

MINUTES OF REGULAR MEETING

November 10, 2015

The Regular Meeting of the Morris County Municipal Utilities Authority was held on November 10, 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, Dr. Arthur Nusbaum, Ms. Laura Szwak, Mr. Frank Druetzler, Mr. Fletcher Platt, and Mr. Dour.

Dr. Kominos entered the meeting at 7:08 p.m.

ABSENT: Mr. James Barry.

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; and Kathleen Hourihan, District Recycling Coordinator.

Chairman Dour asked for the Board's approval of the Minutes of the Regular Meeting dated October 6, 2015.

Ms. Szwak asked that the Minutes be amended to reflect a correction on page 22, 4th paragraph, deleting "mentioned that" and substituting "asked if".

MOTION: Mr. Hudzik made a Motion to approve the Minutes of the Regular Meeting of October 6, 2015 as amended and Ms. Szwak seconded the Motion.

ROLL CALL: AYES: 6 NAYES: NONE ABSTENTIONS: Dr. Nusbaum

TREASURER'S REPORT:

Mr. Kaletcher presented the Treasurer's Report for the Solid Waste Operating, Water Operating and Capital Accounts for the month of October 2015. Also included are the Comparative Balance Reports for the Solid Waste and Water Divisions through the month of October 2015 and the Investment Report in which there was no new investments for the month of October. 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 Mr. Druetzler seconded the Motion.

ROLL CALL: AYES: 6 NAYES: NONE ABSTENTIONS: NONE

(Dr. Kominos entered the meeting at 7:08 p.m.)

Mr. Kaletcher mentioned that tonight he has four resolutions, two of which are for the introduction of the 2016 Solid Waste and Water Budgets. Last week the proposed 2016 Solid Waste and Water Budgets were reviewed at a Budget Committee Meeting which included Chairman Chris Dour, Frank Druetzler, Fletcher Platt, Glenn and myself. We all acknowledged

having the ability to fund our infrastructure needs along with maintaining a healthy fund balance. He briefly took the MUA Board through some of the highlights of each.

For the Solid Waste Budget, overall revenue decreased versus last year's budget as the result of lower tipping fees implemented in June. This tipping of \$94.50 per ton will remain unchanged through 2016. A decline in recycling markets is also contributing to the overall revenue reduction. Overall appropriation is down by 1.3 million primarily due to reduction in our J.P. Mascaro contractual price per ton as a result of the transfer station rebid. We are also funding the installation of the Air Pollution Control System and repair of the Mt. Olive Transfer Station roof. Additionally, increase in the vegetative waste line item is the result of the repair and labor costs for our Scarab Compost Turner.

The 2016 Water Division Budget includes a 3% rate increase. This rate increase will assist the Water Division to maintain an operational fund balance throughout our five year plan and assist in funding many upcoming capital projects highlighted by our Asset Management Plan. It should also be noted that the MUA has submitted a Capital Program Request to the County to assist in funding improvements to our water supply infrastructure. To date that request is still pending, however, if any amount is approved, it will lessen the burden on the MUA's fund balance. So for 2016, the Water Division plans to utilize 1.6 million dollars of its fund balance to fund various capital projects and engineering costs for future projects.

Mr. Hudzik questioned the line item for Employee Benefits, where it says there is a 15% increase in health insurance premiums based on bids received by County Treasurer's Office. Mr. Kaletcher explained that in that line item there is four or five components; three of the components are health insurance related (prescription, health and dental). Mr. Hudzik commented that the MUA is following what the County proposes and Mr. Kaletcher replied yes; and Mr. Kaletcher mentioned that the County is proposing an 18 almost 19 percent increase in premiums compared to last year. Mr. Hudzik mentioned that they were told there would be no increase and Mr. Schweizer replied that there is no increase in your contribution but the County picked Cigna going forward and Cigna's increase was less than Horizon Blue Cross Blue Shield.

Ms. Szwak had a question regarding decrease in allocation for the next single stream. Knowing that we are going out to bid, do you expect it to be less? Mr. Kaletcher replied that last year we had budgeted for a financial consultant to assist with pricing for recycling operations and for 2016 that number came out and that was the reason for the reduction.

Mr. Kaletcher asked for the Board's approval of Resolution No. 15-62:

RESOLUTION NO. 15-62
2016 Authority Budget Resolution
Morris County Municipal Utilities Authority
SOLID WASTE BUDGET INTRODUCTION

FISCAL YEAR: FROM January 1, 2016 TO December 31, 2016

WHEREAS, the Annual Budget and Capital Budget for the Morris County Municipal Utilities Authority for the fiscal year beginning, January 1, 2016 and ending, December 31, 2016 has been presented before the governing body of the Morris County Municipal Utilities Authority at its open public meeting of November 10, 2015; and

WHEREAS, the Annual Budget as introduced reflects Total Revenues of \$38,654,274.00, Total Appropriations, including any Accumulated Deficit if any, of \$38,654,274.00 and Total Unrestricted Net Assets utilized of \$0.00; and

WHEREAS, the Capital Budget as introduced reflects Total Capital Appropriations of \$0.00 and Total Unrestricted Net Assets planned to be utilized as funding thereof, of \$0.00; and

WHEREAS, the schedule of rates, fees and other charges in effect will produce sufficient revenues, together with all other anticipated revenues to satisfy all obligations to the holders of bonds of the Authority, to meet operating expenses, capital outlays, debt service requirements, and to provide for such reserves, all as may be required by law, regulation or terms of contracts and agreements; and

WHEREAS, the Capital Budget/Program, pursuant to N.J.A.C. 5:31-2, does not confer any authorization to raise or expend funds; rather it is a document to be used as part of the said Authority's planning and management objectives. Specific authorization to expend funds for the purposes described in this section of the budget, must be granted elsewhere; by bond resolution, by a project financing agreement, by resolution appropriating funds from the Renewal and Replacement Reserve or other means provided by law.

NOW, THEREFORE BE IT RESOLVED, by the governing body of the Morris County Municipal Utilities Authority, at an open public meeting held on November 10, 2015 that the Annual Budget, including appended Supplemental Schedules, and the Capital Budget/Program of the Morris County Municipal Utilities Authority for the fiscal year beginning, January 1, 2016 and ending, December 31, 2016 is hereby approved; and

BE IT FURTHER RESOLVED, that the anticipated revenues as reflected in the Annual Budget are of sufficient amount to meet all proposed expenditures/expenses and all covenants, terms and provisions as stipulated in the said Authority's outstanding debt obligations, capital lease arrangements, service contracts, and other pledged agreements; and

BE IT FURTHER RESOLVED, that the governing body of the Morris County Municipal Utilities Authority will consider the Annual Budget and Capital Budget/Program for adoption on December 8, 2015.

(Secretary's Signature)	(Date)			
Governing Body Member:	Recorded Vote: 1 st :		2 nd :	
	Aye	Nay	Abstain	Absent
Mr. Hudzik	X			
Mr. Barry				X
Ms. Szwak	X			
Mr. Druetzler	X			
Mr. Platt	X			
Mr. Dour	X			
Dr. Nusbaum	X			
Dr. Kominos	X			

Mr. Kaletcher asked for the Board's approval of Resolution No. 15-63:

RESOLUTION NO. 15-63
2016 Authority Budget Resolution
Morris County Municipal Utilities Authority
WATER BUDGET INTRODUCTION

FISCAL YEAR: FROM January 1, 2016 TO December 31, 2016

WHEREAS, the Annual Budget and Capital Budget for the Morris County Municipal Utilities Authority for the fiscal year beginning, January 1, 2016 and ending, December 31, 2016 has been presented before the governing body of the Morris County Municipal Utilities Authority at its open public meeting of November 10, 2015; and

WHEREAS, the Annual Budget as introduced reflects Total Revenues of \$3,903,531.00, Total Appropriations, including any Accumulated Deficit if any, of \$5,498,991.00 and Total Unrestricted Net Assets utilized of \$1,595,460; and

WHEREAS, the Capital Budget as introduced reflects Total Capital Appropriations of \$0.00 and Total Unrestricted Net Assets planned to be utilized as funding thereof, of \$0.00; and

WHEREAS, the schedule of rates, fees and other charges in effect will produce sufficient revenues, together with all other anticipated revenues to satisfy all obligations to the holders of bonds of the Authority, to meet operating expenses, capital outlays, debt service requirements,

and to provide for such reserves, all as may be required by law, regulation or terms of contracts and agreements; and

WHEREAS, the Capital Budget/Program, pursuant to N.J.A.C. 5:31-2, does not confer any authorization to raise or expend funds; rather it is a document to be used as part of the said Authority's planning and management objectives. Specific authorization to expend funds for the purposes described in this section of the budget, must be granted elsewhere; by bond resolution, by a project financing agreement, by resolution appropriating funds from the Renewal and Replacement Reserve or other means provided by law.

NOW, THEREFORE BE IT RESOLVED, by the governing body of the Morris County Municipal Utilities Authority, at an open public meeting held on November 10, 2015 that the Annual Budget, including appended Supplemental Schedules, and the Capital Budget/Program of the Morris County Municipal Utilities Authority for the fiscal year beginning, January 1, 2016 and ending, December 31, 2016 is hereby approved; and

BE IT FURTHER RESOLVED, that the anticipated revenues as reflected in the Annual Budget are of sufficient amount to meet all proposed expenditures/expenses and all covenants, terms and provisions as stipulated in the said Authority's outstanding debt obligations, capital lease arrangements, service contracts, and other pledged agreements; and

BE IT FURTHER RESOLVED, that the governing body of the Morris County Municipal Utilities Authority will consider the Annual Budget and Capital Budget/Program for adoption on December 10, 2015.

(Secretary's Signature)	(Date)
Governing Body Member:	Recorded Vote: 1 st : Mr. Platt 2 nd : Mr. Druetzler Aye Nay Abstain Absent
Mr. Hudzik	X
Mr. Barry	X
Ms. Szwak	X
Mr. Druetzler	X
Mr. Platt	X
Mr. Dour	X
Dr. Nusbaum	X
Dr. Kominos	X

Ms. Szwak mentioned that in prior years we saw the budget before the meeting and it looks that this is the first time she has seen this budget. Mr. Kaletcher replied that in previous years we might have sent it out earlier. Mr. Platt commented that this is for the budget introduction so you have a month to review and comment before the budget is adopted. Mr. Schweizer mentioned that the budget was sent out to the Budget Committee and we typically send it out to the Board prior to the meeting. If it didn't go out this year, it may have been because of the time between the Budget Committee and this meeting was shorter than normal and that may not have happened.

Mr. Kaletcher advised the Board that the Department of Community Affairs requires that budget introductions be submitted no later than 60 days before the beginning of the fiscal year, however, due to the fact that we are waiting for information from the County Treasurer's Office and meetings, we were not able to comply so the Resolution 15-64 is the resolution is for explanation of delinquent 2016 budget submission. Mr. Kaletcher asked for the Board's approval of Resolution No. 15-64:

RESOLUTION NO. 15-64
RESOLUTION OF EXPLANATION FOR DELINQUENT
2016 BUDGET SUBMISSION

WHEREAS, the New Jersey Department of Community Affairs, Bureau of Authority Regulations has requested all Authority budget introductions be submitted 60 days prior to the beginning of the new year,

WHEREAS, the New Jersey Department of Community Affairs, Bureau of Authority Regulations has stated that any delinquent budgets be accompanied by a resolution of explanation prior to final adoption by the Authority board,

WHEREAS, the Morris County Municipal Utilities Authority was delinquent in submitting the budget introductions within the 60 day limit,

WHEREAS, the Morris County Municipal Utilities Authority required additional time to complete the budgets due to delays in obtaining relevant budget information, tipping & water rate analyses along with related meetings which were not resolved until after the 60 day deadline,

NOW, THEREFORE, BE IT RESOLVED by the Morris County Municipal Utilities Authority that the explanation in paragraph four of this resolution be presented as fact to the New Jersey Department of Community Affairs, Bureau of Authority Regulations for the delinquency in introduction of the 2016 budgets.

Secretary of the Board

Christopher Dour, Chairman

Governing Body Member:	Recorded Vote: 1 st : Dr. Kominos 2 nd : Mr. Platt			
	Aye	Nay	Abstain	Absent
Mr. Hudzik	X			
Mr. Barry				X
Ms. Szwak	X			
Mr. Druetzler	X			
Mr. Platt	X			
Mr. Dour	X			
Dr. Nusbaum	X			
Dr. Kominos	X			

Mr. Druetzler asked about the fiscal year here which is January through December, however, we reorganize in February. Should our fiscal year be from February 1st to January 31st? Mr. Hudzik asked whether we have to abide by what the State says? Mr. Schweizer replied that our reorganization was initiated by a function when back in the days when the Freeholders were very involved in the MUA so they wanted that one month lag. The budget was always from January to December. So if anything the Reorganization Meeting would be changed to January to be more consistent with the budget year. Mr. Schweizer commented that the reality of it is that the Department of Community Affairs can't get the budgets reviewed until January anyway.

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

BILL RESOLUTION NO. 15-65

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. 15-65 containing 7 pages for a total of \$2,959,478.70 dated and made a part hereof by reference.

SUMMARY

CHECK NUMBERS

CAPITAL FUNDS	1136	\$ 1,770.68
WATER OPERATING FUNDS	3108-3146	245,232.97
SOLID WASTE OPERATING	5838-5951	<u>2,712,475.05</u>
TOTAL		\$ 2,959,478.70

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: November 10, 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: November 10, 2015

DATE: November 10, 2015

Larry Kaletcher, Treasurer

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

Mr. Platt thanked Larry Kaletcher for identifying the breakdown on the Suburban Consulting Engineers' invoices.

ROLL CALL: AYES: 7 NAYES: NONE ABSTENTIONS: NONE

CORRESPONDENCE:

Mr. Schweizer mentioned that first item in the correspondence is an update on the Pond View development and the lawsuit that we are involved in and the only thing new is that DEP issued the allocation to Rockaway for the first phase of Pond View development. The second item, while this is a letter of protest, we do have good news on the rehab of the two Markewicz tanks that will be covered under the Engineer's Report. Equally good, we finally received the approval from the State Historic Preservation Office to demolish the Beckman house. So we have acted very quickly upon receipt of that approval, we received the okay from the Township, coordinated with the Morris County Bridge Department who is scheduled next week to demolish the house. It also includes the assistance of the MUA staff to move the material from the site to the transfer station. Chairman Dour asked is that any cost to us and Mr. Schweizer replied that will come out of the proceeds which is the next item which is related. Mr. Schweizer mentioned that he has been working with County Counsel to transfer the vacant property after demolition, and the adjoining piece to the County as open space and the goal is to get that done by the end of the year so we don't have any tax liability for 2016. We have to have the deeds filed by January 10th. Ms. Szwak asked if we are getting an appraisal for that and Mr. Schweizer replied that the appraisal is already done.

The next item is just the positive feedback that we get from time to time involving our recycling staff and the recycling crew. The last item listed in the report was an update on the JCP&L project called the Montville-Whippany Reinforcement Project, which clearly has no direct affect on the MUA's energy system, but it is a major energy project that has been included for your interest. They are soliciting support from anyone who wishes to because he suspects that anticipate a lot of opposition for the project. Ms. Szwak asked if it is going through any MUA property because the

wording is very weird and Mr. Schweizer replied no and commented that the wording is very vague.

Ms. Szwak asked about the appraisal for the house; was that done before or after the house or was the house just not part of it? Mr. Schweizer replied the house is part of it because it is a buildable lot. It involves that property and two acres adjoining it which we subdivided off the house we auctioned a couple months ago. So in total it is about four acres.

Mr. Schweizer mentioned that a Senate Bill was recently presented before the Senate Appropriations Committee which is attempting to impose a two percent cap on regional sewerage authorities and it is the same cap that was imposed on New Jersey municipalities without the exemptions though. Municipalities get permission to have exemptions and this bill did not include exemptions. He believes that the Association of Environmental Authorities and other authorities around the State are very much opposed to these proposed caps especially given the status of all of our infrastructure that needs to be financed and funded to keep it up and running. He sent comments regarding that bill to Senator Bucco and also Senator Oroho, who is actually one of the Sponsors on the bill. We did receive positive comments from Senator Bucco's office that they would take our comments into consideration and also pass them along to Senator Oroho. While this bill does not directly affect us, the concern is if it passes and applies to sewerage authorities, it is probably just a matter of time before they will try to impose it on water utilities.

Finally with regard to legislation, we opposed the bill on food waste composting, Assembly Bill 4397, that would require large generators to mandate them to source separate and send that food waste to composting facilities if they were in a certain radius. Association of New Jersey Counties has taken a position opposing that legislation and is calling for a meeting of people involved on the Committee to share their input and their concerns which mirror the concerns of about a dozen or more counties who submitted opposition. Presumably that effort is still ongoing and there is still a lot of people representing counties who are voicing their objections to that legislation.

Letter dated October 19, 2015 to Honorable Stephen C. Hansbury, P.J. Ch., Superior Court of New Jersey from Keli L. Gallo, Esq., The Buzak Law Group, LLC submitting Rockaway Township's status report regarding its efforts to obtain additional water supplies.

Letter dated October 22, 2015 to Ronald W. Yarbrough, President, Pro-Spec Painting, Inc. from Glenn Schweizer regarding protest letter from Pro-Spec Painting dated October 16, 2015 regarding Resolution No. 15-56, Resolution Rejecting All Bids Received On Rebid for the Rehabilitation of the Markewicz 3MG Water Storage Tanks 1 & 2 and Authorizing Negotiation of Contract Nos. 5R-15 and 23R-15 In Accordance With N.J.S.A. 40A:11-5(3).

Letter dated October 27, 2015 to Glenn Schweizer from Rich Boornazian, Assistant Commissioner for Natural & Historic Resources authorizing demolition of 86 Whitehead Road, Morris County, Township of Morris.

Memorandum dated October 28, 2015 to Freeholder David Scapicchio from Glenn Schweizer regarding Open Space Land Transfer in Washington Valley section of Morris Township.

Email dated October 21, 2015 to Fred Wilson from Liz Sweedy passing on a compliment she received at her presentation to the Morris County Older Peoples Organization from a senior

citizen from Florham Park that our MCMUA Recycling crew does a GREAT job with collection in Florham Park.

Jersey Central Power & Light Article entitled “Montville-Whippany Reinforcement Project – Proposed Transmission Line from Montville to East Hanover, Morris County.”

Letter dated November 4, 2015 to New Jersey Department of Environmental Protection from Anthony Milonas, Supervisor of Water Operations, regarding the Disinfectant Residuals Report for M.U.A. for the month of October 2015.

Letter dated November 4, 2015 to New Jersey Department of Environmental Protection from Anthony Milonas, Supervisor of Water Operations, regarding T1 Reports for the Morris County M.U.A. for the month of October 2015.

ENGINEER’S REPORT:

Mr. Holt gave the following updates: (1) Roof Repair Project – Regarding Contract 36 Rebid for replacing three roofs on Flanders Valley 1 & 2 and Mt. Arlington Booster Station, we received bids ranging from \$215,000 to \$265,000. D&B Engineers introduced an estimate for the value of this work at \$191,000 without any contingency. Typically we do have a contingency in the Engineer’s estimate. So with that in mind, our low bidder of \$215,000 was very close to what we feel is appropriate value for the work and within the constraints of our budget for the project. So on that basis we recommend award and that is one of the resolutions we will discuss.; (2) Rehabilitation of the Markewicz 3MG Water Storage Tanks 1 & 2 – We did reject bids for this project at last month’s meeting and that opened the window for us to entertain negotiations. Fortunately we were successful in negotiating with the remaining bidder who was a valid bidder to submit but his initial bid proposal was in excess of our Engineer’s estimate and this is Alpine Painting. Their total bid originally was over \$2.3 million and we were able to successfully negotiate a contract for \$2,145,000 which is below the \$2.2 million budget, so we are recommending award of that contract.; (3) Clyde Potts Pump Station – We are at the stage now where we want to have a high level meeting among Morris County M.U.A., Southeast Morris County M.U.A. and New Jersey American representatives just to get everybody on the same page in terms of the needs for a facility at this location going forward and we will be coordinating with Glenn on a date and time to have that meeting and discussions. Basically that will be to discuss the basis of design and function of the pump station and ultimately the ownership and continued sale of water by the Morris County M.U.A. to benefit New Jersey American.; (4) Asset Management Plan – Jacobs Engineering has delivered the final work product. We have three hard copies and digital information available that each of us will maintain a copy of that Asset Management Plan (Tony at the Pump Station, Suburban Consulting’s Office and the MUA Office). In line with that one of the highest priorities was the Markewicz Pump Station Electrical Switch Gear and condition. That is a critical facility as identified in the Asset Management Plan and he noted that a year ago, ATI, our electrical consultant to the M.U.A. had offered a scope of work and study. Our recommendation is to engage ATI in a study more in line with what Jacobs Engineering’s Asset Management Plan recommended in terms of evaluating a new 480 Volt Service. He recommends that we entertain an update to their proposal from a year ago recognizing what the Jacobs Engineering recommendations were in the Asset Management Plan and get that process started because it is the highest priority in terms of assets and investments that we can make going forward to keep the facility reliably functioning.; (5) Well 8 Turbidity – We are moving forward on that design. One option has come up and he is going to recommend that we conduct a Pilot Test on the turbidity removal process that we are recommending. It would be a shame for us to design, permit and build a facility that doesn’t do what it supposed to do so we are suggesting that a vendor might be able to bring in a portable pressure filter for us to demonstrate the quality of the water entering the filter and what leaves the filter to prove 100% satisfaction that it will remove the turbidity that we need to to satisfy DEP on our direction and the ability for us to send that water out into the distribution system.

Dr. Nusbaum commented how do you know if you do a Pilot Test that you are having maximum turbidity conditions and they are not there with the Pilot Test at a time perhaps when it is a low amount of turbidity. Mr. Holt replied that we will be able to answer that question because we do have very good historic turbidity information. We have a data logger that records to tell us when it's at its maximum and this device will be in place more than a day and more than a week probably to try to capture those events. If we don't capture those events, he would ask the same question and we will make sure that we do test it under both extremes, the lowest and the highest that we can expect from the aquifer. Dr. Nusbaum asked if they are going to charge more for the Pilot Test because we are asking them to track the length of time rather than finite time? Mr. Holt replied it could be but he wants to get the pricing for this together. It is not a big enough project that a vendor will just bring in a piece of equipment at no charge. There will be some nominal rental fee and the cost of it is mobilization set-up and dismantling it.

Mr. Platt asked if there is any update on the status of the permit for the discharge. Mr. Holt replied, no, we have not heard anything further. We are still trying to convene a meeting with DEP and the Discharge Permit people. Mr. Platt asked if we still feel it is feasible to discharge and Mr. Holt replied, yes.

Mr. Schweizer assumes that the Pilot Test is going to be prorated to the size of the filter and Mr. Holt replied correct. Mr. Holt mentioned that there are some other options we have to try to poll the volume of water and treat it at a slower level and return it to the system rather than trying to process it at the rate we pump out of the ground. Economic things that we are looking at to come up with the best solution, least costly but most effective. Standby on that one and we will get you better information coming shortly.

(6) Scrubs Oak Allocation - We anticipate submitting the initial request for allocation on that by the end of the year and then follow up with it early next year with the actual aquifer testing for water source sampling that has to be done. They don't have to go in together; first get in the allocation permit paperwork, get the review started and hear some comments back from DEP before we invest in any field program to get the water quality. It is a two step process that we would recommend moving forward. We will be prepared to submit that before next month's meeting.

Mr. Platt asked is Uhl Associates a subcontractor to you or under direct contract with the M.U.A.? Mr. Holt replied that they have billed direct in the past. Mr. Platt asked if they are in your budget or not? Mr. Holt replied that he will have to check on that. Mr. Holt commented that it would be probably most effective if they would just bill direct to the M.U.A. Mr. Carney asked if Uhl is a professional service and Mr. Platt replied, yes. Mr. Carney said that we would need a professional services agreement and a resolution to approve the professional services contract. Even though professional services are exempt from bidding, they require adoption by way of resolution. Mr. Holt will identify that and if we need to recommend anything for approval for next month, I will have that for you.

Chairman Dour asked is there going to be a mark-up on that service and Mr. Holt replied that his services to date are a nominal effort. Chairman Dour commented but going forward is it going to be more effort and Mr. Holt replied that the field program would be substantial so that probably warrants creating a separate agreement for that.

Mr. Holt mentioned that our current Allocation Permit is due to be renewed and is ready for final signature and that will go in next week.

Lastly, we also have a recommendation for the approval of the annual Sodium Hypochlorite Solution bid. Bids were received on October 29th and the low bidder this time was Main Pool & Chemical from DuPont, Pennsylvania. The recommendation is to award to them.

Mr. Holt mentioned that he attended a hearing today that DEP held on the Rule Proposal for the Quality Management Planning Rules. DEP has introduced new rules to basically change how the wastewater management planning process is done; it is cumbersome and it has been a challenge for some of the wastewater management planning agencies. He is a little concerned of what the content of the Rule Proposal has. As a water supplier in the region, Mr. Holt mentioned that we should have a voice and an understanding of the process. It is a little bit irresponsible to plan for wastewater needs when you don't know where the water is coming from. So the water supplier and

the wastewater agencies need to be brought into the process in my opinion at the same time, and he doesn't know if this current Rule Proposal even gets close to that. Mr. Platt commented that was in the 2008 rule but it never happened and DEP said they would take care of it and they never did. Mr. Holt asked is it appropriate for the M.U.A. to review a Rule Proposal and provide a comment. Mr. Platt said he knows the AEA is doing a review. Mr. Holt said that he would read the Proposal and give Glenn some comments if it rises to the level of importance that we should really have a voice in it; December 18th is the cut-off for comments. We can discuss it at next month's meeting and he can have a draft commentary if I think it is appropriate. If it is not our policy to do that, I am fine with it. Mr. Schweizer commented that it depends on the issue.

Mr. Druetzler said he doesn't know why we would get involved in that and Chairman Dour said unless there is some overlap. Chairman Dour asked if there is potential this goes through, that there is going to be a parallel for water utilities. Mr. Holt replied that his understanding is that the rules are written now to enable local level decisions on some wastewater management planning as opposed to where it was done at the State level before with an attempt to make things consistent among all rules, regulations, no sewerage in wetlands, no development on steep slopes, no inconsistency with zoning, and consistent with the Highlands. All this was supposed to come together in 2008. Now it is being re-written and I think it is enabling some independency among the decision makers and it could introduce complexities and even challenges.

Glenn Schweizer suggested that the Morris County Planning Department should take a look at this and Mr. Holt agreed and said they may be the voice of reason for what Morris County needs to be concerned about. Mr. Platt suggested that someone should reach out to Christine Marion in Planning and see what she thinks. Mr. Holt said that he would reach out to Christine Marion. He will also review the Proposal to see if there is anything glaring that the M.U.A. needs to be concerned about.

With regard to Clyde Potts, Mr. Druetzler asked before we do anything, the M.U.A. is going to get a longer contract; is that our goal? Mr. Holt agreed with Mr. Druetzler, Mr. Schweizer commented that if the M.U.A. is going to proceed with this infrastructure improvement, there has to be an acknowledgement that if for whatever reason our existing relationship does not move forward, then the other remaining parties will be responsible for the remaining life of that infrastructure. This would be a modification to the existing agreement. Part of that modification may also include an extension of the existing arrangement. Mr. Platt said this is probably the preferred approach and Mr. Schweizer said it may be. We may have an opportunity to discuss with the parties transfer of responsibilities that work in everybody's favor.

To Mr. Druetzler point, Mr. Holt commented that a formalization of this would need to be written and agreed and signed before we really invest a dollar more in infrastructure improvements that would be short-lived.

Mr. Hudzik referred to Item No. 2 of the Engineer's Report where it says if awarded it is anticipated that the contract would not begin construction until spring of 2016, and questioned if there is a limit of time after the resolution gets passed and the Notice to Proceed is issued. Mr. Holt replied that the bidder is aware and the contract document has language in it as to when the tank can be worked on because it is all based on temperature conditions.

Ms. Szwak referred to Item No. 1 of the Engineer's Report (tank restoration project) regarding the roof bid project and said the contingency is more than ten percent; ten percent is not a hard and fast rule right? Mr. Holt replied that if we add ten percent to the bid price of \$191,000 it is \$210,000. Mr. Carney said no, the Local Public Contracts Law states that you have the discretion to reject all bids if it is substantially over the Engineer's estimate. So it is not a percentage substantially, I would argue it is the dollar amount.

Chairman Dour asked for the Board's approval of the following Resolutions:

RESOLUTION NO. 15-66
RESOLUTION AWARDED CONTRACT FOR NEW ROOF
STRUCTURE AND ROOF AT THREE (3) PUMPING STATIONS
CONTRACT NO. 36 – REBID TO INTEGRITY ROOFING, INC.

WHEREAS, after rejecting all bids by Resolution, dated October 6, 2015, the Morris

County Municipal Utilities Authority (the “Authority”) authorized an advertisement for the receipt of public bids for the “New Roof Structure and Roof at Three (3) Pumping Stations, Contract No. 36 - Rebid” and received five (5) bids on October 29, 2015 from the companies listed below at the bid price shown:

Integrity Roofing, Inc. Rahway, New Jersey	\$215,340
Roof Management, Inc. Wall, New Jersey	\$237,000
Northeast Roof Maintenance Inc. Perth Amboy, New Jersey	\$249,000
Cipollini Roofing Dover, New Jersey	\$249,950
Tekcon Construction Inc. Woodbridge, New Jersey	\$265,400

WHEREAS, all of the bids are over the engineer’s pre-bid estimate for the project which was \$191,358; and

WHEREAS, the Local Public Contracts Law, N.J.S.A. 40A:11-13.2, provides that a contracting unit “may” reject all bids if the lowest bid “substantially” exceeds the cost estimate for the goods or services; and

WHEREAS, the lowest bid does not substantially exceed the engineer’s pre-bid estimate and the Authority does not to desire to exercise its discretion to reject all bids.

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

1. The Authority exercises its discretion to waive all immaterial omissions, if any, with respect to the rebid of Integrity Roofing, Inc., received on October 29, 2015.
2. The Authority awards “New Roof Structure and Roof at Three (3) Pumping Stations, Contract No. 36 – Rebid” to Integrity Roofing, Inc., having a business address of 1385 Witherspoon Street, Rahway, New Jersey 07065, as the lowest responsible and responsive bidder, in the amount not to exceed the bid price of \$215,340.
3. The Executive Director is authorized to execute Contract No. 36-Rebid “New Roof Structure and Roof at Three (3) Pumping Stations” with Integrity Roofing, Inc., having a business address of 1385 Witherspoon Street, Rahway, New Jersey 07065, in the amount not to exceed the bid price of \$215,340.

4. The Contract awarded herein to Integrity Roofing, Inc. shall commence after the execution of the Contract, the submission of the performance guarantees and all required insurance certificates required by the Contract, in a form acceptable to the Risk Manager of Morris County, and after the issuance of a Notice to Proceed signed by the Executive Director.
5. The Executive Director is hereby authorized and directed to execute any other necessary documentation and to take all other actions necessary or desirable to effectuate the terms and conditions of this Resolution.
6. With the exception of the bid security for the three lowest bidders, the Executive Director is hereby authorized to release the bid security submitted by all other bidders for Contract No. 36-Rebid “New Roof Structure and Roof at Three (3) Pumping Stations” within three days, Sundays and holidays excepted. After the award and full execution of the contract and the approval of Integrity Roofing’s performance bond, the bid security of the remaining unsuccessful bidders shall be returned to them.
7. Funds are available for this Contract and a copy of this Resolution shall be submitted to the Authority’s Treasurer and kept on file in the offices of the Authority.
8. 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 November 10, 2015.

MORRIS COUNTY MUNICIPAL
UTILITIES AUTHORITY

By: _____
Christopher Dour, Chairman

ATTEST:

Marilyn Regner, Secretary

MOTION: Mr. Platt made a Motion to award contract for new roof structure and roof at three (3) pumping stations, Contract No. 36 – Rebid To Integrity Roofing in an amount not to exceed \$215,340 and Mr. Druetzler seconded the Motion.

ROLL CALL: AYES: 7 NAYES: NONE ABSTENTIONS: NONE

Mr. Druetzler asked if they are going to start right away and Mr. Holt replied that the good news there is that Integrity Roofing is available to do the project at any time. They have had great success in working through the Winter and this liquid applied product does have some temperature limitations although these roofs are not excessively large so that he can't control the tarp and manage that. He decided to get started sooner than later and so we will have the Pre-Construction Meeting and see what we can get done.

RESOLUTION NO. 15-67
 RESOLUTION AWARDING CONTRACT NOS. 5R-15 AND 23R-15
 FOR THE REHABILITATION OF THE MARKEWICZ 3MG WATER
 STORAGE TANKS 1 & 2 FOLLOWING NEGOTIATIONS IN
 ACCORDANCE WITH N.J.S.A. 40A:11-5(3) TO SCATURRO BROS.,
INC. T/A ALPINE PAINTING & SANDBLASTING CONTRACTORS

WHEREAS, the Morris County Municipal Utilities Authority (“MCMUA”) authorized an advertisement for the receipt of public bids for the “Rehabilitation of the Markewicz 3MG Water Storage Tanks 1 & 2, Contract Nos.: 5R-15 and 23R-15” on a second occasion after rejecting all bid submissions for Contract Nos. 5R-15 and 23R-15 by Resolution No. 15-43 dated August 11, 2015 because the bid submissions made at that time were non-conforming or substantially exceeded the cost estimate for the goods or services, based on the engineer’s pre-bid estimate prepared by Suburban Consulting Engineers, Inc.; and

WHEREAS, as a result of the rebid, the MCMUA received three (3) responses to the advertisement for the receipt of rebids on September 24, 2015 from the companies listed below at the prices shown:

	<u>Base Bid Tank #1</u> <u>Contract 5R-15</u> <u>(Items 1.1-18.1)</u>	<u>Base Bid Tank #2</u> <u>Contract 23R-15</u> <u>(Items 1.2-18.2)</u>	<u>Alternate Bid Pricing</u> <u>A-5.1</u>	<u>A-5.2</u>
Pro-Spec Painting, Inc. Vineland, NJ	\$997,850	\$979,850	\$84,750	\$84,750
M. Painting Co., Inc.	\$1,046,900	\$1,026,900	\$40,000	\$40,000
Scaturro Bros., Inc. t/a Alpine Painting & Sandblasting Contractors Paterson, NJ	\$1,190,550	\$1,156,950	\$42,300	\$42,300

WHEREAS, on October 6, 2015, the MCMUA adopted Resolution No. 15-56 in which:

1. The submissions of Pro-Spec Painting, Inc. and M. Painting Co., Inc. were determined to be non-responsive and invalid and they were rejected.
2. The bid of Scaturro Bros., Inc. t/a Alpine Painting & Sandblasting Contractors was rejected for substantially exceeding the pre-bid cost estimate prepared by Suburban Consulting Engineers, Inc.

3. The Executive Director was authorized and directed to forward notice of rejection to all and return all bid security.
4. The Rehabilitation of the Markewicz 3MG Water Storage Tanks 1 & 2 for Contract Nos. 5R-15 and 23R-15 were to be negotiated in accordance with the requirements of the Local Public Contracts Law, N.J.S.A. 40A:11-5(3); and

WHEREAS, the Local Public Contracts Law provides that “if on the second occasion the bids received are rejected as unreasonable as to price, the contracting unit shall notify each responsible bidder submitting bids on the second occasion of its intention to negotiate, and afford each bidder a reasonable opportunity to negotiate”; and

WHEREAS, the Superior Court of New Jersey, Appellate Division, has held that a “non-conforming bid is no bid at all” In re Protest of the Award of On-Line Games Production and Operation Services Contract, Bid No. 95-X-201754, 279 N.J. Super. 566 (App. Div. 1995) and therefore the only entity that submitted a bid on the second occasion was the bid of Scaturro Bros., Inc. t/a Alpine Painting & Sandblasting Contractors (“Alpine Painting”); and

WHEREAS, in accordance with the Local Public Contracts Law requirement to notify each responsible bidder and afford each bidder a reasonable opportunity to negotiate, Alpine Painting was provided with notice of the MCMUA’s intention to negotiate; and

WHEREAS, the written summary of the negotiations with Alpine Painting are set forth in the memorandum from Suburban Consulting Engineers, Inc., dated November 6, 2015, together with the Revised Proposal, dated November 2015, which shall remain on file at the offices of the MCMUA; and

WHEREAS, the Local Public Contracts Law requires that any minor amendment or modification of any of the terms and conditions restrictions and specifications that result from the negotiation which were the subject of competitive bidding shall be stated in the Resolution awarding the contract; and

WHEREAS, this Resolution incorporates by reference all of the revisions to any of the terms and conditions restrictions and specifications that resulted from the negotiations as set forth in the memorandum from Suburban Consulting Engineers, Inc., dated November 6, 2015, together with the Revised Proposal, dated November 2015, as if fully stated herein; and

WHEREAS, among the minor modifications of the terms and conditions restrictions and specifications that resulted from the negotiation are the following:

1. Elimination of the set amount of a \$15,000 line item allowance that was contained in the bid for unspecified structural repairs;
2. Use of an alternative acceptable product for the tank shell/foundation membrane, thus removing the application of CIM to the tank perimeter chime and install only SIKA 1A, SIKA 2C or equivalent to cover the grout area between the steel chime and the base foundation;
3. Removal of the installation of the tank handrail from the edge of the tank to the center roof vent (approx.. 70 LF) described in letter D on plan sheet 1 of 2;
4. The ladders of each tank shall be outfitted with a notched rail safety climb device and a hinged door opening as an acceptable alternative to achieving ladder safety, thereby removing the installation of the ladder safety climb as described in specification section 10400 part 2.01F;
5. An alternative mixing system design which would still ensure mixing of the water to maintain improved water quality and thereby also changing the scope to weld a 24” studded flange to the inlet/outlet pipe and bolt on a carbon steel tee fitting. A tideflex S35 NSF check valve will be bolted to the top of the tee and a tideflex WF-3 check valve will be bolted to the side of the tee. All carbon steel components will be abrasive blasted and coated on the exterior per spec and the stainless components will be isolated from the carbon steel; and
6. Use of a mobile scaffolding which does not require the use of painter’s couplers and therefore painter’s couplers will not be installed;

WHEREAS, the negotiations with the minor modifications of the terms and conditions restrictions as described in this Resolution and as set forth in the memorandum from Suburban Consulting Engineers, Inc., dated November 6, 2015, together with the Revised Proposal, dated November 2015, results in a negotiated price from Alpine Painting in the total amount of \$1,082,150.00 for Contract No. 5R-15 (Items 1.1 – 18.1) and in the total amount of \$1,062,950.00 for Contract No. 23R-15 (Items 1.2 – 18.2); and

WHEREAS, the aforementioned negotiated pricing is \$43,150 lower than the pre-bid engineer’s estimate for Contract No. 5R-15 (Items 1.1 – 18.1) and \$24,180 lower than the pre-bid engineer’s estimate for Contract No. 23R-15 (Items 1.2 – 18.2); and

WHEREAS, the above pricing does not include the alternate bid pricing for tank interior rehabilitation and coating with 100% solids and the Authority does not desire to include the work for alternate bid items A-5.1 and A-5.2 for tank interior rehabilitation and coating with 100% solids as part of Contract Nos. 5R-15 and 23R-15.

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

1. Contract Nos. 5R-15 and 23R-15 for the Rehabilitation of the Markewicz 3MG Water Storage Tanks 1 & 2 are awarded to Scaturro Bros., Inc. t/a Alpine Painting & Sandblasting Contractors, having a business address of 17 Florida Avenue, Paterson, New Jersey in the negotiated amount of \$1,082,150.00 for Contract No. 5R-15 and \$1,062,950.00 for Contract No. 23R-15 and as indicated in the Revised Proposal, dated November 2015 on file at the offices of the MCMUA, with the minor modifications of the terms and conditions restrictions and specifications as described in this Resolution and as set forth in the memorandum from Suburban Consulting Engineers, Inc., dated November 6, 2015, and the Revised Proposal, dated November 2015.

2. The Executive Director is authorized and directed to execute Contract No. 5R-15 in the negotiated amount of \$1,082,150.00 and Contract No. 23R-15 in the negotiated amount of \$1,062,950.00 with the minor modifications of the terms and conditions restrictions and specifications as described in this Resolution and as set forth in the memorandum from Suburban Consulting Engineers, Inc., dated November 6, 2015, and the Revised Proposal, dated November 2015, upon receipt of said contracts executed by Scaturro Bros., Inc. t/a Alpine Painting & Sandblasting Contractors.

3. This Resolution neither awards nor authorizes alternate work items A-5.1 and A-5.2 for tank interior rehabilitation and coating with 100% solids.

4. The Executive Director, staff and consultants are authorized to take all other actions necessary or desirable to effectuate the terms and conditions of this Resolution.

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 November 10, 2015.

MORRIS COUNTY MUNICIPAL
UTILITIES AUTHORITY

By: _____
Christopher Dour, Chairman

ATTEST:

Marilyn Regner, Secretary

MOTION: Mr. Szwak made a Motion to award the Rehabilitation of the Markewicz 3MG Water Storage Tanks 1 & 2 Contract Nos.: 5R-15 And 23R-15 to Alpine Painting in an amount not to exceed \$2,145,100.00 and Mr. Hudzik seconded the Motion.

ROLL CALL: AYES: 7 NAYES: NONE ABSTENTIONS: NONE

RESOLUTION NO. 15-68
RESOLUTION AWARDED CONTRACT NO. W-16 FOR FURNISH
AND DELIVERY OF SODIUM HYPOCHLORITE SOLUTION TO
MAIN POOL & CHEMICAL CO., INC.

WHEREAS, the Morris County Municipal Utilities Authority (the "Authority") authorized an advertisement for the receipt of public bids for Contract No. W-16 "Furnish and Deliver Sodium Hypochlorite Solution" and received three (3) bids on October 29, 2015 from the companies listed below at the bid price shown:

Main Pool & Chemical Company Dupont, Pennsylvania	\$1.98 / gallon
Miracle Chemical Company Farmingdale, New Jersey	\$2.154 / gallon
Kuehne Chemical Company South Kearny, New Jersey	\$5.00 / gallon

WHEREAS, the bid documents provide that the estimated annual amount of 15% solution of sodium hypochlorite is 8000 gallons, but that the Authority makes no warranty as to the actual annual amount to be delivered and that no minimum purchase is implied or guaranteed; and

WHEREAS, the bid documents contained a price sheet for bidders to complete: (1) pricing on a per gallon unit price basis; and (2) extended total pricing based on the nonguaranteed estimated annual quantity of 8000 gallons (the extended pricing is achieved by multiplying the unit price per gallon by 8000 gallons); and

WHEREAS, the low bidder provided a unit price of \$1.98 per gallon, but also listed the extended price as \$1.98 for 8000 gallons; and

WHEREAS, the bid documents state: “In the event that there is a discrepancy between the unit prices and the extended totals, the unit prices shall prevail.”

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

1. The Authority exercises its discretion to waive all immaterial defects, if any, with respect to the bid of Main Pool and Chemical Company, Inc., received on October 29, 2015.
2. The Authority awards Contract No. W-16 “Furnish and Deliver Sodium Hypochlorite Solution” to Main Pool & Chemical Company, Inc., having a business addresses of 110 Commerce Road, Dupont PA 18641, as the lowest responsible and responsive bidder, in the amount not to exceed the bid price of \$1.98 per gallon.
3. The Executive Director is authorized to execute Contract No. W-16 “Furnish and Deliver Sodium Hypochlorite Solution” with Main Pool & Chemical Company, Inc., having a business addresses of 110 Commerce Road, Dupont PA 18641, in the amount not to exceed the bid price of \$1.98 per gallon.
4. The Contract awarded herein to Main Pool and Chemical Company, Inc. shall commence after the execution of the Contract, the submission of all required insurance certificates required by the Contract, in a form acceptable to the Risk Manager of Morris County.
5. The Executive Director is hereby authorized and directed to execute any other necessary documentation and to take all other actions necessary or desirable to effectuate the terms and conditions of this Resolution.
6. After the award and full execution of the contract, the bid security of the remaining unsuccessful bidders shall be returned to them.
7. Funds are available for this Contract and a copy of this Resolution shall be submitted to the Authority’s Treasurer and kept on file in the offices of the Authority.
8. 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 November 10, 2015.

MORRIS COUNTY MUNICIPAL
UTILITIES AUTHORITY

By: _____
Christopher Dour, Chairman

ATTEST:

Marilyn Regner, Secretary

MOTION: Dr. Nusbaum made a Motion to award Contract W-16 For Furnish And Delivery Of Sodium Hypochlorite Solution To Main Pool & Chemical Co. in an amount not to exceed the bid price of \$1.98 per gallon and Ms. Szwak seconded the Motion.

ROLL CALL: AYES: 7 NAYES: NONE ABSTENTIONS: NONE

PROJECT STATUS

1. Roof Repair Project, Contract No. 36 Re-Bid

A. The project was Re-bid on October 29th, and includes the replacement of roofs on Flanders Valley 1 and 2 and the Mount Arlington Booster Station. Integrity Roofing was the low bidder. The low bid price of \$215,340 was slightly higher than the engineer's estimate of \$ 191,173.12 prepared by D&B engineers. That estimate did not include a contingency amount of 10% which is typically incorporated in construction cost estimates. After review of these bid results with the MCMUA attorney and Executive director, it was determined that the bid should be recommended for award, subject to the outcome of the Attorney's review and reference verification.

2. Rehabilitation and Recoating of the F.J. Markewicz Pumping Station Ground Storage Water Tanks 1 and 2 (Contracts 5R-15 and 23R-15)

A. Following the Boards' rejection of the second round of bids last month, SCE has advanced the negotiation with the remaining eligible bidder in order to attempt to arrive at a contract price that is within the \$2.2M budget established for the project. SCE met with Alpine Painting twice, and also conducted an on-site visit with this contractor. The Contractor has reduced his pricing on several items in the project scope. SCE has produced a memorandum outlining the price adjustments for the MCMUA attorney's use in preparing the resolution to award. If awarded, it is anticipated that the Contractor would not begin construction until spring 2016.

3. Clyde Potts Pumping Station Pump Upgrade

A. SCE has determined construction of a new partially aboveground pump station would best serve the needs of MCMUA. We have continued the preliminary site plan layout and investigation of existing conditions, in order to compile a conceptual facility design that can be used to advance discussions with SMCMUA and NJWAC. SCE is attempting to coordinate a meeting among MCMUA, SMCMUA and NJAWC representatives to approve the basis of design.

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

A. Jacobs delivered the final Asset Management Plan documents which incorporated revised GIS mapping for MCMUA use. Three copies of the plan documents have

been provided, and will be maintained at MCMUA headquarters, Markewicz PS and SCE offices.

- B. In line with the recommendations of the AMP, SCE is recommending that the MCMUA engage Ralph Rocco of ATI to conduct a conceptual review and feasibility assessment and cost estimates associated with the Markewicz switchgear replacements which were identified in the Jacobs Engineering Asset Management Plan as being a high priority. We estimate a preliminary budget of \$15,000.00 would be sufficient to have ATI report back on initial findings. ATI has previously submitted a proposal for electrical work at the pump station, that proposal is dated October 2, 2014. SCE will review the submitted proposal and work with ATI to ensure the items from the AMP and previously submitted proposal are evaluated and addressed in the findings report.

5. Alamatong Well No. 8 Turbidity Preliminary Design

- A. SCE is advancing the preliminary design of the treatment facility. SCE anticipates completing a preliminary design basis and estimate by year-end.
- B. Well 8 pump replacement is complete and operational.

6. Scrub Oaks Allocation Evaluation

- A. SCE is preparing the new water allocation permit application. The outstanding items with regard to the submission of the new water allocation permit are the additional water quality sampling that is to be performed by Uhl Associates, and the update hydrogeologic analysis that Uhl will relate to the new allocation request. Uhl will also be providing documentation in support of re-classifying the well drilled to Level 5 as a public community well drilled by a master driller. Upon completion of sampling and review of the analytical results, the allocation permit will be finalized.

GENERAL

1. SYSTEM

- A. We are currently preparing the renewal application of the Water Allocation Permit for the Alamatong and Flanders Well Fields. The draft application is undergoing final review with the Executive Director and will be submitted to NJDEP thereafter.
- B. Bids were received for the annual Sodium Hypochlorite contract. Bids were opened on October 29th with the apparent low bidder of Main Pool & Chemical Company of DuPont, Pennsylvania with a base price of \$15,840.00. This represents a nominal decrease under the 2015 contract price, and SCE recommends award of this contract, subject to the findings of the MCMUA attorney conducting the bid review.

SOLID, HAZARDOUS & VEGETATIVE WASTE REPORT:

Mr. Gindoff mentioned that he had a few updates: (1) The Vegetative Waste Report was just handed out today and pointed out that compared to October last year, this October's inbound leaf number is incredibly small; we only did 3,000 cubic yards in October 2015 compared to 7,000 last October. Mr. Hudzik said he is assuming it has to do with the weather and Mr. Gindoff concurred and is anticipating a big November.; and (2) As representative for the M.U.A. on the Open Space Committee, he reported that last night Chairman Watson of the Committee provided the Freeholders with the recommendations of the Committee which was to recommend six of the seven sites which were before the Committee asking for funding. The Freeholders will take action on that in a few weeks. He mentioned that the largest site was in Jefferson which was 79.6 acres.

Mr. Druetzler asked which site did not get picked and Mr. Gindoff replied the site in Mountain Lakes which we thought had some intrigue to it and it was not a unanimous vote to not fund it. He mentioned that it is a site that has been requesting Open Space Funding on three occasions in the past. It is a well-known site and it is worthy for preservation if a deal can be made. The site

is currently before the Town with respect to rezoning that site to potentially build affordable housing there.

Dr. Nusbaum asked what was the total acreage of the six sites that were endorsed and Mr. Gindoff replied 113 acres total. He mentioned the following sites that were endorsed: two sites in Washington Township; one was connected to Catarac Park off of Schooley's Mountain Road and the other site is off of Coleman Road off of Route 24. Another site which the M.U.A. is participating in is in Mendham Borough off of Mountainside Road, Scott Farms. Finally there is another site off of Bee Meadow Parkway in Hanover Township. Lastly, he mentioned the site in the heart of Boonton which is an old historic boardwalk which is used for parades and civic activities.

Lastly, Mr. Gindoff mentioned that yesterday Glenn, Frank, Kathleen and myself participated in an orientation of Freeholder-elect Deborah Smith to give her an update on M.U.A. activities.

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

RESOLUTION NO. 15-69
RESOLUTION AUTHORIZING THE AUCTION/SALE/DISPOSITION OF EQUIPMENT

WHEREAS, the Morris County Municipal Utilities Authority (MCMUA) owns Equipment, as further described below:

- 1) 1991 Bandit Beast Recycler horizontal grinder
- 2) 1992 International 26746 tandem dump truck with a plow and sand spreader

WHEREAS, the Equipment has been determined to no longer be of use to the MCMUA since it is old and beyond economically feasible repair; and

WHEREAS, the MCMUA desires to sell/dispose of the Equipment, as is, where is; and

WHEREAS, the MCMUA, desires to post the Equipment on an "on-line" web site, www.GovDeals.com, for auction and sale to the highest bidder and/or to sell or give the Equipment to another governmental entity through a shared services agreement for an agreed upon price and/or to scrap the Equipment at a scrap metal dealer and/or to otherwise dispose of the Equipment; and

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

1. The Executive Director of the MCMUA is hereby authorized and directed to post and sell the Equipment for auction on www.GovDeals.com to the highest bidder and/or sell or give the Equipment to another governmental entity through a shared services agreement for an agreed upon price and/or to scrap the Equipment at a scrap metal dealer and/or to otherwise dispose of the Equipment at the time deemed appropriate.
2. 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 November 10, 2015.

MORRIS COUNTY MUNICIPAL
UTILITIES AUTHORITY

By: _____
Christopher Dour, Chairman

ATTEST:

Marilyn Regner, Secretary

MOTION: Mr. Platt made a Motion to authorize the auction/sale/ disposition of equipment as described in Resolution No. 15-69 and Mr. Druetzler seconded the Motion.

ROLL CALL: AYES: 7 NAYES: NONE ABSTENTIONS: NONE

TRANSFER STATIONS

Tonnage – For the month of October 2015, the tonnage of solid waste accepted at the two transfer stations was 33,540 tons. This monthly tonnage for October 2015 is 2.29% less than the 34,326 tons accepted a year ago in October 2014. Based on tonnage accepted for the first ten months of the year, for 2015 the annual total tonnage is currently projected to be 379,516 tons which would be 0.85% less than the 382,757 tons accepted in 2014. Please refer to the Transfer Station Disposal Report by Month for additional information.

Transfer Station - Parsippany Air and Solid Waste Facility Permits – In a letter dated October 29, 2015 to NJDEP Air Compliance Division, Alaimo Engineering forwarded the first required monthly progress report on the upgrade to the Parsippany transfer station air pollution control system. This is in accordance with the ACO executed between the MCMUA and the NJDEP dated September 28, 2015. In short, in the progress report NJDEP is informed that design considerations are being discussed to create a practical means to achieve a negative air pressure in the transfer station through the use of air curtains, door closures and air-strip curtains.

HOUSEHOLD HAZARDOUS WASTE MANAGEMENT

Program Participation and Events – During October 2015, a total of 204 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 September 2015, when 148 participants used the facility and it is also up in participation compared to October 2014, when 196 participants used the permanent facility.

While the permanent facility may have been relatively busy in October 2015, the MCMUA's 3rd and final HHW disposal event of the year on October 18, 2015 at the Jefferson Township DPW was not very well attended. In total there were 358 participants at the event; 238 had HHW only, 80 had both HHW and E-waste and 40 had only E-waste to drop off. The event cost \$11,489 to pay for HHW management from the 120 vehicles that dropped off HHW at a cost of \$36.13 per vehicle. The HHW vendor was MXI and the E-waste vendor was MRM who subcontracts with Vintage Tech to perform the actual work. E-waste recycling cost the MCMUA nothing for the event as it was paid for by MRM's supporters, and both vendors, MXI and Vintage Tech worked effectively resulting in no lines at this event. In comparison to the previous HHW event on September 12, 2015 at the Safety Training Academy where 1,283 participants were serviced, this Jefferson program was quite small. The last program in Jefferson in May 2013 had was also small with only 381 participants.

Marketing of Recyclables – In early November the MCMUA issued an RFP for the marketing of the recyclable bulbs, mainly fluorescents, that the MCMUA accepts as part of the HHW program. These bulbs are currently consolidated at the Mt. Olive transfer station from commercial participants prior to pick up by the recycling vendor. The proposals for the recycling of these bulbs will be due in December with anticipated award of the contract at the start of 2016.

VEGETATIVE WASTE MANAGEMENT – October 2015

Facility Report – The vegetative waste figures for October 2015 are still being compiled as of the writing of this report and will be provided in the Vegetative Waste Management Report at the November 10 meeting. Extended leaf season hours for drop-off of leaves at the Parsippany site began on Sat., October 24 and will continue through December 5, 2015.

Auction of Older Equipment – Two pieces of equipment used at the compost sites, a 1991 Bandit Beast horizontal grinder and a 1992 tandem dump truck, are no longer of use to the MCMUA as they can no longer be economically repaired. The MCMUA wants to auction this equipment for sale to the highest bidder through the online website www.GovDeals.com or

provide them through a shared services agreements to another governmental entity. The MCMUA has been able to successfully auction several pieces of equipment through www.GovDeals.com in the recent past. A resolution will be provided to the MCMUA Board for its consideration and approval at the November 10 meeting authorizing the sale of these two pieces of equipment.

RECYCLING REPORT:

Ms. Hourihan gave the following updates: (1) We had a pretty smooth transition adding Pequannock to our curbside program and switching the day that we collect Wharton. The first collection we did in Pequannock we got half as much tonnage as we did yesterday. Yesterday was our real test as to how much tonnage we will get every week and it was what we anticipated. The reason why we got half as much the first time was because it was not a full week between when the old contract ended and ours started.; and (2) She handed out information received today from the NJDEP; it is the 2013 tonnage numbers because the 2014 tonnage numbers just finished coming in and they have not been reviewed yet and finalized. Morris County was at 49.2% in 2012 on the way to our 50% recycling goal for municipal solid waste recycling and this information shows that we went down slightly to 49.1% and she is very happy about that because she was afraid that garbage levels were coming back up and wasn't sure if recycling been keeping up with that sufficiently. On our municipal recycling rate were are third highest in the State and we are second highest in total recycling rate at 66% and that goal is 60% so we have surpassed that. She mentioned that the second chart shows just where we have been since 1995 on both recycling rates and all the disposal figures.

Dr. Nusbaum asked if everyone is using the same formula on this chart and why is there such a big difference in some cases and is anyone checking why some Counties excel and others don't? Ms. Hourihan replied that she thinks the DEP is looking into that but every county's solid waste disposal and recycling programs are very different. For instance, we have waste flow control so we have pretty good handle on our numbers because of waste flow control but some of the other counties it is harder to track their waste so that is what is going on with the disposal end. On the recycling end, she does not know a lot about the two southern counties that are above us. Mr. Schweizer commented that the way we have answered this in the past is that Morris County is the best in the State because our numbers are real. Mr. Gindoff mentioned that when we give out our recycling numbers, we tell the coordinators about our residue rates in the single stream and those should not be included whereas he does not know what they do in the other parts of the State. Again, Mr. Schweizer commented us having very low residual rates as compared to most other counties, there is tons right there, probably four or five percent. Dr. Nusbaum gave cudos to our recycling. Ms. Hourihan mentioned that leaves is a material that has a lot of debate about and it is part of the municipal solid waste stream so if you have a lot of trees, you will get a lot of tonnage. Ms. Hourihan ended by saying that if you look at our numbers from previous years, you see a good trend.

Ms. Hourihan mentioned that we are also out for RFPs for the marketing of recyclable materials on our contract with ReCommunity which ends January 2016. We have gotten some interest on it and written questions are due on Monday.

Regarding the resolution for the shared service agreement with Parsippany, Ms. Hourihan mentioned that we have one garbage truck and it is a specialized truck which has forks on it to pick up containers from the front. Fortunately, Parsippany recently bought two of those trucks because they are now starting to provide that type of front load collection service to multi-family complexes and they have agreed to help us out; if our truck is ever out of commission, they will help do that garbage collection. The contract that we service with that truck is for 19 sites for the County of Morris. She is very happy that Parsippany is willing to help us out and provide that back-up for us. We made this agreement to be a shared service between both of our entities so that if there is something that we can help them out with, we will help them. We have outlined hourly rates for some of our workers and equipment to do the job for each other. Chairman Dour said this is a great idea. Chairman Dour asked for the Board's approval of the following Resolution:

RESOLUTION NO. 15-70
RESOLUTION AUTHORIZING THE EXECUTION OF AN AGREEMENT
PROVIDING FOR SHARED SERVICES WITH THE TOWNSHIP OF PARSIPPANY

WHEREAS, the Township of Parsippany (Township) desires to assist the Morris County Municipal Utilities Authority (MCMUA) by performing its garbage collection routes when the MCMUA collection vehicle is not working or is scheduled for repairs; and

WHEREAS, the MCMUA desires to assist the Township in the same way when needed; and

WHEREAS, the MCMUA and the Township may need additional services performed by each other for solid waste or recycling collection or other related work; and

WHEREAS, pursuant to the Municipal and County Utilities Authority Law, N.J.S.A. 40:14B-1 et seq., the MCMUA may enter into a contract with a local unit for the provision of solid waste and recycling collection services; and

WHEREAS, pursuant to the Uniform Shared Services and Consolidation Act, N.J.S.A. 40A:65-1, (L.2007, c.63, s.2.), a County as a “Contracting Unit,” according to the terms of N.J.S.A. 40A:11-2, and a County Utility Authority, according to the terms of N.J.S.A. 40A:5A-1 et seq., are considered “local units”. Local units are encouraged and authorized to enter into agreements which promote the sharing and/or consolidation of services; and

WHEREAS, pursuant to N.J.S.A. 40A:65-4(a)(3)(b), any agreement entered into pursuant to this section shall be filed, for informational purposes, with the Division of Local Government Services in the Department of Community Affairs, pursuant to rules and regulations promulgated by the director; and

WHEREAS, pursuant to N.J.S.A. 40A:65-5, local units entering into shared services agreements must adopt a resolution authorizing and clearly identifying the agreement and ensure that a copy of the agreement shall be open to public inspection at the offices of the local unit immediately after passage of a resolution to become a party to the agreement; and

WHEREAS, pursuant to N.J.S.A. 40A:65-5(c), the agreement shall take effect upon the adoption of appropriate resolutions by all the parties thereto, and execution of agreements authorized thereunder as set forth in the agreement; and

WHEREAS, the parties wish to enter into this agreement to provide for assistance with the collection and disposal of solid waste and collection of recyclables and other related work.

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

1. The Executive Director of the MCMUA is hereby authorized and directed to execute said Agreement with the Township, in substantially similar form as that on file in the office of the MCMUA.
2. This contract is awarded without competitive bidding pursuant to 40A:11-5(2) of the Local Public Contracts Law.
3. 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 November 10, 2015.

MORRIS COUNTY MUNICIPAL
UTILITIES AUTHORITY

By: _____
Christopher Dour, Chairman

ATTEST:

Marilyn Regner, Secretary

MOTION: Dr. Nusbaum made a Motion to authorize the execution of an Agreement Providing For Shared Services With The Township of Parsippany and Mr. Hudzik seconded the Motion.

ROLL CALL: AYES: 7 NAYES: NONE ABSTENTIONS: NONE

Recycling Operations

Revenue and Tonnage – Staff finalized the July statement and subsequently a significant error was found on the July statement while staff was reviewing the August statement. An adjustment from the July error will be paid on the August statement. The initial July amount was finalized at \$7,480.45. The error, which was due to a mistake on the price per ton for aluminum, amounted to an additional \$5,349.38. The adjusted final amount for July was \$12,829.83. The August preliminary statement has been received and reviewed and comments were sent to ReCommunity. The preliminary August amount is \$6,587. Staff is waiting for the response from ReCommunity on the August comments. The September statement has not yet been received.

The tonnage collected by the MCMUA for recycling during October was 1,208 tons. The monthly tonnage is shown by material and by customer on the attached report.

Bid for the Purchase of Two New Rear-Load Compactor Trucks – Staff has prepared a bid to purchase two new compactor trucks, one for the 2015 budget and one for the 2016 budget. These trucks are needed to replace older trucks in our fleet, as a few older trucks are about 20 years old. The bid was made available on Monday, October 26 and submittals are due on Tuesday, November 24. Staff anticipates that an award would take place at the December Board meeting.

Request for Proposal for the Marketing of Single-Stream Recyclables – During October, staff continued preparing the RFP for the sale of recyclable materials. It was available on Monday, November 2 and submittals are due Wednesday, December 9.

Netcong Borough Curbside Contract – The MCMUA’s contract with the Borough of Netcong ends on December 31, 2015. On October 6, staff submitted a proposal to the Borough of Netcong for another three (3) year contract for curbside recycling collection services. Staff awaits the Borough’s response.

Pequannock Township Curbside Collection – On Saturday, October 3, staff attended a paper shredded event in the Township and was able to talk to residents about the change to single-stream and the new collection day. During October, staff finalized the press release about the changes to collection and with the assistance of the County Public Information Officer, it was sent to the media. On Tuesday, October 13, staff met with the Pequannock Recycling Inspector to coordinate efforts for handling recycling inspections for residents. The 20 new rear-load dumpsters that were ordered for the Township’s municipal buildings and schools were received between October 15 and October 20. The MCMUA labeled all the dumpsters and then, on October 26, they were distributed to each site and placed next to the current contractors’ dumpsters. The MCMUA will move our dumpsters into place, now that the former contractor has removed their dumpsters. The Pequannock recycling coordinator has been saying what good customer service the MCMUA staff has been providing. Collection in the Township began on

Monday, November 2. Tonnage set-out was light, about half of what is anticipated for a normal collection. This is partly due to the fact that there was not a full week between the last collection and this collection.

In order to include Pequannock in the MCMUA's collection program for every Monday collection, the Borough of Wharton agreed to change their current schedule on every-other Monday to the opposite Monday. To advertise the switch, the MCMUA created and mailed a post card to Borough residents to advertise the new collection schedule. The change in schedule began Monday, October 26 and went smoothly, with approximately 70% of the tons being collected as compared to the average for what would have been expected for the amount of time between collections.

Staffing for the Curbside Collection Program – Labor Ready has satisfied the insurance requirements for a contract. At this point, there are some contractual differences that remain. Due to a delay in response from Labor Ready and the lack of response to our bid, staff is using the temporary staff agency plan as a back-up plan instead of relying on it, since there is a strong possibility we may not come to any resolution with Labor Ready. Staff plans to hire other Sanitation Workers on a full time or part-time basis as our primary staffing plan.

Shared Services Contract with the Township of Parsippany – The MCMUA and Parsippany have prepared a shared services agreement which allows for either party to provide solid waste and recycling and other related services to the other. The primary reason for the need for this shared services contract is that the MCMUA needs back-up services for our garbage collection contract, with the County of Morris, in the event our truck needs to be worked on. Staff plans to present a resolution to the MCMUA Board at November meeting for approval of this contract.

Covering Open-Top Roll-off Containers – On October 15, staff met with Roxbury and Mt Arlington at their recycling centers to demonstrate the plywood and plastic cover systems and to offer to have them test the systems for a period of time. Also some feedback was received from Netcong after they used the Dumpster Gard plastic covers in the rain storm in early October that preceded Hurricane Joaquin. Because the roll-off container was not perfectly square, the front part of the load got wet, but the rest was dry.

Plastic Pesticide Container Collection Program – On Thursday, October 15, the sixth and final collection program was held for pesticide container recycling. There were no containers received at this last program, so the only containers received for the whole program were the 22 containers from one farmer at the September program. Staff will need to evaluate this program to see if and/or how it should be run next year.

Events/Education/Miscellaneous

Clean Communities – Liz Sweedy is taking the three-day Clean Communities certification training held on October 22, 29 and November 5 offered by Rutgers Office of Continuing Professional Education. Liz also helped prepare for the program by arranging for some of the speakers and will also do a presentation during one of the classes. Educational Programs: The MCMUA did not pay for any educational programs in October. Road Clean-ups: There were no road clean-ups during October.

2015 Food Waste, Tire Clean-up & Public Space Bonus Recycling Grant – Staff informed the NJDEP on October 23 that we do not intend to submit a grant for food waste. Staff did learn a lot during our research for a potential grant. We hope to use some of the knowledge gained to help reduce some food waste generated at facilities in the County.

Recycling Inspections/Outreach – During October, a total of 47 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:

- On Thursday, October 8, staff, met with the building superintendent, of Rachel Gardens Apartments in Montville to discuss a load of bulky waste with corrugated cardboard.

- On Monday, October 16, staff spoke with the owner of Junk-A-Haulics, whose truck load was written up because of corrugated in the load.
- On Monday, October 26, two loads of recyclables, one with glass bottles and the other with corrugated boxes, were delivered from Fosterfields park to the transfer station, after a wine festival. Arrangements had been made by the Park Commission to sort the material and unfortunately, the hauler, Interstate Waste, delivered it all to the transfer station.

Event Containers – During October, the MCMUA’s event containers for recycling and garbage were lent for the following event:

- Making Strides Against Breast Cancer Walk in Parsippany on October 18.

Miscellaneous Presentations/Meetings/Conference Calls/Correspondence

- On Friday, October 9, staff participated as an exhibitor at the Morris County Wellness Fair for County employees.
- On Wednesday, October 14, staff attended the ANJR (Association of New Jersey Recyclers) Annual Symposium and Awards Luncheon held in Neptune.
- On Friday, October 16, staff gave a presentation to the Morris County Council of Older People at the Human Services building on West Hanover Avenue. In attendance were representatives from approximately 15 senior citizen organizations, including Denville, East Hanover, Hanover and Rockaway Borough.
- On Tuesday, October 20, staff gave a tour of the Recycling and Solid Waste facilities. It had been planned that a few of the staff from Pequannock were going to join the tour, however, they had to cancel at the last minute. We plan to reschedule a time to take them on a tour of ReCommunity.
- On Tuesday, October 27, staff gave a presentation to the Randolph Senior Citizen Club. There were about 45 people in attendance. Staff was asked to speak to the Randolph Club by the club president who was in attendance at the October 16 meeting.
- Also, on Tuesday, October 27, staff gave a presentation to a team of the First Lego League Trash Trek Challenge. First stands for “For Inspiration and Recognition of Science and Technology.” The Trash Trek Challenge teams: 1) Identify a problem with the way we make or handle trash, 2) Design an innovative solution to the problem the team selects, and 3) Share the problem and solution with others. Many teams have been contacting the MCMUA for information and presentations.

PUBLIC PORTION:

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

OLD BUSINESS:

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

RESOLUTION NO. 15-71
 RESOLUTION TO ABANDON FURTHER EFFORTS BY MCMUA
 TO SEEK A WATER ALLOCATION PERMIT FROM NJDEP
 FOR THE ROCKAWAY BASIN WELL LOCATED AT BLOCK 10, LOTS 38 AND 39
IN ROXBURY TOWNSHIP AND BLOCK 602, LOT 7 IN WHARTON BOROUGH

WHEREAS, in 1997 the Morris County Municipal Utilities Authority (“MCMUA”) commenced the process to locate the placement of a well or wells, as a ground water source in furtherance of a directive from the New Jersey Department of Environmental Protection (“NJDEP”) to locate a well within the Rockaway (Passaic) River Basin in conformance with NJDEP’s policy against inter-basin transfer of water, which was designed to encourage that water be used in the same watershed from which it was extracted; and

WHEREAS, as part of this process, in 1997 the MCMUA became interested in potentially acquiring an approximate 35.28 acre tract of land located south of West Dewey Avenue and lying primarily in Roxbury Township and partially in Wharton Borough in Morris County, New Jersey as a potential source of potable water. The subject property is irregularly shaped and is designated as Block 10, Lots 38 and 39 in Roxbury Township and Block 602, Lot 7 in Wharton Borough (“Rockaway Basin Well”). The bulk of the subject property lies in Roxbury and only approximately 0.92 acres lies in Wharton. The subject property was then owned by a Mrs. Grace Marino; and

WHEREAS, the MCMUA sought permission from the property owner to drill a test well on the subject property, but such permission was refused unless the MCMUA agreed to purchase the property for \$1,500,000. The MCMUA declined to do so and drilled a test well on a neighboring property, which when drilled did not produce an adequate supply of water. Ultimately, after Mrs. Marino had passed away, in the fall of 1999 the Executrix of her estate permitted the MCMUA to drill test wells on the property. The first well produced little more than mud. The second well yielded more positive results; and

WHEREAS, in or around 1997, Mrs. Marino listed the subject property for sale with a local real estate broker. The listing price for the subject property was \$1,500,000. She was unable, however, to sell the property at that price and the property remained on the market for more than a year. The Farleys were interested in purchasing the subject property, but not at the listing price; and

WHEREAS, in June 1998, the Farleys executed a contract to purchase the subject property for the purchase price of \$825,000. The sale was ultimately completed on March 30, 2000. The purchase was negotiated with the intent to build an 110,000 square foot industrial/warehouse facility on the subject property; and

WHEREAS, prior to the Farleys’ acquisition of title, William Farley had contacted the MCMUA and stated that the Farleys were planning to develop the subject property for a trucking station/warehouse facility. Mr. Farley showed the MCMUA a site plan depicting the location of the proposed facility. He asked the MCMUA to relocate its test well on the subject property in order to accommodate the location of the planned warehouse building. Because the preliminary results of the testing were positive, the MCMUA declined to move its test wells; and

WHEREAS, on March 27, 2000, the MCMUA advised Mrs. Marino’s Executrix and the

Farleys that due to the positive initial results from the test well, the MCMUA was interested in acquiring all or part of the subject property; and

WHEREAS, in June 2001, the MCMUA decided to proceed with negotiating an acquisition of the subject property. The MCMUA authorized its Executive Director to obtain an appraisal, negotiate with the Farleys for the purchase of the subject property and, if negotiations were not successful, to acquire the property by eminent domain; and

WHEREAS, subsequently, the MCMUA obtained an appraisal and entered into negotiations with the Farleys' as required by the Eminent Domain Act. The parties were not, however, able to reach agreement. On November 7, 2003, the MCMUA filed a Verified Complaint to condemn the subject property. On January 22, 2004, the MCMUA filed a Declaration of Taking, deposited the estimated just compensation in the amount of \$820,000, and acquired title to the subject property pursuant to the Eminent Domain Act. The parties engaged in a Suydam hearing, and the Court withheld approximately \$200,000 due to the onsite contamination; and

WHEREAS, following internal discussions, and discussions with NJDEP representatives, it was decided that MCMUA should proceed with a testing protocol to develop the information needed to support a Water Allocation Permit application; and

WHEREAS, in furtherance of the Water Allocation Permit application the MCMUA:

- a. drilled an 8" test well down 700 feet;
- b. performed a step pump test;
- c. drilled a 16" production well down 700 feet;
- d. performed an aquifer pump test;
- e. tested the water quality;
- f. analyzed the data and produced a report

WHEREAS, among things sought to be demonstrated by these tests was a minimum impact on surrounding wells and properties through the draw down of water by the well.

MCMUA was also obliged to address impact on the flow of the Rockaway River and the potential to draw contamination from area pollution sources; and

WHEREAS, while the Rockaway Basin Well project was the first implemented at the property, there were additional uses long planned, and preceding acquisition by the filing of the Declaration of Taking. Chief among these is the Scrub Oaks Mine Project which calls for the use of this site as a part of that project; and

WHEREAS, since 1997, the MCMUA had attempted to identify a site suitable for a mine water storage facility; and

WHEREAS, in May of 2000, the Farley property was identified as a logical site for the location of facilities to be a component part of the mine storage at the nearby Scrub Oaks mine. This project called for the pumping of water from the MCMUA's Flanders and Alamatong Wellfields to the site, as well as the drawing of water out of the Rockaway River purchased from the City of Newark and released by Newark from its upstream watershed. This water would then be pumped from the subject property to the nearby abandoned Scrub Oaks Mine for storage, treatment and release to the MCMUA System during summer months; and

WHEREAS, a meeting occurred on August 9, 2000 at the Farley property with Mr. Robert Canace of the New Jersey Geological Survey ("NJGS") who encouraged use of the nearby Scrub Oaks Mine and a project concept was developed between August 9, 2000 and February 8, 2001 together with meetings with representatives of the Bureau of Water Allocation and NJGS at NJDEP in Trenton; and

WHEREAS, as the result of these consultations with NJDEP, MCMUA instituted a program of mine investigation. On June 5, 2002 the MCMUA Engineer met with Mr. John Crimi (owner of the Scrub Oaks Mine property) to locate the mine entrance preparatory to the drilling of access through the mine entrance cap. On November 21, 2002, the MCMUA cored a hole into the mine and on December 17 and 18, 2002 remotely operated cameras were introduced into the mine. On September 16, 23 & 24 an air shaft into the mine was cored and another camera probe utilized; and

WHEREAS, on December 30, 2003 MCMUA Staff met at NJDEP with Michele Putnam, Director of the Division of Water Resources and Vince Monaco from the Bureau of Safe Drinking Water to discuss various topics including to review the status of the Scrub Oaks Mine project; and

WHEREAS, subsequent to acquisition of the Farley property and during 2004 the MCMUA Staff again met with Ms. Putnam and all of the relevant Bureau Chiefs to discuss regulatory approvals; and

WHEREAS, at the time the water harvesting facilities to be built at the Farley site represented an approach favored by the NJDEP, and as a result MCMUA Staff and officers were

invited to meet with NJDEP Commissioner Campbell who authorized a matching grant of \$500,000 to MCMUA to further the project; and

WHEREAS, the potential success of the Scrub Oaks Mine project may have negated the need for the Rockaway Basin Well; and

WHEREAS, upon further investigation, NJDEP deemed the safe yield much less than would economically make sense to proceed with the Scrub Oaks Mine project and is unfeasible at this time; and

WHEREAS, on December 6, 2006, however, the MCMUA received from the Bureau of Water Allocation a Draft Report recommending denial of the MCMUA's permit for the proposed Rockaway Basin Well based upon various findings including that the Property is not suitable for a groundwater well due to environmental contamination considerations related to the Picatinny Arsenal contamination plume, the adjacent Roxbury Auto Wreckers property and proximity to several other sites which are on the NJDEP's inventory of Contaminated Sites lying within a mile of the Property; and

WHEREAS, an additional concern cited in the Draft Report included a depletion of the water supplying the Boonton Reservoir, the source of water for Jersey City; and

WHEREAS, on December 14, 2006 the MCMUA requested additional time to submit comments to the Draft Report and an opportunity to meet in person with members of the NJDEP regarding the basis for the recommendations; and

WHEREAS, on January 9, 2007 the NJDEP denied the MCMUA's request for a meeting but extended the comment period to February 16, 2007; and

WHEREAS, following consultations with Robert Canase at NJGS on February 9, 2007 the MCMUA determined that its response to the Draft Report will be to pursue a possible amendment to the MCMUA application, reducing the requested rate from 800 gpm to 400 gpm; and

WHEREAS, this amended application would require pump tests and modeling at this reduced rate to determine if it would create the same potential to draw contamination from the Picatinny Arsenal, the Roxbury Auto Wrecker's site adjacent to the subject property and other properties in the area; and

WHEREAS, in addition to this testing, the MCMUA would propose to meet with Jersey City officials to determine whether the reduced amount will impact their downstream use in an

unacceptable way; and WHEREAS, the goal of the additional testing and modeling was to determine if the reduced amount would simply reduce the negative impacts cited in the Draft Report or eliminate those concerns entirely; and

WHEREAS, another of the concerns cited in the Draft Report was the determination that there is a connection between the groundwater and surface water in the area near the historic contamination found at the Roxbury Auto Wreckers site adjacent to the subject property; and

WHEREAS, this connection was of concern because it could lead to migration of contamination found in the surface water or soil into the groundwater from which a well on the property would draw water; and

WHEREAS, it was expected that as a result of the concern of this connection between ground and surface water, as part of any revised application and modeling, the NJDEP would require that a monitoring well be installed between the site of the proposed well and the Roxbury Auto Wrecker's site to determine if in fact contamination would be drawn into the groundwater; and

WHEREAS, the MCMUA recognized that if the negative impacts are only reduced, and not eliminated and if Jersey City is not satisfied that its allocation will not be adversely impacted or the pumping results in the migration of contamination from surface water to groundwater at the Roxbury Auto Wrecker's site, then it would be unlikely that the MCMUA would receive approval of an amended application; and

WHEREAS, pending the results from the proposed testing to be done in support of the revised proposed allocation amount, there was no way to determine what the actual impact of the reduced amount will be and thus no way to predict the NJDEP's decision on a revised application; and

WHEREAS, one of the factors considered by the NJDEP in considering a water allocation permit was whether and to what extent the proposed use is consumptive of the water covered by the allocation, which means what amount is removed (diverted) without returning it to the basin from which it was removed; and

WHEREAS, many of the customers that would be supplied with the new diversion proposed by the MCMUA are connected to the Rockaway Valley Regional Sewerage Authority; and

WHEREAS, in systems with this type of customer base, residential and commercial users, approximately 80-85% of the diverted amount is ultimately discharged back into the system, either via on-site septic systems or discharged as treated effluent by the Sewerage Authority; and

WHEREAS, consequently, the MCMUA argued that the vast majority of the diverted water will be returned to the basin from which it would be removed, and would not be viewed as a 100% consumptive use; and

WHEREAS, formal denial of the Allocation Permit for the Rockaway Basin Well was received in August 2007 and cited impacts on the safe yield of the Jersey City reservoir and regional contamination plumes as the grounds for denial the Rockaway Basin Well allocation; and

WHEREAS, thereafter NJDEP advised the MCMUA that should it work out an arrangement with Jersey City Municipal Utilities Authority (“JCMUA”) regarding the use of a small portion of its capacity the NJDEP may look favorable on the permitting and development of the well; and

WHEREAS, based on NJDEP’s hydrogeologic analysis of the Rockaway Basin Well that results in a consumptive/depletive impact by the well upon the JCMUA Boonton Reservoir, the MCMUA successfully negotiated an agreement with JCMUA on April 30, 2013 to purchase and utilize 220 MGY of water volume which equals the consumptive/depletive impact; and

WHEREAS, thereafter additional modeling was requested by NJDEP to address its concerns with the migration of contamination at Picatinny Arsenal and the Roxbury Auto Wreckers sites; and

WHEREAS, the MCMUA contracted with Legette Brashears & Graham (“LBG”) to perform a model study, including a particle tracking report, of the Rockaway Basin Well’s impact on the contaminated sites at Picatinny Arsenal and Roxbury Auto Wreckers; and

WHEREAS, the LBG study determined that diversions from the proposed Rockaway Basin Well would not significantly affect local surface waters or contamination plumes; and

WHEREAS, NJDEP Bureau of Water Allocation and Well Permitting still had concerns that the proposed diversion could impact the nearby contaminated sites because drawdown was observed in the deep and shallow aquifer wells at the southern boundary of Picatinny Arsenal; and

WHEREAS, the Bureau advised that there is no known plans to contain the contamination plume, and that the Bureau is unable to approve any new diversions that would accelerate the migration of any contamination; and

WHEREAS, the proposed diversion would require a consistency determination from the New Jersey Highlands Council (the "Highlands Council"); and

WHEREAS, the Highlands Council identified that the HUC 14 in which the well is located has a water supply deficit, and that the Highlands Council is not permitted to issue a consistency determination for a diversion that would create or increase a water supply deficit; and

WHEREAS, in spite of these extensive efforts over a period of 18 years and the expenditure of more than Two Million Dollars, the NJDEP has not granted approval of the Rockaway Basin Well.

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

1. Based on the foregoing facts, which occurred over a course of nearly two decades, the MCMUA has made and has exhausted every possible effort to obtain permitted water allocation use from NJDEP of the Rockaway Basin Well situated in the Township of Roxbury and NJDEP has not permitted the use of the same.
2. MCMUA shall abandon any further efforts to seek a water allocation permit for the Rockaway Basin Well at this time.
3. 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 November 10, 2015

MORRIS COUNTY MUNICIPAL
UTILITIES AUTHORITY

By: _____
Christopher Dour, Chairman

ATTEST:

Marilyn Regner, Secretary

MOTION: Dr. Nusbaum made a Motion to adopt Resolution No. 15-71 to abandon further efforts by the MCMUA to seek a Water Allocation Permit from NJDEP for the Rockaway Basin Well Located At Block 10, Lots 38 and 39 In Roxbury Township and Block 602, Lot 7 In Wharton Borough and Ms. Szwak seconded the Motion.

As an update, Mr. Schweizer mentioned that we got some feedback after this was forwarded to the Board Members, and the following modifications were made to the resolution: On Page 1 we further identified the exact location of the well just in case another Rockaway Basin well surfaces; on page 5 there was a better connection between the Scrub Oaks Mine Project and the Rockaway Well relationship to bridge those concepts and a provision added on the second to last page just to make a reference to the dollars expended by the M.U.A. in its efforts to develop the well.

ROLL CALL: AYES: 7 NAYES: NONE ABSTENTIONS: NONE

Mr. Schweizer mentioned that the County abandoned its interest with developing the solar project on M.U.A.'s Alamatong Wellfield essentially because of the uncertainty involving the wetlands on that property.

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

NEW BUSINESS:

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

**RESOLUTION NO. 15-72
RESOLUTION AUTHORIZING CONSERVATION PARTNERSHIP AGREEMENT
BY AND BETWEEN THE MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY
AND THE BOROUGH OF MENDHAM AND THE CONTRIBUTION OF \$111,250
FROM THE MCMUA SHARE OF THE MORRIS COUNTY OPEN SPACE FUND**

WHEREAS, the Morris County Municipal Utilities Authority ("MCMUA") having been established by the Morris County Board of Chosen Freeholders pursuant to N.J.S.A. 40:14b-1 et. seq., is empowered to take such steps as it deems necessary and appropriate to protect and preserve the water resources of the County of Morris; and

WHEREAS, in keeping with the implementation of such goals, the MCMUA seeks to enter into partnerships with other public entities and non-profit organizations in order to acquire land for such conservation and preservation purposes; and

WHEREAS, the Borough of Mendham desires to purchase a tract of land comprised of approximately 10.6 acres known as the Scott Farm property, to be protected in accordance with the terms and conditions of the Conservation Partnership Agreement by and between the Morris County Municipal Utilities Authority and the Borough of Mendham, in substantially the same form attached hereto (the "Protected Property"); and

WHEREAS, the parties acknowledge that the acquisition and conservation of the Protected Property is necessary and desirable given that it contains a headwaters stream to, and a section of, the North Branch of the Raritan River; and

WHEREAS, the parties acknowledge that the acquisition and conservation of the Protected Property will conserve the woodlands, exceptional resource value wetlands, and riparian values of the Protected Property; and

WHEREAS, the parties desire to retain the Protected Property in its natural state; and

WHEREAS, the MCMUA determines that it is in the best interest of the residents of Morris County and it is in furtherance of the purpose of the MCMUA to contribute the sum of \$111,250 (One Hundred Eleven Thousand Two Hundred Fifty Dollars) from its share of the Morris County Open Space Trust Fund toward the acquisition of the Protected Property, subject to this Resolution

and the terms and conditions of the Conservation Partnership Agreement by and between the Morris County Municipal Utilities Authority and the Borough of Mendham ("Conservation Partnership Agreement") in substantially the same form and content as set forth on Schedule A, attached hereto and made a part hereof.

NOW, THEREFORE, BE IT RESOLVED by the MCMUA as follows:

1. The Chairman and Executive Director are hereby authorized to execute the Conservation Partnership Agreement in substantially the same form and content as set forth in Schedule A.
2. The Executive Director, staff and consultants are hereby authorized to take all necessary administrative actions as are necessary to provide for the contribution of the sum of \$111,250 (One Hundred Eleven Thousand Two Hundred Fifty Dollars) from the MCMUA share of the Morris County Open Space Fund, upon all of the terms and conditions set forth in the Conservation Partnership Agreement.

CERTIFICATION

I hereby certify that the foregoing Resolution was adopted by the Morris County Municipal Utilities Authority at the Regular Meeting held on November 10, 2015.

MORRIS COUNTY MUNICIPAL
UTILITIES AUTHORITY

By: _____
Christopher Dour, Chairman

ATTEST:

Marilyn Regner, Secretary

MOTION: Mr. Hudzik made a Motion adopt the resolution as amended to authorize Conservation Partnership Agreement By And Between The Morris County Municipal Utilities Authority And The Borough of Mendham And The Contribution Of \$111, 250 From The MCMUA Share Of The Morris County Open Space Fund and Mr. Platt seconded the Motion.

Mr. Schweizer mentioned that this is the Scott Farm property on Mountainside Road in Mendham Borough that we conceptually approved last month and the one that Larry Gindoff made reference to earlier. The resolution was amended by deleting "Smith" and replacing it with "Scott".

ROLL CALL: AYES: 7 NAYES: NONE ABSTENTIONS: NONE

RESOLUTION NO. 15-73
RESOLUTION AUTHORIZING EXECUTION OF A SHARED SERVICES AGREEMENT
BETWEEN MORRIS COUNTY PARK COMMISSION AND MORRIS COUNTY
MUNICIPAL UTILITIES AUTHORITY TO PROVIDE MUTUAL USE
OF QUALIFIED PURCHASING AGENT

WHEREAS, the Morris County Municipal Utilities Authority (MCMUA) requested the assistance of the Morris County Park Commission (MCPC) with its purchasing functions by providing mutual use of the Park Commission's Qualified Purchasing Agent; and

WHEREAS, pursuant to N.J.S.A. 40A:65-5, local units entering into shared services agreements must adopt a resolution authorizing and clearly identifying the agreement and ensure that a copy of the agreement shall be open to public inspection at the offices of the local unit immediately after passage of a resolution to become a party to the agreement; and

WHEREAS, the Morris County Park Commission has agreed to a shared service agreement with the Morris County Municipal Utilities Authority and shall provide mutual use of the Qualified Purchasing Agent as detailed within the written agreement.

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

1. The Executive Director of the Morris County Park Commission and the Executive Director of the Morris County Municipal Utilities Authority are authorized to execute the Shared Services Agreement between the Morris County Park Commission and the Morris County Municipal Utilities Authority for a period beginning December 1, 2015 and terminating on November 30, 2016.
2. A copy of the Shared Services Agreement shall be kept on file in the office of the Morris County Municipal Utilities Authority and the Morris County Park Commission.
3. That this resolution be effective immediately.

CERTIFICATION

I hereby certify that the foregoing Resolution was adopted by the Morris County Municipal Utilities Authority at the Regular Meeting held on November 10, 2015.

MORRIS COUNTY MUNICIPAL
UTILITIES AUTHORITY

By: _____
Christopher Dour, Chairman

ATTEST:

Marilyn Regner, Secretary

MOTION: Dr. Kominos made a Motion to authorize execution of a Shared Services Agreement Between The Morris County Park Commission And Morris County Municipal Utilities Authority To Provide Mutual Use Of Qualified Purchasing Agent and Ms. Szwak seconded the Motion.

ROLL CALL: AYES: 7 NAYES: NONE ABSTENTIONS: NONE

And finally, Mr. Schweizer mentioned as we do every year in accordance with the proposal adopted in our introduction budget to raise the water rate three percent, we need to do a resolution to amend the water rate which essentially calls for a public hearing to be held at the meeting next month. Mr. Schweizer asked for the Board's approval of the following Resolution:

RESOLUTION NO.15-74
RESOLUTION TO AMEND WATER RATE OF
MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

WHEREAS, the Morris County Municipal Utilities Authority ("the Authority") is authorized by the Municipal and County Utilities Authorities Law (N.J.S.A. 40:14B-1 et seq.) to establish rents, rates, fees and other charges and to amend the same from time to time so that the revenues of the Authority will at all times be adequate to pay the expenses of operation and maintenance of the Authority system including reserves, insurance, extensions and replacements, debt service, and to maintain such reserves or sinking funds therefor as may be required by the terms of any contract or as may be deemed necessary or desirable by the Authority; and

WHEREAS, the Authority has determined that there is a need to amend the base water rate charged by the Authority; and

NOW, THEREFORE, BE IT RESOLVED by the Morris County Municipal Utilities Authority in the County of Morris and State of New Jersey on this 10th day of November, 2015 as follows:

1. The base rate to be charged by the Authority for the provision of water is hereby amended to be \$2,333 per million gallons (MG).
2. A hearing concerning this proposed revision of the rates of the Authority shall be held on December 8, 2015 at the regular public meeting of the Authority commencing at 6:00 p.m. at the Morris County Municipal Utilities Authority offices (first floor meeting room), 214A Center Grove Road, Randolph Township, New Jersey 07869.
3. The Executive Director shall cause notice of the aforesaid hearing to be given in accordance with N.J.S.A. 40:14B-23 by:
 - a. publishing a copy of this Resolution in two newspapers of general circulation in Morris County at least 20 days prior to the hearing date; and
 - b. mailing a copy of this Resolution to the Clerk of each municipality served by the Authority and to each water utility, whether public or private, served by the Authority, at least 20 days prior to the hearing date.
4. This Resolution shall take effect as provided by law.

CERTIFICATION

I hereby certify that the foregoing Resolution was adopted by the Morris County Municipal Utilities Authority, at a Regular Meeting held on November 10, 2015.

MORRIS COUNTY MUNICIPAL
UTILITIES AUTHORITY

By: _____
Christopher Dour, Chairman

ATTEST:

Marilyn Regner, Secretary

MOTION: Mr. Platt made a Motion to amend the Water Rate of Morris County Municipal Utilities Authority to \$2,333 per million gallons and Dr. Kominos seconded the Motion.

ROLL CALL: AYES: 7 NAYES: NONE ABSTENTIONS: NONE

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

Chairman Dour read the following Resolution for the meeting to go into closed session at 8:17 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 8:17 p.m. and Dr. Kominos seconded the Motion.

ROLL CALL: AYES: 7 NAYES: NONE ABSTENTIONS: NONE

The meeting returned to open session at 8:19 p.m. with a Motion made by Mr. Druetzler, seconded by Mr. Hudzik and carried unanimously.

There being no further Business, Chairman Dour asked for a Motion to adjourn the meeting at 8:19 p.m.

MOTION: Mr. Platt made a Motion to adjourn the meeting at 8:19 p.m. seconded by Dr. Kominos and carried unanimously.

Marilyn Regner
Secretary

/mr