPLEMENTED AND AMENDED, motioned by Commissioner Olbrich, seconded by Commissioner Edwards, carried unanimously at roll call.

RESOLUTION (2493) ESTABLISHING REGULAR FULL-TIME EMPLOYMENT TITLE AND RATE OF PAY OF PAUL LEVICK, motioned by Commissioner Boutros, seconded by Commissioner Olbrich, and carried unanimously at roll call.

Treasurers Report

Revenue Account	\$	1,052.27
Operating Account		1,323,514.25
Petty Cash		500.00
Sensor Account		6,423.40
General Account		306,841.26
Plant Reconstruction/Replacement		1,728,708.46
Trust Account		3,366,012.76
Total Cash Position	\$	6,752,062.40

Treasurer Quinn reported that the bills submitted for payment today for the Operating Account total \$176,163.20. The Authority Chairperson and Secretary have checked the vouchers and the Operating Account has sufficient funds to cover these checks. The Treasurer recommends approval of Resolution B.

For the first six months of 2012, revenues have exceeded expenses by \$242,801.87. The Treasurer further stated that the monthly bank statements are available for review if anyone is interested.

RESOLUTION (2494) APPROVING AND AUTHORIZING PAYMENT OF CERTAIN OPERATING ACCOUNT VOUCHERS, offered by Commissioner Wasserman, seconded by Commissioner Edwards and carried unanimously at roll call.

Chairperson's Remarks

Chairperson Sungenis offered appreciation to Assistant Secretary for standing in for the Secretary Scott.

Commissioners

There were none.

Public

Blake Maloney, retired Executive Director of the Authority extended his praise to the Board and Staff for continuing to do an outstanding job. He further stated that the City of Bridgeton has been gathering historical data to preserve for the future. Mr. Maloney has been helping them in their efforts by compiling information and pictures of the sewerage facilities over the years, for a power point presentation. He expressed his thanks to the CCUA administrative staff for all their help. In addition, he offered to give a presentation to the Board members, should they care to see it.

The Authority Board members were receptive to the idea and suggested that Mr. Maloney come early to the next regularly scheduled meeting and show his presentation at 4:00 p.m., before the meeting, for all those interested.

With no other comments from the public, the meeting was adjourned on a motion from Commissioner Begley.

The next regular Monthly Meeting of the Cumberland Counties Utilities Authority will be held Thursday, August 16th, 2012, in the Public Meeting Room of the Operations Building, 333 Water Street, Bridgeton, New Jersey at 4:30 pm.

Respectfully submitted,

Patti McAllister, Assistant Secretary

**RESOLUTION AMENDING THE GENERAL BOND RESOLUTION
OF THE CUMBERLAND COUNTY SEWERAGE AUTHORITY
ADOPTED FEBRUARY 7, 1997,
AS SUPPLEMENTED AND AMENDED**

WHEREAS, The Cumberland County Utilities Authority was originally created as The Cumberland County Sewerage Authority pursuant to the county sewerage authorities law, which constituted Chapter 123 of the Pamphlet Laws of 1946 and the acts amendatory thereof or supplemental thereto, codified as N.J.S.A. 40:36A-1 et seq., which was repealed by P.L. 1977, c. 384, Section 16, effective February 10, 1978; and

WHEREAS, The Cumberland County Sewerage Authority was reorganized as The Cumberland County Utilities Authority and continues to exist and to operate pursuant to the municipal and county utilities authorities law, N.J.S.A. 40:14B-1 et seq. (P.L. 1957, Chapter 183, effective August 22, 1957, and the acts amendatory thereof and supplemental thereto) (the "Act") and pursuant to a resolution of the Board of Commissioners, which was duly filed with the Secretary of State of the State of New Jersey (The Cumberland County Sewerage Authority until its reorganization and The Cumberland County Utilities Authority after its reorganization being herein referred to as the "Authority"); and

WHEREAS, the Act provides that the Authority shall have the power to borrow money and issue its bonds and other obligations and to provide for the rights of the holders of its bonds and other obligations, as provided in the Act, for the purpose of financing the cost of any part of the sewer system (the "System") servicing certain residents of the County of Cumberland (the "County") and for the refunding of outstanding obligations of the Authority; and **WHEREAS**, on February 7, 1977, the Authority adopted a general bond resolution entitled, "Resolution Providing for the Issuance of Bonds of The Cumberland County Sewerage Authority and for the Rights of the Holders Thereof, Determining to Construct the Phase I Project of the Authority, Estimating the Cost of the Phase I Project, and Authorizing Initial Bonds to Finance the Portion of Such Estimated Cost Not Paid or Provided for from Governmental Grants for the Phase I Project" (the "General Bond Resolution"); and

WHEREAS, the definition of "Authorized Newspapers" in the General Bond Resolution currently reads "(a) one newspaper published at least once in each calendar week in the City of Bridgeton, New Jersey, (b) one newspaper which is customarily circulated at least once a week in the District and (c) one newspaper which is customarily published in the Borough of Manhattan, City and State of New York, at least once a day for at least five days (other than legal holidays) in each calendar week, each of which newspapers is printed in the English language and of general circulation in the municipality in which it is published;" and subparagraph (c) typically requires the Authority to make an annual publication in the Bond Buyer for notice of its budget hearings pursuant to Section 718 (b) of the General Bond Resolution at great cost and expense to the Authority; and

WHEREAS, therefore the Authority has determined to amend the definition of “Authorized Newspapers” to read “(a) one newspaper published at least once in each calendar week in the City of Bridgeton, New Jersey, and (b) one newspaper which is customarily circulated at least once a week in the District”; and

WHEREAS, Article V of the General Bond Resolution is entitled “Funds, and Application of Revenues and Other Moneys” and details the flow of funds that are realized as Revenues of the Authority; and

WHEREAS, Section 507 details the flow of funds for withdrawals from the Revenue Fund (after making payments into the Operating Fund pursuant to Section 505 of the General Bond Resolution) and provides as follows:

“Section 507. *Periodic Withdrawals from Revenue Fund.* As of the last day of each Quarter beginning with the first Quarter of the First Fiscal Year, the Trustee within ten days thereafter, after making or providing for any withdrawal or transfer required to be made from the Revenue Fund as of said last day under the provisions of Section 505, shall out of any remaining moneys in the Revenue Fund, pay and credit said amount to the following several Funds:

First: Into the Bond Service Fund, to the extent, if any, needed to increase the amount in the Bond Service Fund so that it equals (1) any unpaid interest then due on all Outstanding Bonds, plus the interest to become due on all Outstanding Bonds on the interest payment date next ensuing and (2) the principal amount of any unpaid Bonds then matured, plus the principal amount of Outstanding Bonds, if any, maturing on the principal maturity date next ensuing; and

Second: Into the Sinking Fund, to the extent, in any, needed to increase the amount then or theretofore paid during such Fiscal year into the Sinking Fund pursuant to this subparagraph so that it equals the aggregate amount of all Sinking Fund Installments, if any, payable during the next ensuing Fiscal Year;

Third: Into the Bond Reserve Fund, to the extent if any, needed to increase the amount in the Bond Reserve Fund so that it equals the Bond Reserve Requirement.

Any balance of said amount remaining after making the foregoing payments into the Bond Service Fund and Bond Reserve Fund shall be paid and credited by the Trustee, to the following several Funds:

First: Into the Renewal and Replacement Fund, to the extent of the amount, if any, provided in the Annual Budget for addition to said Fund in or before the Quarter then current: and

Second: By payment to the Authority, into the General Fund held by the Authority.”; and

WHEREAS, it has been determined that while the Revenues are more than sufficient to pay the principal and interest on all of the Authority’s outstanding Bonds and to make all required deposits into the various other funds established under the General Bond Resolution on an annual basis, the required quarterly withdrawals from the Revenue Fund as worded are consistently insufficient to meet the apparent Bond Service Fund Requirement set forth in Section 508; and

WHEREAS, this problem is due in large part to the confusion and inconsistency created by the apparent requirement that the Authority fund a full years worth of principal

and half years worth of interest for the Outstanding Bonds of the Authority on an ongoing basis (limited only to 25% of the Authority's available revenues at any given time); and

WHEREAS, therefore the actual flow of funds is never able to match the planned and typical flow of funds as set forth in the General Bond Resolution since Revenues are sufficient to pay debt service when due but are not sufficient to ever accumulate in an amount so that Revenues would be able to meet the Bond Service Fund funding requirement and thereafter flow to the remaining Funds; and

WHEREAS, while the Bond Reserve Fund and Renewal and Replacement Fund are adequately funded from prior deposits and while there are more than enough Revenues generated by the Authority on an annual basis to meet all obligations and necessary, even unexpected, expenses, the lack of funding into the General Fund as worded makes it difficult for the Authority to meet unexpected expenses; and

WHEREAS, the inability to pay subordinate debt from the General Fund is an impediment to participation in favorable financing programs such as the New Jersey Environmental Infrastructure Trust Financing Program which would allow the Authority to fund capital projects at below-market financing rates; and

WHEREAS, in order to clarify and correct this inconsistency, the Authority has determined to amend its General Bond Resolution pursuant to Section 802 of the General Bond Resolution which allows the adoption of supplemental resolution to "cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision of the Resolution,";

NOW THEREFORE, BE IT RESOLVED BY THE CUMBERLAND COUNTY UTILITIES AUTHORITY, as follows:

Section 1. The General Bond Resolution as defined herein, is hereby amended so that the definition of "Authorized Newspaper" shall mean "(a) one newspaper published at least once in each calendar week in the City of Bridgeton, New Jersey, and (b) one newspaper which is customarily circulated at least once a week in the District."

Section 2. The General Bond Resolution as defined herein, is hereby amended so that Section 507 shall read as follows:

"Section 507. *Periodic Withdrawals from Revenue Fund.* As of the last day of each Quarter beginning with the first Quarter of the First Fiscal Year, the Trustee within ten days thereafter, after making or providing for any withdrawal or transfer required to be made from the Revenue Fund as of said last day under the provisions of Section 505, shall out of any remaining moneys in the Revenue Fund, pay and credit said amount to the following several Funds:

First: Into the Bond Service Fund, to the extent, if any, needed to increase the amount in the Bond Service Fund so that payment of interest and principal on each Series of Outstanding Bonds may be made in 2012 in order to accommodate any initial cash flow deficiency that may arise prior to the Trustee reserving amounts as required by (1) and (2) herein, and after each interest and principal payment date thereafter, an amount that equals (1) any unpaid interest then due on all Outstanding Bonds, plus fifty per cent (50%) of the interest to become due on all Outstanding Bonds on the interest payment date next ensuing, and (2) the principal amount of any unpaid Bonds then matured, plus twenty-five per cent (25%) of the principal amount of Outstanding Bonds, if any, maturing on the principal maturity date next ensuing; and

Second: Into the Sinking Fund, to the extent, in any, needed to increase the amount then or theretofore paid during such Fiscal year into the Sinking Fund pursuant to this subparagraph so that it equals (1) fifty (50%) of the interest to become due for the next ensuing Sinking Fund Installment and (2) twenty-five per cent (25%) the principal amount to become due for the next ensuing Sinking Fund Installment;

Third: Into the Bond Reserve Fund, to the extent if any, needed to increase the amount in the Bond Reserve Fund so that it equals the Bond Reserve Requirement.

Any balance of said amount remaining after making the foregoing payments into the Bond Service Fund and Bond Reserve Fund shall be paid and credited by the Trustee, to the following several Funds:

First: Into the Renewal and Replacement Fund, to the extent of the amount, if any, provided in the Annual Budget for addition to said Fund in or before the Quarter then current: and

Second: By payment to the Authority, into the General Fund held by the Authority.”

Section 3. This resolution shall take effect (i) upon adoption and after a certified copy is filed with the Trustee and (ii) after the Trustee has filed its consent to such adoption with the Secretary of the Authority.

Passed and adopted at the regular meeting of the Cumberland County Utilities Authority, held at the Authority’s Administration Building 333 Water Street, Bridgeton, New Jersey, on Thursday afternoon, July 19, 2012 at 4:30 p.m. prevailing time.

DATED: July 19, 2012

CERTIFICATE

I, the undersigned Secretary of The Cumberland County Utilities Authority, a body corporate and politic of the State of New Jersey, HEREBY CERTIFY that the foregoing resolution entitled " RESOLUTION AMENDING THE GENERAL BOND RESOLUTION OF THE CUMBERLAND COUNTY SEWERAGE AUTHORITY ADOPTED FEBRUARY 7, 1997, AS SUPPLEMENTED AND AMENDED." is a true copy of an original resolution which was duly adopted by said Authority at a meeting which was duly called and held on July 19, 2012, and at which a quorum was present and acted throughout, and that said copy has been compared by me with the original resolution recorded in the records of the Authority and that it is a correct transcript thereof and of the whole of said resolution, and that said original resolution has not been altered, amended or repealed but is in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand this ___day of _____, 2012.

**THE CUMBERLAND COUNTY
UTILITIES AUTHORITY**

By: _____
Patti McAllister, Assistant Secretary

Acknowledged and consented to:

Name:
Title:
TD Bank, National Association
July __, 2012.

RESOLUTION ESTABLISHING REGULAR FULL-TIME EMPLOYMENT,
TITLE AND RATE OF PAY OF PAUL LEVICK

WHEREAS, the Cumberland County Utilities Authority owns and operates a Sewerage Treatment Plant located in the City of Bridgeton, and requires employees to operate, manage, and conduct its business; and

WHEREAS, among the powers granted to the Authority by N.J.S.A. 40:14B-18, are the powers to hire employees and determine their duties and compensation; and

WHEREAS, the Authority hired Paul Levick to serve in the classification of Laborer, and

WHEREAS, the said Paul Levick has successfully completed a 90-day employment introductory period.

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the Cumberland County Utilities Authority as follows:

1. That Paul Levick be established as a Regular Employee of the Authority, in the classification title of Laborer, at the hourly rate of pay of \$16.50 effective, July 1, 2012.

Passed and adopted at the regular meeting of the Cumberland County Utilities Authority, held at the Authority's Administration Building, 333 Water Street, Bridgeton, New Jersey, on Thursday afternoon, July 19, 2012 at 4:30 p.m. prevailing time.

DATED: July 19, 2012