

## MINUTES OF REGULAR MEETING

JANUARY 5, 2016

The Regular Meeting of the Morris County Municipal Utilities Authority was held on January 5, 2016 at 7:07 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. Frank Druetzler, Mr. Fletcher Platt, Mr. William Hudzik,  
Mr. James Barry and Mr. Christopher Dour.

ABSENT: Ms. Laura Szwak, Dr. Arthur Nusbaum and Dr. Dorothea Kominos.

Also present was Glenn Schweizer, Executive Director; Andrew Holt, P.E., Suburban Consulting Engineers; Larry Kaletcher, Treasurer; Marilyn Regner, Secretary; Brent Carney, Esq., Maraziti Falcon LLP; Larry Gindoff, Solid Waste Coordinator; Kathleen Hourihan, District Recycling Coordinator and Christine Myers, Freeholder-Liaison.

Chairman Dour welcomed Freeholder-liaison Christine Myers to the M.U.A.

Chairman Dour asked for the Board's approval of the Minutes of the Regular Meeting dated December 8, 2015.

MOTION: Mr. Barry made a Motion to approve the Minutes of the Regular Meeting of December 8, 2015 and Mr. Hudzik seconded the Motion.

ROLL CALL: AYES: 5 NAYES: NONE ABSTENTIONS: NONE

Chairman Dour advised the Board that the proposed meeting dates for 2016-2017 are included in their folders for their review, as well as their contact information and asked that they advise Marilyn of any conflicts or changes.

Mr. Hudzik asked if we have any Committee Assignments and Mr. Schweizer replied that they will be done at the Reorganization meeting.

### **TREASURER'S REPORT:**

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

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

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

ROLL CALL: AYES: 5 NAYES: NONE ABSTENTIONS: NONE

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

BILL RESOLUTION NO. 16-01

**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. 16-01 containing 7 pages for a total of \$2,644,660.65 dated and made a part hereof by reference.

**SUMMARY**

**CHECK NUMBERS**

CAPITAL FUNDS	1138	\$ 5,251.36
WATER OPERATING FUNDS	2756-2788	246,508.76
SOLID WASTE OPERATING	4952-5032	<u>2,392,900.53</u>
	<b>TOTAL</b>	<b>\$ 2,644,660.65</b>

**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: January 5, 2016

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: January 6, 2015

DATE: January 5, 2016

\_\_\_\_\_  
Larry Kaletcher, Treasurer

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

Mr. Hudzik asked who D&B Engineers are and Mr. Kaletcher replied they are the engineers who prepared the bid for our Roof Project.

**ROLL CALL:** AYES: 5 NAYES: NONE ABSTENTIONS: NONE

**CORRESPONDENCE:**

Mr. Schweizer mentioned that there were five items in the Correspondence report that was sent out to the Board. With regard to Item No. 1 of the correspondence report, he was happy to see that we passed the first hurdle with DEP on the water allocation permit application. He mentioned that once you submit the application and DEP determines that you are administratively complete that is always a good outcome. This is just a minor modification for our allocation permit so we will keep you apprised as that unfolds. The second item is just a monthly update with regard to the Pondview Estates project and the status of them obtaining water supply for the project. As you recall, the M.U.A. is providing water indirectly to that project through Wharton and it consists of water that we have allocated to be used by Southeast Morris County M.U.A. The third item with regard to Alamatong Well #8 will be discussed during the Engineer's Report. With regard to Items 4 and 5, we have received some positive feedback from municipal officials for the M.U.A.'s involvement in two of the open space projects in 2015, the Giralda Farms project in Chatham Township, as well as Scott Farm in the Mendham Borough.

Also in the Board's packets tonight, there is a copy of my welcoming note to Christine as our new liaison and also included another article regarding the economic status of recycling in the United States. He added that there is a really good summary at the end of the article. While things are problematic in recycling at this time, there are some other perspectives to consider as people try to wrestle with to what extent recycling should play a part in waste management in the country.

Letter dated December 7, 2015 to Andrew Holt, Suburban Consulting Engineers, Inc. from Carolyn Olynyk, Bureau of Water Allocation & Well Permitting, NJDEP, advising that the MCMUA Water Allocation Permit No. 5058 – Minor Modification that was submitted has been determined to be Administratively Complete and is under technical review.

Letter dated December 18, 2015 to Daniel E. Kelly, P.E., Kelly Engineering from Michael L. Rich, Esq., Porzio, Bromberg & Newman P.C. submitting an update on behalf of Pondview Estates, Inc. regarding the status of obtaining water supply for its project.

Letter dated December 23, 2015 to Diane Zalaskus, Bureau Chief, Bureau of Water System Engineering, NJDEP, from Andrew S. Holt, P.E., Suburban Consulting Engineers, regarding Alamatong Well No. 8 Water Supply Loss Evaluation Determination.

Letter dated December 14, 2015 to Glenn Schweizer, Executive Director, from Kevin M. Sullivan, Mayor, Chatham Township enclosing CD of Opening Day Ceremonies and beauty of Giralda Farms Preserve.

Email dated December 21, 2015 from Richard Merkt, Administrator of Borough of Mendham, to Glenn Schweizer advising that the Borough successfully completed its purchase of the Scott Farm property.

Letter dated January 4, 2016 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 December 2015.

Letter dated January 4, 2016 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 December 2015.

Letter dated January 4, 2016 to the Secretary, Board of Public Utilities, from Anthony Milonas regarding the Annual Quarterly Report of Damaged Underground Facilities of the Morris County Municipal Utilities Authority for the year ending 2015.

#### **ENGINEER'S REPORT:**

Mr. Holt gave the following updates: (1) Roof Repair Project - The Morris County M.U.A.'s water production facilities and water booster pump stations which in total are 7 buildings. This year 2015, we were able to, with D&B Engineers, specify new roofs on three of the buildings, Flanders 1 and 2 and the Mt. Arlington Booster Pump Station. Contracts were awarded late last Fall. The

Contractor used the opportunity with the warm weather to get started and two of the buildings now already have new watertight roof systems applied; flat roofs. The third roof is underway right now, but with the cold weather they are limited to when they can apply the liquid roofing system when it is 35 degrees and rising. We will be recommending their first payment and we expect they will be another four to six weeks before completion as long as the weather cooperates. He added that the Water Committee did meet just before this meeting and shared that D&B Engineers would continue to complete their design of the other four buildings that were planned for the 2016 capital budget and see their design and construction phase services consistent with their original proposal. Chairman Dour asked if these are 25 year roofs and Mr. Holt replied yes; these are 25 year roofs.

Mr. Hudzik asked if there is a fallback plan in case the weather gets much colder and Mr. Holt replied that the fallback is they watertight two of the buildings and the roof on the third building has not yet been torn off and if they get stalled for a four weeks, things are o.k., there is no risk of damage or water intrusion. Mr. Holt mentioned that they are very pleased with Integrity's productivity and workmanship.

(2) Clyde Potts Pump Station Upgrade – The actual upgrade is on hold because as of a result of a very productive meeting we had with the three parties. He mentioned that Clyde Potts Reservoir is where Southeast Morris treats and makes water through its system and we also purchase water from that source and sell it to N.J. American. There are three parties involved in this agreement and the agreement will expire in 2021. We have a pump station there that takes the water that needs to be upgraded to comply with firm capacity pumping capacity issues, but at the same time before we spend money on the upgrades, we want to make sure that all the parties are in agreement that this is going to be a long-term operating facility. As a result of our Asset Management Plan, we identified the need for improvements but before we embark on those, we had discussions with the three parties and we are kicking around many scenarios that may be mutually beneficial to all parties before we actually embark on design, construction and any improvements out there. This is suspended until all the parties review all the options, come back to the table and agree on a path forward before anyone spends any money on anything other than discussion on the topic. He mentioned that Southeast Morris is driving the train and the schedule on this because they are undertaking the evaluation within their system and their outcome of that evaluation may determine what the best course of action is for our pump station or our involvement. This will come to light later in the middle of this year.; (3) Markewicz Pump Station – This is an important project also as an outcome of the Asset Management Plan. Tony Milonas just shared with Mr. Holt today another scenario today that highlights the importance of this aging equipment infrastructure at our most critical facility so we got ATI, the electrical engineering consultant that the M.U.A. has worked with in the past, evaluating an outline of what the overall project would consist of. He is held up right now until I give him what the pumping configuration might look like in the future; if we want to switch from 2400 volts switchgear equipment to 480 volts scenarios, if we are going to replace pump motors as well, we may want to reconfigure the number of pumps or how they are supplied. Mr. Holt is going to give ATI the pump selections and he will be able to scope his recommendation on the switchgear improvements and what those costs might be.; (4) Well 8 – Although we are under a DEP timeline to address the sporadic turbidity issue here which causes us to have to blow-off or waste a certain amount of water from this well, the Water Committee gave us some good instruction on looking at all the alternatives before we embark on anything because this is going to be potentially a very high cost, low return project because it is just addressing the wasted water that goes back to the aquifer; we don't beneficially treat and sell this water as a result of the turbidity that is in the well that sometimes shows up. We are going back to look at a few other options; if there are options to address the well conditions, the water quality conditions or even explore new well source sites.; (5) Asset Management Plan – We did at the end of the year here with Tony Milonas' input, the operator, update from what Jacobs had prepared earlier this year. Any of the new repairs and replacement information, cost data, useful life data that your Asset Management Plan has in it and we will then continually do this every quarter. We will update the Asset Management Plan with any new expenditures, equipment and material repairs and replacement so that we keep this current so that it is a usable planning tool next year at budget season and every year thereafter.

Mr. Holt mentioned that he appreciated the Water Committee meeting tonight; it was helpful having input from everybody.

Mr. Druetzler complimented Mr. Holt on your first year, 1.6 billion gallons of water sold and Mr. Holt replied an 8% increase and he hopes to do better on that next year.

Regarding the Clyde Potts Upgrade, Mr. Hudzik asked Mr. Holt what is his feel for Option 5. Mr. Holt replied that we did not suggest that, N.J. American offered to Southeast Morris that if you are having any challenges with treating surface water, we do it all the time, we are in that business, we'll just take it over. Mr. Holt mentioned that he does not think it was given the same diligence as the other options, but it is on the list right now. Mr. Druetzler said that he could not support that.

**PROJECT STATUS**

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

A. Notice to Proceed was issued to Integrity Roofing on December 7, 2015. The Contractor mobilized to site on Wednesday December 9<sup>th</sup>, and began demolition of the existing roof on Flanders Valley Well #1 on Thursday December 10<sup>th</sup>. The Contractor completed the installation of the first layer of the liquid applied membrane to create a water tight seal on Wednesday December 16<sup>th</sup>. The Contractor then proceeded to begin the demolition on Flanders Valley Well #2 Roof. To complete well #1 roof, the Contractor has an additional two (2) applications of liquid applied membrane to complete the roofing system. The Contractor has submitted progress payment application #1 in the amount of \$89,670.00. We have recommended the MCMUA process payment to Integrity roofing.

**Project Completion Summary**

Original Substantial Completion Time		May 29, 2016
Approved Time Extensions	0	Calendar Days
Current Substantial Completion Time		May 29, 2016
Days Elapsed:	29	16%
Days Remaining:	151	84%

Original Contract	\$215,340.00
Approved Change Orders	\$0.00
Total Value of Contract:	\$215,340.00
Total Value of Work Complete:	\$91,500.00
Percent of Work Complete:	42.5%
Total Retainage to Date	\$1,830.00

Previously invoiced: \$0.00

Amount of Payment #1: \$89,670.00

**2. Clyde Potts Pumping Station Pump Upgrade**

A. The Clyde Potts Pump Station coordination meeting was held on December 18<sup>th</sup> among representatives from MCMUA, SMCMUA and NJAWC. The existing configuration, setup, and contract status was reviewed. As a result of the meeting, five (5) potential options were identified moving forward. The following options were discussed:

- i. **Option 1** – MCMUA will install a new pump station beyond the limits of SMCMUA Clyde Potts perimeter fencing. This pump station would be partially buried and include four (4) new pumps with VFD’s to achieve the minimum contract amount. SMCMUA will construct upgrades to achieve minimum Contact Time prior to the first customer. Prior to investing in a new pump station, an extension of the contracts and the rates would be renegotiated.
- ii. **Option 2** – Construct a new pump station located in the SMCMUA Facility. SMCMUA will construct upgrades to achieve minimum Contact Time prior to the first customer. Prior to investing in a new pump station, an extension of

the contracts and the renegotiation of rates would be established. An O&M contract would also be negotiated for maintaining the pumps.

- iii. **Option 3** – SMCMUA and NJAWC will negotiate a contract in which SMCMUA provides a majority (approximately 75%) of the water directly to NJAWC with MCMUA providing the balance (approximately 25%) as well as an emergency system feed interconnection. As part of the upgrades, SMCMUA will construct upgrades to achieve minimum Contact Time prior to the first customer. This option would include the renegotiation of contracts and rates, including the renegotiation of MCMUA and SMCMUA water supply agreements.
- iv. **Option 4** – MCMUA and NJAWC will negotiate a contract in which MCMUA provides 0.75 MGD to NJAWC through the PRV at Woodland Road. This option does not require the installation of a new pump station, as water can be fed from a higher grade. However, to ensure water delivery to Mendham, SMCMUA will provide an emergency system feed interconnect. The existing booster pump station would remain. Under this option, upgrades to achieve minimum Contact Time prior to the first customer would not be required. This option would include the renegotiation of contracts and rates. It would also require renegotiation of MCMUA and SMCMUA water supply agreements to clear 0.75 mgd of MCMUA capacity which would be used to supply NJAWC.
- v. **Option 5** – NJAWC will negotiate the purchase of the Clyde Potts Reservoir and Treatment Plant to own and operate the facility.

### **3. Markewicz Pump Station Switchgear and Electrical Upgrades**

- A. A meeting was held with Ralph Rocco of ATI, SCE and MCMUA superintendent to review the findings of the Jacobs Engineering Asset Management plan, as well as revisiting the proposal for electrical upgrades previously submitted by ATI. It was identified by Jacobs Engineering, a need to install lightning protection to the facility. ATI is currently preparing a revised proposal which would include the design of a second service feed from JCP&L. The intent is to have a dual feed which will increase reliability to the electrical service and allow half of the pumps to be replaced while still providing adequate system capacity.

### **4. Alamatong Well No. 8 Turbidity Preliminary Design**

- A. We have submitted a feasibility report to the Bureau of Water System Engineering to conform with the schedule which was initiated by the Bureau, and agreed upon by the MCMUA that required a feasibility report be submitted prior to January 1<sup>st</sup> 2016. We have currently identified two (2) treatment processes: pressure filtration with coagulation and low pressure membrane filtration. As part of the evaluation, we are proposing pilot testing to observe which system performance is ideal. As part of the treatment options, we are also evaluating treatment capacities as previously discussed.

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

- A. We have met with MCMUA superintendent to update the status of the Asset Management Plan following a review of system upgrades. An example of the items include: Well #8 replacement pump and motor, Roofing system upgrades to Flanders Valley Wells #1 and #2 roofs, door replacement projects, and other items which were discovered to be omitted from the report. It is anticipated quarterly meetings will be held to update the Asset Management Plan.

### **SOLID, HAZARDOUS & VEGETATIVE WASTE REPORT:**

Mr. Gindoff gave an update on the year end for our facilities. He advised the Board that he had projected tonnage figures for the end of the year and they came in slightly higher. The ending number for December was 32,922 tons; 300 tons more than expected. With that higher projection, we actually ended up doing more tons in 2015 than we did in 2014. We ended up doing 382,920 tons compared to 382,757 we did last year so we were just 0.4% above last year. With respect to

our Vegetative Waste program, he mentioned that we did about 10% less material as well as revenue for the year 2015. It was down all year and we really never caught up, but December was slightly better than last December.

Per the Board's request, Mr. Gindoff included the Household Hazardous flyer for 2016 programs.

Mr. Gindoff reported that we just started another year at the transfer stations at the same rate as last year of \$94.50 per ton for disposal of waste.

Mr. Hudzik asked about the gov.deals auction for the grinder and Mr. Gindoff replied that it was a competitive auction and we did very well. Mr. Hudzik also noted that the M.U.A. is going to a private machine company to provide grinding services and Mr. Gindoff replied yes; it is quite a bit cheaper. He explained that when they provide the grinder, they provide the manpower. Mr. Schweizer added that this company also works for Morris County Shade Tree and they provide them with the same types of service up at their location at the Shade Tree garage and at another site that they store tree parts.

## **TRANSFER STATIONS**

**Tonnage** – For the month of December 2015, the tonnage of solid waste accepted at the two transfer stations is projected to be 32,560 tons. This projection is based on actual tonnage delivered to the two transfer stations between December 1 and December 26, 2015 with 4 days remaining in the month, as well as the year. This monthly tonnage projected for December 2015 is 2.23% less than the 33,303 tons accepted a year ago in December 2014. For the 4<sup>th</sup> quarter of 2015, it is anticipated that the tonnage will be 0.89% more than the tonnage accepted in the 4<sup>th</sup> quarter of 2014. Based on tonnage accepted for the year through December 26, 2015, the annual total tonnage is projected to be 382,558 tons which is almost the same as last year or 0.05% less than the 382,757 tons accepted in 2014. Please refer to the Transfer Station Disposal Report by Month for additional information. Additionally, the Board will be updated with respect to actual tonnages delivered at the January 5, 2016 meeting.

**Transfer Station Roof Repair Project** - Following a December 2, 2015 preconstruction meeting with the contractor, Arco Construction, Inc., a notice to proceed for the transfer station roofing project was issued on December 8, 2015. The contract provides for 180 days to complete the project and therefore, all the work should be completed by the beginning of May 2016. Although no construction activity occurred in December 2015, Arco intends to do as much work as it can during the cold weather months so it can quickly lay the roofing material that requires warmer weather in order to apply correctly.

## **HOUSEHOLD HAZARDOUS WASTE MANAGEMENT**

**Program Participation and Events** – During December 2015, a total of 165 residents and businesses delivered waste to the permanent household hazardous waste (HHW) facility in Mount Olive. This is down in participation from the previous month of November 2015, when 168 participants used the facility but it is up in participation compared to December 2014, when 124 participants used the permanent facility. For the year of 2015, the annual participation at the permanent facility was 2,126 participants which was up compared to 2014 when 1,957 participants used the facility. The 2,126 participation level for 2015 was more in line with the years 2013, and 2012 when 2,111 and 2,116 participants used the facility respectively. Household hazardous waste disposal events have been established for the 2016 season with two disposal events scheduled for the Safety Training Academy and one event scheduled for Chatham High School where we have conducted several successful programs in the past. A copy of the 2016 disposal day flyer has been attached to this report.

## **VEGETATIVE WASTE MANAGEMENT – November 2015**

**Facility Report** – The vegetative waste figures for December 2015 are still being compiled as of the writing of this report and will be provided in the Vegetative Waste Management Report at the January 5 meeting.

**Auction of Older Equipment** – At the November 10, 2015 Board meeting the MCMUA authorized the auction of two old pieces of equipment, a 1991 Bandit Beast horizontal grinder

and a 1992 tandem dump truck, used for the vegetative waste program. An online “GovDeals” auction for these two items was established and the auction was closed on December 10. The MCMUA received \$50,212 for the grinder which had an opening price of \$20,000 and the MCMUA received \$5,925 for the tandem dump truck which opened at \$2,000. The removal of these items is now being coordinated with the buyers and these two items should be off site shortly. The use and maintenance of the horizontal grinder at the Camp Pulaski site was discontinued as it was determined to use a private grinding service when needed. The use of a private grinding service turns out to be more economical and effective than maintaining, manning and paying all the costs associated with the MCMUA having the Beast Bandit grinder at the Camp Pulaski site.

## **RECYCLING REPORT:**

### **Recycling Operations**

Ms. Hourihan mentioned that she does not have a full tonnage report for the December numbers for recycling; there are four days missing and we had some really heavy 100 ton days so it will be about another 400 tons added on. She will provide a complete report for 2015 in February along with the January numbers.

With regard to the procurement of a new single stream recycling contract for the sale of recycling of materials that we collect, she reported that staff is currently negotiating with a vendor on their proposal for the marketing of single stream recyclables and we have a meeting set up for Thursday to continue discussions. There are some points that we are not sure we are going to get resolved by Thursday so we were not able to have a resolution for this meeting to execute and go forward with a new contract. She explained that some of the concerns were described in the articles that you have seen at the last couple Board reports, primarily that market conditions are not good at all; the prices are very low. She mentioned that we have had a mostly positive year where we have earned revenue from ReCommunity, however, the month of February was negative and now the month of November is negative. This is just a sign of the trend of how the markets are declining and so we are looking at the future as being negative; we are likely going to owe money to ReCommunity to recycle the commodities. There are a lot of points in the contract that we need to iron out and we will know better after our conference call on Thursday where we stand on how close we can come to an agreement.

Mr. Druetzler asked what happens if we don't agree by the 23<sup>rd</sup>? Ms. Hourihan replied we have talked about that, but does not know that we have a definitive answer, but we have been calling around to other markets in the area in Sussex County, Passaic and Elizabeth. She explained that when we pick up our material at curbside, it is hard for us to take those trucks and go much further than we go right now to Mine Hill and then complete the full day, so it is hard to add on any more time to that transportation factor. So some other options are bringing the trucks to a point where we could off-load them and transfer the material to a facility. The off-load point would most likely be the Parsippany transfer station. Mr. Druetzler asked could the contract be extended and Ms. Hourihan replied that it would not be an extension but would be some kind of a month-to-month spot marketing temporary arrangement.

Mr. Schweizer added that the parties have not talked about the alternatives yet because both are trying to come to a conclusion but certainly we have been discussing what fallbacks there are. He mentioned that it is a quite more difficult negotiation than we had five years ago again because of the market conditions. He explained that when you are dealing with the prospect of a negative market and the recycling facility operator needing to previously banking on some revenue share to help pay for the cost of processing, and then with sharing some of the revenue share with the municipality or in our case the M.U.A. and we roll that in with the agreements with the towns. But with the markets so bad and the prospects not looking as good, all the private companies now are looking to make themselves whole just on the price of processing and essentially leaving the revenue share as a side issue and if there is a positive one then maybe you could get the share in it but you can't count on that. Besides making this conversation very difficult, we went out looking at a three-year contract with two one-year extensions as opposed to a straight five-year deal. Seeing the complications we were running into, we did ask the vendors if they would consider a one-year deal and there was some pushback there because of the ReCommunity system. They are on the verge of performing a significant equipment upgrade and they are essentially tying our tons to their ability to finance that improvement so there are a lot of

complicated points that we are negotiating with them. We may need a Special Meeting of the M.U.A. Board so that we can advance an agreement if we are successful between tonight and the end of the month.

Chairman Dour asked if the price that we got was a flat per ton price or did they break it down by production/processing costs and sale? Ms. Hourihan replied that we have a formula we use. With the material we send to ReCommunity, they break it out into about ten different commodities and sell them individually. So they take the average of all the prices that they get for each commodity that they sell multiplied by the percent each material is in the stream, and it becomes a weighted average. So we have a composition and the prices for all of the material and that sets what your average commodity price is and then ReCommunity has what they refer to as a threshold which kind of represents their costs to run that facility. So when that average price is above their threshold, we get to share in that positive amount; they keep 50% and we get 50%. When it goes below, they can't afford to run the facility when their revenue is not covering their cost so that is when they pass that cost onto us. So some of the factors we are talking about are: what is a reasonable threshold, what is the revenue share, and how do we determine what the composition is. She added that it is a fluctuating rate that we would be paid or we would pay them every month depending on what the commodity prices are for that month.

Chairman Dour asked if 2016 is entirely negative; he is assuming that we are not going to absorb all of that and we are not going to give any money back to the towns, do the contracts with the towns allow us to charge them extra? Ms. Hourihan replied that we just finished the fourth year of the five year contracts with the majority of our municipalities which will end on December 31, 2016. So we have one year left and when we executed those contracts, we set them up that of the revenue we received from ReCommunity, we would keep up to an certain average that we calculate; it is like a rolling five-year average. Anything above that average, we would share with the municipality and anything below that average, we would keep 100% of it and if it went negative, we would not charge the municipality anything for a negative cost. So for the next year we are responsible for any negative costs in those contracts. Chairman Dour said that the towns will still get their recycling grants from the State and Ms. Hourihan replied yes and that checks are going out right now for 2013.

Mr. Schweizer mentioned that the new contracts that we will be sending out to the towns in 2016 that will begin 2017 will pass on the market risk to them. So if there is a cost, they will be paying it and if there is a gain, they will get 100% of it which is another reason why we are trying to be very diligent here and try to work out the best deal we can.

Mr. Schweizer polled the Board members present and asked about their availability to attend a Special Meeting on January 19<sup>th</sup> or 20<sup>th</sup> at 5:00 or 5:30 p.m. It will be a single issue meeting and it will be very quick. We will follow-up after Thursday to confirm. All Board members present at the meeting said they would be able to attend on either date. He said that he would reach out to the other Board members and then advise when the Special Meeting would be.

**Revenue and Tonnage** – The preliminary September statement from ReCommunity was received on December 2 and finalized on December 16 in the amount of \$1,091 that ReCommunity owes to the MCMUA. The preliminary October statement was received December 16 and finalized on December 21 in the amount of \$4,218, also owed to the MCMUA. Staff awaits the November statement.

The tonnage collected by the MCMUA for recycling during December through the 27<sup>th</sup> was 1,369 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** – The contract for the purchase of two new compactor trucks, one for the 2015 budget and one for the 2016 budget, was executed on December 9. The contract allows 180 days for delivery from the date of contract execution, which sets delivery date at no later than June 6, 2016.

**Request for Proposal for the Marketing of Single-Stream Recyclables** – On Wednesday, December 9, staff received two proposals in response to the MCMUA's RFP, issued on November 2. On Thursday, December 17, staff met with the MCMUA's RFP Team to evaluate the proposals and on Tuesday, December 22, the MCMUA team met with each of the proposers. Staff continues to evaluate the proposals and continue negotiations. As negotiations are

underway, it is unlikely that a contract will be ready for approval at the Tuesday, January 5, 2016 Board meeting. It is possible that special meeting of the MCMUA Board will be necessary in light of the fact that the current contract ends on January 23, 2016.

**Proposals to the Borough of Morris Plains for Weekly Recycling Collection** – In November, staff prepared and submitted a proposal to the Borough of Morris Plains to switch from every other week recycling collection to weekly collection. Staff was notified that Borough wanted to begin the weekly service either March 1 or April 1. Upon further consideration, staff realized that we need the two new compactor trucks prior to beginning the weekly collection. Since they will be delivered in June, we let Morris Plains know that we can begin on July 1, 2016. Morris Plains has indicated that they do want to begin the weekly service on July 1, 2016. The weekly proposal to the Borough was for a new 5 year contract with new terms pertaining to the sale of the recyclable material. Staff will prepare a new draft contract according to the new terms in the proposal letter and send it to Morris Plains for their review. Perhaps at the February or March meeting, staff will have a resolution for presentation to the Board to consider executing a new contract with the Borough of Morris Plains.

### **Events/Education/Miscellaneous**

**Clean Communities – Educational Programs:** The MCMUA funded 1 educational program in December at a schools in Morris Township. **Road Clean-ups:** During December, staff hired Adopt-A-Highway Litter Removal Service of America, Inc. to do a litter clean-up on Canfield Avenue (2 miles, 4 miles counting both sides) on the 10<sup>th</sup>. Staff had previously hired this company to do litter clean-ups in 2010. We stopped using them only because the curbside crew had light days in their schedule and now no longer do. Several years ago, we decided that we no longer want to have volunteer groups, usually children, doing clean-ups on busy county roads.

**Recycling Inspections/Outreach** – During December, a total of 9 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 Friday, December 4, staff met with the Continental Properties' construction site supervisor for Lakeside Village Apartments in Roxbury. Corrugated cardboard had been delivered from this construction project to the transfer station.
- On Thursday, December 17, staff, met with the owner of Harrington Salvage/ Hoffman's Supply, a garbage hauling company, regarding a transfer station incident.

**Education for Municipal Recycling Center Employees** – After seeing an increase in portions of roll-off loads being rejected from ReCommunity, especially in rigid plastic loads, staff decided that it would be a good idea to provide training to municipal employees who work at recycling centers to reinforce what is and is not acceptable. Staff is contacting municipalities to find a good time when MCMUA staff can visit the recycling center and provide the training. So far, on December 11, staff provided training to Netcong employees and to Morris Township employees on December 14.

**Curbside Recycling Inspection in Rockaway Borough** – As a result of a comment by the Rockaway Borough recycling coordinator, stating that she observed that some residents put their recyclables out in plastic bags, staff did an inspection of the materials set-out by residents in a small section, about 7 streets, on Tuesday, December 15. Staff did find that plastic bags were the biggest problem. Staff took photos and notes at 14 houses and is in the process of mailing a letter to each address to explain how recyclables should be prepared.

**M.O.R.E. (Morris Office Recycling Excels) Recycling Program** – In follow-up to discussions about recycling at the County garage in Wharton, MCMUA staff was invited by employees at the County garage in Hanover to visit because they need the MCMUA to provide additional recycling containers to be paired with some garbage receptacles in the garage bays. On December 2, staff was given a tour and inspected the trash dumpster while they were there. Staff has some of the containers to provide to the garage and will order the rest. The same day, staff also inspected the trash and recycling dumpsters at the Public Safety Academy. Unflattened cardboard boxes were placed on top of the recycling dumpster, while there was still space inside the dumpster. Additionally, recyclables were in the dumpster in plastic bags, which is

unacceptable. Staff reinforced that these problems persist with the cleaning staff supervisor. Additionally, on December 4, staff inspected the trash and recycling dumpsters at the following buildings on West Hanover Avenue: Human Services, Youth Shelter, Juvenile Detention Center, Sheriff's Legal, Prosecutor's Building and Health Management.

Additionally, a presentation was given to about 30 employees from the Department on Aging (Nutrition Program) on December 10.

Some dumpsters were moved around for the winter months for the County departments. A two cubic yard dumpster, which is not being used in the winter, was moved to the Wharton Garage temporarily to test it at this location and the Public Safety Academy requested that the dumpster in the fire training area be removed for the winter.

**Miscellaneous Presentations/Meetings/Conference Calls/Correspondence**

- On Tuesday, December 1, staff attended an ANJR (Association of New Jersey Recyclers) Board meeting in Ewing. The topics discussed at the meeting were the eWaste bill; recycling markets; and a new Municipal Guidelines Committee to re-educate municipalities on changing composition of the stream, clean material and educating the public.
- On Friday, December 4, staff spoke with a representative of AAA in Florham Park to discuss a new recycling program for child car seats. Staff is working with AAA and ReCommunity to see if the child car seats, after all non-plastic components are removed, will be accepted by ReCommunity directly from AAA.
- On Wednesday, December 16, staff gave a presentation to Cub Scout Pack 125 in Morris Township.
- On Thursday, December 17, staff attended a webinar sponsored by the EPA, titled "Managing "Recycling" Contamination: What works and what is a Waste."

**PUBLIC PORTION:**

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

**OLD BUSINESS:**

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

**NEW BUSINESS:**

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

There being no further Business, Chairman Dour asked for a Motion to adjourn the meeting at 7:45 p.m.

**MOTION:** Mr. Druetzler made a Motion to adjourn the meeting at 7:45 p.m., seconded by Mr. Platt and carried unanimously.

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Marilyn Regner  
Secretary

/mr