

AGENDA
CUMBERLAND COUNTY UTILITIES AUTHORITY
April 18, 2013

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. MINUTES OF REGULAR MEETING OF MARCH 21, 2013
6. REPORTS
 - A. DIRECTOR
 - B. ENGINEER
 - C. AUDITOR
 - D. GENERAL COUNSEL
 - E. COMMITTEES
 - (1) COMMUNITY/INDUSTRIAL RELATIONS – Commissioner Friedman
 - (2) EMPLOYEE RELATIONS – Commissioners Edwards
 - (3) FACILITIES EXPANSION/CONSTRUCTION - Commissioner Olbrich
 - (4) FINANCE AND BUDGET – Vice-Chairman Wasserman
 - (5) OPERATIONS/INSURANCE - Commissioner Boutros
 - (6) AD HOC – Commissioner Bethea
7. RESOLUTIONS
 - A. RESOLUTION ACKNOWLEDGING THE RECEIPT AND CERTIFYING THE REVIEW OF THE 2012 AUDIT REPORT
 - B. RESOLUTION TO AWARD A CONTRACT TO POLYDYNE INC. FOR THE SUPPLY AND DELIVERY OF POLYMER
 - C. RESOLUTION APPOINTING CME ASSOCIATES AS CONSULTING ENGINEER OF THE CUMBERLAND COUNTY UTILITIES AUTHORITY
8. TREASURER'S REPORT
 - A. CASH POSITION HAVE THE AUTHORITY
 - B. RESOLUTION APPROVING AND AUTHORIZING PAYMENT OF CERTAIN OPERATING ACCOUNT VOUCHERS
9. MOTION FOR EXECUTIVE SESSION
10. CHAIRMAN'S REMARKS
11. OPEN FLOOR FOR COMMENTS OF COMMISSIONERS
12. PUBLIC PORTION
13. ADJOURNMENT

CUMBERLAND COUNTY UTILITIES AUTHORITY

COMMISSIONER	AYE	NAY	ABSTAIN	ABSENT
EDWARD BETHEA	x			
SAMEER BOUTROS	x			
ANGELIA EDWARDS				x
HARVEY FRIEDMAN				x
DONALD OLBRICH	x			
KEITH WASSERMAN	x			
ALBERT JONES	x			

RESOLUTION 2558

Offered By Bethea

Seconded By Olbrich

Dated April 18, 2013

RESOLUTION ACKNOWLEDGING THE RECEIPT AND CERTIFYING THE REVIEW OF THE 2012 AUDIT REPORT

WHEREAS, N.J.S.A. 40A:5A-15 requires the governing body of each local authority to cause an annual audit of its accounts to be made, and

WHEREAS, the annual audit report for the fiscal year ended December 31, 2012 has been completed and filed with the Cumberland County Utilities Authority pursuant to N.J.S.A. 40A:5A-15, and

WHEREAS, N.J.S.A. 40A:5A-17 requires the governing body of each authority to, within 45 days of receipt of the annual audit, certify by resolution to the Local Finance Board that each member thereof has personally reviewed the annual audit report, and specifically the sections of the audit report entitled "**Findings**" and "**Recommendations**", and has evidenced same by group affidavit in the form prescribed by the Local Finance Board, and

WHEREAS, the members of the governing body have received the annual audit and have personally reviewed the annual audit, and have specifically reviewed the sections of the annual audit report entitled "**Findings**" and "**Recommendations**" in accordance with N.J.S.A. 40A:5A-17,

NOW, THEREFORE BE IT RESOLVED, that the governing body of the Cumberland County Utilities Authority hereby certifies to the Local Finance Board of the State of New Jersey that each governing body member has personally reviewed the annual audit report for the fiscal year ended December 31, 2012, and specifically has reviewed the sections of the audit report entitled "**Findings**" and "**Recommendations**", and has evidenced same by group affidavit in the form prescribed by the Local Finance Board.

BE IT FURTHER RESOLVED that the secretary of the authority is hereby directed to promptly submit to the Local Finance Board the aforesaid group affidavit, accompanied by a certified true copy of this resolution.

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, April 18, 2013 at 4:30 p.m. prevailing time.

DATED: April 18, 2013

CUMBERLAND COUNTY UTILITIES AUTHORITY

COMMISSIONER	AYE	NAY	ABSTAIN	ABSENT
EDWARD BETHEA	x			
SAMEER BOUTROS	x			
ANGELIA EDWARDS				x
HARVEY FRIEDMAN				x
DONALD OLBRICH	x			
KEITH WASSERMAN	x			
ALBERT JONES	x			

RESOLUTION 2559
 Offered By Olbrich
 Seconded By Boutros
 Dated April 18, 2013

A RESOLUTION AWARDING A CONTRACT FOR THE SUPPLY AND DELIVERY OF POLYMER

WHEREAS, the Cumberland County Utilities Authority has heretofore advertised for bids for the Supply and Delivery of Polymer, in accordance with the Specifications adopted on February 21, 2013, on file at its Wastewater Treatment Plant; and

WHEREAS, on April 9, 2013, two (2) bids were received and duly opened for the Supply and Delivery of Polymer as follows:

Polydyne, Inc., Riceboro, GA	\$27,520.00 Lump Sum Bid
Atlantic coast Polymers, Austin, TX	\$26,080.00 Lump Sum Bid

and said bids were referred to the Authority's Director, Deputy Director and General Counsel for tabulation, evaluation, report and recommendation; and

WHEREAS, after completion of time, cost, and performance analysis evaluations, a recommendation was made on the value and performance of the product; and

WHEREAS, the Authority's Director recommends that a Contract be awarded to Polydyne Inc.; 1 Chemical Plant Road, P.O. Box 279, Riceboro, Georgia, 31323, being the lowest responsible bidder in the amount of \$1.72 per pound for a total amount of \$27,520.00, per year.

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

1. That there be awarded to Polydyne Inc.; 1 Chemical Plant Road, P.O. Box 279, Riceboro, Georgia, 31323, a contract for the Supply and Delivery of Polymer in the amount of \$1.72 per pound for a total bid of \$27,520.00 per year.
2. That the proper officers of this Authority be and they are hereby authorized and directed to execute the Contract hereby awarded.

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, April 18, 2013 at 4:30 p.m. prevailing time.

DATED: April 18, 2013

CUMBERLAND COUNTY UTILITIES AUTHORITY

COMMISSIONER	AYE	NAY	ABSTAIN	ABSENT
EDWARD BETHEA	x			
SAMEER BOUTROS	x			
ANGELIA EDWARDS				x
HARVEY FRIEDMAN				x
DONALD OLBRICH	x			
KEITH WASSERMAN	x			
ALBERT JONES	x			

RESOLUTION 2560
 Offered By Olbrich
 Seconded By Wasserman
 Dated April 18, 2013

RESOLUTION APPOINTING CME ASSOCIATES AS CONSULTING ENGINEERS OF THE CUMBERLAND COUNTY UTILITIES AUTHORITY

WHEREAS, N.J.S.A. 40:14B-18 authorizes the Authority to appoint and employ such agents and employees as it may require; and

WHEREAS, there exists a need for engineering services, and funds are available for this purpose; and

WHEREAS, the Authority solicited sealed Requests for Qualifications (RFQ) through a fair and open process in accordance with NJSA 19:44A-20.4 et. seq. which the Director, Deputy Director and General Counsel reviewed and made their recommendations.

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

1. That the Chairperson and Secretary of the Cumberland County Utilities Authority are hereby authorized and directed to execute an agreement with CME Associates, 3141 Bordentown Avenue, Parlin, New Jersey 08859, for engineering services to act as the Consulting Engineer for the remaining unexpired term, commencing the first day of May 2013 and expiring on the thirty-first day of December 2013.

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, April 18, 2013 at 4:30 p.m. prevailing time.

DATED: April 18, 2013

CUMBERLAND COUNTY UTILITIES AUTHORITY

COMMISSIONER	AYE	NAY	ABSTAIN	ABSENT
EDWARD BETHEA	x			
SAMEER BOUTROS	x			
ANGELIA EDWARDS				x
HARVEY FRIEDMAN				x
DONALD OLBRICH	x			
KEITH WASSERMAN	x			
ALBERT JONES	x			

RESOLUTION 2561
 Offered By Olbrich
 Seconded By Bethea
 Dated April 18, 2013

A RESOLUTION APPROVING AND AUTHORIZING THE PAYMENT OF CERTAIN OPERATING ACCOUNT VOUCHERS

WHEREAS, certain operating account vouchers have been received, reviewed, approved and recommended for payment by the Cumberland County Utilities Authority's Finance Committee,

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the Cumberland County Utilities Authority that subject to the availability of funds the vouchers listed herein in the total sum of \$229,611.15 be and the same are hereby approved for payment and that the Chairman and Treasurer are authorized and directed to issue checks against the Operating Account in payment of the same.

Cumberland County
 Utilities Authority

DATED: April 18, 2013

REGULAR MEETING
CUMBERLAND COUNTY UTILITIES AUTHORITY
April 18, 2013

The Cumberland County Utilities Authority (CCUA) held its Regular Monthly Meeting on Thursday, April 18, 2013 in the Meeting Room of the Operations Building, 333 Water Street, Bridgeton, New Jersey.

Representing the CCUA:

Albert Jones, Chairman
Keith Wasserman, Vice Chairman
Ed Bethea, Commissioner
Sam Boutros, Commissioner
Donald Olbrich, Commissioner
Steve Testa, Auditor
Robert O'Donnell, General Counsel
James Quinn, Treasurer
C. Kenneth Hill, Secretary
G. Steven Errickson, Director
A. Michael Fernandez, Deputy Director
Sandy Acevedo, Business Administrator
Patti McAllister, Assistant Secretary – Treasurer

Chairman Jones 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.

Secretary Hill called the roll and a quorum was present. Commissioners Angelia Edwards and Harvey Friedman were both noted as being absent but excused.

Chairman Jones called for a motion to approve the minutes of the Regular Monthly Meeting of March, 21, 2013. Motion was made by Vice Chairman Wasserman, seconded by Commissioner Bethea and carried unanimously at roll call, with Commissioner Boutros abstaining.

REPORTS

Director

Director Errickson submitted the March 2013 Discharge Monitoring Report (DMR) for inclusion in the minutes of this meeting.

Director Errickson reported the cost analysis along with means and method study for the cleaning of the digester tanks has been completed. It was determined it would be best to use outside contracting as the most efficient and cost effective solution for the cleaning of tanks. Deputy Director Fernandez is putting together scope of work and we expect to go out to bid no later than July 2013. This is in keeping with Resolution D passed last month, authorizing advertisement for bids for the cleaning and removal of contents from two digesters.

He noted that First Financial Group/ING met with employees on Wednesday April 17, 2013 to see if anyone would be interested in an employee only contribution pre-tax savings plan.

Director Errickson also informed the Commissioners that he and Sandy Acevedo briefly met with the Division Director of Cumberland/Salem Workforce Investment Board Christy DiLeonardo. A discussion was held on the possibility of grant money available that could be used for in-house training of our workforce. This would allow the opportunity for current employees to advance within the organization and fill needed positions

as they become open due to retirements. In the next five years we anticipate a good number of retirements in key positions.

The Director noted that he met with David Brogan of the (NJBIA) New Jersey Business and Industry Association. The focus of the conversation was centered on the success other counties have had in attracting new business and retaining existing businesses. And in our case, attracting business to Bridgeton would create more flow. Follow up meetings are planned.

A meeting was also held with Salmon Ventures, the new consultant for the County Energy Cooperative. The main discussion was on how to receive a better 'all-in' price. Energy is one part of the bill, and supply is the second part, together referred to as the all-in price.

Director Errickson continued his report, stating that field work is proceeding at both Cumberland Nursery and the Wenger Farm. We are working overtime to keep up with the field planting schedule and to get our digesters as empty as possible for cleaning.

The Authority had a permit violation for coliform bacteria in March. We believe this is directly related to the high oil and grease and solids discharged from Buona Vita. We have taken enforcement action in the matter with a Notice of Violation (NOV) issued to Buona Vita for extremely high oil and grease and suspended solids discharged during March. High levels of oil and grease created operational difficulties at the treatment plant, fouling equipment and contributing to poor effluent disinfection and increased odors. A penalty of \$33,000 was assessed. While this may appear high, Buona Vita was issued a NOV for the same problems in August and October of 2012. They have agreed to hire an employee whose primary responsibility will be to oversee their pretreatment system.

We have sent out our second quarter User invoices under the new billing system. This changeover resulted in a one-time adjustment to the Users for actual flows of the first quarter, which had been estimated on the last quarter 2012 flow. Most users saw a credit applied towards the second quarter invoices, and only two users had small cost increases.

The NJDEP audit has been completed and we are preparing a response to some of the deficiencies that were noted. Most of these seem to be relatively minor.

The annual proficiency tests have also been completed and final report submitted.

Director Errickson briefly reviewed the resolutions on the agenda. Resolution 'A' acknowledges the receipt and certifying the review of the 2012 Audit report by the Commissioners. The Finance and Budget Committee met Thursday, April 11, 2013 to review the Audit, after which it was presented it to the full board. Resolution 'B' awards a contract for the supply and delivery of polymer. After the completion of a time, cost and performance analysis, Polydyne Corporation was recommended as the best value and performance product and recommended. Resolution 'C' appoints CME Associates as CCUA Consulting Engineer for the term starting May 1, 2013 and ending December 31, 2013.

Auditor

Mr. Testa reported that he attended a Finance and Budget Committee meeting and reviewed a draft of the 2012 Audit Report in detail. Draft copies of the audit report were also sent to the rest of the Commissioners for their review. Hearing no comments on the Draft Report, final copies were provided.

Mr. Testa reviewed some of the highlights of the Audit Report. In the Independent Auditors' Report, the Authority received an 'unqualified' or clean opinion on its financial statements for the year ended December 31, 2012, as reflected on pages 1 and 2. It essentially states, that in our opinion, the basic financial statements present fairly, in all material respects, the financial position, changes in financial position and cash flows of the Authority for the year 2012 in accordance with GAAP.

Since this audit is subject to Government Auditing Standards, there is also a report on compliance and on internal control over financial reporting (pages 3 and 4). He noted no instances of noncompliance required to be reported under Government Auditing Standards. There were no significant deficiencies or material weaknesses noted with respect to internal control over financial reporting.

With there being no findings and recommendations to be reported for the year, Steve commended the Authority and the administrative staff, for once again doing a very good job.

Mr. Testa then went on to review the financial highlights. As reflected in Exhibit B, the Authority's operating revenues, which total approx. \$ 6,454,000 increased \$ 230,000 or 3.69% from the prior year. This is primarily the result of a 1.74% increase in Treatment fees-\$ 101,000 which was anticipated, and an increase in Septage Fees of Approx \$ 114,000, mostly from moving CCIA from user fees to septage fees, along with an increase in Industrial Pretreatment Program revenue of \$ 15,000.

The Cost of Providing Services, Administrative and General Expenses and Depreciation constitute Operating Expenses, which totaled \$ 5,364,000. That is a decrease of \$ 68,000 or 1.25% from the prior year Operating Expenses of \$ 5,432,000.

The Cost of Providing Services decreased (2.79%) to approx \$ 3,076,000 and Administrative and General Expenses decreased (0.83%) to approx. \$ 1,215,000.

The Operating Revenue of \$ 6,454,000, less the Operating Expenses of \$ 5,364,000 resulted in an Operating Income of \$1, 090,000 compared to Operating Income of \$ 793,000 in 2011.

The Authority's Operating Revenue increased, the Operating Expenses decreased, so the resulting Operating Income increased. All are positives for the Authority.

It is important to note that the Authority did not need to use Net Assets to subsidize the 2012 or 2011 budgets as had been the case in several prior years. Also important to note that the Authority met the Rate Covenant contained in the Bond Resolution for 2012.

As a result of having no findings and recommendations noted in the audit report, the Authority is not required to prepare a corrective action plan.

After approval today of Resolution A, the resolution will be sent to Division of Local Government Services along with the group affidavit. The Synopsis of the Audit Report is to be published in the newspaper and forwarded to the Division of Local Government Services as well. This will satisfy the filing requirements pertaining to the 2012 audit.

General Counsel

Mr. O'Donnell stated that he reviewed the proposed changes requested by the Federal Prison for their User Agreement. He noted that prior to this meeting, he also reviewed the recent bids submitted to ensure compliance.

He stated that he provided an opinion memorandum for staff regarding qualifications for health insurance coverage and three opinion letters needed for the loans, related to the bonds, requested by Bond Counsel were also prepared.

There has been no response from the delinquent hauler. The next step will be to file a small claims action for payment.

In conclusion, Mr. O'Donnell noted he was available for any questions or concerns by the Director, staff or Commissioners.

Committees

The Finance and Budget Committee met on Thursday April 11, 2013. The purpose of the meeting was to discuss the Audit Report with Steve Testa. After discussion it was decided to recommend the audit review be on the agenda for acknowledgement by resolution. Minutes of the meeting were included in the Commissioners packages.

Chairperson Jones asked if there were any questions. There were none.

RESOLUTIONS

RESOLUTION (2558) ACKNOWLEDGING THE RECEIPT AND CERTIFYING THE REVIEW OF THE 2012 AUDIT REPORT, offered by Commissioner Bethea, seconded by Commissioner Olbrich and carried unanimously at roll call.

RESOLUTION (2559) AWARDED A CONTRACT FOR THE SUPPLY AND DELIVERY OF POLYMER, offered by Commissioner Olbrich, seconded by Commissioner Boutros and carried unanimously at roll call.

RESOLUTION (2560) APPOINTING CME ASSOCIATES AS CONSULTING ENGINEERS OF THE CUMBERLAND COUNTY UTILITIES AUTHORITY, offered by Commissioner Olbrich and seconded by Commissioner Wasserman, carried unanimously at roll call.

Treasurers Report

Revenue Account	\$ 12,429.69
Operating Account	1,418,603.19
Petty Cash	500.00
Sensor Account	6,629.09
General Account	1,195,406.87
Plant Reconstruction/Replacement	1,932,380.06
Trust Account	2,371,778.18
Total Cash Position	\$ 6,937,727.08

Treasurer Quinn reported that the bills submitted for payment today for the Operating Account total \$229,611.15. The Authority Chairman and Secretary have checked the vouchers. The Operating Account has sufficient funds to cover these checks and approval of Resolution B is recommended. The monthly bank statements are available for review if anyone is interested.

RESOLUTION (2561) APPROVING AND AUTHORIZING PAYMENT OF CERTAIN OPERATING ACCOUNT VOUCHERS, offered by Commissioner Olbrich, seconded by Commissioner Bethea and carried unanimously at roll call.

Chairperson's Remarks

Chairperson Jones thanked everyone for attending and also offered thanks to Sandy Acevedo and Patti McAllister for their work on the reception for Nancy Sungenis, last month.

Chairman Jones also thanked the staff for their hard work, which made such a good audit report possible.

Commissioners

Commissioner Olbrich offered thanks also to the staff for their good work.

Commissioner Bethea offered his congratulations to Steve and staff for the positive audit report. He also thanked Freeholder Deputy Director Doug Long for being at our meeting.

Public

Patti McAllister informed the Commissioners that the County Clerk's office contacted her to say that the Ethics forms are not being done on paper this year and have to be filed on-line. The deadline to file has been extended to the end of May.

Chairman Jones asked for a motion to enter into Executive Session for Personnel Matters and stated that no action would be taken after the session.

A motion to close the public portion of the meeting and go into Executive Session was offered by Commissioner Olbrich, seconded by Commissioner Bethea and carried unanimously at roll call.

Following the return to the regular meeting, the meeting was adjourned on a motion from Vice Chairman Wasserman.

The next regular Monthly Meeting of the Cumberland Counties Utilities Authority will be held Thursday, May 16, 2013 in the Public Meeting Room of the Operations Building, 333 Water Street, Bridgeton, New Jersey at 4:30 pm.

Respectfully submitted,

C. Kenneth Hill, Secretary