

MINUTES OF REGULAR MEETING

APRIL 5, 2016

The Regular Meeting of the Morris County Municipal Utilities Authority was held on April 5, 2016 at 7:02 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.

Vice Chairman Barry requested a roll call.

PRESENT: Mr. James Barry, Mr. Frank Druetzler, Mr. Fletcher Platt, Dr. Arthur Nusbaum and Dr. Dorothea Kominos.

ABSENT: Mr. Christopher Dour, Mr. William Hudzik and Ms. Laura Szwak.

Also present was Glenn Schweizer, Executive Director; Andrew Holt, P.E., Suburban Consulting Engineers; Larry Kaletcher, Treasurer; Marilyn Regner, Secretary; Joseph J. Maraziti, Jr., Esq., Maraziti Falcon LLP; Larry Gindoff, Solid Waste Coordinator; and Kathleen Hourihan, District Recycling Coordinator.

Vice Chairman Barry asked for the Board's approval of the Minutes of the Regular Meeting of March 8, 2016.

MOTION: Mr. Druetzler made a Motion to approve the Minutes of the Regular Meeting of March 8, 2016 and Dr. Kominos seconded the Motion.

ROLL CALL: AYES: 4 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 March 2016. Also included are the Comparative Balance Reports for the Solid Waste and Water Divisions for the first quarter of 2016, as well as the investment report which shows there was one new investment purchased for the month of March 2016. These reports have been incorporated in these Minutes.

Vice Chairman Barry 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 Dr. Nusbaum seconded the Motion.

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

Mr. Kaletcher reported that the Recycling Enhancement Act Grant was received in the amount of \$293,806.00. The 2016 budget amount was a conservative \$200,000. This amendment adjusts the 2016 Solid Waste budget to reflect the actual grant award and asked for the Board's approval of the following Resolution:

RESOLUTION NO. 16-21
RESOLUTION TO AMEND THE SOLID WASTE DIVISION 2016 FISCAL BUDGET
FOR THE MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY PURSUANT
TO N.J.A.C. 5:31-2.8

RECYCLING ENHANCEMENT ACT TAX ENTITLEMENT GRANT

WHEREAS, the Morris County M.U.A. on December 8, 2015 adopted the 2016 Solid Waste

Division budget to include the 2015 Recycling Enhancement Act Tax Entitlement Grant in the amount of \$200,000.00, and

WHEREAS, the Morris County M.U.A. received a grant award in the amount of \$293,806.00, the Solid Waste Division 2016 budget is hereby amended to increase the budgeted revenue and appropriation by \$93,806.00, and

WHEREAS, N.J.A.C. 5:31-2.8 provides that the Director, Division of Local Government Services may approve the amendment of the budget of any Authority or District when there are increases in budgeted revenue with corresponding increases in budgeted appropriations, and

WHEREAS, said Director may approve the amendment of the authority’s budgeted revenue and appropriations in equal amounts.

NOW, THEREFORE, BE IT RESOLVED, that the Morris County M.U.A. hereby request the Director of Local Government Services to approve the amendment to the 2016 budget as follows:

Increase Amended Revenue:

RECYCLING ENHANCEMENT ACT TAX ENTITLEMENT GRANT \$ 93,806.00

Increase Amended Appropriations:

RECYCLING ENHANCEMENT ACT TAX ENTITLEMENT GRANT \$ 93,806.00

CERTIFICATION

I hereby certify that the foregoing Resolution was adopted by the Morris County Municipal Utilities Authority at the regular meeting held on Tuesday, April 5, 2016.

MORRIS COUNTY MUNICIPAL
UTILITIES AUTHORITY

By: _____
James Barry, Vice Chairman

ATTEST:

Marilyn Regner, Secretary

MOTION: Mr. Druetzler made a Motion to amend the Solid Waste Division 2016 Fiscal Budget for the MCMUA – Recycling Enhancement Act Tax Entitlement Grant and Dr. Kominos seconded the Motion.

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

Vice Chairman Barry asked for the Board’s approval of the vouchers:

BILL RESOLUTION NO. 16-22

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. 16-22 containing 7 pages for a total of \$2,730,469.76 dated and made a part hereof by reference.

SUMMARY

CHECK NUMBERS

CAPITAL FUNDS		\$	0.00
WATER OPERATING FUNDS	3278-3297		395,518.91
SOLID WASTE OPERATING	6313-6340		<u>2,334,950.85</u>
	TOTAL	\$	2,730,469.76

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: April 5, 2016

BOARD CHAIRMAN APPROVAL

James Barry, Vice 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: April 5, 2016

DATE: April 5, 2016

Larry Kaletcher, Treasurer

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

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

Mr. Kaletcher mentioned that our auditors, Nisivoccia LLP, are in the final stages of completing our 2015 audit. Once we receive the final document, we will send each of you a copy for your review and arrange to have Bill Schroeder at our next meeting to field any questions you may have. In the meantime, please feel free to contact me with any questions.

CORRESPONDENCE:

With regard to correspondence, Mr. Schweizer mentioned Items 1 and 2 are related to the Washington Township police range proposal that we talked about last month. The first letter was from John Napolitano, County Counsel, to the Township of Washington advising them that the proposed use for this range does not qualify for recreation conservation purposes in accordance with the Morris County Preservation Trust Fund rules and regulations so they would need to apply for a diversion. Prior to applying for a diversion, you need to get jurisdiction confirmation from Green Acres. He mentioned that our belief is that Green Acres looked at this already and was going to suggest that they do not have jurisdiction because this project doesn't involve Green Acre funds which means the next step was to approach the County. He added that more importantly there is a lot of opposition to the range in Washington Township near the reservoir open space site and the Township Committee last week at their meeting decided to establish a committee to review the project, alternate sites, the need for the range and withdraw its application to the County for diversion at this time. It is not a closed deal, but most likely they will abandon the site if in fact they do pursue a police range. With regard to Item No. 3, the MUA received a check from the State in the amount of \$293,806 which is subject to the budget amendment. Item No. 4 was an interesting press release that was prepared by Larry Ragonese in the County Office, giving an overview of the Mosquito Commission and MUA joint program involving the collection and recycling of tires. Also, in additional correspondence this evening, there is a letter that DEP sent to Larry Gindoff dated March 23, 2016 which approved the Plan Amendment for the Jefferson Recycling Facility.

Letter dated February 9, 2016 to Andrew Coppola, Administrator, Township of Washington, from John A. Napolitano, Morris County Counsel, regarding the Washington Township Police Range Proposal.

Letter dated March 22, 2016 to Barbara Murray, Open Space Coordinator, from Andrew Coppola, Township Administrator, Township of Washington, advising that the Township Committee decided to establish an Ad Hoc Committee to consider the concept of an outdoor police range, potential sites, viability and alternatives.

Letter dated March 1, 2016 to Glenn Schweizer from Mary J. Pederson, Assistant Commissioner, NJDEP, advising of approval of the Authority's 2015 Recycling Enhancement Act Tax Entitlement Grant.

News Release dated March 30, 2016 from County of Morris, County Administrator, entitled "Joint Morris County Mosquito Division and MUA Discarded Tires Collection Effort the 60,000 Mark – Important For Mosquito Control And A Better Environment".

Letter dated April 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 March 2016.

Letter dated April 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 March 2016.

ENGINEER'S REPORT:

Mr. Holt reported on the following: (1) Roof Contract – Contract 36 is basically complete. We will withhold recommending release of retainage until the final punch list items are addressed that is expected in a week or two. That project will be complete; that is the Mt. Arlington Booster Pump Station and the two Flanders Valley wells. Continuing with this discussion, we are going to bid the other four roof replacements for Wells 1, 2, 5 and 8. D&B has furnished the 100% plans and specifications for that contract so with the Board's concurrence, we recommend that we go to bid for that in April in anticipation of reviewing and awarding the bid in May to enable to work on those roofs over the summer.

Dr. Nusbaum asked what is the life span of the shingles or the roof materials and what is the replacement that the MUA might look forward to in the future? Mr. Holt replied that is a good question because it is directly related to our Asset Management Plan. He explained that the component of the structure of each of these buildings which we call roof is being updated to reflect at least the 25 year useful life. For planning purposes that is what we are comfortable plugging in; in reality we expect these roofs to last longer. These are a liquid applied flat roof system so they should wear very well and very long.

Mr. Druetzler questioned if they are all flat? Mr. Holt replied yes, and that the planned concept was to make them pitched with a more conventional shingle roof and the expectation was that would be a lower cost approach and that didn't really play out and now we have gone back to this flat roof built up system. Mr. Druetzler asked is there a pitch to the flat roof? Mr. Holt replied it had a tapered, relatively gentle pitch. You can walk on the roof, but it will drain to the scupper level side so it shouldn't hold any water.

(2) Tank Project- Markewicz Tanks 1 & 2 – Tank 2 interior work is now complete. The Contractor has begun the preparations for exterior painting. He is currently off the site due to the temperature limitations and we expect him to return. He does have a commitment within our contract to deliver this tank back in service by April 24th. They have assured us that they will make

that but there is another progress meeting scheduled April 7th so we are going to be re-visiting that again to make sure that they don't delay us. We talked to the Operator and if this stretches a few days or a week, it is not a problem. We don't want to see it getting deep into May because that is when our demand patterns really start to pick up so everyone is aware of the urgency to get this done. We are 33% of the way through this total contract in terms of value of the work completed to date.; (3) Markewicz Pump Station – A question came up last meeting regarding the Markewicz Pump Station switchgear work that ATI, the contractor, electrical engineer that is going to be doing the preliminary investigations, comparison and alternatives. Those resumes were provided to our office and I can provide them to you also for your review, but we find that both Ralph Rocco and Joe Hendershot are qualified electrical engineers that will be doing the bulk of the work under that agreement. Mr. Platt thanked Andrew Holt for following up on that. Mr. Holt also mentioned that we will be meeting with them next week. Mr. Schweizer added that Ralph Rocco is the President and Senior Engineer of ATI and that is why there are two billing rates, but he gives us the more favorable billing rate.; (4) Scrub Oaks Well Project – Our allocation permit was submitted to the State and concurrently submitted to the Highlands Council. Highlands has pushed back a little bit with additional questions and information. We did just have a conference call with them on Monday and they articulated a little bit more clearly for us. They are going to put it in writing so that we have an action plan to respond to. But basically they want to know that the Scrub Oaks Well is a new source within the Highlands region, either complies fully with all of their policies and goals or we have extenuating circumstances that we can present to them as to why we are unable to achieve one or more of the goals that they have. They specifically highlighted the following points: we have to demonstrate that we don't have any other means of water supply; so we have to prove that we can't avoid this as our next solution. Mr. Schweizer said we will show them the Rockaway Well resolution. Mr. Holt said that he offered them to produce over 15 years of legal history of Morris County water. Mr. Schweizer added that DEP supported this new well idea. Mr. Holt replied that he thinks that is what is going to come down to. Mr. Holt added that if we had opportunities to avoid creating this as our new source, we had to explore that. We have done a lot of exploration so we have a good paper trail to make the case. Mr. Schweizer mentioned that ironically in a joint meeting with DEP and the Highlands Council when we were making the last push for the Rockaway Well, DEP told us two things: kill the Rockaway Well; and re-visit your Scrub Oaks Mine Well, we think that this has a chance.

Mr. Holt added that in addition to proving that there is no other game in town available to us, we also have to demonstrate that we are minimizing our impact on what is called net water availability. Each sub-watershed in the Highlands region a calculation has been made to determine whether that watershed has a surplus of water available or it is in deficit. So our withdrawal of water from the Scrub Oaks Mine and the nearby aquifers could be looked at as a deficit because every gallon that we take out of that well doesn't find its way back into the same watershed, it gets flushed or otherwise used elsewhere, exported from the sub-watershed, returned to the Rockaway River somewhere down the line but that sub-watershed is in a deficit and that is aggravating or contrary to what the Highlands rules say. So we have to prove to them that we are trying to minimize that adverse impact and I have a couple of concepts in mind in how we might do that.

Mr. Schweizer mentioned that when we sold this concept, the idea was that this is such a unique geology and in the most deficit ridden HUC according to the Highlands Plan, that the hydraulics going on in the operation of this well, is minimized because it is within a contained unit. Mr. Holt said it is almost insulated from the main aquifers. Mr. Platt added and recharging from somewhere and Mr. Holt replied sure over time and it's a delayed reaction. Mr. Holt said that we have to prove that we are going to minimize that impact and we also have to prove to them if we still arrive and create an adverse impact, how can we possibly mitigate that. Can we ask our customer base to agree to some other use restrictions or enhance recharge or the types of development activities that might foster improvements to the watershed or the nearby watershed. The Highlands Council is going to ask that we likely produce what is known as a Water Use Conservation Management Plan which is a little more detailed than just a Water Conservation Plan. It gets into those details as to how we could possibly mitigate the impacts of our deficit and otherwise control the usage in our service territory among our customer base; write our contracts a little differently perhaps.

Mr. Schweizer added that this is a couple steps backwards because when we met with them, a year ago May, Highlands did indicate that the MUA may have to help them in making their arguments to give us the Highlands determination approval. Mr. Holt mentioned that they didn't say it was going to be a problem but we had to give them enough evidence. They did also raise safety concerns but remember the DEP's concerns were if you de-water the mine multiple levels, what structurally will

happen to the mine and then you refill and drain. Our proposal doesn't propose to de-water the mine in any way; we are just taking enough water out of it that the recharge occurs and water static levels are going to be about the same. Mr. Holt mentioned that we have enough in our already produced paper trail on this over the last ten years to respond to these comments completely. They are raising the questions because it is all new players; everybody at the Highlands was not involved in the 2007 study.

Dr. Nusbaum asked if you are talking about having to start changing municipal contracts and getting different approvals at all different levels. Mr. Holt replied only for new customers. The only ones we are concerned about are what the Roxbury and Randolph agreements say about when you develop a new source what our obligations to them might change. We may need to get their concurrence or acceptance of some condition that would enable us to put this water to the benefit of some other entity if they don't need it.

Mr. Holt mentioned that this is the feedback that we are getting right now. We will wait to see what they put in writing to us and it might be appropriate at a Water Committee Meeting to talk about what our response and what our level of effort should be over the course of this year to respond and make our case.

Mr. Platt asked Mr. Holt to prepare a cost estimate for Suburban's effort to respond to the Highland's request.

Mr. Schweizer asked Mr. Holt if this is consistent with the some of the work you did in Clinton and Mr. Holt replied it is very consistent with it. Although this is unique because it is the mine aspect and the relationship between the aquifer and the mine. However, in Clinton I had to go through the same exercise. In 2007, we objected to the Highlands regulation, not on a legal basis, but at least vocally and publicly and prepared a Water Use Conservation Management Plan and that enabled Highlands to basically sign on our new allocation permit which did indeed aggravate a net water availability deficit, further withdraw groundwater as an export and in many ways violate or contradict what the Highlands goals and policies were. However, because we developed this Water Use Conservation Management Plan and would abide by it, they could sign on the bottom line and say DEP we endorse this new source allocation. That was relatively simple, it was a well pulling from an aquifer where everything was known. Here we have the added complexity of a mine source of very large volume and what the relationship between it and the aquifer is. Mr. Schweizer asked can't we integrate the perspective of DEP and NJGS and haven't they gone on record? Mr. Holt replied they were not on the call; so again this is strictly DEP and they said we can't review this until we hear from the Highlands. The Highlands said they are going to put in writing their concerns for you to address them. Mr. Schweizer mentioned that it was DEP that pushed the Scrub Oaks Mine because they saw the validity of what we have been telling them over the years and it was an easy thing for them to grasp and approve especially since the NJGS people were in agreement with the geology and the mine concerns. Mr. Schweizer suggested as part of our analysis to include their perspective if it is still positive. Mr. Holt ended by saying that he will get their letter in writing and will outline what they believe would be the necessary effort to produce a meaningful response of submission to them and also coordinate with DEP on how to keep this moving forward in a positive way.

On the same topic Scrub Oaks, Mr. Holt reported that the water quality sampling was conducted on March 1st and there is good news to report, no regulated contaminants of concern other than iron and manganese which you would inspect in groundwater storage in this area and the red flag is the turbidity, which is the particles in the water. The good news is on an iron and manganese treatment facility, you have a pretty aggressive filtration step which would also address the turbidity. The concept in treatment now that we know that the new water quality data is consistent with the old water quality data no surprises or shocks here so now we can also satisfy the some of the questions of both the DEP and the Highlands Council has regarding water quality.; (5) Southeast Morris County M.U.A. – We did question their final year end bill for our purchase of their water at Clyde Potts. That booster pump has been the subject of a discussion and an ongoing review with all three parties, N.J. American Water, Southeast Morris County M.U.A. and Morris County M.U.A., that there needs to be an improvement down there if it is going to be a long term reliable source to our system benefiting N.J. American. We were able to demonstrate to Southeast by virtue of the hydraulics, the way their supply line to our pump works, sometimes the pressures are relatively low in that line when they are not making water at their Clyde Potts Reservoir and our pump is just not able to move our contract amount into our gradient to deliver to N.J. American. So making that

argument, we just asked for consideration on the bill because we are precluded from taking our contract amount under those scenarios.

Lastly, Suburban Consulting Engineers is happy to be in our new headquarters in Roxbury Township on Route 206 and May 4th from 4 to 8 p.m. we are having an Open House so hopefully you will be seeing an email announcing that. You are all invited to stop in and see our terrific production facility.

Mr. Schweizer asked Andrew to report on the polycoat paint option. Mr. Holt mentioned that on the tank interiors on the Markewicz Tank painting project, we opted to have applied the 100% solids epoxy that is going in Tank #2. Sherwin Williams and Alpine Painting both have come to us and proposed if we would consider use of another superior product and they were offering it at the same value and the options of additional warranties. Their incentive is to get this product installed on water storage tanks in North Jersey to demonstrate its capabilities. There is an upside to this where we get some added benefit and if we can convince ourselves that there are relatively no risks associated with the product, because it has been used widely in other pipe lining applications. He would like to have this discussion with the Water Committee. We don't have to make the decision tonight or next month, but for the Fall when we anticipate them coming back to paint Tank #1, we would need to have opted to say "yes" or "no" on their offer. Mr. Schweizer asked would we be ready for the May meeting and Mr. Holt replied definitely. Mr. Schweizer mentioned that we had a brief discussion on this when they asked us for the first tank and we said no, let's go with the 100% solids epoxy and deferred the decision on this new system and we want everyone to have the benefit of all the information and decide which way we want to go. Mr. Schweizer will reach out to the Water Committee members to see if we can schedule a Water Committee Meeting on May 10th.

Dr. Nusbaum asked if this new system ever been used in any other water storage tanks where the water is basically more dormant than going through conduction pipes and what is their testing to show it is not going to deteriorate the water quality? Mr. Holt said that he will definitely have evidence and whatever they can produce available for discussion. Mr. Holt mentioned that they are actually scheduled to paint a water storage tank for Suez, formerly United Water this Spring in either upstate New York or New Jersey. He will find out the name of it and where it is.

PROJECT STATUS

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

The Contractor has completed the application of the liquid applied roofing system, roof rehabilitation, and site restorations. The Contractor has begun the project close out procedures which include release of liens, certification of product warranties, submission of final payment and release of retainage. The Contractor had minor punch list items which include the replacement of the damaged exterior lighting at the Mount Arlington Booster Station, which is expected to be replaced before next board meeting.

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:	120	67%
Days Remaining:	60	33%

Original Contract	\$215,340.00
Approved Change Orders	\$0.00
Total Value of Contract:	\$215,340.00
Total Value of Work Complete:	\$161,500.00
Percent of Work Complete:	75%
Total Retainage to Date	\$3,230.00

Previously invoiced: \$158,270.00

Due to project completion, the Contractor has not submitted partial payment, but final payment including release of retainage is expected before next meeting.

2. Roof Repair Project, Contract No. 36A (Four MCMUA Roofs)

D&B Engineers has prepared the drawings and specifications for phase II, New Roof Structure and Roof at Four (4) Pumping Stations New Roof Installation Project. The location of the roof repairs are Alamatong Well #1, #2, #5, and #8. We have performed a review of the plans and specifications and recommend this project go to bid in April with receipt of bids in time for review and recommendation for Award at the May Board Meeting, if bids are successful.

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

- A. The Contractor has completed the application of the 100% solids coating system for the interior of Tank #2, and installation of the tank mixing system. The Contractor has started surface preparations, aggregate blasting, and the application of prime coat on the exterior of Tank #2. The Contractor has also completed the installation of roof vent, and the change order work on Tank #1 installation of steel plates on cathodic protection holes.
- B. The Contractor has submitted Payment Request #2 for Tank #2 in the amount of \$245,199.92 following the work complete to date, as well as Payment Request #1 for Tank #1 in the amount of \$28,949.20. We have reviewed the Contractors payment requests for verification of work complete and find the requests accurate. Therefore, we recommend the Executive Director process the Contractor Payment Requests #2 for Tank #2 and #1 for Tank #1.
- C. Progress Meeting No. 2 was held on Thursday March 10th at the Markewicz Pump Station. Progress Meeting No. 3 is scheduled for April 7, 2016 at 2:00 pm. The Contractors schedule was reviewed and discussed at Progress Meeting No. 2 and the Contractor indicated confidence in the ability to achieve Milestone 1 – Tank #2 back in service for the April 24th completion date.
- D. An introductory meeting was held with Sherwin Williams personnel to review interior tank coating options in more detail in preparation for Tank #1 (Front Tank) which is currently scheduled to be performed in the Fall. We would like to schedule a Water Committee meeting before the May Board meeting to review and discuss the potential outcomes of the Sherwin Williams meeting.

Project Completion Summary

Original Contract Completion Time		April 1, 2017
Approved Time Extensions	0	Calendar Days
Current Contract Completion Time		April 1, 2017
Milestone 1 – Tank #2 (Rear Tank)	90	Calendar Days
Milestone 1 – Completion Date		April 24, 2016
Days Elapsed:	89	20%
Days Remaining:	361	80%

Original Contract	\$2,145,100.00
Recommended Change Orders	
#1 Tank #2 100% Solids Alternate Bid Item	\$32,300.00
#2 Tank #2 Cathodic Protection Steel Plates and Vent Removal	\$7,400.00
#3 Tank #1 Cathodic Protection Steel Plates	\$14,500.00
Total Recommended Change Orders	\$54,200.00
Current Total Value of Contract:	\$2,199,300.00
Total Value of Work Complete:	\$733,484.00
Percent of Work Complete:	33.4%
Total Retainage to Date	\$14,669.70

4. Markewicz Pump Station Switchgear and Electrical Upgrades

- A. Resumes were provided for Associated Technology, Inc. employees which will be working on the Markewicz Pump Station Switchgear. ATI advised the Senior Engineer hours will be performed by Principal Electrical Engineers Ralph Rocco and Joseph Hendershot. Those employees bill at Senior Engineer rate on certain projects. We have reviewed the credentials and find those employees are qualified to perform the Engineering Design of the Markewicz Pump Station Switchgear and Electrical Upgrades. ATI anticipates performing preliminary document research and setting up a project kick-off meeting the week of April 11th, 2016.

5. Scrub Oaks Allocation Evaluation

- A. The Scrub Oaks Allocation Permit is currently being evaluated by Jim Hutzelmann of the Highlands Council for a Highlands Consistency Determination (CD). Due to the complexity of the proposed project, the Highlands Council has scheduled meetings with NJDEP to ensure a unified response. A meeting between NJDEP and the Highlands Council was held the week of March 21st. The MCMUA and SCE are awaiting comments following that meeting, which are expected to be received the week of April 4th.
- B. Following the Scrub Oaks Water Quality Sampling event which took place over a period of 24 hours between Tuesday March 1st and Wednesday March 2nd, Uhl Associates has received the preliminary results. Uhl Associates is currently preparing a formal water quality report of the sampling results but it has been determined there are excess levels of Iron and Manganese. These results were as expected and consistent with the previous water quality testing performed on the well. Upon receipt of the water quality report, we will begin developing treatment process concepts, and preliminary cost estimates.

GENERAL

1. SYSTEM

- A. SMCMUA had previously submitted an invoice for the Agreement Shortage for 2015 for a deficit of approximately 25.341 MG which was not billed during the year. We have performed an investigation which included the evaluation of the Clyde Potts Booster Station SCADA history. It was determined there were approximately 170 days in 2015 when the operation of the SMCMUA Water Treatment Facility prevented MCMUA from obtaining the minimum take-or-pay agreed amounts. SMCMUA was notified of the investigation and results and we are currently awaiting formal response.

SOLID, HAZARDOUS & VEGETATIVE WASTE REPORT:

Mr. Gindoff gave an update on the transfer station tonnage numbers. He overestimated by 85 tons what we would get for the month; the total tonnage for the month of March was 32,186 but still a 9.28% increase compared to last March and so the transfer stations are still trending very well for this year. We are trending over 400,000 ton for this year.

Mr. Druetzler asked why do you think this is happening all of a sudden and Mr. Gindoff replied he can't say. He will provide an analysis on that for next month.

Mr. Gindoff mentioned that we submitted the Plan Amendment for the J.P. Mascaro contract to the State. In an issue that may or may not be related to the J.P. Mascaro contract, DEP asked J.P. Mascaro to have a discussion about their annual report that they submit which is related to their provision of utility fees as a regulated utility, talking about how much money they made with respect to our contract. Those discussions led to the concept that DEP is asking Mascaro and the MUA to enter into some sort of Management Agreement which we have never entered into before with any of our other contracts like with our Waste Management contract. Brent Carney has been given a copy of the draft Management Agreement that Bill Fox of Mascaro has drafted just to present something that would in essence say that the management agreement is the contract that we

entered into, nothing more. So we are having Joe and Brent's office look at this and whether we need to enter into the management agreement or not. DEP thinks that we need to do so, and we are not sure whether we need to or not until we discuss it with Joe. We will be back to you in the future with a resolution on this matter. Dr. Nusbaum asked have they done that in any other County or is this something new? Mr. Gindoff replied that he doesn't know. Mr. Maraziti commented that it doesn't seem to fit our situation based on the reading of the rules. Maybe there is some miscommunication here because apparently there was some discussion about it being in place of the Solid Waste Management Plan Amendment but we are processing that. Mr. Maraziti said they got this today and it doesn't seem like it adds up but we will let you know.

Mr. Schweizer mentioned just to clarify it, while we don't have a management agreement, we have an Operations and Maintenance Manual that specifically outlines total operations responsibility as part of our Mascaro contract. Mr. Maraziti mentioned that the regulations seem to imply that you have one of these when the private entity has the power to hire and fire and to acquire equipment. He mentioned that Mascaro can do their own hiring and firing and buying equipment but they can't do ours, so this doesn't seem to mesh exactly with what is going on here and we can't figure it out yet.

Mr. Gindoff mentioned that last Wednesday night he attended the Open Space Trust Fund Committee, which was the first meeting of the year. There was some talk about this gun issue in Washington Township being a potential issue of that Committee but this issue is on hold and it wasn't a matter before the Committee. The Committee should start hearing applications later on in the year in the summer as they start to come in for open space projects.

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

RESOLUTION NO. 16-23
RESOLUTION AUTHORIZING PROCUREMENT OF
SCARAB WINDROW TURNER TRACK ASSEMBLY FABRICATION

WHEREAS, the Morris County Municipal Utilities Authority (hereinafter the "Authority") owns and operates a Scarab windrow turner for the maintenance of compost windrows at the Authority's Mount Olive compost facility; and

WHEREAS, an emergency situation developed with respect to the operation of the Scarab windrow turner at the Mount Olive compost facility by virtue of a mechanical breakdown of the track subassemblies on February 17, 2016; and

WHEREAS, upon consultation with Authority Staff and Counsel, the Executive Director authorized the emergency acquisition of equipment in order to provide for the continued operation of the Scarab windrow turner. Operating the windrow turner is required for the maintenance of compost windrows in order to operate within the permitted requirements of the facility and for the avoidance of negative health and environmental impacts; and

WHEREAS, under the Local Public Contracts Law, N.J.S.A. 40A:11-6, a contract may be awarded without public advertising for bids and bidding when an emergency affecting the public health, safety or welfare requires the immediate fabrication and shipment of track subassemblies; and

WHEREAS, the Authority is satisfied that, for the reasons articulated in the written requisition from the Executive Director, attached hereto and made a part hereof, the proposed emergency procurement is justified and meets the requirements of the Local Public Contracts Law and N.J.A.C. 5:34-6.1.

NOW, THEREFORE, BE IT RESOLVED by the Morris County Municipal Utilities Authority in the County of Morris and the State of New Jersey on this 5th day of April, 2016 as follows:

1. The Authority hereby confirms the actions taken to meet the emergency condition and the award of a contract for the fabrication and shipment of track subassembly units by Eagle Truck Equipment, 40 Pottstown Pike, Uwchland, PA 19480 on a time and materials basis and at a cost not to exceed the amount of \$76,427.00

2. This Resolution shall take effect as provided by law.

CERTIFICATION

I hereby certify the foregoing Resolution was adopted by the Morris County Municipal Utilities Authority at a Regular Meeting held on Tuesday, April 5, 2016.

Morris County Municipal Utilities Authority

By: _____
James Barry, Vice Chairman

ATTEST:

Marilyn Regner, Secretary

MOTION: Mr. Druetzler made a Motion to authorize procurement of Scarab Windrow Turner Track Assembly Fabrication to Eagle Truck Equipment in the amount of \$76,427.00 and Dr. Kominos seconded the Motion.

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

TRANSFER STATIONS

Tonnage – For the month of March 2016, the quantity of solid waste accepted at the two transfer stations for disposal is projected to be 32,271 tons. This projection is based on actual disposal tonnage delivered to the transfer stations through March 29, 2016 with two days remaining in the month. The actual tonnage accepted for the month will be provide to the Board at the April 5 meeting. The projected March 2016 tonnage is 9.75% more than the 29,452 tons accepted a year ago in March 2015. For the first quarter of 2016 the tonnage is projected to be 9.92% greater than the tonnage accepted in the first quarter of 2015 and based on tonnage projected from the first three months of the year, for 2016 the annual total tonnage is currently projected to be 402,786 tons which would be 5.23% more than the 382,920 tons accepted in 2015. Please refer to the Transfer Station Disposal Report by Month for additional information.

Permits: With respect to the status of the Air Pollution Control permit for the Parsippany-Troy Hills Transfer Station, a January 7, 2016 permit application was submitted by Alaimo Engineering on behalf of the MCMUA. Following the initial submission, NJDEP indicated that a revised certification had to be submitted which was immediately provided. In late March, Alaimo Engineering had conversations with the Air Permitting office of NJDEP to see if anything was still outstanding and the Air Permitting office indicated the permit submission was complete with the exception that odor management, as part of the air pollution system, needed to be added. Alaimo Engineering is preparing a response to this deficiency regarding odor issues and will submit it to Air Permitting very shortly. Air Permitting is cooperating with Alaimo to allow them to submit a revision to the submission for this odor deficiency as opposed to denying the submission and making Alaimo submit an entire new application. The NJDEP Air Compliance office has been kept apprised with respect to our progress with the submission of a March 1, 2016 status report to Air Compliance. This submission of every other month status reports is required in accordance with the Administrative Consent Order executed between the MCMUA and NJDEP.

Plan Amendment to Included J.P. Mascaro Transfer Station Contract – The March 9, 2016 public hearing was conducted by the Board of Chosen Freeholders on this matter. At the hearing, there was one member of the public that inquired about the reason for the Plan amendment which was addressed by MCMUA staff. Following the public comment, a resolution approving the Plan amendment was unanimously adopted by the Freeholders. A transcript of the hearing was received by County Counsel in late March and the packet to submit to NJDEP was also sent down to Trenton following the receipt of the transcripts.

Transfer Station Roof Repair – Arco Construction Inc., the firm selected to perform the roof repairs at the two transfer stations, started with the physical repairs to the roofs at the beginning of March by preparing the roofs for the application of the roof coatings once the temperature gets warm enough to allow for such application. This includes performing structural steel repairs at the Mount Olive transfer stations. The entire roof job is scheduled to be complete by mid-May.

SOLID WASTE MANAGEMENT PLAN

Jefferson Recycling Administrative Action Modification - In a letter dated March 8, 2016, the MCMUA sent a letter to NJDEP requesting an administrative action request to amend the Morris County Solid Waste Management Plan with respect to the operation of the Jefferson Recycling Class B recycling facility located at 710 Route 15 North in Jefferson Township. The request for modification proposes to add the acceptance and processing of source separated natural wood waste to the already approved acceptance and processing of concrete, brick and block. The proposed addition of the new wood material would not increase the facility's existing approved capacity of 700 tons per day. Prior to issuing the March 8 administrative action request, the MCMUA had received a positive endorsement of the proposed change from the Jefferson Township Council in the form of a March 2, 2016 resolution. Following the planning change approval by NJDEP, Jefferson Recycling would have to modify its NJDEP Class B general approval to allow for this additional type of material and operational changes associated with it.

HOUSEHOLD HAZARDOUS WASTE MANAGEMENT

Program Participation and Events – During March 2016, a total of 75 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 February 2016, when 105 participants used the facility. March 2016's participation represents an decrease from last year when only 109 participants used the facility in March 2015. Three one-day HHW events are currently scheduled for 2016. The first will take place on June 4, 2016 at the Public Safety training academy with an additional fall program at the Academy on September 10 and the final disposal day of the year on October 1, 2016 at Chatham High School.

VEGETATIVE WASTE MANAGEMENT – March 2016

Facility Report –The vegetative waste figures for March 2016 were still being compiled when drafting this report and therefore, the vegetative waste figures will be provided to the Board at the April 5 meeting. Regarding residential deliveries of truckloads of compost and mulch, the MCMUA started taking orders on March 14 for deliveries from April 11, through September 23, 2016.

Emergency Resolution – Scarab Repair

As reported to the Board at the March meeting, the Scarab windrow turner at the Camp Pulaski site needs to have its tracks repaired in order to keep the facility operating as approved. Staff received quotes to purchase new track assemblies and to have them installed. Since the price of the track subassemblies is greater than the quoting threshold of the MCMUA and since without their expedited assembly, delivery and installation an emergency exists in that the facility cannot operate in accordance with its general approval, the MCMUA is facing an emergency to get the Scarab repaired. As such, following the March Board meeting, MCMUA Staff issued a purchase order to have to track subassemblies fabricated as soon as possible. These tracks are being assembled at this point and are expected to be delivered and installed in the upcoming weeks. To complete the emergency declaration by the MCMUA, a resolution will be prepared in consideration of the general requirements authorizing emergency purchases (N.J.A.C. 5:34-6.1) for the Board's consideration at the April 5, 2016 meeting.

RECYCLING REPORT:

Ms.. Hourihan mentioned that unfortunately she did not have a full month's worth of data for March on the tonnage that we collected in our program and it actually came in as a total of 1,394 tons for the month of March which is up a bit over last March. She mentioned that next month she will have a full report that will give a breakdown of all the materials.

Ms. Hourihan also mentioned that the County Office of Emergency Management has a mass notification system called Everbridge, which is used for emergency purposes but also can be used for non-emergency purposes. She mentioned that for the emergency notification of municipalities to their residents that is done through Verizon to get communications to the residents but the non-emergency notifications are done through residents opting in to get those notifications. These notifications can be gotten through an email, a text on your phone or give them your phone number and they will leave a voice message. So the Office of Emergency Management had a meeting last week to raise awareness to this system and that it can be used for all these non-emergency purposes. Ms. Hourihan attended the meeting to find out if the MUA could take advantage of this system with the municipalities and the curbside program and it sounds like something we could do where the town may offer the MUA Recycling Department as a type of message that the resident could opt in for. It would also be great for snow cancellations or rescheduling due to a holiday collection and we could even use it for some educational purposes. The Office of Emergency Management is having a training session in April on how to use the system, which I plan on attending. She hopes to offer this as another service to the towns who are in our program.

Dr. Nusbaum asked what is the end market for tires; are they being integrated into other products, road re-paving? Ms. Hourihan replied that she does not know of any road re-paving projects, but has heard in the past from seminars possibly being used for that purpose but not being used locally. We deliver our tires to Casings in Hillside and they sell to a company that makes crumb rubber which is used for playgrounds and different types of bedding applications, and the other use would be for tire derived fuel which means it would get burned for energy. She mentioned that we used to use Rubbercycle but they had a problem with taking dirty tires from us because of them having dirt and rocks in them when they put it through their grinder. Dr. Nusbaum said the reason for his questions that with the Zika Virus which might travel with its mosquito borne home maybe to Jersey or other areas, we maybe want to ask our recycling coordinators on a municipal level to start alerting the public that they have to be responsible with the tires and not to discard them and that it is a breeding ground for mosquitos. It could be a public health hazard. Ms. Hourihan replied that is what the press release was trying to accomplish to dispose of tires properly. There are a number of municipalities that do offer a tire program for their residents and if your town doesn't take them, the MUA offers an option to bring them to the Parsippany Transfer Station.

Dr. Nusbaum asked if the article mentioned the Zika Virus and Mr. Schweizer replied yes, that the Mosquito Department is really running this program and the MUA is helping them. That is their sole target; there have been press releases and the County has been issuing tweets because there is a health concern and that is why Larry Ragonese drafted the Press Release to go hand in hand with the upcoming Spring and the expectation of mosquitos. Mr. Druetzler added that you have to do more than just spraying, you used to be able to channel the water so it wouldn't sit around and part of the program is gone.

Recycling Operations

Revenue and Tonnage – The January statements were finalized at -\$7,954 for the old contract portion of January and -\$4,262 for the new contract portion of January for a total of -\$12,216. The preliminary February statement was received on March 9 in the amount of -\$26,372. These negative amounts are owed to ReCommunity.

The tonnage collected by the MCMUA for recycling during March through March 18 was 828 tons. Due to the timing of the meeting and a vacation, the data for the month is not complete. Staff will try to have final total for March at the meeting on April 5. The monthly tonnage is shown by material and by customer on the attached report.

ReCommunity Contract for the Marketing of Single-Stream Recyclables – As mentioned in previous reports, part of the new ReCommunity single-stream recycling marketing contract requires a protocol for performing on-going composition audits of the recyclables. The composition of the recycling mixes is one of the determining factors in calculating the cost to market the MCMUA's recyclables. In February, staff prepared a breakout by town of total tonnage to establish a how to take samples on a proportional basis for the audit. This breakout was sent to ReCommunity to aid in their drafting of the protocol. On March 22, staff received the draft protocol prepared by ReCommunity. Staff met with CHA, our technical expert, on

March 30, to review the draft protocol and will be asking ReCommunity to fill in some additional details about the protocol that were overlooked before we provide more detailed comment.

As a result of a change in how scrap metal is counted in our new ReCommunity (it will now be counted as residue), Chris Vidal created a new flyer to educate residents about unacceptable metal items in the single-stream. ReCommunity approved the flyer on March 7. See attached new flyer.

Boat Shrink Wrap Program – This year’s boat shrink wrap recycling collection program will run from April 2 to June 13. A press release has been sent, information was posted on our web site and information was emailed to the Lake Hopatcong Foundation. Staff has received some quotes on the sale of the material and will sent a test load to a new market.

Events/Education/Miscellaneous

Clean Communities – On March 8 & 9, Liz Sweedy attended the 2016 Morris Arts in Education Showcase held at Drew University. Liz saw several new environmental presenters/performers which will work well with the Clean Communities litter abatement message. Additionally, on March 10, Liz gave a Clean Communities orientation session to the new Roxbury Township coordinator. The Keep Morris County Clean (Slam Dunk the Junk) program for this year was advertised in February and the application forms are beginning to come in. Educational Programs: The MCMUA funded 7 educational programs so far in March and has another 2 programs scheduled for the remainder of March in schools in Florham Park, Harding, Long Hill, Mt Arlington, Parsippany, Rockaway Borough, Rockaway Township and Washington. Road Clean-ups: The MCMUA hired Adopt a Highway Litter Removal Service to do two road clean-ups in March on the 10th and the 24th. A total of 5 miles (10 miles counting both side) were cleaned in Roxbury and Wharton.

Food Waste Legislations – On March 14, the New Jersey Association of Counties (NJAC) sent an email to all County solid waste divisions asking for input on a letter the NJAC had drafted in response to S-771, a bill, which requires large food waste generators to separate and recycle food waste and amends definition of “Class I renewable energy.” On March 17, staff responded to the NJAC’s email requesting comments on their letter. See attached emails and draft letter prepared by the NJAC.

MCMUA 2016 Awards Luncheon – The luncheon is scheduled for Friday, May 20 to start at noon at the Frelinghuysen Arboretum. The luncheon will follow a morning municipal recycling coordinators meeting. The award recipients have been notified and the caterer has been booked. The speakers for the morning meeting are being confirmed.

Recycling Inspections/Outreach – During March, a total of 23 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 March 2, staff and the Rockaway Township recycling coordinator met with a General Manager of Tyco Simplex and a representative of Unity Construction at 200 Forge Way in Rockaway Township regarding some transfer station loads during January and February that contained recyclable materials. A supervisor for Unity Construction had signed the construction permit which included recycling information, yet the company was not recycling. During the meeting the General Manager said she would start a recycling program in her offices.
- On March 15, staff met with the property manager of Mt Arlington Corporate Center. There are 3 office buildings located at 100, 200 and 400 Valley Road in Mt Arlington. There was little to no recycling going on in the offices. There are 51 different companies in the buildings. The manager was very receptive and eager to get a recycling program started.
- On March 24, while inspecting a load from the Morristown Medical Center for medical waste, it was noticed that there was an inordinate amount of mandated recyclables in the waste. Staff is following-up with the Medical Center to address this issue.

M.O.R.E. (Morris Office Recycling Excels) Recycling Program – On March 2, staff visited Homeless Solutions in follow-up to the meeting in February. Recycling signs were hung over containers and container were labeled throughout the facility. Later, on March 10, staff visited again to inspect the recyclables and found a notable improvement in the material, a nice accomplishment.

Miscellaneous Presentations/Meetings/Conference Calls/Correspondence

- On Friday, March 11, Cheryl attended the Public Policy portion of the Recycling Certification Series. This was he 18th class out of the 22 day course.
- On Wednesday, March 16, the MCMUA hosted a municipal Recycling Coordinators meeting at the Cultural Center. David Oettinger, of Wilmington Paper Corporation, was the guest speaker. He discussed his background in Colorado with “Zero Waste” and the waste audit he did at his company.
- On March 16 and 21, staff spoke with Dini Checko of ANJEC (Association of New Jersey Environmental Commissions) about a meeting she is planning which will focus on education and action for recycling. Staff gave Dini 3 ideas for agenda topics.
- On Tuesday, March 22, staff met with representatives the Picatinny Arsenal to discuss switching to single-stream.
- On Wednesday, March 23, staff attended the ANJR (Association of New Jersey Recyclers) Annual meeting held at the Eco Complex in Burlington County.
- On Tuesday, March 29, staff met with the principal of Pequannock Township High School to discuss a plan to improve the recycling program. The principal registered all the schools in Pequannock in the Sustainable Jersey program for schools.

PUBLIC PORTION:

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

OLD BUSINESS:

With respect to the Morris Commons litigation, Mr. Maraziti mentioned that the conference call was put off for a month but he has every expectation that when that takes place or soon thereafter that we and other public defendants will be out of the case because there is no further relief needed from us and we have done everything that we could have been asked to do. The water has been allocated in accordance with the way that it was going to work for the Pond View project, which would then free up water for the other affordable housing projects in Rockaway Township. So this should be ending very soon

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

NEW BUSINESS:

Mr. Schweizer mentioned that there are two letters in your packet regarding Assembly Bill No. 2281. We were notified rather late that there was a proposed Assembly Bill No. 2281 that was going to establish the Smart Container Act, also known as the Bottle Bill in New Jersey. There was a chance that the Assembly and Environment Committee was going to have hearings on this within a couple days so we drafted a letter dated March 31st in opposition to the proposed legislation identifying the enormous amounts of efforts, resources, funds and programs that have been established here in New Jersey since the 1980’s in response to the Source Separate Mandatory Recycling Act and essentially resulting in one of the premier recycling programs in the country. To include a bottle bill that they are suggesting would likely undermine that investment and take away some of the results and when you are in a poor market too that doesn’t help support a recycling effort. He read an article in the paper about the Mayor in Newark trying to address the prospect of lead in their water system and they were forcing that issue onto this bill. So this bill was amended to take the proceeds from the beverage container act that is proposed and use the proceeds to help fund the Healthy Schools and Lead Abatement Program in Newark. Seeing the potential of this moving quickly with the help of Kathleen and staff, we drafted a letter here for you to see before we released it. It is to all Morris County Delegation and it is essentially the same message that we sent on March 31st but it expands the thought to include two more thoughts: if they adopt the beverage container legislation, that sunsets the recycling enhancement act which provides all the recycling rebate monies to the municipalities and the counties to operate their recycling programs, not to

mention Morris County's Household Hazardous Waste efforts. So with that sunseting, not only does that functionally undermine the New Jersey's investment and policies and programs and facilities and services of recycling, it also takes a lot of the funding away and that would totally collapse the recycling system. We did put in a qualifier that while we do support the concern about the Healthy Schools and Lead Abatement Program and the water issues in urban areas, it should not be tied to solid waste and recycling. We are going to urge our Assembly people to vote NO if it comes on the floor.

Marilyn Regner mentioned to the Board that an email forwarding the link for filing Financial Disclosure Statements was been sent out on Monday, April 4th and advised them to file their statements as soon as possible.

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

There being no further Business, Vice Chairman Barry asked for a Motion to adjourn the meeting at 8:05 p.m.

MOTION: Mr. Platt made a Motion to adjourn the meeting at 8:05 p.m., seconded by Dr. Kominos and carried unanimously.

Marilyn Regner
Secretary

/mr