

AGENDA
CUMBERLAND COUNTY UTILITIES AUTHORITY
April 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. MINUTES OF REGULAR MEETING OF MARCH 15, 2012
6. REPORTS
 - A. DIRECTOR
 - B. ENGINEER
 - C. AUDITOR
 - D. GENERAL COUNSEL
 - E. COMMITTEES
 - (1) COMMUNITY RELATIONS – Commissioner A. 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
7. RESOLUTIONS
 - A. RESOLUTION ACKNOWLEDGING THE RECEIPT AND CERTIFYING THE REVIEW OF THE 2011 AUDIT REPORT
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

REGULAR MEETING
CUMBERLAND COUNTY UTILITIES AUTHORITY
April 19, 2012

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

Representing the CCUA:

Nancy Sungenis, Chairperson
Albert Jones, Vice Chairman
James Begley, Commissioner
Sameer Boutros, Commissioner
James Crilley, Commissioner
Angelia Edwards, Commissioner
Harvey Friedman, Commissioner
Robert O'Donnell, General Counsel
Steve Testa, Auditor
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.

Chairperson Sungenis called for a motion to approve the minutes of the Regular Monthly Meeting of March 15, 2012. It was motioned by Commissioner Friedman, seconded by Commissioner Edwards and carried unanimously at roll.

REPORTS

Director

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

Director Propert reported that at the request of Upper Deerfield Township, the Authority did some testing and investigation on their collection system. There was some unusually high strength wastewater from the Carll's Corner area, and some unauthorized discharge in Seabrook. Copies of the report have been provided to the Industrial Waste Committee and the township. The Seabrook flow has been eliminated and Mike Fernandez will be attending a meeting next week with the township and Carll's Corner area businesses to discuss wastewater discharge practices.

He further noted that the final design of the new pretreatment system has been completed and the Cumberland County Improvement Authority submitted their pretreatment plans to NJDEP for approval. The goal of the system is to produce high quality treated leachate for on-site ground water recharge.

The Authority's field application of bio-solids continues at the Cumberland Nursery.

Director ProPERT reported that the annual lab proficiency testing has been completed and submitted and we are waiting on results from DEP.

He also stated that the draft county WWMP has been submitted to NJDEP. Mike Fernandez met with the Cohansey Watershed Committee to review the details and discuss their plans for monitoring the Upper Cohansey river.

The solar energy project is still on; however CCIA is still negotiating changes with the county college. Director ProPERT stated that he would keep the Board informed with any updates.

Continuing his report, Director ProPERT stated that yesterday, he, Mike and Sandy met with Steve Testa and representatives from Bowman & Company for some preliminary discussion on changing our current billing methods.

The Manor has been sold and we are waiting to hear back from Hopewell and Ken Mecouch to set up a meeting. Director ProPERT stated the he would keep everyone advised on that also.

Resolution "A" on the agenda acknowledges the receipt and review of the 2011 Audit Report.

Commissioner Boutros asked about CCIA's leaving and its impact on the Authority and User rates. Director ProPERT answered his inquiry, but stated that he didn't want to suppose what would happen. Commissioner Boutros also asked what impact the Manor's leaving would have. Both Director ProPERT and Legal Counsel O'Donnell answered, stating that the Authority would not be losing the Manor as a User; someone would be responsible for their flow.

Commissioner Crilley asked when the new flow rate billing would go into effect and was told by the Director that it was possible for the 1st of the year.

Engineer

Mr. Curcio reported that a meeting has been scheduled for Tuesday, April 24 for him to meet with Cumberland County; Engineer, Bob Perna of Perna and Finnigan and Mike Fernandez to discuss the scope and schedule for final road and sidewalk restoration associated with the Upper Deerfield force main replacement project.

Mike Fernandez and Mr. Curcio met with representatives of Hydro-Lunar to discuss their proposal for installing a hydro-electric generator within the plant. After performing energy analysis, it was determined that minimal energy could be recovered, making their proposal not viable from an economic standpoint.

The FY 2013 treatment plant rehabilitation project is currently under administrative analysis by the NJDEP. The Authority should shortly be receiving their review of our submitted documents.

Auditor

Mr. Testa reported that he attended a Finance and Budget Committee meeting and reviewed a draft of the 2011 Audit Report in detail. Copies of the Draft Report were also sent to the rest of the commissioners for their review. He received no comments on the Draft Report and final copies were recently provided to the Authority.

Mr. Testa stated that the Authority received an "unqualified" or clean opinion on its financial statements for the year ended December 31, 2011, which essentially says, in our opinion, the basic financial statements present fairly, in all material respects, the financial position, results of operations and cash flows

of the Authority for the year 2011 are in accordance with GAAP. Further, there were no significant deficiencies or material weaknesses noted with respect to internal control over financial reporting.

Further, as a result of the Authority expending in excess of \$500,000 of State Financial Assistance, this year, the audit was required to be performed in accordance with the Single Audit Act, OMB Circular A-133 and NJ OMB Circular 04-04. The state assistance was in the form of the NJEIT Loan funds. The auditor's reports on compliance and internal control over compliance state the Authority complied in all material respects with the applicable compliance requirement that could have a direct and material effect on its major state program and that there were no material weaknesses in internal control over compliance noted.

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

Mr. Testa pointed out the financial highlights. Briefly stated, the Authority experienced an increase in net assets for financial statement purposes of approx \$442,000. In 2010, the Authority experienced net income of \$320,000, which is an increase of \$122,000. The increase in net income in 2011 is primarily the result of a much needed rate increase, together with the Authority holding its operating expenses to a little over a 1% increase. These net income amounts are on a GAAP basis.

It is significant to note that the Authority did not have to utilize Net Assets to subsidize the 2011 (or 2010) budget as it had in the years prior to 2010, although it did utilize Plant Reconstruction and Replacement Funds to fund the budgeted capital outlays. This is significant as in 2007, 2008 and 2009, the Authority had used over \$1,000,000 of its net assets to subsidize operations. As a result, the Authority's General Fund was very low and the Authority was not in a position to be able to utilize net assets to subsidize operations in subsequent budgets or help it meet the Rate Covenant contained in the Bond Resolution. The General Fund is better off than it was a year ago, but still should be increased if all possible. It should be noted that the Authority did meet the Rate Covenant contained in the Bond Resolution for 2011.

Mr. Testa stated that Resolution "A" on the agenda tonight acknowledges the receipt and certifies the review of the 2011 Audit Report and should be acknowledged by the Commissioners signing the group form affidavit before leaving tonight's meeting.

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.

He further stated that once the resolution is approved, it is 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. This will satisfy the filing requirements pertaining to the 2011 Audit. At this time, Mr. Testa offered to answer any questions the Commissioners may have.

General Counsel

Mr. O'Donnell reported that he discussed employee related issues with the Director and the Commissioners.

Mr. O'Donnell further stated that he was available for any questions or comments from staff or the commissioners.

Committees

The Finance and Budget Committee met on March 15th, March 22nd and April 12th with the minutes of the meetings in the packages of the Commissioners.

The Facilities Expansion Committee met on March 22nd and minutes of the meeting are included in the Commissioners packages for review.

RESOLUTION

RESOLUTION ((2476) ACKNOWLEDGING THE RECEIPT AND CERTIFYING THE REVIEW OF THE 2011 AUDIT REPORT, offered by Commissioner Edwards and seconded by Commissioner Jones, carried unanimously at roll call.

Treasurers Report

Revenue Account	\$ 17,047.38
Operating Account	1,500,387.31
Petty Cash	500.00
Sensor Account	6,417.36
General Account	200,800.44
Plant Reconstruction/Replacement	1,731,251.74
Trust Account	2,524,166.31
Total Cash Position	\$5,980,570.54

Treasurer Quinn reported that the bills submitted for payment today for the Operating Account total \$236,645.64. The Authority Chairperson and Secretary have checked the vouchers. The Operating Account has sufficient funds to cover these checks and he recommends approval of Resolution "B". For the first three months of 2012, expenses have exceeded revenue by \$40,533.50. The monthly bank statements are available for review if anyone is interested.

RESOLUTION (2477) APPROVING AND AUTHORIZING PAYMENT OF CERTAIN OPERATING ACCOUNT VOUCHERS, offered by Commissioner Jones, seconded by Commissioner Boutros and carried unanimously at roll call.

Chairperson's Remarks

Chairperson Sungenis stated that she was chosen to be a speaker at the AEA Utility Conference next week in Atlantic City.

Public Portion

As there were no comments, Chairperson Sungenis asked for a motion to adjourn, which was duly made by Commissioner Edwards.

The next regular Monthly Meeting of the Cumberland Counties Utilities Authority will be held Thursday, May 17, 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 ACKNOWLEDGING THE RECEIPT AND
CERTIFYING THE REVIEW OF THE 2011 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, 2011 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, 2011, 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 19, 2012 at 4:30 p.m. prevailing time.

DATED: April 19, 2012

**IT IS HEREBY CERTIFIED THAT THIS IS A TRUE COPY OF THE RESOLUTION
PASSED AT THE MEETING HELD ON APRIL 19, 2012.**

Secretary

Date

**LOCAL AUTHORITIES
GROUP AFFIDAVIT FORM**

**PRESCRIBED BY
THE NEW JERSEY LOCAL FINANCE BOARD**

AUDIT REVIEW CERTIFICATE

We, the members of the governing body of the Cumberland County Utilities Authority, being of full age and being duly sworn according to law, upon our oath depose and say:

1. We are duly appointed members of the Cumberland County Utilities Authority.
2. We certify, pursuant to N.J.S.A. 40A:5A-17, that we have each reviewed the annual audit report for the fiscal year ended December 31, 2011, and specifically the sections of the audit report entitled "**Findings**" and "**Recommendations**".

(Print)

(Signature)

Nancy L. Sungenis

Albert Jones

James B. Begley

Sameer Boutros

James P. Crilley

Angelia L. Edwards

Harvey L. Friedman

Donald L. Olbrich, Sr.

Keith I. Wasserman

Sworn to and subscribed before me

this _____ day of _____, _____.

Notary Public of New Jersey