

MINUTES OF REGULAR MEETING

MAY 5, 2015

The Regular Meeting of the Morris County Municipal Utilities Authority was held on May 5, 2015 at 7:05 p.m. in the First Floor Conference Room at the MCMUA Offices located at 214A Center Grove Road, Randolph, New Jersey. The necessary notice of this meeting was published according to the law.

Chairman Dour requested a roll call.

PRESENT: Mr. William Hudzik, Mr. James Barry, Dr. Arthur Nusbaum, Ms. Laura Szwak, Mr. Richard Plambeck, Mr. Fletcher Platt and Mr. Christopher Dour.

Mr. Frank Druetzler entered the meeting at 7:06 p.m.

ABSENT: Dr. Dorothea Kominos.

Also present was Glenn Schweizer, Executive Director; Andrew Holt, P.E., MCMUA Water Consulting Engineer; Larry Kaletcher, Treasurer; Marilyn Regner, Secretary; Brent Carney, Esq., Maraziti Falcon LLP; Larry Gindoff, Solid Waste Coordinator; Kathleen Hourihan, District Recycling Coordinator; and Liz Sweedy, Senior Recycling Specialist.

(Mr. Frank Druetzler entered the meeting at 7:06 p.m.)

After the flag salute, there was a presentation of the Slam Dunk The Junk poster award winners, Corinne Troccoli and Claire Anderson, by Liz Sweedy.

Chairman Dour asked for the Board's approval of the Minutes and Closed Session Minutes of the Regular Meeting dated April 7, 2015.

MOTION: Mr. Plambeck made a Motion to approve the Minutes and Closed Session Minutes of the Regular Meeting of April 7, 2015 and Mr. Barry seconded the Motion.

ROLL CALL: AYES: 7 NAYES: NONE ABSTENTIONS: Mr. Platt

TREASURER'S REPORT:

Mr. Kaletcher presented the Treasurer's Report for the Solid Waste Operating, Water Operating and Capital Accounts for the month of April 2015. Also included are the Comparative Balance Reports for the Solid Waste and Water Divisions, as well as the investment report for the month of April in which there was no activity. These reports have been incorporated in these Minutes.

Chairman Dour asked the Board for a Motion to accept the Treasurer's Report:

MOTION: Mr. Platt made a Motion to accept the Treasurer's Report and Ms. Szwak seconded the Motion.

ROLL CALL: AYES: 8 NAYES: NONE ABSTENTIONS: NONE

Mr. Kaletcher advised the Board that he would be distributing the 2014 audit at the conclusion of this meeting and please feel free to call me if you have any questions.

To summarize some highlights of the audit compared to 2013, combined revenue increased by 4%, there was a very slight decrease of combined operating expenses of .7%, total net position increased by 8.72%, and cash equivalents also increased. Overall it is a very clean and very good audit for the Morris County MUA.

Mr. Kaletcher mentioned that we will arrange to have Bill Schroeder of Nisivoccia Co. at next month's meeting to field any further questions the Board may have regarding the audit. Mr. Druetzler asked if Larry Kaletcher is happy with the results of the audit and Mr. Kaletcher replied yes, very happy.

Chairman Dour asked for the Board's approval of the vouchers:

BILL RESOLUTION NO. 15-26

BE IT HEREBY RESOLVED that the bills as shown on the SCHEDULE OF WARRANTS all having been approved by the Board of officials where legally required, be and the same are hereby paid. The SCHEDULE OF WARRANTS designated as Bill Resolution No. 15-26 containing 7 pages for a total of \$2,891,577.85 dated and made a part hereof by reference.

SUMMARY

CHECK NUMBERS

CAPITAL FUNDS	1119-1122	\$ 5,399.07
WATER OPERATING FUNDS	2900-2932	173,708.22
SOLID WASTE OPERATING	5306-5386	<u>2,712,470.56</u>
	TOTAL	\$ 2,891,577.85

CERTIFICATION

I hereby certify that all vouchers listed above have been reviewed and found to be in proper form for payment, and I have compared the SCHEDULE OR WARRANTS to the vouchers for payment and have determined it to be correct.

DATE: May 5, 2015

BOARD CHAIRMAN APPROVAL

Christopher Dour, Chairman

SIGNED: _____
Marilyn Regner, Secretary

TREASURER'S CERTIFICATION

I hereby certify that there are sufficient funds in the appropriations charged, or accounts listed to cover the expenditures included in the SCHEDULE OF WARRANTS dated: May 5, 2015

DATE: May 5, 2015

Larry Kaletcher, Treasurer

MOTION: Mr. Hudzik made a Motion that the vouchers be approved for payment and Dr. Nusbaum seconded the Motion.

Dr. Nusbaum mentioned that the MUA went through all kinds of energy audits and the MUA instituted different steps to reduce the power bill, but proportionately even though we still do not have expensive bills, did we get less in proportion with these measures we took? Mr. Kaletcher replied that the rate that the MUA is paying for electricity is slightly higher than what we were paying in the past. The reason for that was that JCP&L would have gone up higher than if we did not go out to bid. Mr. Kaletcher added that although the bills are slightly more than last year, they are less than they would have been if we didn't go through the reverse auction process. Dr. Nusbaum mentioned that the MUA was trying to have more efficient motors, turn off lights and do other things and questioned if anyone has measured how much that has saved us? Mr. Kaletcher replied that we have not done an audit to that extent. Mr. Schweizer commented that the general use of electricity has gone down per unit of water produced, primarily due to the Righter Road project which prevented us from having to pump water up and down twice so that was a key energy savings and as we are going on and there is an opportunity to or need to replace a motor or pump, then they were done so with high efficiency equipment in mind. All this has occurred but has not been quantified. Mr. Schweizer added these efforts are continuing in the transfer station where we

worked out a deal with Mascaro where we are providing LED lights, very energy efficient and Mascaro is installing them because they pay the electricity and they will get a nice reduction.

ROLL CALL: AYES: 8 NAYES: NONE ABSTENTIONS: NONE

CORRESPONDENCE:

With regard to the first and fourth letters in the correspondence report which are related, the letter to Mascaro from Larry Gindoff which is the official Notice To Proceed so that contract officially begins June 1st and the related matter is the litigation matter that we have been involved in for quite some time has been totally resolved and the Stipulation for Dismissal has been filed and this case is finally over and Mascaro agreed to pull the Appeal.

With regard to Item #2 in the correspondence report, which is the letter campaign we are involved in with DEP over the Inadequate Water Supply issue, we did receive two additional letters from DEP and these will be discussed in closed session.

Mr. Schweizer mentioned two additional items: (1) On April 22nd, Dick Plambeck was honored by the Boy Scouts of America at their annual meeting and he received a Lifetime Achievement Award. Congratulations were extended to Mr. Plambeck; and (2) The Board of Freeholders are having their annual Volunteers' Reception on May 19th at the Frelinghuysen Aboretum from 5:30 to 7:30 p.m. Please advise Marilyn if you plan to attend.

Letter dated April 8, 2015 to Pasquale N. Mascaro, President, Solid Waste Services, Inc. d/b/a/ J. P. Mascaro & Sons from Larry Gindoff serving as a formal "Notice to Proceed" with a start date of June 1, 2015 for the contract for operating the two Morris County solid waste transfer stations.

Letter dated April 9, 2015 to Fred Sickles, Acting Director, NJDEP, Division of Water Supply and Geosciences, from Glenn Schweizer acknowledging receipt of the letter from Steven Pudney to John Scarmozza dated April 1, 2015 regarding MCMUA Inadequate Water Supply and advised that the next MCMUA Board Meeting is May 5, 2015 at which it is anticipated that the SMCMUA/Wharton amended agreement will be presented for consideration.

Letter dated April 17, 2015 to Christopher J. Warren, Richard A. Alaimo Engineering Company from Anthony Fontana, Chief, Bureau of Solid Waste Planning, NJDEP, advising that the application for the MCMUA Mt. Olive Transfer Station is administratively complete.

Letter to the Superior Court of New Jersey, Appellate Division, from Joseph A. Fischetti, copied to Joanna Vos, Esq., enclosing copies of the fully executed stipulation of dismissal, including the appeal and all cross-appeals for the matter of Waste Management of New Jersey, Inc. v. Morris County Municipal Utilities Authority and Solid Waste Services, Inc., d/b/a J.P. Mascaro & Sons.

ENGINEER'S REPORT:

Mr. Holt reported on the following: (1) On the Roof Replacement Re-bid, he is reviewing the draft documents prepared by D&B Engineers and will get comments back to them and be ready to advertise in late May or early June to rebid for roofing of three of the facilities.; (2) Regarding SCADA Upgrades, Tony Milonas advanced that well since last month and it is pretty much in operation with just a few communication items to resort; work will be completed in the next

month.; (3) Advertisement of Bid to Rehabilitate the two Markewicz Pump Station 3MG Water Storage Tanks should be ready to go next month as well. Draft specifications for the work is nearly complete and we are making a few minor edits to get you a more competitive bid.; (4) On April 22nd, I met with John Scarmozza and representatives from Southeast Morris County M.U.A. to discuss the Clyde Potts Pump Station. This is where we derive a supply of water from Southeast Morris and that pump station was for almost 10 years now been in operation and originally was an interim solution and now with our current allocation limitations, it really is the primary supply source to us as well as own wells. So we are assessing its current capacity and we maybe required to upgrade that facility so we can rely on that facility everyday of the year. Right now is only one pump there. Typically on a primary facility, you need to have two pumps; one as a back-up to the other. To your point about energy efficiency, if it was upgraded, there would be an opportunity for energy efficiency to use the variable frequency drives and/or energy efficient motors at the facility. I plan to come back to you later this year with a recommendation of about a 30% design concept on what we need to worry about budgetary on what should be done to make this a permanent facility. Also provisions for emergency power so that it can be run at all times.; (5) There is a meeting this Friday, May 1st, with N.J. American and Southeast Morris because Southeast has a potential issue where they treat the water at the Clyde Potts and discharge it to an 18" pipe down into Mendham and we connect right at the point where it leaves their site and technically the water there doesn't have 30 minutes of contact time with chlorine so it could be argued that it does not meet the full regulation. It is safe to drink and it has been disinfected but under certain conditions, it does not meet the 30 minutes so we have to review the circulation on how the water gets to our point of connection because after we take it, we distribute it to customers through N.J. American's system. We have to make sure that this pump station re-design addresses this issue and limitations as well. We are trying to work cooperatively with Southeast Morris on this.

Mr. Plambeck questioned so it has to meet the requirement at the interconnection and not where we deliver to our first customer? Mr. Holt replied yes, we are technically a customer although we are not consuming it at that point and that is how the regulation is. Mr. Plambeck asked is there a way we can ask for a waiver? Mr. Holt replied that we believe there is a quick and easy solution and that is why we are meeting Friday to discuss. We may be able to derive our point of connection from the N.J. American 12" main which is connected to the 18" down the street and just have it come around to us again and not take it where we normally take it. It may be a quick and easy solution and if not we will get into more discussion and figure out who is going to be responsible as it is not really our problem.

Part of the upgrade would also be addressing the water meter and we have already recommended installation of a different style water meter at that facility. It would be less energy, less head loss, and provide us and Southeast identical flow readings so that part of our reconciliation of our flows and allocation numbers that DEP is concerned about capacity, this would help resolve this question.

(6) On the Asset Management Plan, Mr. Holt reported that it is moving along nicely. Jacobs has basically prepared the entire inventory of information that they are going to be commenting on. I am anticipating a technical memo from them in a week or so outlining what they have identified as the assets for the plan for the coming future. This will provide you with a working document so you know when you need to replace something and a better handle on budgetary planning and useful life on moving parts and equipment.

(7) Regarding Alamatong Well 8, Mr. Holt reported that we now have all the data and it took a while to get all the lab work done, so we should see reports on recommendations on how to not waste so much water at that well. Sometimes that well has higher turbidity levels and it has blow-off temporarily, and we think we can filter that water all of the time and get every usage of the gallons that are derived from that well.

(8) We are using your computer model to assess the supply of water from Southeast through our system to Wharton. We will be able to report back to you on what that means to you operationally as well as from an energy usage standpoint (how to move gallons from one point to another and what cost that might have on our system).

(9) We are meeting with DEP next week to discuss the Scrub Oaks Mine Well project at their request. We will be meeting with DEP, along with representatives from the Highlands and other DEP departments to revisit that project and the concept that maybe there is still a mechanism available to enhance our ability to produce and deliver water throughout Morris County.

Mr. Platt asked if we had an answer from the State on the Rockaway well? Mr. Schweizer replied not an official answer. They have been hesitant to issue a formal “No response.” Mr. Platt is concerned that we going to go down the same road with the Scrub Oaks Mine well as we did with the Rockaway well. They are happy to talk but don’t make decisions. Mr. Schweizer commented that there has been an applied “no”. In their mind, DEP has already answered the question. Mr. Platt asked if it is in writing and Mr. Schweizer replied no, it is not in writing. He further commented that DEP would argue they had previously denied our application, and we made another effort and we haven’t satisfied all their conditions and concerns. Since we did not convince them otherwise, the answer is still “no”.

Mr. Platt asked if they ever responded to the additional information that we supplied and Mr. Schweizer replied yes. They needed more, they needed more modeling information, and even with that, they have responded by saying we don’t see how you have satisfied all the concerns that we have identified. Mr. Platt said that maybe we have a decision to make with that well. Mr. Schweizer believes that was a defacto decision of not proceeding with it and DEP does not like that Rockaway well and believe that the Scrub Oaks Mine well has merit ad they are willing to help us overcome the Highlands issues which were also prevalent in the Rockaway well. This is the reason for this meeting that DEP has set up to get a consensus on the Scrub Oaks Mine well.

PROJECT STATUS:

1. Roof Repair Project, Contract No. 36

I have been in contact with D&B Engineers regarding their preparation of revised contract documents to be ready for re-bid this summer. I have reviewed their 50% review documents and provided comments. It is anticipated that they will finalize bid documents by the end of May for summer bidding and construction.

2. SCADA Upgrades

A. Anthony Milonas met with PCS April 27, 2015 and established the communications between facilities, installed the PLC and placed it in stand by (not active) and verified communication input and output signals. The switchover will be accomplished when the old Bristol system is removed, and the GE software is installed. This final step is expect to occur before the peak summer season.

3. Rehabilitation and Recoating of the F.J. Markewicz Pumping Station Ground Storage Water Tanks

A. Final comments on the bid documents were received from John Scarmozza and Tony Milonas. Suburban Consulting Engineers (SCE) will finalize the plans and specifications for the Markewicz tanks rehabilitation and repainting project for advertising bids in late May. SCE will furnish a final engineer’s estimate ahead of the bid advertisement to verify the project budget. As noted previously, SCE reported that there appears to be a significant amount of tank painting work going on this year which could cause the bid results to be higher than recent projects. The 2 tank, multi-year project scope should be more attractive and generate more interest than a single tank project.

4. Clyde Potts Pumping Station Pump Upgrade

A. A meeting was convened on April 22, 2015 with representatives from MCMUA, SMCMUA, Associated Technology, and Reiner Pump Systems to review the Clyde Potts pumping station requirements and configuration now and what may be necessary in the future. Recall that this facility was originally intended to bridge an interim service capacity shortfall by delivering up to 0.5MGD from SMCMUA to MCMUA. In light of the current and future contract demands and NJDEP’s methodology in evaluating system capacity, the Clyde Potts supply from SMCMUA is a primary component in the overall capacity of MCMUA. As such, the existing pump station configuration is inadequate to efficiently and reliably deliver the expanded contract amount. Initially, it was believed that the size of the pump was limited by the electrical service capacity. Associated Technology verified with JCP&L that sufficient electrical capacity exists, and the only limitation may be the existing

conductors from the pole to the station. Action items resulting from this meeting include:

- i. Verify contract flow rates and volumes
- ii. Confirm the need for redundancy at this station (firm capacity)
- iii. Confirm the need for emergency power at this station
- iv. Evaluate SMCMUA contact time correction
- v. Evaluate pump options (types, styles and sizes)
- vi. Design concept (30%)
- vii. Verify electrical design requirements
- viii. Prepare cost estimate

B. A May 8, 2015 meeting is scheduled with SMCMUA and New Jersey-American Water Co. to review the point of connection for the Clyde Potts booster station connection. SMCMUA has determined that it does not achieve the required 30-minutes of chlorine contact time from the Clyde Potts treatment facility before the MCMUA point of connection. The point of this meeting will be to evaluate piping configuration options with the water system stakeholders that may be able to effectively accomplish the required contact time without major modifications or a relocation for the MCMUA booster station.

C. Concerning the meter that measures flow through this facility, MCMUA spoke to SMCMUA and it was agreed to change the meter from an orifice plate to a turbine meter. This will recover between 12-15 psi in losses and improve performance and will likely be used in any pump station improvements upgrade. SMCMUA has offered to purchase and install the turbine meter as is typically the seller's responsibility. A turbine meter will also make it easier for all parties to monitor and get the same reading from the meter totalizer.

5. RFP-14-4W Research and Assemble Background Data & Prepare an Asset Management Plan

A. Subsequent to the March 31, 2015 kickoff meeting, Jacobs Engineering has been advancing the asset inventory, having conducted several site and facility visits throughout April. Their first deliverable, the Technical Memo No. 1 is anticipated in the next few weeks. At that time, a review meeting will be scheduled, before Jacobs initiates the second scope of work item for condition assessments.

6. Alamatong Well No. 8 Turbidity Study

A. Water sample results from Alamatong Well No. 8 Turbidity Study were received and forwarded to Suburban Consulting Engineers (SCE) to analyze. SCE expects to have their report with recommendations concerning treatment options and recovery of lost (blow-off) water at Well 8 by mid-May.

GENERAL

1. SYSTEM

A. SCE has analyzed the performance of the MCMUA system using the computer model. In order to evaluate the impact that the proposed agreement may create wherein up to 0.5 million gallons per day will be delivered to the Wharton connection for distribution to Rockaway Township. These model findings and the corresponding system impacts will be summarized and furnished to the Board in a separate letter by May 15, 2015.

B. Concerning the Scrub Oaks Mine project, SCE will attend the May 11, 2015 meeting at NJDEP along with the Executive Director and Vincent Uhl. This will be an exploratory meeting, at the request of NJDEP, to evaluate options and feasibility of developing this water source as a supply to meet MCMUA future demands.

C. Wharton and SMCMUA are expected to formally approve the water agreement relating to the Rockaway matter this month. The MCMUA has also been asked to approve this agreement, however, it is our position that MCMUA cannot act on this agreement until such time as the NJDEP deficit determination is resolved. MCMUA has requested a final

determination from NJDEP, however at this time, no determination has been received. It is our understanding that this issue will be further discussed at the Board meeting.

SOLID, HAZARDOUS & VEGETATIVE WASTE REPORT:

Mr. Gindoff reported that he provided the Board with an updated Solid Waste Tonnage Report in their folders. Our month of April came in at 33,752 tons, which is 140 more tons than he predicted, and virtually the same tonnage as we did last April. He also provided the current Vegetative Waste Report which shows that we were pretty busy in April and our numbers starting coming in heavily and things are picking up with vegetative waste.

With regard to the roof project at the transfer stations, he mentioned that we were originally going to do roofs at both transfer stations, but since we are experiencing air permitting issues at the Par-Troy facility, we are focusing our attention on doing the roof at the Mt. Olive Transfer Station. We are moving ahead immediately with the roof bid and that should be out next week and we should be receiving bids before the next MUA meeting. If everything goes well, it's anticipated that we should have a recommended contractor for the Mt. Olive roof project at the June meeting.

With regard to the air pollution control system, Mr. Hudzik questioned if we are planning at doing both transfer stations? Mr. Gindoff replied no, the Mt. Olive transfer station has a permitted system that was just renewed.

TRANSFER STATIONS

Tonnage – For the month of April 2015, the tonnage of solid waste projected to be accepted at the two transfer stations is 33,592 tons. This monthly projection is based on actual tonnage handled from April 1 through April 28 with two days remaining in the month. The actual tonnage accepted for the entire month will be provided to the Board at the May meeting. The April 2015 tonnage projection is 0.57% less than the 33,785 tons accepted a year ago in April 2014. Based on tonnage accepted for the first four months of the year, for 2015 the annual total tonnage is currently projected to be 371,910 tons which would be 1.30% less than the 382,757 tons accepted in 2014. Please refer to the Transfer Station Disposal Report by Month for additional information.

Transfer Station Re-Bid – In an April 8, 2015 letter, the MCMUA issued a formal notice to proceed regarding the new contract to J.P. Mascaro and Sons with a June 1, 2015 start date. With respect to the appeal of the judicial rulings regarding the original 2012 procurement, an April 27, 2015 filing with the Superior Court of NJ, Appellate Division provided a fully executed stipulation of dismissal for this matter, including the appeal and cross-appeals. This stipulation of dismissal was executed by all three parties involved; Mascaro, Waste Management and Covanta.

Transfer Station - Mount Olive Re-Permitting – NJDEP issued a notice of deficiency dated March 23, 2015, regarding the submission of an application for renewal of the Mount Olive transfer station's Solid Waste Facility Permit. The deficiencies were very minor and were addressed in a response prepared by Alaimo Engineering and submitted to NJDEP on March 30, 2015. In a letter dated April 17, 2015, a Notice of Administrative Completeness was provided by NJDEP. With provision of this notice, the MCMUA is notified that the conditions of the existing permit remain in effect while NJDEP reviews the new permit application. As the permit renewal application cites no changes in the facility from the previous permit, issuance of a renewed permit by NJDEP should not be too difficult.

Transfer Station - Parsippany Air and Solid Waste Facility Permits – Unlike the Mount Olive Solid Waste Facility Permit, which recently expired after five years of being in effect, a Parsippany Solid Waste Facility Permit application was deemed administratively complete five years ago with the conditions of the existing permit remaining in effect, yet the NJDEP never issued a final Solid Waste Facility Permit for the Parsippany transfer station. This was due to inconsistencies found by the NJDEP's Air Permitting Bureau between the tonnage allowed in the NJDEP issued Solid Waste Facility Permit (1,380 tpd) versus the tonnage allowed in the Air Permit for the site (1,000 tpd).

On March 16, 2015, staff and Chris Warren of Alaimo Engineering had an initial meeting with representatives of NJDEP's air compliance office regarding the status the Parsippany transfer station's Air Permit. The follow-up to this initial discussion was an April 27, 2015 meeting in Trenton with representatives of air compliance, air permitting and solid waste permitting. At this meeting we discussed the need for the MCMUA to upgrade the air pollution control (APC) system at the Parsippany transfer station. This is likely to include installation of new roof vents, a bag-house and a system to keep the entire tipping building under negative pressure so particulates are drawn into the bag-house as opposed to being discharged through the various openings in the tipping building. Additionally, the misting system installed just over five years ago to control fugitive dust would have to be dismantled as its use will conflict with the upgraded APC system. The first step toward having an APC system approved by NJDEP is to submit a revised Air Permit application proposing the installation of a state-of-the-art APC that is acceptable to NJDEP based on tonnage approved in the facility's Solid Waste Facility Permit. At the April 27 meeting, it was agreed that the revised Air Permit application would be submitting to NJDEP within 60 days of the meeting. Alaimo Engineering will be designing the APC system, preparing the revised Air Permit application and submitting it to NJDEP. Additionally, it was also agreed that it would be best if the MCMUA also prepare and submit a current Solid Waste Facility Permit renewal application so NJDEP has a new application to review and approve. Alaimo Engineering and staff will work together to submit such an application this spring.

HOUSEHOLD HAZARDOUS WASTE MANAGEMENT

Program Participation and Events - During April 2015, a total of 159 residents and businesses delivered waste to the permanent household hazardous waste (HHW) facility in Mount Olive. This is up in participation from the previous month of March 2015, when 109 participants used the facility and it is also up in participation compared to April 2014, when 106 participants used the permanent facility. Over the past year or so participation at the permanent HHW facility has decreased and this decrease is mainly due to the expansion of E-waste collection opportunities at various Morris County municipal recycling depots which are in addition to the MCMUA's HHW programs. To put this expansion in perspective, 156,874 pounds of E-waste were collected in 2013 through the MCMUA's HHW program and its contract with MRM. In 2014, MRM allowed for the expansion of the E-waste collection program to 29 Morris County municipal recycling depots. The amount of material dramatically increased as the drop-off locations also increased. In 2014, the amount of E-Waste MRM recycled increased to 1,950,105 pounds which is just over 12 times the quantity of E-waste MRM collected in Morris County in 2013.

Renewal of Contracts for HHW Programs - In May 2014, the MCMUA awarded two different one-year contracts to MXI Environmental Services with respect to the MCMUA's HHW program; one contract was to operate the one-day HHW disposal events and the other contract was to operate the permanent HHW facility located in Mount Olive. Both contracts allowed for two optional one-year extensions to be exercised by the MCMUA at its discretion, and as the MCMUA has been satisfied with the services provided by MXI under both contracts, the MCMUA is recommending awarding the first of two optional one-year extensions for both HHW contracts to MXI. Two resolutions will be presented to the MCMUA Board for its consideration at the May meeting authorizing the one-year optional extensions for both the permanent facility contract as well as the one-day disposal event day contract with MXI.

VEGETATIVE WASTE MANAGEMENT – April 2015

Facility Report – The vegetative waste figures for April 2015 were still being compiled as of the writing of this report and will be provided to the MCMUA Board at the May 5 meeting. In March staff began scheduling orders for the residential delivery of truck loads of compost and/or mulch produced at each site. Deliveries began April 13 and will continue through September 25, 2015. As is typical for this time of year, delivery orders are back-logged by several weeks. At this point, the earliest delivery dates dispatched from the Parsippany facility are about the end of May while the deliveries dispatched from the Mt. Olive facility are currently scheduled out through mid-May.

Mr. Gindoff asked for the Board's approval of the following Resolutions:

RESOLUTION NO. 15-27
RESOLUTION AWARDING EXTENSION OF CONTRACT
FOR THE OPERATION OF
THE YEAR 2015 MORRIS COUNTY
HOUSEHOLD HAZARDOUS WASTE CLEANUP PROGRAM

WHEREAS, on Tuesday, May 6, 2014, the Morris County Municipal Utilities Authority (“MCMUA”) awarded a Contract for the Operation of the Year 2014 Morris County Household Hazardous Waste Disposal Program to MXI Environmental Services, 297 Zimmerman Lane, Langhorne, Pennsylvania 19047, for a term of one (1) year, with an option to extend the terms of the contract, to be exercised at the discretion of the MCMUA, for two (2) additional one-year periods; and

WHEREAS, the MCMUA seeks to extend the terms of the original contract for the first aforementioned additional one (1) year period; and

WHEREAS, the Executive Director of the MCMUA is authorized and directed to extend the terms of the original contract with MXI Environmental Services, for an amount not to exceed \$101,164.00 for a term of one (1) year; and

WHEREAS, the MCMUA Treasurer has certified that funds are available in line item - Household Hazardous Waste 5-01-1-600-800-726 to pay the entire contract amount.

NOW, THEREFORE, BE IT RESOLVED, by the Morris County Municipal Utilities Authority as follows:

1. The MCMUA awards the first one (1) year extension of the original contract for the operation of the household hazardous waste disposal program, as more specifically defined herein, to MXI Environmental Services, for an amount not to exceed \$101,164.00 for a term of one (1) year.
2. The original contract executed on June 23, 2014, between the MCMUA and MXI Environmental Services, shall remain legal and binding in all respects for the one (1) year extension period.
3. A copy of this Resolution and applicable contracts shall be available for public inspection at the offices of the Morris County Municipal Utilities Authority, 214A Center Grove Road, Randolph, New Jersey.
4. A copy of this Resolution is being forwarded to the MCMUA Treasurer and MXI Environmental Services, 297 Zimmerman Lane, Langhorne, Pennsylvania 19047.
5. This Resolution shall take effect immediately.

CERTIFICATION

I hereby certify that the foregoing Resolution was adopted by the MCMUA at its Regular Meeting held on Tuesday, May 5, 2015.

MORRIS COUNTY MUNICIPAL
UTILITIES AUTHORITY

By: _____
Christopher Dour, Chairman

ATTEST:

Marilyn Regner, Secretary

MOTION: Mr. Druetzler made a Motion to award extension of contract for the Operation of the Year 2015 Morris County Household Hazardous Waste Cleanup Program to MXI Environmental Services and Dr. Nusbaum seconded the Motion.

ROLL CALL: AYES: 8 NAYES: NONE ABSTENTIONS: NONE

RESOLUTION NO. 15-28
RESOLUTION AWARDING EXTENSION OF CONTRACT
FOR THE YEAR 2015 OPERATION OF THE
MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY'S
PERMANENT HOUSEHOLD HAZARDOUS WASTE FACILITY

WHEREAS, on Tuesday, May 6, 2014, the Morris County Municipal Utilities Authority (“MCMUA”) awarded a Contract for the Operation of the Year 2014 Morris County Municipal Utilities Authority’s Permanent Household Hazardous Waste Facility to MXI Environmental Services, 297 Zimmerman Lane, Langhorne, Pennsylvania, 19047, for a term of one (1) year, with an option to extend the terms of the contract, to be exercised at the discretion of the MCMUA, for two (2) additional one-year periods; and

WHEREAS, the MCMUA seeks to extend the terms of the original contract for the first aforementioned additional one (1) year period; and

WHEREAS, the Executive Director of the MCMUA is authorized and directed to extend the terms of the original contract with MXI Environmental Services, for an amount not to exceed \$129,960.00 for a term of one (1) year; and

WHEREAS, the MCMUA Treasurer has certified that funds are available in line item - Household Hazardous Waste 5-01-1-600-800-726 to pay the entire contract amount.

NOW, THEREFORE, BE IT RESOLVED, by the Morris County Municipal Utilities Authority as follows:

1. The MCMUA awards the first one (1) year extension of the original contract for the operation of the household hazardous waste disposal program, as more specifically defined herein, to MXI Environmental Services, for an amount not to exceed \$129,960.00 for a term of one (1) year.

2. The original Contract executed on June 23, 2014, between the MCMUA and MXI Environmental Services, shall remain legal and binding in all respects for the one (1) year extension period.

3. A copy of this Resolution and applicable contracts shall be available for public inspection at the offices of the Morris County Municipal Utilities Authority, 214A Center Grove Road, Randolph, New Jersey.

4. A copy of this Resolution is being forwarded to the MCMUA Treasurer and MXI Environmental Services, 297 Zimmerman Lane, Langhorne, Pennsylvania, 19047.

5. This Resolution shall take effect immediately.

CERTIFICATION

I hereby certify that the foregoing Resolution was adopted by the MCMUA at its Regular Meeting held on Tuesday, May 5, 2015.

MORRIS COUNTY MUNICIPAL
UTILITIES AUTHORITY

By: _____
Christopher Dour, Chairman

ATTEST:

Marilyn Regner, Secretary

MOTION: Mr. Plambeck made a Motion to award extension of contract for the Year 2015 Operation of the Morris County Municipal Utilities Authority's Permanent Household Hazardous Waste Facility to MXI Environmental Services and Mr. Hudzik seconded the Motion.

ROLL CALL: AYES: 8 NAYES: NONE ABSTENTIONS: NONE

RECYCLING REPORT:

Ms. Hourihan mentioned that she was unable to attend the awards luncheon and has heard great things about it from everyone. She mentioned that it went very well and the awards recipients were very appreciative of the awards we gave out. The Board members commended Liz Sweedy for doing a very good job.

Ms. Hourihan referred to additional correspondence in the folder including an email with lengthy attachments from Bob Anderson, who is our primary contact for the sale of recyclable materials from ReCommunity. He is painting a pretty bleak picture for pricing of commodities going forward for a prolonged time. She mentioned that in the last couple months, we have seen this in our payments from ReCommunity. In February we had to pay ReCommunity and in March we got \$3,000. Compared to the first few months when we started doing single stream at the end of 2011, we were getting 30-40 thousand dollars a month so \$3,000 is very low. The attached articles that he included have to do with glass recycling. Ever since we went commingled and started mixing glass, and then we started mixing it with single stream paper, there has been problems finding markets for it and it has become a negative commodity. All the other commodities have held up that negative glass price so you don't see it as bad. Now that all the other commodities are softening, paper is very low and since the oil prices are low, plastic prices have been coming down, so there is not much left to prop up that negative glass price. She mentioned that glass is often used as a landfill cover which is a beneficial use but last she knew our glass is still going to a recycling facility.

Mr. Plambeck asked if we have seen the shredded paper making it to the recycling system after being collected in the thin plastic bags. Ms. Hourihan replied yes, many bags get through but she does not know percentage of shredded paper that survives in the clear bags. Mr. Plambeck said there may be some program changes needed to stay ahead of it.

Dr. Nusbaum inquired if we going to have to go backwards and not do single stream due to contamination and glass. Ms. Hourihan mentioned that the Association of N.J. Recyclers (ANJR) has formed a committee and is discussing glass and if it would make sense to take glass out of the mix, especially since if it is so costly and the heaviest fraction of the stream, especially if it gets used as landfill cover. A lot of counties are discussing this.

Ms. Hourihan mentioned that ANJR is talking about putting together a white paper on glass. Mr. Schweizer commented that this might prompt further attention to potential bottle bill legislation.

Recycling Operations

Revenue and Tonnage – The preliminary March statement was received on April 9 in the amount of positive \$2,909, which means it is a payment from ReCommunity to the MCMUA, an improvement from the approximately \$3,000 which the MCMUA owed ReCommunity in February.

The tonnage collected by the MCMUA for recycling during April through the 23rd was 997.3 tons. The monthly tonnage is shown by material and by customer on the attached report.

Curbside Recycling Proposal for Pequannock Township – Staff prepared and submitted a curbside recycling proposal to Pequannock Township. The Township's current contract ends October 2015.

Plastic Pesticide Container Collection Program – On Friday, April 17, staff met with the representative of the NJ Department of Agriculture (NJDA) at the Mt Olive Transfer Station to show her the site. The first collection program is being planned for Thursday, May 28. The NJ Department of Agriculture is handling the advertising. The program is open only to entities with pesticide applicators licenses.

Rear-load Dumpsters – Staff received 3 quotes for 8 rear-load dumpsters of 2, 4 and 6 cubic yard sizes. An order has been placed with Cooper Tank/East Coast Containers in the amount of \$6,900, the lowest price quoted. The dumpsters are expected to be delivered in 3 to 4 weeks. The new dumpsters are needed due to recent requests for dumpster placement.

Boat Shrink Wrap Program – Since the start of this spring season a total of 2.3 tons of boat shrink wrap have been collected at Lee's Marina in 4 loads.

Events/Education/Miscellaneous

Clean Communities – Two members of the MCMUA staff have been selected to receive awards from the NJ Clean Communities Council. Liz Sweedy will receive an Excellence in Education Award and Mike Flora will receive an Enforcement Award. The awards will be presented at the Conference scheduled for May 21. 2014 Poster Contest Winners: This year, at the May 5 Board Meeting, staff will recognize the 4 students who were selected from the 2014 Slam Dunk the Junk poster contest for creating posters that best portrayed the Keep Morris County Litter Free theme. Each poster has been reproduced on a recycling container which will be donated to the each student's school. 2015 Slam Dunk the Junk Grant for Public Schools: This year's program is underway and so far 11 schools have signed up to do clean-ups and 4 schools have signed up for the poster contest. Educational Programs: In April, the MCMUA funded 10 educational programs at schools in Morristown, Netcong, Rockaway Borough, Rockaway Township and at the Morris Museum. Road Clean-ups: On April 13th MCMUA curbside crews revisited the sections of road in Wharton and Roxbury that had been done on March 30 to complete the clean-up and to redo the sections.

Awards Event for 2015 – Staff has been busy during April making all the plans for the coordinator meeting and award luncheon on April 30 including preparing a slide show, organizing promotional materials, designing the written program, preparing the write-ups about the award recipients, etc.

Association of New Jersey Recyclers (ANJR) – Chris Vidal has been appointed to the Board of Directors. Previously, Penny Jones represented Morris County on the ANJR Board.

Recycling Inspections/Outreach – A total of 10 transfer station loads suspected of improperly containing mandated recyclable materials were photographed and written-up by MCMUA tipping floor inspectors.

During the month, staff worked with generators and haulers to inform them of the recycling requirements in Morris County. Some of the meetings and phone calls with generators included:

- Follow-up with Whole Foods in Madison regarding two loads of vegetative waste which was predominantly corrugated cardboard which was rejected by the compost facility due to too much plastic.
- Staff, along with the Parsippany recycling coordinator visited the Panera Bread construction site at the Troy Hills Shopping Center on April 7 and discussed recycling with the superintendent of the construction company.
- Also on April 7, staff met with the VP Operations for Hudson News Distributors regarding a load of corrugated that was delivered to the transfer station. This load was probably a mistake by the hauler who was supposed to pull the trash compactor container instead.

Event Containers – The MCMUA’s event containers for recycling and garbage were not lent to any organizations during April.

Miscellaneous Presentations/Meetings/Conference Calls/Correspondence

- On Thursday, April 2, staff delivered some recycling containers to the Youth Shelter in follow-up to a recycling inspection that had been done in November and a subsequent meeting in February.
- On Wednesday, April 22, staff participated as an exhibitor in Novartis’ Earth Day Event at their location in East Hanover.
- Also on Wednesday, April 22, staff attended the Morris View Healthcare Center’s Earth Day Awareness Event as an exhibitor.

Chairman Dour read the following Resolution for the meeting to go into closed session at 7:55 p.m. for discussion regarding pending litigation of Morris Commons LLC vs. MCMUA et als.

**RESOLUTION AUTHORIZING A CLOSED SESSION FOR DISCUSSIONS
REGARDING PENDING LITIGATION INVOLVING THE AUTHORITY**

WHEREAS, the Morris County Municipal Utilities Authority desires to discuss various matters in connection with pending litigation; and

WHEREAS, the Morris County Municipal Utilities Authority is authorized to conduct a closed session in each of these instances pursuant to N.J.S.A. 10:4-12(b)(7) and N.J.S.A. 10:4-12(b)(5).

NOW, THEREFORE, BE IT RESOLVED by the Morris County Municipal Utilities Authority as follows:

1. A closed session will be held immediately following the Public Portion of this meeting for discussion regarding pending litigation of Morris Commons LLC vs. MCMUA et als.

2. The matters discussed during this closed session relating to pending litigation shall be recorded and duly approved by the Board but shall be held in confidence and shall not be made available for public disclosure until such time as the matter has been settled, an unappealable decision has been rendered by a court of competent jurisdiction or as otherwise required by law.

MOTION: Mr. Platt made a Motion for the meeting to go into closed session at 7:55 p.m. and Mr. Druetzler seconded the Motion.

ROLL CALL: AYES: 8 NAYES: NONE ABSTENTIONS: NONE

The meeting returned to open session at 8:28 p.m. with a Motion made by Mr. Platt, seconded by Mr. Druetzler and carried unanimously.

Chairman Dour asked the Board's approval of the following Resolution:

RESOLUTION NO. 15-30
RESOLUTION CONDITIONALLY APPROVING AMENDED WATER SUPPLY
AGREEMENT
BETWEEN THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY
AND THE BOROUGH OF WHARTON

WHEREAS (#1), at the direction and approval of New Jersey Department of Environmental Protection ("NJDEP"), during the period of 2004 through 2011, the Morris County Municipal Utilities Authority ("MCMUA") engaged in negotiations and executed amended water supply contracts with its public wholesale customers to specify daily, monthly, and annual contractual water supply limitations in order to comply with the NJDEP directive to amend such contracts so as to provide maximum monthly and annual contract limits for the purpose of ensuring that the MCMUA does not exceed a combined permitted and contractual potable water purchase allocation of 2348 million gallons per year; and

WHEREAS (#2), as a result of the aforementioned negotiations and executed amended contracts approved by NJDEP over the course of seven years, the following MCMUA wholesale customers reduced their contractual maximum guarantees for water supplied by MCMUA in order to ensure that MCMUA does not exceed a combined permitted and contractual potable water purchase allocation of 2348 million gallons per year: (1) Township of Denville; (2) Township of Jefferson; (3) Borough of Mine Hill; (4) Township of Randolph; and (5) Township of Roxbury; and

WHEREAS (#3), in recognition of certain water supply reductions to ensure that MCMUA does not exceed a combined permitted and contractual potable water purchase allocation of 2348 million gallons per year, the amended contract with the Township of Randolph states, in relevant part, that: "MCMUA agrees that in the event that it is able to secure from NJDEP increased water allocation approvals at a later date, the same shall be allocated between and among the customer municipalities of MCMUA on an equitable basis, subject to the right of Randolph to first receive out of any such allocation the portion thereof then equal to the percentage of allocation held by MCMUA from NJDEP used by Randolph, until such time as its peak month total is restored to 96.72 mgm"; and

WHEREAS (#4), in recognition of certain water supply reductions to ensure that MCMUA does not exceed a combined permitted and contractual potable water purchase allocation of 2348 million gallons per year, the amended contract with the Township of Roxbury states, in relevant part, that: “MCMUA agrees that in the event that it is able to secure from NJDEP increased water allocation approvals at a later date, the same shall be allocated between and among the customer municipalities of MCMUA on an equitable basis, subject to the right of Roxbury to first receive out of any such allocation the portion thereof then equal to the percentage of allocation held by MCMUA from NJDEP used by Roxbury, until such time as the flowing allocation amounts (i.e. .6 mgd, 18.6 mgm, 174.6 mgy) are reached”; and

WHEREAS (#5), on February 18, 2015, NJDEP issued a letter received by MCMUA on February 27, 2015, attached hereto as Exhibit B, stating that it recently updated the Division of Water Supply and Geoscience’s Public Water System Deficit/Surplus Table and according to that updated table: “the Morris County MUA has a deficit in at least one of its daily, monthly, or yearly limits (see attached table) as defined at N.J.A.C. 7:10-11.5(e) et seq.”; and

WHEREAS (#6), the aforementioned letter from NJDEP dated February 18, 2015 states: “As a result of this determination, this Bureau will not accept any applications for Water Main Extension or connection permits to the existing system which have an associated water demand. In addition, pursuant to N.J.A.C. 7:10-11.10(b)4, any connection or extensions to the water system with a water demand which do not need a permit from this Bureau may not be undertaken. Until the water system deficit is corrected, no new development projects with a water demand are allowed; only water main repairs and replacement may proceed”; and

WHEREAS (#7), N.J.A.C. 7:10-11.10(b)4 states, in relevant part: “[A] connection to or extension of water system shall not be undertaken if: (i) The anticipated demand associated with a project or activity to be served by the connection or extension would exceed the applicable firm capacity or water allocation limits” (emphasis added); and

WHEREAS (#8), NJDEP has in fact provided its firm capacity analysis for MCMUA stating that MCMUA has an annual water deficit of 10.26 million gallons per year (see table attached to Exhibit B); and

WHEREAS (#9), On March 4, 2015, MCMUA staff and its engineering consultant engaged NJDEP representatives in a telephone conference as memorialized in the letter dated March 17, 2015 from Andrew Holt, P.E. to Fred Sickles, attached hereto as Exhibit C, in light of the paramount public interest involved to the wholesale customers of the MCMUA and the same

public interest involved in Morris Commons v. Township of Rockaway, et als, Docket No. MRS-L-3271-07, in which the MCMUA is being requested to provide 500,000 gallons per day of water it draws from its well-field and to provide the same to the Borough of Wharton (instead of SMCMUA) so that it can be wheeled by the Borough of Wharton entirely out of the MCMUA's current utility system and into the Township of Rockaway for the purpose of assisting in the region's need for affordable housing, which would require "a connection to or extension of water system" to the proposed Pondview development and which cannot occur pursuant to N.J.A.C. 7:10-11.10(b)4 if MCMUA is in a water deficit; and

WHEREAS (#10), the aforementioned letter dated March 17, 2015 states: "The MCMUA is concerned that this determination by the NJDEP could have a significant impact on the MCMUA ability to approve the agreement between SMCMUA and Wharton for the purpose of providing water to affordable housing projects in the Township of Rockaway"; and

WHEREAS (#11), in a partial response to the aforementioned March 17, 2015 letter, NJDEP responded by letter dated April 1, 2015, attached hereto as Exhibit D, stating that the MCMUA is in an annual deficit of ten million gallons of water, but "[t]he Bureau acknowledges that for a dedicated wholesale water provider, such as MCMUA, there are concerns as to the relevance and appropriateness of the standard deficit surplus evaluation and these will be addressed by separate correspondence"; and

WHEREAS (#12), the April 1, 2015 letter from NJDEP also states that: "In regard to the water systems purchasing water from MCMUA, their system's deficit surplus evaluation will be based on the volume of water that the applicable contract documents as being guaranteed and not on the above MCMUA calculated deficit"; and

WHEREAS (#13), the proposed Amended Water Supply Agreement between SMCMUA and the Borough of Wharton (attached hereto as Exhibit A) provides that SMCMUA will sell water from MCMUA's water supply and MCMUA will transmit the entirety of the same through MCMUA's transmission mains to the Borough of Wharton so that the Borough of Wharton can then wheel the water from MCMUA outside of MCMUA's current utility system and into the Township of Rockaway for a new water connection to be installed for the proposed Pondview affordable housing development; and

WHEREAS (#14), none of the water to be sold by SMCMUA will be drawn from any well-field or well of SMCMUA, but rather all of that water would be drawn entirely from MCMUA wells and transmitted out of MCMUA's current utility system and into the Township

of Rockaway, which cannot occur while MCMUA remains in a water deficit in accordance with N.J.A.C. 7:10-11.10(b)4 and in accordance with NJDEP's February 18, 2015 letter which states, in relevant part: "Please be advised that a purveyor with insufficient capacity who is not actively pursuing additional supplies may be determined by the Department under N.J.S.A. 58:1A-14 as being 'inadequate to serve its users' and be subject to a Departmental Administrative Order to 'develop or acquire additional water supplies sufficient to provide that service.'" Therefore, it is strongly recommended that you develop a plan and schedule to provide an adequate supply. Although under certain conditions the Department may agree to allow specific projects to be connected while a water system is implementing a program by which additional, guaranteed water will become available, the Department strongly recommends that water systems take proactive steps to acquire sufficient water supply to meet anticipated growth far in advance of a project's need for water supply"; and

WHEREAS (#15), although for more than one decade MCMUA has actively pursued proposed additional sources of water, NJDEP and the Highlands Council have never approved the same and therefore there are not any additional sources of water that presently exist that would permit MCMUA to provide additional water to the Borough of Wharton so that it can be wheeled entirely out of the MCMUA's current utility system and into the Township of Rockaway, in accordance with NJDEP's letter (and the rights of first refusal for which the MCMUA has contractually committed to the Townships of Randolph and Roxbury for any new additional sources of water, which would require consent from said Townships); and

WHEREAS (#16), by letter dated April 9, 2015 from MCMUA's Executive Director to NJDEP, attached hereto as Exhibit E, the MCMUA alerted NJDEP that the MCMUA's Board Meeting was scheduled for May 5, 2015 and that, among other things, the "MCMUA is not in a position to provide an unconditional approval to [the proposed SMCMUA/Wharton contract amendment] until such time that it is determined that the MCMUA is not in an annual deficit" and also notified NJDEP that the next status conference in Morris Commons v. Township of Rockaway, et als., Docket No. MRS-L-3271-07 is scheduled for May 6, 2015 in the hope that NJDEP would conclude that MCMUA is not in annual deficit prior to the Board Meeting scheduled for May 5, 2015, anticipating that it may acknowledge that the standard deficit evaluation is not relevant or appropriate for wholesale water providers, such as the MCMUA; and

WHEREAS (#17), by letter dated April 30, 2015, attached hereto as Exhibit F, NJDEP

amplified the concerns of MCMUA by stating that “the MCMUA is impacted by the lack of additional water source capacity in the area and has been constrained in the ability to provide wholesale customers with all the water requested. The Bureau’s February 18, 2015 letter and the associated deficit surplus evaluation quantified those constraints and advised that additional supply or reduction in committed demand was needed before MCMUA would be authorized to increase system demands or water sales” (emphasis added); and

WHEREAS (#18), NJDEP sent a corrective letter dated May 4, 2015, attached hereto as Exhibit G, advising that the April 30, 2015 letter “should have referenced the Pondview Estates project rather than the Morris Commons project” and corrects the same; and

WHEREAS (#19), the aforementioned letter from NJDEP, dated May 4, 2015 further states: “For the purposes of the Southeast Morris County MUA/Wharton agreement, the ongoing evaluation of MCMUA’s water supply shortfalls would not preclude the Bureau from approving a contract to wheel water from SEMCMUA through MCMUA to Wharton to meet the needs of the Pondview Estates project as referenced in your letter. The Bureau will continue to work with MCMUA on the shortfalls of water supply needed for future MCMUA contract demands separately from the wheeling agreement”; and

WHEREAS (#20), the Amended Water Supply Agreement between SMCMUA and the Borough of Wharton, attached hereto as Exhibit A, does not wheel water from SMCMUA through MCMUA to Wharton to meet the needs of the Pondview Estates project, but rather sells water to Wharton for which MCMUA is the sole source of that water production and which Wharton would receive directly from MCMUA so that it can then be wheeled by Wharton entirely out of MCMUA’s current utility system, while MCMUA is in a water deficit, to serve the needs of the proposed Pondview development in Rockaway Township; and

WHEREAS (#21), N.J.S.A. 40:14B-61 states, in relevant part: “No facilities for the distribution of water within a district shall be constructed unless the municipal authority shall give its consent thereto and approve the plans and specifications therefor”; and

WHEREAS (#22), Section 1.7 of the existing agreement by and between MCMUA and SMCMUA states, in relevant part: “Southeast agrees not to transfer or sell water to other new suppliers (except in cases of temporary emergency or as required by law or governmental regulations) or to extend its existing service area without the written permission of MCMUA, which shall not be unreasonably withheld, and such governmental approvals as may be required by law, if any”; and

WHEREAS (#23), as of the date of this Resolution, NJDEP continues to consider the Authority to be in annual deficit of ten million gallons per year and therefore, MCMUA cannot in the proper exercise of its discretion and in the interest of respecting its existing contractual obligations to its wholesale customers, approve an amendment to an agreement between SMCMUA and the Borough of Wharton for the sale of 500,000 gallons per day of water from MCMUA out of its current utility system, while it remains in a deficit in accordance with the letters of NJDEP dated February 18, 2015, April 1, 2015, April 30, 2015, May 4, 2015 and in accordance with N.J.A.C. 7:10-11.10(b)4; and

WHEREAS (#24), the MCMUA concludes that it would not be prudent nor would it represent the sound exercise of discretion for MCMUA to unconditionally approve the proposed Amended Water Supply Agreement between SMCMUA and the Borough of Wharton, attached hereto as Exhibit A, in which MCMUA would be sending up to 500,000 gallons per day of water drawn entirely from its wells out of the entirety of MCMUA's current utility system, while at the same time NJDEP has formally advised the MCMUA that it has an annual water deficit of 10 million gallons per year and the issue is ambiguous and unresolved; and

WHEREAS (#25), the MCMUA intends to avoid any unnecessary delay in providing its approval of the proposed Amended Water Supply Agreement between SMCMUA and the Borough of Wharton, attached hereto as Exhibit A, by establishing a mechanism to provide for the approval of the same as soon as NJDEP concludes in writing that MCMUA does not have a water deficit on a daily, monthly and annual basis, to the written satisfaction of the MCMUA, without waiting for a subsequent Resolution to be considered at a future meeting of the MCMUA.

NOW, THEREFORE, BE IT RESOLVED by Morris County Municipal Utilities Authority as follows:

1. The proposed Amended Water Supply Agreement between SMCMUA and the Borough of Wharton, attached hereto as Exhibit A, is not approved, unless within ninety (90) days from the date of this Resolution, NJDEP concludes and states in writing that MCMUA does not have a water deficit on a daily, monthly and annual basis to the satisfaction of the MCMUA.
2. In the event that NJDEP concludes and states in writing within ninety days of the date of this Resolution that MCMUA does not have a water deficit on a daily, monthly and annual basis, and upon the issuance of a letter to

NJDEP expressing the satisfaction of the Executive Director of the MCMUA, the Amended Water Supply Agreement between SMCMUA and the Borough of Wharton, attached hereto as Exhibit A, shall be deemed approved by MCMUA.

3. This Resolution does not approve a proposed expansion of the existing service area to include “certain other properties to be separately agreed upon by Wharton and the Township of Rockaway” as set forth in paragraph 1.6 of the Amended Water Supply Agreement between SMCMUA and the Borough of Wharton, attached hereto as Exhibit A, in the absence of a separate Resolution of the MCMUA consenting to the same after such properties are specifically identified
4. Notwithstanding the foregoing or any provision to the contrary this Resolution shall not be construed as the enabling Resolution granting consent of the MCMUA as set forth in the last sentence of paragraph 2.5 of the proposed Amended Water Supply Agreement between SMCMUA and the Borough of Wharton, attached hereto as Exhibit A, which states in relevant part: “In fulfilling its obligations to provide water service hereunder and subject to the consent of MCMUA, SOUTHEAST shall have the right to utilize such sources of potable water as they shall subsequently develop provided that the same shall meet applicable regulations and drinking water standards.” Rather, any such consent shall require the adoption of a separate Resolution of the MCMUA.
5. This Resolution shall take effect immediately.

CERTIFICATION

I hereby certify that the foregoing Resolution was adopted by the Morris County Municipal Utilities Authority at the Regular Meeting held on May 5, 2015.

MORRIS COUNTY MUNICIPAL
UTILITIES AUTHORITY

By: _____
Christopher Dour, Chairman

ATTEST:

Marilyn Regner, Secretary

MOTION: Mr. Barry made a Motion to conditionally approve the Amended Water Supply Agreement Between The Southeast Morris County Municipal Utilities Authority And The Borough Of Wharton and Mr. Hudzik seconded the Motion.

ROLL CALL: AYES: 8 NAYES: NONE ABSTENTIONS: NONE

PUBLIC PORTION:

There being no comment from the Public, this portion of the meeting was closed.

OLD BUSINESS:

Mr. Schweizer advised the Board that the MUA had a very successful auction for the Black house. The total value was \$378,000 of which MUA will clear \$360,000. We had two aggressive bidders.

The house was bought by a new LLC that was formed by Milan Kirby who lives right across the street and is a large property owner in Morris Township and there is a local builder who he has teamed up with, Mark Ford, who has plans to renovate the house and keep it in its colonial charm so they should have no problem abiding by the façade easement that we have on the house.

Ms. Szwak asked what the appraisal was for this property and Mr. Schweizer replied we had a range of between \$350,000 and \$375,000.

Mr. Schweizer asked the Board's approval of the following Resolution:

RESOLUTION NO. 15-29
RESOLUTION TO ACCEPT HIGHEST BID MADE AT
PUBLIC AUCTION SALE FOR THE PURCHASE OF
LOT 6 IN BLOCK 3202, MORRIS TOWNSHIP

WHEREAS, the Morris County Municipal Utilities Authority ("MCMUA") is the owner of land and premises located at 82 Whitehead Road, Morris Township, N.J., and known as Lot 6 in Block 3202 of the Tax Map of the Township of Morris, (hereinafter referred to as "Lot 6"); and

WHEREAS, by Resolution, the MCMUA has determined that such property is no longer needed for public use and has offered the property for sale at public auction, in accordance with the requirements and provisions of the Local Lands and Buildings Act, N.J.S.A. 40A:12-1 et. seq. and the terms and conditions of the Notice of Sale and the Contract of Sale; and

WHEREAS, the MCMUA has provided the Notice of Sale in the Daily Record, and has also provided for advertisement of the public sale through the services of Coldwell Banker, the broker engaged by the MCMUA, who has also widely circulated information regarding the public sale; and

WHEREAS, an open public auction was held on April 28, 2015 at 7 p.m. in the First Floor Meeting Room at the Cultural Center, at which several bidders were present; and

WHEREAS, the highest bid at the open public auction was submitted by Lantern Ford LLC, 41 Whitehead Road, Morris Township, N.J. in the amount of \$360,000.00, together with a security deposit in the amount of \$36,000.00 and a fully executed Contract of Sale, all in accord with the terms of the Notice to Bidders; and

WHEREAS, Counsel for the MCMUA has advised that all legal requirements regarding the receipt of the bid have been satisfied.

NOW, THEREFORE, BE IT RESOLVED by the Morris County Municipal Utilities Authority as follows:

1. The bid of Lantern Ford LLC in the amount of \$360,000.00 for the purchase of Lot 6 is hereby accepted in accordance with the terms and conditions of the Notice to Bidders and the Contract of Sale, which are hereby incorporated herein by reference as if fully set forth.

2. The Officers of the MCMUA and the Executive Director are hereby authorized to execute the Contract of Sale and all other documents required to accomplish the transfer of title of Lot 6 to Lantern Ford LLC, including, but not limited to, the Deed and Affidavit of Title, and to do and take all actions to implement the provisions of this Resolution and the Contract of Sale, without further authorization of this body.

CERTIFICATION

I hereby certify that the foregoing Resolution was adopted by the Morris County Municipal Utilities Authority at the Regular Meeting held on May 5, 2015.

MORRIS COUNTY MUNICIPAL
UTILITIES AUTHORITY

By: _____
Christopher Dour, Chairman

ATTEST:

Marilyn Regner, Secretary

MOTION: Mr. Plambeck made a Motion to accept the highest bid made at Public Auction Sale for the purchase of Lot 6 in Block 3202, Morris Township in the amount of \$360,000 and Dr. Nusbaum seconded the Motion.

ROLL CALL: AYES: 8 NAYES: NONE ABSTENTIONS: NONE

There being no further Old Business, this portion of the meeting was closed.

NEW BUSINESS:

Mr. Schweizer reported that appraisals are underway for the Washington Valley properties, in particular the two acres that were subdivided off the Black House that we plan to transfer to the County as open space in addition to the Beckman house. The last property that we own is the Beckman house and that is the house we wanted to demolish. We are having this house and property appraised and will have that auction as quickly as we can after the appraisal and the notice is done. The thought is that no one will probably bid on the house because of all of the constraints it has. After fulfilling all of the conditions that the State Historic Preservation Office (SHPO) has imposed on us, which is to try to auction off the house, and if we aren't successful, SHPO will have no recourse but to allow us to demolish the house. We will then demolish the house and transfer that 1½ acres with the two acres to the County as open space.

He also mentioned that we are also appraising the vacant three lots in Parsippany near our transfer station. There is an adjoining property owner that wants to rent the property and we have to do the deal by auction so I want to appraise what the rental value is of the property, work out an arrangement and then will have to have an auction in which people will be interested in using this property. It is separate from the transfer station and I don't want to sell it as it might be of use to us in the future.

There being no further New Business, this portion of the meeting was closed.

There being no further Business, Chairman Dour asked for a Motion to adjourn the meeting at 8:34 p.m.

MOTION: Mr. Plambeck made a Motion to adjourn the meeting at 8:34 p.m. seconded by Mr. Hudzik and carried unanimously.

Marilyn Regner
Secretary

/mr