

AGENDA
CUMBERLAND COUNTY UTILITIES AUTHORITY
April 16, 2015

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 19, 2015
6. REPORTS
 - A. DIRECTOR
 - B. ENGINEER
 - C. AUDITOR
 - D. GENERAL COUNSEL
 - E. COMMITTEES
 - (1) COMMUNITY/INDUSTRIAL RELATIONS – Commissioner Friedman
 - (2) EMPLOYEE RELATIONS – Commissioners Rajacich
 - (3) FACILITIES EXPANSION/CONSTRUCTION - Commissioner VanSant
 - (4) FINANCE AND BUDGET – Vice-Chairman Wasserman
 - (5) OPERATIONS/INSURANCE - Commissioner Bethea
 - (6) AD HOC – Commissioner Edwards
7. RESOLUTIONS
 - A. RESOLUTION ACKNOWLEDGING THE RECEIPT AND CERTIFYING THE REVIEW OF THE 2014 AUDIT REPORT
 - B. RESOLUTION APPROVING SPECIFICATIONS AND AUTHORIZING ADVERTISEMENT FOR BIDS FOR SLUDGE AND SOLID WASTE HAULING SERVICES
 - C. RESOLUTION TO EXTEND THE CONTRACT WITH POLYDYNE INC. FOR THE SUPPLY AND DELIVERY OF POLYMER
 - D. RESOLUTION AUTHORIZING DISPOSAL OF SURPLUS PROPERTY THROUGH GOVDEALS
8. TREASURER'S REPORT
 - A. CASH POSITION OF THE AUTHORITY
 - B. RESOLUTION APPROVING AND AUTHORIZING PAYMENT OF CERTAIN OPERATING ACCOUNT VOUCHERS
9. CHAIRMAN'S REMARKS
10. OPEN FLOOR FOR COMMENTS OF COMMISSIONERS
11. PUBLIC PORTION
12. ADJOURNMENT

CUMBERLAND COUNTY UTILITIES AUTHORITY

COMMISSIONER	AYE	NAY	ABSTAIN	ABSENT
EDWARD BETHEA	x			
ANGELIA EDWARDS	x			
HARVEY FRIEDMAN	x			
ZARKO RAJACICH	x			
DOUG VANSANT	x			
KEITH WASSERMAN				x
ALBERT JONES	x			

RESOLUTION 2684
 Offered By Bethea
 Seconded By Edwards
 Dated April 16, 2015

RESOLUTION ACKNOWLEDGING THE RECEIPT AND CERTIFYING THE REVIEW OF THE 2014 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, 2014 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, 2014, 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 16, 2015 at 4:30 p.m. prevailing time.

DATED: April 16, 2015

CUMBERLAND COUNTY UTILITIES AUTHORITY

COMMISSIONER	AYE	NAY	ABSTAIN	ABSENT
EDWARD BETHEA	x			
ANGELIA EDWARDS	x			
HARVEY FRIEDMAN	x			
ZARKO RAJACICH	x			
DOUG VANSANT	x			
KEITH WASSERMAN				x
ALBERT JONES	x			

RESOLUTION 2685

Offered By Bethea

Seconded By VanSant

Dated April 16, 2015

A RESOLUTION APPROVING SPECIFICATIONS AND AUTHORIZING ADVERTISEMENT FOR BIDS FOR SLUDGE AND SOLID WASTE HAULING SERVICES

WHEREAS, the Authority's Deputy Director has prepared and submitted, at this meeting, certain Specifications for Sludge and Solid Waste Hauling Services, as more fully appears in said Specifications; and

WHEREAS, the Commissioners of the Cumberland County Utilities Authority approve said Specifications.

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

1. That the aforesaid Specifications referred to in the preamble of this Resolution, prepared and submitted by the Deputy Director, be and the same are hereby approved.
2. That this Authority advertise for and accept bids for Sludge and Solid Waste Hauling Services, as set forth in said Specifications, at the earliest possible date.
3. That the Secretary of this Authority prepare all necessary advertising for bids in a form satisfactory to the approval by the General Counsel of this 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, April 16, 2015 at 4:30 p.m. prevailing time.

DATED: April 16, 2015

CUMBERLAND COUNTY UTILITIES AUTHORITY

COMMISSIONER	AYE	NAY	ABSTAIN	ABSENT	
EDWARD BETHEA	x				RESOLUTION <u>2686</u>
ANGELIA EDWARDS	x				Offered By <u>Bethea</u>
HARVEY FRIEDMAN	x				Seconded By <u>Edwards</u>
ZARKO RAJACICH	x				Dated <u>April 16, 2015</u>
DOUG VANSANT	x				
KEITH WASSERMAN				x	
ALBERT JONES	x				

RESOLUTION TO EXTEND THE CONTRACT WITH POLYDYNE INC. FOR THE SUPPLY AND DELIVERY OF POLYMER

WHEREAS, the Cumberland County Utilities Authority entered into a contract on April 22, 2013 with Polydyne Inc., for the Supply and Delivery of Polymer, in the amount of \$27,520 per year, terminating April 30, 2015; and

WHEREAS, the Specifications for this contract provide that it may be extended for an additional period of two years, with the same terms and conditions upon mutual agreement; and

WHEREAS, Polydyne has indicated, by written notice, their desire to extend the terms and conditions of their proposal for an additional 24 month period, May 1, 2015 to April 30, 2017; and

WHEREAS, the Authority has been satisfied with the services rendered by Polydyne Inc.; 1 Chemical Plant Road, P.O. Box 279, Riceboro, Georgia, 31323 for the supply and delivery of Polymer; and

WHEREAS, the Authority desires to extend the contract with Polydyne Inc. for an additional 24 month period.

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

1. That the Authority extend the contract entered into with Polydyne Inc., 1 Chemical Plant Road, P.O. Box 279, Riceboro, Georgia, 31323, for an additional 24 months, terminating April 30, 2017, for the same terms and conditions of the existing 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 16, 2015 at 4:30 p.m. prevailing time.

DATED: April 16, 2015

CUMBERLAND COUNTY UTILITIES AUTHORITY

COMMISSIONER	AYE	NAY	ABSTAIN	ABSENT	
EDWARD BETHEA	x				RESOLUTION <u>2687</u>
ANGELIA EDWARDS	x				Offered By <u>Bethea</u>
HARVEY FRIEDMAN	x				Seconded By <u>VanSant</u>
ZARKO RAJACICH	x				Dated <u>April 16, 2015</u>
DOUG VANSANT	x				
KEITH WASSERMAN				x	
ALBERT JONES	x				

A RESOLUTION AUTHORIZING DISPOSAL OF SURPLUS PROPERTY THROUGH GOVDEALS

WHEREAS, the Cumberland County Utilities Authority is the owner of certain surplus property which is no longer needed for public use; and

WHEREAS, the Commissioners are desirous of selling said surplus property in an "as is" condition without express or implied warranties.

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

1. The sale of the surplus property shall be conducted through GovDeals pursuant to State Contract T2581 in accordance with the terms and conditions of the State Contract. The terms and conditions of the agreement entered into with GovDeals is available online at govdeals.com and also available from the Commissioners of the Cumberland County Utilities Authority,

2. The sale will be conducted online and the address of the auction site is govdeals.com.

3. The sale is being conducted pursuant to Local Finance Notice 2008-9.

4. The surplus property to be sold is as follows:

(1) 1989 Scania Roll-off truck

5. The surplus property as identified shall be sold in an "as-is" condition without express or implied warranties with the successful bidder required to execute a Hold Harmless and Indemnification Agreement concerning use of said surplus property.

6. The Cumberland County Utilities Authority reserves the right to accept or reject any bid submitted.

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 16, 2015 at 4:30 p.m. prevailing time.

DATED: April 16, 2015

CUMBERLAND COUNTY UTILITIES AUTHORITY

COMMISSIONER	AYE	NAY	ABSTAIN	ABSENT
EDWARD BETHEA	x			
ANGELIA EDWARDS	x			
HARVEY FRIEDMAN	x			
ZARKO RAJACICH	x			
DOUG VANSANT	x			
KEITH WASSERMAN				x
ALBERT JONES	x			

RESOLUTION 2688
 Offered By Bethea
 Seconded By Rajacich
 Dated April 16, 2015

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 \$236,191.97 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 16, 2015

REGULAR MEETING
CUMBERLAND COUNTY UTILITIES AUTHORITY
April 16, 2015

The Cumberland County Utilities Authority (CCUA) held its Regular Monthly Meeting on Thursday, April 16, 2015 in the Meeting Room of the Operations Building, 333 Water Street, Bridgeton, New Jersey.

Representing the CCUA:

Albert Jones, Chairman
Edward Bethea, Commissioner
Angelia Edwards, Commissioner
Harvey Friedman, Commissioner
Zarko Rajacich, Commissioner
Doug VanSant, Commissioner
Robert O'Donnell, General Counsel
Steve Testa, Auditor
Jerome A. Harris, Engineer
C. Kenneth Hill, Secretary
James Quinn, Treasurer
G. Steven Errickson, Director
A Michael Fernandez, Deputy Director
Dominic Buirch, 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. 1975 (THE OPEN PUBLIC MEETING ACT) and led in the flag salute.

Secretary Hill called the roll and a quorum was present. Vice-Chairman Wasserman was recorded as an excused absence.

Chairman Jones called for a motion to approve the minutes of the Regular Meeting Minutes of March 19, 2015. It was motioned by Commissioner Friedman, seconded by Commissioner Bethea and was carried unanimously.

REPORTS

Director

Director Errickson began his report by submitting the March 2015 Discharge Monitoring Report (DMR) for inclusion in the minutes of this meeting. The violations that began in February due to a plant upset from the discharge of an industrial ammonia-based cleaning compound (QAC) continued into March. The Authority has violations for both the weekly and monthly average BOD and TSS limits. These violations will trigger mandatory minimum penalties.

On a positive note, the results for the month of April indicate we have returned to compliance. We changed the location of dewatering return flows discharge, which helped to dilute any residual QAC; we have not detected the compound in measurable amounts in any of the treatment processes. We also brought in activated sludge from Landis Sewerage Authority to help stimulate our biologic activity.

He further reported that field application has been delayed due to weather and equipment problems, but the applicator has been moved to Cumberland Nurseries and is ready to begin.

CCUA, where we take both liquid and dewatered sludge for incineration, notified the Authority that they will no longer be taking sludge as of May 1. We have arranged to take dewatered sludge to ACUA, and are seeking approval to send liquid sludge to DELCORA in Chester, PA.; however, both of these disposal alternatives will be more costly than CCUA was. We are working on finding a long term disposal option.

We received a preliminary draft of our discharge permit for initial comment. While there do not appear to be any significant new limits, some parameters have increased monitoring frequency that could increase expenses for outside lab work by up to \$15,000. We will be questioning the need for this when the final draft is released.

The Director noted that there has been no word yet on the renewal of our sludge management permit.

Continuing, Director Errickson noted that there are four resolutions on the agenda tonight. Resolution "A" will acknowledge the receipt of the 2014 Audit, and certify the review of the 2014 Audit Report by our auditor, as recommended by our Budget and Finance Committee.

Resolution "B" advertises for bids the Sludge and Solid Waste hauling services. This is a contract for standby pumping services in case of an emergency beyond the CCUA capability to handle ourselves.

Resolution "C" this a current contract with Polydyne Inc for the supply and delivery of polymer that is being extended. This is an option we can exercise so long as the price, terms and conditions remain the same, which it did at \$1.72 per pound. Note that this brand of polymer works best in our plant and we use less product, as compared to others.

Resolution "D" approves the sale of the Authority's 1989 Scania roll off truck that was replaced this year with a new Mack roll off truck.

The Director also reminded everyone to complete their 2015 Financial Disclosure Statement. Frank Bartholomew can help anyone who needs assistance completing the form, just call for an appointment.

In conclusion, Director Errickson again offered his thanks to Deputy Director Mike Fernandez, Administrative Assistant Patti McAllister, Business Administrator Dominic Burch and Authority Engineer Jerry Harris for their help with preparing his reports.

Engineer

Mr. Harris reported that the 2016 NJEIT Projects design activities are still in progress. These Projects include the upgrade of the Upper Deerfield (Seabrook) Pumping Station and miscellaneous improvements to the Wastewater Treatment Plant. Work is continuing on developing plans and specifications suitable for bidding.

He also noted that he prepared and submitted on March 23, 2015, a response to NJDEP review letter of February 12, 2015.

Mr. Harris reported on March 26, 2015, he submitted to the NJDEP, a letter requesting a waiver for a Treatment Works Approval (TWA) permit for the Wastewater Treatment Plant portion of the project because the proposed improvements consist of replacement/refurbishment of worn out equipment and repairs to related structures, all of which will take place in existing buildings or tanks. There will be no change to the treatment process or change in capacity of the treatment works.

During the past month, several general engineering matters were performed. CME consulted with the Deputy Director regarding the plant upset believed to have been caused by discharge of Quaternary Ammonium Compounds (QAC) to the plant from unknown sources, limitations of the plant side steam pump station and NJDEP laboratory audit.

It was noted that there has been no activity on the review of the Wastewater Discharge Permit Application, submitted by New Jersey Ethanol, LLC.

Auditor

Mr. Testa reported attending a meeting with the Finance and Budget Committee to review the draft of the 2014 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 to the Authority today.

Mr. Testa went on to briefly review some of the highlights of the Audit Report.

He stated, in the Independent Auditors' Report, the Authority received an "unmodified" or clean opinion on its financial statements for the year ended December 31, 2014 which states, 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 2014 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. We 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 this year, Mr. Testa commended the Authority and the administrative staff for once again doing a very good job.

He proceeded with his report by presenting the financial highlights: As reflected in Exhibit B, the Authority's operating revenues, which totaled approx. \$6,691,000, increased approximately \$319,000 or 5.01% from the prior year. Note that, of that amount, billing to the users for Treatment Fees were 4.12% higher primarily due to additional flows, and Septage Fees increased approx \$63,000.

The cost of providing Services, Administrative and General Expenses and Depreciation constitute Operating Expenses, which totaled \$5,349,000. That is a decrease of \$116,000 or 2.12% from the prior year Operating Expenses of \$5,465,000.

The operating Revenue of \$6,691,000, less the Operating Expenses of \$5,349,000, resulted in an Operating Income of \$1,341,000 which is \$435,000 more than the prior year.

In 2014, the Authority's Non-Operating Revenues and expenses netted to a net expense amount of \$167,000, compared to a net expense of \$287,000 in 2013.

The net effect of all of this is that the Authority experienced an increase in net position for financial statement purposes (in other words, net income) of approx. \$1,175,000 which is \$556,000 more than 2013. I would note these net income amounts are on a Generally Accepted Accounting Principles (GAAP) basis.

On a Budgetary Basis, the Authority reported Revenues over Costs (or net income) in the amount of \$929,000. Schedule 2 includes a reconciliation which shows how we get from the Budgetary-Net Income to the GAAP net income reported on Exhibit B.

He also noted the Authority met the Rate Covenant contained in the Bond Resolution for 2014 which requires the Authority to collect revenues sufficient to meet the operating expenses and debt service.

The correspondence titled "Communication to Those Charged with Governance", explains the auditor's responsibilities, describes certain accounting practices, management's responsibilities, certain aspects of interaction with management and certain other matters that we are reporting to the Commissioners that were not considered significant enough to warrant inclusion in the audit report.

Resolution A on your agenda today acknowledges the receipt and certifies the review of the 2014 audit report. This should be acknowledged by the Commissioners signing the group form affidavit. Please be sure to sign it before leaving today.

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.

Once approved, the resolutions are to be sent to the Division of Local Government Services along with the group form 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. That will satisfy the filing requirements pertaining

Mr. Testa then offered to answer any questions, which there were no questions.

General Counsel

Mr. O'Donnell reported going to mediation over the failed clarifier case. The mediation was unsuccessful. He sent correspondence to the counsel for the Defendant stating that if he wants to inspect or have an expert inspect the tank, he must do so within the next 21 days so we can proceed to repair, and then paint the tank. Mr. O'Donnell will also be sending interrogatories and a notice to produce to defendant's counsel.

Mr. O'Donnell also reported meeting with the Director to discuss some personnel issues and procedures.

Mr. O'Donnell noted that he was available for any questions and concerns by staff and the Commissioners.

Committees

The Finance and Budget Committee met to review the draft 2014 Audit Report with Auditor Steve Testa and staff. A copy of the minutes of that meeting was made available to the Commissioners.

RESOLUTIONS

RESOLUTION (2684) A RESOLUTION ACKNOWLEDGING THE RECEIPT AND CERTIFYING THE REVIEW OF THE 2014 AUDIT REPORT offered by Commissioner Bethea, seconded by Commissioner Edwards and carried unanimously at roll call.

RESOLUTION (2685) A RESOLUTION APPROVING SPECIFICATIONS AND AUTHORIZING ADVERTISEMENT FOR BIDS FOR SLUDGE AND SOLID WASTE HAULING SERVICES offered by Commissioner Bethea, seconded by Commissioner VanSant and carried unanimously at call.

RESOLUTION (2686) A RESOLUTION TO EXTEND THE CONTRACT WITH POLYDYNE INC. FOR THE SUPPLY AND DELIVERY OF POLYMER offered by Commissioner Bethea, seconded by Commissioner Edwards and carried unanimously at roll call.

RESOLUTION (2687) A RESOLUTION AUTHORIZING DISPOSAL OF SURPLUS PROPERTY THROUGH GOVDEALS offered by Commissioner Bethea, seconded by Commissioner VanSant and carried unanimously at roll call.

Treasurers Report

Revenue Account	\$	56,901.67
Operating Account		1,487,693.30
Petty Cash		500.00
Sensor Account		7,636.14
General Account		2,511,816.24
Plant Reconstruction/Replacement		2,053,349.53
User Revenue Reserve		79,991.38
Trust Account		2,794,516.80
Total Cash Position	\$	8,992,405.06

Treasurer Quinn reported that the bills submitted for payment today for the Operating Account total \$236,191.97. The Authority Chairperson and Assistant 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 (2688) APPROVING AND AUTHORIZING PAYMENT OF CERTAIN OPERATING ACCOUNT VOUCHERS, offered by Commissioner Bethea and seconded by Commissioner Rajacich and carried unanimously at roll call.

Chairperson's Remarks

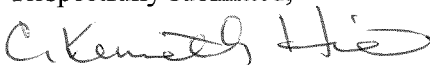
Chairman Jones extended thanks to all the staff for the good audit report. He also noted a recent breakdown in the plant and noted all of the employees pitched in to correct the problem in a very prompt manner.

Commissioners-Public

There were no comments from the Commissioners or the public.

The meeting was adjourned on a motion from Commissioner Bethea.

The next regular Monthly Meeting of the Cumberland Counties Utilities Authority will be held -- Thursday, May 21, 2015 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