

CERTIFICATION

I hereby certify the attached to be a true and correct copy of the **unapproved** Minutes of the January 16, 2018 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 February 20, 2018 Regular Meeting.



Kim Michelini
Authority Secretary

THE CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY

MINUTES OF THE REGULAR MEETING HELD ON JANUARY 16, 2018

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:

PRESENT: Commissioners Bresch, Burley (via phone), Cuffee, Cutler, MacFarlane, Stokes, Swartz & Sytnik, Chairman Brennan

ABSENT: None

STAFF PRESENT:

Andrew Kricun, Executive Director
Wayne Planamento, Chief Financial Officer
Robert Cornforth, Director of O&M
Len Gipson, Asst. Director of O&M
Scott Schreiber, Director of Operations- Admin

Kim Michelini, Authority Secretary
Alisa Smith, Secretarial Assistant

CONSULTANTS:

Michael Watson, Esq., 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 22, 2017 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 Cuffee and seconded by Commissioner Stokes to adopt the Minutes of the Regular Meeting held on December 18, 2017. 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, Cuffee, Cutler, MacFarlane, Stokes, Swartz, Sytnik	-	YES
Chairman Brennan	-	YES

The motion was carried.

EXECUTIVE DIRECTOR'S REPORT:

Chairman Brennan indicated that Mr. Kricun would be updating the Board on the CCMUA's Capital Budget and Mr. Schreiber would update the Board on the status of the Inventory/Asset Management program. Mr. Kricun explained that there are three components to the CCMUA's Capital Budget: 1) Renewal & Replacement (R&R) of existing equipment (replacing existing aged-out equipment with in-kind new equipment), 2) Upgrades to existing facilities, and 3) New, stand-alone capital projects. A meeting was held with the CCMUA Directors of O&M, the CFO and Director of Administrative Operations to discuss these components. While the CCMUA had some restrictions on capital project spending over the last 4 years due to cash flow challenges, those challenges have lessened in July 2017 when the CCMUA paid off a significant portion of its debt service.

- 1) R&R
The CCMUA spent the bare minimum (just about \$2 ½ -3 million) per year on R&R projects on its main plant and regional interceptor systems. It is obliged by the Trustee to have an outside engineer evaluate the system to estimate the amount of R&R needed for the upcoming year to satisfy and protect the bond holders. The consulting engineers, D&B/Guarino and JMT, evaluated the systems and have recommended \$6.5million in R&R for the plant and interceptor systems for 2018.
- 2) Upgrades to existing facilities

O&M was asked to develop a list of capital projects that would be funded in-house with cash as opposed to larger NJEIT funded projects. Projects include, upgrades to electric switch gear, roofs, underground piping, fleet replacement, etc. The CCMUA has been a bit lucky in that emergency R&R projects are typically 4-5 times more costly than planned R&R projects, and we had few emergencies despite spending less on R&R than optimal levels.

3 New stand-alone projects

There are a number of these projects planned for 2018, including:

- Flooding Prevention Project along the Camden Waterfront (estimated completion end of 2018)
 - New stormwater pumping station
 - Upgrades to the Camden City combined sewer system to increase its conveyance capacity to the CCMUA
 - Upgrades to the CCMUA's main treatment facility to allow for it to receive additional flow
 - Dredging out Camden City outfalls that have been silted up over time- this may account for as much as 80-90% of the flooding problem in Camden). With the help of Brown & Connery, in 2016, the CCMUA entered into a shared services agreement with the City of Camden, in which the CCMUA will be reimbursed in full by the City for this project. Commissioner Stokes asked if this was the first step in the series of projects to prevent flooding along the Camden Waterfront to which Mr. Kricun explained that these projects will be done in parallel. Chairman Brennan noted that the City's water/sewer contract operator, American Water, has some contract obligation to clean out Camden's sewers. Mr. Kricun added, that the sewers must be cleaned or the flow won't reach the CCMUA. Commissioner Cutler asked what progress has been made so far and if there was an action plan in place to address this issue to which Mr. Kricun indicated that American Water is to clean out the sewers within three years and two years in to the contract, American Water has only cleaned 30% or so of the sewers and has stopped the work. As for action plan, the CCMUA has attempted to meet with Camden City's Mayor to discuss the issue, and it has also been reported to American Water (a meeting is scheduled for January 30th).
- Digester/CHP Project (estimated completion end of 2019) which will enable the CCMUA to reduce its sludge quantities by 50% and take the gas from the digested sludge and turn it into electricity. This will provide approximately 4MW of electricity (approx. 50% of CCMUA's electricity needs). This, coupled with the solar panels, will provide approximately 60% of the CCMUA's electricity needs. Commissioner Swartz asked what is the approximate savings to the CCMUA to which Mr. Kricun replied that after taking into consideration factors such as electricity savings, sludge disposal savings, debt service costs, etc., there will be about \$200,000 - \$300,000 in net savings annually. However, there are additional benefits to this project such as increased resiliency to power outages, decrease in carbon footprint, decreased sludge quantities, decreased odors, etc.
- A Sustainability Loop between the CCMUA and Covanta has been approved by the NJ Board of Public Utilities (NJBPU) and is currently in the design phase. The CCMUA would send Covanta its effluent which they will use as cooling water for their trash-to-steam incinerator on Holtec Blvd (formally Morgan Blvd). In turn, Covanta would send the CCMUA electricity at a much lower price than it pays now. With the completion of this project, the CCMUA would be 100% off the grid and 100% resilient to power outages. The goal is that by the end of 2019, the CCMUA is powered by sludge, trash and sun.

In summary, the capital plan moving forward is \$6 million for R&R projects, \$5-8million for upgrades to existing facilities (funded in-house by CCMUA) and \$70-80 million for stand-alone projects funded by the NJEIT (results in \$3 million/year in debt service).

Mr. Schreiber explained that in November 2017, Grant Facilities Management issued a final report to the CCMUA regarding its evaluation of the CCMUA's Inventory/Asset Management program which identified eight (8) opportunities for improvement. These opportunities can be broken down into two components, and 7 of the 8 opportunities depend on the CCMUA moving forward with Phase 2 of the project, which must be done via a Competitive Contracting RFP (CCRFP). A resolution requesting the Board's approval to advertise for a CCRFP has been placed on tonight's agenda. The other remaining recommendation was an organizational one- move

inventory from O&M to Administration. Mr. Kricun has directed that this change be made so inventory now falls under the supervision of Administration (Mr. Schreiber, Director of Administrative Operations). He further explained that Finance (Mr. Planamento), O&M (Mr. Cornforth/Mr. Gipson) and Administration (Mr. Schreiber/Mr. Kricun) will work together to improve the CCMUA's Asset Management and Inventory systems. There have been other positive changes related to this process that Mr. Gipson mentioned- such as streamlining work orders, training for employees on the use of the inventory system, completing work orders from start to finish, schedule additional P.M.'s (preventative maintenance), etc. so that there is good, accurate, complete information going in which will result in a reliable baseline of information to evaluate what equipment needs to be replaced or repaired, etc.

Mr. Schreiber closed by saying that improving the CCMUA's asset management/inventory system will benefit the organization- more reliable information for planning engineering projects, R&R projects, fixed asset inventory and inventory and purchasing will be more streamlined.

I) ITEMS FOR DISCUSSION:

A) Administration:

1) Environmental Management System- January 2018

Commissioner Bresch asked for an update on the reported odor complaints in this report. Mr. Gipson explained that a likely source of the odors was from the carbon odor scrubbers. In replacing the two (large & small) carbon odor scrubbers recently, it appeared that on the smaller one that the front end had not been loaded properly during the previous service performed on the system. In the larger scrubber, the carbon was laid and in doing so, it appears that there is another way to operate it so that it operates more efficiently. Upgrades will be made in April or so. Commissioner Bresch asked if there was a defect in another portion of the odor control system, to which Mr. Kricun explained that yes, there is a problem with the BioAir system. There are three odor control systems in series: carbon filter, BioAir and the biotrickling media.

Commissioner Bresch asked if there the odor control system upgrades (Cedarbrook Pump Station, Winslow) were complete to which Mr. Kricun stated that the project is just about complete. It should be complete in a few weeks, after the employees are training on operating the system. Mr. Cornforth indicated that the CCMUA has received just 1 odor complaint in the last two years.

Commissioner Bresch asked for an update on the hauling and disposal of the dried biosolids which Synagro currently performs. Mr. Kricun indicated that the CCMUA issued an RFP in late 2017 for this and received several proposals with lower disposal costs than the \$84/ton which is currently charged by Synagro. However, since the matter involves contract negotiations it is recommended that any further updates be done in Closed Session.

B) Engineering:

C) Legal:

D) Operations & Maintenance:

E) Finance:

1) Voucher Payment Resolutions - Report on Emergency Payments

II) INFORMATIONAL ITEMS:

A) Administration

1) Organizational Chart

B) Finance

1) Cash Flow & Actual to Budget Analysis/NW Cash Flow Report (November 2017 & Year End)

Supporting Reports (*to be provided under separate cover*):

a. Collections Report

b. Budget Review Report

Commissioner MacFarlane noted that the budget variance is actually under budget (not over as reported in the report) and should be corrected. He commended the staff for keeping the actual 2017 costs through November under budget by \$600,000.

c. Cash Management Report

C) Operations & Maintenance:

1) Del. No. 1 WPCF- Operations Report- November 2017 *(to be provided under separate cover)*

PUBLIC PARTICIPATION ON PROPOSED RESOLUTIONS: None

OLD BUSINESS: None

NEW BUSINESS:

A motion was made by Commissioner Bresch and seconded by Commissioner MacFarlane to adopt Resolution #R-18:1-1, adopting a late budget resolution. There being no question on the motion, a roll call vote was taken and the Commissioners responded to their names as follows:

Commissioner Bresch, Burley, Cuffee, Cutler, MacFarlane, Stokes, Swartz, Sytnik	-	YES
Chairman Brennan	-	YES

Resolution #R-18:1-1 was adopted.

A motion was made by Commissioner Bresch and seconded by Commissioner Swartz to adopt Resolution #R-18:1-2, adopting a temporary budget. There being no question on the motion, a roll call vote was taken and the Commissioners responded to their names as follows:

Commissioner Bresch, Burley, Cuffee, Cutler, MacFarlane, Stokes, Swartz, Sytnik	-	YES
Chairman Brennan	-	YES

Resolution #R-18:1-2 was adopted.

A motion was made by Commissioner Bresch and seconded by Commissioner MacFarlane to adopt Resolution #R-18:1-3, resolution authorizing the use of a competitive contracting request for proposals, pursuant to N.J.S.A. 40A:11-4.1.m, for the procurement of a professional firm to provide asset management consulting services for the Camden County Municipal Utilities Authority. Commissioner Swartz asked if the CCMUA had an anticipated contract amount for this project to which Mr. Kricun indicated that since the CCRFP has not yet been issued, that can be discussed further in closed session. There being no further question on the motion, a roll call vote was taken and the Commissioners responded to their names as follows:

Commissioner Bresch, Burley, Cuffee, Cutler, MacFarlane, Stokes, Swartz, Sytnik	-	YES
Chairman Brennan	-	YES

Resolution #R-18:1-3 was adopted.

A motion was made by Commissioner MacFarlane and seconded by Commissioner Cuffee to adopt Resolution #R-18:1-4, designating an auditor for fiscal year 2017 in conjunction with the County of Camden as part of the shared services initiative. There being no question on the motion, a roll call vote was taken and the Commissioners responded to their names as follows:

Commissioner Bresch, Burley, Cuffee, Cutler, MacFarlane, Stokes, Swartz, Sytnik	-	YES
Chairman Brennan	-	YES

Resolution #R-18:1-4 was adopted.

A motion was made by Commissioner Cuffee and seconded by Commissioner Stokes to adopt Resolution #R-18:1-5, authorizing the execution of an agreement between the CCMUA and Ed Kurth and Sons, Inc., of Sewell, New Jersey for fabrication and/or installation of structural steel and high and low pressure pipe work in accordance with Specification #17-15. Commissioner Bresch noted that there were 29 bids issued, but only 2 responses received and asked why. Mr. Cornforth explained that he is unsure why this occurred as there is no cost for the bids, bonds are not required and the requirements were lessened in this bid (as compared to previous year's). Commissioner MacFarlane then asked if the CCMUA was satisfied with the bid price to which Mr.

Cornforth replied the second low bidder is \$100,000 more and the prices are consistent with past contracts. There being no further question on the motion, a roll call vote was taken and the Commissioners responded to their names as follows:

Commissioner Bresch, Burley, Cuffee, Cutler, MacFarlane, Stokes, Swartz, Sytnik	-	YES
Chairman Brennan	-	YES

Resolution #R-18:1-5 was adopted.

A motion was made by Commissioner MacFarlane and seconded by Commissioner Cuffee to adopt Resolution #R-18:1-6, 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 #17-28. There being no question on the motion, a roll call vote was taken and the Commissioners responded to their names as follows:

Commissioner Bresch, Burley, Cuffee, Cutler, MacFarlane, Stokes, Swartz, Sytnik	-	YES
Chairman Brennan	-	YES

Resolution #R-18:1-6 was adopted.

A motion was made by Commissioner Cuffee and seconded by Commissioner Sytnik to adopt Resolution #R-18:1-7, 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 #17-31. There being no question on the motion, a roll call vote was taken and the Commissioners responded to their names as follows:

Commissioner Bresch, Burley, Cuffee, Cutler, MacFarlane, Stokes, Swartz, Sytnik	-	YES
Chairman Brennan	-	YES

Resolution #R-18:1-7 was adopted.

Mr. Kricun asked that this resolution be tabled so that it can be discussed in closed session. A motion was made by Commissioner MacFarlane and seconded by Commissioner Bresch to table Resolution #R-18:1-8, authorizing the execution of an agreement between the CCMUA and Fulton Bank, of Mt. Laurel, New Jersey for cash management services in accordance with Specification #17-27. There being no question on the motion, all Commissioners responded "Aye" in favor, none opposed.

Resolution #R-18:1-8 was tabled.

A motion was made by Commissioner Bresch and seconded by Commissioner Swartz to adopt Resolution #R-18:1-9, authorizing the use of the County's contract for solid waste disposal for screenings from the Delaware No. 1 WPCF. There being no question on the motion, a roll call vote was taken and the Commissioners responded to their names as follows:

Commissioner Bresch, Burley, Cuffee, Cutler, MacFarlane, Stokes, Swartz, Sytnik	-	YES
Chairman Brennan	-	YES

Resolution #R-18:1-9 was adopted.

A motion was made by Commissioner Bresch and seconded by Commissioner Swartz to adopt Resolution #R-18:1-10, ratifying approval of expense vouchers as approved by the Executive Director under Authorization granted by CCMUA Resolution #R-97:3-60 dated March 18, 1997. Commissioner Bresch asked for an explanation on the \$12,000 payment to NJ American Water to which Mr. Gipson explained that the cooling system for the variable speed control valves on the pumps are not working automatically. Part to make repairs to these valves have been ordered so that they will work automatically. There being no further question on the motion, a roll call vote was taken and the Commissioners responded to their names as follows:

Commissioner Bresch, Burley, Cuffee, Cutler, MacFarlane, Stokes, Swartz, Sytnik - YES
Chairman Brennan - YES

Resolution #R-18:1-10 was adopted.

A motion was made by Commissioner Bresch and seconded by Commissioner Stokes to adopt Resolution #R-18:1-11, authorizing payment of \$4,848,029.01 for expenses disbursed from various trust accounts. There being no question on the motion, a roll call vote was taken and the Commissioners responded to their names as follows:

Commissioner Bresch, Burley, Cuffee, Cutler, MacFarlane, Stokes, Swartz, Sytnik - YES
Chairman Brennan - YES

Resolution #R-18:1-11 was adopted.

Mr. Kricun indicated that there are a few add-on resolutions for the Board's consideration. He explained that he had not received notice until after the meeting folders were delivered that a 2% cost of living increase had been approved by the County. A motion was made by Commissioner Swartz and seconded by Commissioner Cuffee to adopt Resolution #R-18:1-12, approving salary increases for classified and unclassified non-bargaining employees. There being no question on the motion, a roll call vote was taken and the Commissioners responded to their names as follows:

Commissioner Bresch, Burley, Cuffee, Cutler, MacFarlane, Stokes, Swartz, Sytnik - YES
Chairman Brennan - YES

Resolution #R-18:1-12 was adopted.

Mr. Kricun stated that there are several matters to discuss in closed session that involve questions that arose during the meeting (negotiation & pricing), negotiations regarding an inter-agency agreement, potential litigation and confidential employee information. A motion was made by Commissioner Bresch and seconded by Commissioner Cuffee to adopt Resolution #R-17:1-13 authorizing that the CCMUA hold a closed session meeting to discuss legal matters. There being no question on the motion, all Commissioners responded "Aye" in favor, none opposed.

Resolution #R-18:1-13 was adopted.

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The meeting adjourned to Closed Session at 6:39pm.
The meeting returned to Open Session at 7:04pm.
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A motion was made by Commissioner Bresch and seconded by Commissioner Cuffee to adopt Resolution #R-18:1-14, authorizing the intent to enter into a shared services agreement with the City of Camden to demolish Campbell's Field and design and construct athletic fields for the benefit of Rutgers Camden and the City of Camden conditioned upon a mutually agreed upon Shared Services Agreement. Chairman Brennan added that the shared services agreement will incorporate the proposed terms attached to this resolution with the specific caveat that the CCMUA must be assured of its repayment. There being no further question on the motion, a roll call vote was taken and the Commissioners responded to their names as follows:

Commissioner Bresch, Burley, Cuffee, Cutler, MacFarlane, Stokes, Swartz, Sytnik - YES
Chairman Brennan - YES

Resolution #R-18:1-14 was adopted.

A motion was made by Commissioner Bresch and seconded by Commissioner Cuffee to adopt Resolution #R-18:1-15, approving a worker's compensation settlement with Brian Wilson (Claim #'s CP 2011-32167 and CP 2013-21082). Mr. Watson noted that he would check with the County as to the form of the resolution and make any suggested changes as needed. There being no question on the motion, a roll call vote was taken and the Commissioners responded to their names as follows:

Commissioner Bresch, Burley, Cuffee, Cutler, MacFarlane, Swartz, Sytnik	-	YES
Commissioner Stokes	-	ABSTAIN
Chairman Brennan	-	YES

Resolution #R-18:1-15 was adopted.

Mr. Kricun indicated that there was no additional action to be take on Resolution #R-18:1-8 as it was tabled prior to the Closed Session and remains so.

Chairman Brennan added that the Commissioners would like to meet with the CCMUA employees over their lunch periods at a date to be scheduled soon.

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 Cuffee. There being no question, all Commissioners responded "Aye" in favor, none opposed and the meeting adjourned at 7:07pm.

Minutes of this meeting were approved on 2/20/18

Respectfully Submitted,



Kim Michelini
Authority Secretary