

**MINUTES OF REGULAR MEETING
OF THE
CAPE MAY COUNTY MUNICIPAL UTILITIES AUTHORITY
MAY 18, 2011**

A Regular Meeting of the Cape May County Municipal Utilities Authority was held on Wednesday, May 18, 2011 at 1:30 P.M., at the Authority office in Swainton, N.J. Chairman Betts stated proper notice was given under the provisions of the Open Public Meetings Act. The Pledge of Allegiance was recited.

ROLL CALL

	<u>Present</u>	<u>Absent</u>
George W. Betts, Chairman	X	
William G. Burns, Jr.	X	
Patricia A. Callinan	X	
William J. McMahon, Jr.	X	
Beatrice Payne	X	
John J. Pantalone	X	
Thomas M. Phelan, Esq.	X	

Also present were: Authority Staff, Charles M. Norkis, William W. Cathcart, John R. Baron, Thomas J. LaRocco, Robert P. Donato, Theresa A. Gallagher, Ann M. McDevitt, Authority Solicitor, Howard C. Long, Esquire; Brian Reynolds, of the Avalon Land and Homeowners Association.

MINUTES

Minutes of the May 4, 2011 Regular Meeting were submitted for approval or correction. Mr. Pantalone offered MOTION TO APPROVE THE MAY 4, 2011 REGULAR MEETING MINUTES AS SUBMITTED, seconded by Ms. Callinan, a Roll Vote followed:

	<u>Aye</u>	<u>Naye</u>	<u>Abstain</u>	<u>Absent</u>
Mr. Burns	x			
Ms. Callinan	x			
Mr. McMahon	x			
Mr. Pantalone	x			
Ms. Payne	x			
Mr. Phelan	x			
Mr. Betts	x			

By unanimous Roll Vote, the May 4, 2011 Regular Meeting Minutes were approved as submitted.

**TREASURER'S
REPORT**

None submitted.

**CORRESPONDENCE &
COMMUNICATIONS**

None offered.

**UNFINISHED
BUSINESS**

I. WASTEWATER MANAGEMENT PROGRAM

GENERAL COUNTY

1. Mr. Donato reported to the Authority Members that the CMCMUA's Staff and Financial Consultants have evaluated the potential benefits of refunding the Authority's outstanding Wastewater Revenue Bonds - Series 2002-C. He noted that although these bonds are not mature until 2021, a call period commences on January 1, 2012, therefore, the Authority can refinance this series with a closing on the sale of the Refunding Bonds as early as October 3, 2011. Based upon the current financial market conditions, it was determined to be in the best interests of the CMCMUA and its rate payers to commence a refunding of the Series 2002-C Bonds at the earliest opportunity. Acacia Financial Group, the CMCMUA's Financial Advisor, has evaluated different refunding scenarios. It was reported that following review by the Authority's Executive Director and Chief Financial Officer, it is recommended that the Series 2002-C Bonds be refunded, which will save approximately \$100,000 in annual debt service for the remaining 10-year life of these bonds. The Authority's Financial Advisor has estimated that the bond refunding should yield a present value savings of approximately 6.9%. Mr. Donato informed the Board that to enable a bond refunding to occur on, or as soon after October 3, 2011 as possible, it was necessary to initiate work on this project as soon as possible, with an Application submitted to the Local Finance Board for their June 8th meeting. Following a discussion, the Authority Members were in agreement that the refunding of the Series 2002-C Wastewater Revenue Bonds at this time was in the best interests of the CMCMUA and its wastewater customers. To enable an Application to be made to the Local Finance Board for the above-noted Wastewater Bond Refunding, Chairman Betts presented **RESOLUTION OF THE CAPE MAY COUNTY MUNICIPAL UTILITIES AUTHORITY MAKING APPLICATION TO THE LOCAL FINANCE BOARD PURSUANT TO N.J.S.A. 40A:5A-6.** Mr. Burns offered **MOTION TO ADOPT THE RESOLUTION AS**

PRESENTED, seconded by Mr. McMahon, a Roll Vote followed:

	<u>Aye</u>	<u>Naye</u>	<u>Abstain</u>	<u>Absent</u>
Mr. Burns	x			
Ms. Callinan	x			
Mr. McMahon	x			
Mr. Pantalone	x			
Ms. Payne	x			
Mr. Phelan	x			
Mr. Betts	x			

By unanimous Roll Vote, Resolution No. 49-11 was adopted, copy annexed hereto and incorporated herein.

2. Mr. Cathcart gave a report on the Wastewater Program's various projects being performed by in-house labor, specifically:

Major Overhaul of Seven Mile/Middle Sludge Thickener – Mr. Cathcart reported that the Authority's Project Crew has successfully completed the refurbishment of the Sludge Thickener at the Seven Mile Beach/Middle Wastewater Treatment Facility. It is expected that the thickener should remain operational for many more years.

Replacement of Effluent Check Valve – Mr. Cathcart reported that in preparation for the summer flows, the Cape May maintenance staff replaced a large effluent check valve, ensuring that this valve does not become inoperable and need replacement during the summer season.

Replace Large Diameter Power Wire – Mr. Cathcart reported that Authority's in-house staff successfully replaced a large length of wire in the power distribution system, of the clarifier gallery at the Wildwood/Lower WTF, which had been badly corroded. He noted that it was the largest wire replacement ever performed by in-house staff and the results were even better than expected. This work would previously have been done by outside consultants and the increasing skills demonstrated by the Authority's in-house employees continues to results in cost savings to the Authority and its users.

II. SOLID WASTE MANAGEMENT PROGRAM –

GENERAL COUNTY –

1. Mr. Norkis presented a report on the status of restarting the use of the Authority's Landfill Gas as fuel at the Woodbine Developmental Center. He reported that the testing of landfill gas in the WDC's new large boiler has been successfully completed and that burning of gas at this facility will recommence as soon as the energy needs of the WDC are sufficient to warrant the use of the new larger boiler. He further

noted that the State will be installing two smaller boilers later this year, which will enable the utilization of landfill gas as a fuel source when energy needs at the facility are low.

2. Mr. Baron reported on the status of the air permit for the Authority's proposed addition of two (2) new large electrical generators at its Landfill Gas to Electricity Facility. He noted that on May 10, 2011, he received an email from the NJDEP indicating their approval of an air pollution application utilizing a State of the Art Analysis (SOTA), rather than the more stringent LAER analysis which would have had to be approved by the USEPA. Now that this permitting methodology has been agreed upon, it is anticipated that the air permit should be completed by Friday, May 20th, which will be followed by a public comment period and, barring unforeseen circumstances, the Authority should have a draft air permit by the end of next month (June) which will enable the CMCMA to advertise for bids for the equipment needed to complete this project.

SANITARY LANDFILL –

Mr. Long reviewed with the Board the procedures that have been followed to procure the 0.33 acre property adjacent to the Sanitary Landfill, owned by Tuckahoe Sand and Gravel. Mr. Long noted that the procurement of this parcel of land was included as a requirement by the Pinelands Commission and the NJDEP in their approval of the expansion of the Authority's Sanitary Landfill. Mr. Long further noted that the property was appraised, a bona fide offer was made and appropriate notice was given to the property owners and mortgage holders. Since the owner of the property requested a much higher figure than the appraised value, the Authority was forced to initiate court proceedings to acquire the property. In this regard, the Authority was given ownership of the subject property by the Courts on May 2, 2011, with a panel of Commissioners established by the Court to determine fair value for the property transfer. These Commissioners will be responsible for establishing the compensation to be made for the property taken; and to assess damages (if any) made to the remainder of the property when determining the amount of the payment to be made by the Authority to Tuckahoe Sand and Gravel. An update will be given once a decision has been reached by the Commissioners.

RECYCLING –

The Authority Members reviewed the Preliminary Regional Recycling Program Progress Report for March 2011, which noted that Cape May County achieved a 33.12% municipal solid waste stream diversion rate and a 25.75% total solid waste stream diversion rate for the first three months of 2011. It was pointed out that the above-noted recycling rates are preliminary and subject to change, based on the submission of data from independent recycling operations and final State review. Mr. Baron reported that the tonnage recycled for the month of March was up compared to the same period last year. Mr. Baron reported that although the first three (3) months has historically been a low revenue period for the Authority's Recycling Program, it has achieved a net gain of \$232,000 this year compared to \$27,000 for the same period in 2010.

**PUBLIC
DISCUSSION**

None offered.

**PAYMENT OF
BILLS**

1. On Motion by Mr. Pantalone, seconded by Mr. McMahon, a Roll Voted followed on the approval of the Administration Vouchers List dated May 18, 2011:

	<u>Aye</u>	<u>Naye</u>	<u>Abstain</u>	<u>Absent</u>
Mr. Burns	x			
Ms. Callinan	x			
Mr. McMahon	x			
Mr. Pantalone	x			
Ms. Payne	x			
Mr. Phelan	x			
Mr. Betts	x			

By unanimous Roll Vote, the Administration Vouchers List dated May 18, 2011 was approved, copy annexed hereto and incorporated within.

2. On Motion by Ms. Callinan, seconded by Ms. Payne, a Roll Vote followed on the approval of the Wastewater Operating Funds Vouchers List dated May 18, 2011:

	<u>Aye</u>	<u>Naye</u>	<u>Abstain</u>	<u>Absent</u>
Mr. Burns	x			
Ms. Callinan	x			
Mr. McMahon	x			
Mr. Pantalone	x			
Ms. Payne	x			
Mr. Phelan	x			
Mr. Betts	x			

By unanimous Roll Vote, the Wastewater Operating Funds Vouchers List dated May 18, 2011 was approved, copy annexed hereto and incorporated within.

3. On Motion by Ms. Callinan, seconded by Ms. Payne, a Roll Vote followed on the approval of the Solid Waste Operations Fund Vouchers List dated May 18, 2011:

	<u>Aye</u>	<u>Naye</u>	<u>Abstain</u>	<u>Absent</u>
Mr. Burns	x			
Ms. Callinan	x			
Mr. McMahon	x			
Mr. Pantalone	x			
Ms. Payne	x			
Mr. Phelan	x			
Mr. Betts	x			

By unanimous Roll Vote, the Solid Waste Operations Funds Vouchers List dated May 18, 2011 was approved, copy annexed hereto and incorporated within.

4. On Motion by Mr. Phelan, seconded by Ms. Payne, a Roll Vote followed on the approval of the Solid Waste Project Fund Vouchers List dated May 18, 2011:

	<u>Aye</u>	<u>Naye</u>	<u>Abstain</u>	<u>Absent</u>
Mr. Burns	x			
Ms. Callinan	x			
Mr. McMahon	x			
Mr. Pantalone	x			
Ms. Payne	x			
Mr. Phelan	x			
Mr. Betts	x			

By unanimous Roll Vote, the Solid Waste Operations Funds Vouchers List dated May 18, 2011 was approved, copy annexed hereto and incorporated within.

The total of all three (4) approved Vouchers Lists, dated May 18, 2011, was \$1,120,900.77.

NEW BUSINESS

1. The Authority Members reviewed and discussed the recommendation of the Authority's Human Resources Director regarding the award of a Contract, in an amount not-to-exceed \$7,500.00, to Joseph T. Schwartz, DO., to enable him to continue to provide pre-employment physical examinations of newly hired operational employees. It was noted that Dr. Schwartz has satisfactorily provided these services to the Authority in the past and has agreed to continue to provide this service for \$300.00 per examination during the upcoming year. The background information submitted in support of the Staff recommendation noted that Dr. Schwartz provides timely appointments and examination results, and is familiar with the requirements of the Department of Transportation for those new hires who are required to possess a Commercial Driver's License. Following further discussion, Chairman Betts provided RESOLUTION AUTHORIZING CMCMA MEDICAL SURVEILLANCE PROGRAM WITH JOSEPH T. SCHWARTZ, DO. Mr. Phelan offered MOTION TO ADOPT THE RESOLUTION AS PRESENTED, seconded by Ms. Callinan, a Roll Vote followed:

	<u>Aye</u>	<u>Naye</u>	<u>Abstain</u>	<u>Absent</u>
Mr. Burns	x			
Ms. Callinan	x			
Mr. McMahon	x			
Mr. Pantalone	x			
Ms. Payne	x			
Mr. Phelan	x			
Mr. Betts	x			

By unanimous Roll Vote, Resolution No. 50-11 was adopted, copy annexed hereto and incorporated herein.

2. Mr. Norkis reviewed and discussed a request from the County of Cape May (County) to address regulations which require a Licensed Wastewater Operator operate their small wastewater collection system, which consists of self contained collection lines and several small pumping stations. He noted that the Regional Supervisor for the Seven Mile Beach/Middle Wastewater Treatment Facility, Mr. Emmitt Herron, has agreed that it would not adversely effect the operation of his facility for him to also oversee the operation of the County's small system. Therefore, since the County has provided services to the Authority free of charge in the past, it was recommended by Mr. Norkis that the Authority make its Regional Supervisor, who is a Licensed Wastewater Operator, available to the County for this purpose. Since the Authority Members were in agreement, a Shared Services Agreement will be developed for consideration by the Board Members, which will, among other things, indemnify the Authority and its employees regarding activities associated with the operation of the County's wastewater collection system.

ADJOURNMENT

There being no further business, the Regular Meeting adjourned at 2:10 p.m.

Respectfully submitted,



Ann M. McDevitt

Recording Secretary

05/19/11