

MINUTES OF REGULAR MEETING

AUGUST 9, 2016

The Regular Meeting of the Morris County Municipal Utilities Authority was held on August 9, 2016 at 7:01 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.

Chairwoman Szwak requested a roll call.

PRESENT: Mr. James Barry, Mr. Frank Druetzler, Mr. Christopher Dour, Mr. Fletcher Platt and Ms. Laura Szwak.

Mr. William Hudzik entered the meeting at 7:04 p.m.

ABSENT: 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; and Kathleen Hourihan, District Recycling Coordinator.

Chairwoman Szwak asked for the Board's approval of the Minutes and Closed Session Minutes of the Regular Meeting of July 12, 2016.

MOTION: Mr. Dour made a Motion to approve the Minutes and Closed Session Minutes of the Regular Meeting of July 12, 2016 and Mr. Barry seconded the Motion.

ROLL CALL: AYES: 3 NAYES: NONE ABSTENTIONS: Mr. Platt & Ms. Szwak

TREASURER'S REPORT:

Mr. Kaletcher presented the Treasurer's Report for the Solid Waste Operating, Water Operating and Capital Accounts for the month of July 2016. Also included are the Comparative Balance Reports for the Solid Waste and Water Divisions for July 2016 and the investment transaction report where there were no new investments for the month of July 2016. These reports have been incorporated in these Minutes.

(Mr. William Hudzik entered the meeting at 7:04 p.m.)

Chairwoman Szwak 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. Dour seconded the Motion.

Mr. Druetzler asked if we received the money from the County capital for \$1M dollars and Mr. Kaletcher replied that we have an account established with the County. However the way it is going to work is when we incur bills, we will submit a reimbursement for them.

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

Mr. Kaletcher mentioned that the MUA's energy supply contract with EMEX, LLC is set to expire on September 23, 2016. By securing this contract along with the one price, it will enable us to get favorable pricing as a result of a reverse on-line auction facilitated by Energy Market Exchange (EMEX, LLC). Resolution No. 16-39 authorizes EMEX to conduct a reverse on-line auction and allows the MUA to execute a contract with the lowest responsible bidder. A recent preliminary

pricing analysis shows a savings of approximately 6.5% for the MUA. Mr. Carney asked if that is over the course of two years and Mr. Kaletcher replied correct.

Mr. Hudzik asked if this is less than what JCP&L would charge us? Mr. Kaletcher replied yes. Mr. Carney added that actually the Resolution provides that neither Glenn nor Larry are authorized to sign a contract unless the distribution costs are less than what JCP&L is charging.

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

RESOLUTION NO. 16-39
RESOLUTION AUTHORIZING THE PURCHASE OF ENERGY GENERATION SERVICES FOR PUBLIC USE ON AN ONLINE REVERSE AUCTION WEBSITE

WHEREAS, the Local Unit Technology Pilot Program and Study Act (P.L. 2001, c.30) authorizes the purchase of energy generation service for public use through the use of an online auction service; and

WHEREAS, EMEX, LLC, having a business address of 11011 Richmond Avenue, Suite 500, Houston, Texas has proposed to conduct online reverse auction for the procurement of electric generation for the Morris County Municipal Utilities Authority (the "Authority"); and

WHEREAS, on November 9, 2011, EMEX, LLC was approved by the State of New Jersey, Department of Community Affairs, as a vendor to offer an online reverse auction platform for the purchase of energy generation services by local contracting units in New Jersey, as was issued waiver number EMEX LLC-1; and

WHEREAS, there is no fee charged to the Authority by EMEX, LLC for the services associated with the reverse auction; and

WHEREAS, EMEX, LLC is paid by the successful bidder for electricity generation services.

NOW, THEREFORE, BE IT RESOLVED by the Morris County Municipal Utilities Authority, in the County of Morris, State of New Jersey, on this 9th day August, 2016 as follows:

1. The Authority authorizes EMEX, LLC to conduct an online reverse auction for multiple terms, not to exceed two years, at no cost to the Authority, for procurement of energy generation services provided that said auction is in accordance with the Local Unit Technology Pilot Program and Study Act (P.L. 2001, c.30), the Local Public Contracts Law, N.J.S.A. 40A:11-1, and the form of energy generation services contract that is the subject of the online reverse auction bid is approved by the Authority's staff and counsel.
2. Provided that the aforementioned conditions of Paragraph 1 of this Resolution are satisfied, the Executive Director and/or, in the alternative, the Treasurer, are

authorized to execute a contract with the lowest responsible bidder, not to exceed a term of two years, that results from the aforementioned online reverse auction for the purchase of energy generation services, but only provided that the price from the lowest responsible bidder is lower than the costs that would otherwise be incurred by the Authority from Jersey Central Power & Light (JCP&L) during the term of the contract.

3. This Resolution shall take effect immediately.

CERTIFICATION

I hereby certify that the foregoing Resolution was adopted by the Morris County Municipal Utilities Authority at the Regular Meeting held on August 9, 2016.

MORRIS COUNTY MUNICIPAL
UTILITIES AUTHORITY

BY: _____
Laura Szwak, Chairwoman

ATTEST:

Marilyn Regner, Secretary

MOTION: Mr. Barry made a Motion to authorize the purchase of energy generation services for public use on an online reverse auction website, EMEX, LLC, and Mr. Dour seconded the Motion.

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

Chairwoman Szwak asked for the Board's approval of the vouchers:

BILL RESOLUTION NO. 16-40

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. 16-40 containing 7 pages for a total of \$3,356,580.05 dated and made a part hereof by reference.

SUMMARY

CHECK NUMBERS

CAPITAL FUNDS	1141	\$ 1,118.12
WATER OPERATING FUNDS	3430-3463	255,050.18
SOLID WASTE OPERATING	6613-6796	<u>3,100,411.75</u>
TOTAL		\$ 3,356,580.05

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: August 9, 2016

BOARD CHAIRMAN APPROVAL

Laura Szwak, Chairwoman

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: August 9, 2016

DATE: August 9, 2016

Larry Kaletcher, Treasurer

Mr. Dour asked what is the line item for Paradigm Software. Mr. Kaletcher replied that would be an annual software maintenance charge. That is the software that we use for the transfer stations.

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

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

CORRESPONDENCE:

With regard to Item No. 1 of the correspondence report, which is a letter to Seth Hackman, DEP, regarding our position that we don't believe that we need to engage into a Joint Petition with J.P. Mascaro. Mr. Schweizer mentioned that he received a call today from a couple of DEP people who wanted to have a conference call with Larry and myself, so we had that and again it was a discussion about why they believe there is a need for this. Essentially it is the same arguments that we have heard in the past. They have a planning part of DEP and they have a utility part of DEP. What they are suggesting is that the utility part of DEP has not been following up on its responsibilities over the years in making sure that private sector contractors that are providing solid waste services are paying their fair share of their utility fees that the law allows them to charge. So when they interpreted our contract with J.P. Mascaro, they concluded that since J.P. Mascaro is gaining revenue from performing solid waste services, they are eligible to be paying these utility fees and they wanted us, the public sector they are contracting with, to file this Joint Management Agreement. We took exception to that because we don't think that regardless of what DEP's utility fee responsibilities are, we don't believe that we need to be in the middle of that. If they have a provision that allows them to charge private contractors fees, then that is between the utility part of DEP and the contractor. He mentioned that he rehashed some of the arguments that we have an agreement that is about to receive plan amendment certification and they got into the nuances of hiring and firing people and they oversee utility books of the operation, which Brent Carney discussed last month is different. Mr. Schweizer commented what we do is we own it and manage the transfer stations and J.P. Mascaro provides contractor services. So at the end, they understood that the issues in dispute are legal issues and what is required under the statute. They came to this conclusion as we did as staff that the DAG's office needs to contact our legal team and rehash these issues and come to a conclusion. We were advised that they have identified the appropriate DAG who is up to speed on this issue and he is going to contact Brent and they will have their conversation.

Mr. Carney commented that he will follow it up with some sort of writing. He mentioned that first of all the regulation that governs management agreements has nothing to do with the payment of utility fees. Payment of utility fees is not mentioned anywhere in the regulation regarding

management agreements. Management agreement is required under the regulations if you are turning power over to the entity to facilitate your books and apply for permits at DEP. It does include the hiring and firing of employees, but all subcontractors do that. Mr. Carney mentioned that we need to follow this up with detailed letter to DEP that would have a number of exhibits to it, including a list of all the employees the MUA has at the transfer stations. He is concerned about the regulation where it says that in no event will the agreement take effect without the Department's approval of a management agreement if a management agreement is required. He would argue that they have approved that agreement in the approval of the Plan Amendment. Mr. Carney mentioned there is a number of arguments and also that Mr. Maraziti was concerned about that if you were to concede that a management agreement is required here, even to a minor level that it is an existing agreement that we have with Mascaro that was publicly bid, you don't know what DEP's regulations are going to do in the future. He mentioned that if the issue is really about paying utility fees, that is a some separate issue and has nothing to do with a management agreement. Mr. Carney mentioned that his understanding was that Mascaro had worked that out with DEP for \$6,000 a year. Mr. Schweizer replied yes, it is not a big deal. We suggested to staff that we don't want to jump into this new arena without knowing what future consequence there might be, especially since there was no clear description of why we needed to.

In Item No. 3 of the correspondence regarding the two open space projects, Mr. Schweizer mentioned that the MUA has been asked to partner on these two projects. One is Heritage Homes in Washington Township. These are two lots, 35 acres immediately adjacent to Schooley's Mountain County Park. It has been on the County Park Commission's acquisition list. Several years ago they had difficulty negotiating an agreement with the property owner. Recently the Land Conservancy has negotiated an understanding with the property owner and because the property is immediately adjacent to Schooley's Mountain County Park, the Park Commission would be the owner of the property. The Land Conservancy is just the conduit and the facilitator. There is no municipal funds. The property would be owned by the Park Commission although the Land Conservancy does have access to some Green Acres funds that they have committed to the project and the thought was that we would split the balance with the Park Commission. They are looking to bring the project in at \$750,000. Ms. Szwak asked if we know if it is approved lots and Mr. Schweizer replied he believes there were but the final appraisals have not been done so they are going to update the appraisals that are required and fine tune the project details.

The second project is Untermeyer Lake in Kinnelon. It is also two lots and it is a large project presently before the County Open Space Committee. It does involve Park Commission and they are looking to utilize some of these properties and maybe take ownership of them or easements to join in their Waughaw Mountain Greenway, which is south to the second lot. Kinnelon is in for a small amount and suggests that the MUA match the municipal amount. Our contribution would be \$100,000. The project is in excess of about \$2 million.

Mr. Schweizer asked for the Board's conceptual approval to move ahead with these two open space projects. Mr. Platt recommended that we proceed with these projects and the rest of the Board concurred.

With regard to Item No. 4 of the correspondence report, Mr. Schweizer mentioned that DEP has issued a Drought Watch. Mr. Druetzler asked if we have any restrictions for our customers? Mr. Schweizer replied that we have none that are required but we have been very successful in getting towns to adopt ordinances and year round restrictions. Half of our towns do that already and half of them wait for trigger points and then if the State declares emergencies, then Morris County M.U.A. gets involved and we have a process where we would have a warning and then mandatory restrictions on our customers. Mr. Druetzler mentioned that someone asked him if Morris Plains had any water restrictions and he said no. They told him that Randolph has water restrictions. Mr. Schweizer mentioned that Randolph is very strict. He mentioned that if you look at their numbers, you see the benefits of their restrictions. They have year round water restrictions and they also institute a bulk pricing. The more you use the higher you pay per unit and that reduced water usage in Randolph significantly. Randolph saw the need to do these restrictions so when we were renegotiating our contracts, they knew they had to bring their numbers down before DEP would approve of our contract with Randolph. He added that Randolph has been our most successful water conservation town.

Mr. Schweizer read an email he received last week from a gentleman complimenting two of our curbside employees, Kenneth Smith and Jeremiah German who had stopped traffic on Whippany Road to help an elderly lady across the street.

Mr. Schweizer mentioned that he sent out an email to the Board Members with Suburban's proposal to update the Water Conservation and Drought Management Plan that DEP has now required us to do and we do not have the capability of staff to do that.

With regard to Item No. 2 of the correspondence, Ms. Szwak commented that the Rockaway River is within the 200 foot buffer of this facility and I know this is an existing use, but anything they are proposing is not going to impact the river is it? Mr. Gindoff replied I have not seen the place yet but am scheduled to go there with the town people. I know it is right next to the river and they are concerned because there are three other garbage facilities right there. Mr. Gindoff mentioned that he saw the plans and it is outside the flood zone where they are proposing it, but it is right on the river.

Letter dated July 26, 2016 to Seth Hackman, Administrative Analyst, Fiscal Management, NJDEP, from Glenn Schweizer regarding submission of "Joint Petition of MCMUA and Solid Waste Services, Inc. d/b/a J.P. Mascaro & Sons, for DEP Approval of a Management Agreement to Operate Two Morris County-Owned Waste Transfer Stations".

Letter dated July 29, 2016 to Sheila Seifert, Municipal Clerk, Borough of Rockaway, from Larry Gindoff regarding Morris County Solid Waste Management Plan Inclusion Request for CipCycle Processing, LLC – Class "A" Recycling Facility at 311 West Main Street.

Memorandum dated August 3, 2016 to MCMUA Board from Glenn Schweizer regarding two Open Space Projects: Heritage Homes, Washington Township and Untermeyer Lake, Kinnelon.

Morris CountyNJ.Gov Press Release dated July 26, 2016 entitled "State Issues Drought Watch for Morris County and Most of Northern New Jersey".

Letter dated August 8, 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 July 2016.

Letter dated August 9, 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 July 2016.

ENGINEER'S REPORT:

Mr. Holt reported on the following: (1) Roof Contract – Roof Repair Contract 36 Re-bid which was the first set of roof projects that was completed by Integrity Roofing. Last week we received their warranty and as-built record information so now we are in position to make their final request for payment and recommend that be for next month's action and that will officially close out that project. Any leak issues we had have all been resolved and nothing has since manifested. We did conduct a meeting with D&B Engineers on July 25th and did a hand-off meeting with them and let them know how the first project with Integrity Roofing went so they know what to expect on the next round of contracts. This is the scenario where negotiated they will take and run with the

completion of this set of projects for the four remaining roofs that will be done for Phase II. They are going to be scheduling a Pre-Construction Meeting and if needed we can assist but they will be capable of getting that project underway and administered and closed out before the bad weather arrives.; (2) Rehabilitation of the Markewicz Pump Station Groundwater Storage Tanks – The first contract is complete essentially. We are treating it as two separate contracts so we recommend that you release their retainage on that part of the project. They have already scheduled to return to the site. They have asked if they can come in before Labor Day and start work on the exterior of the tank while we still have it in service and we said that is fine but the sweat on the tank in any way affects your blasting, that is your problem not ours and they understand that. If their crew is available earlier, they are going to mobilize and come out and start work on the second tank.

In light of that, interior coating discussion that we had, we did make a field visit recently to a Suez Water project where the Polycote 115 system was being applied. (Mr. Holt brought a sample to show how they were testing it to get the right thickness.) It is a very durable product and once they got that setting correct with the gun, the paint was going on very easily and smoothly. We were very pleased with the performance of it in the field during application and Sherwin Williams has indicated an acceptance of the conditions that we said we would accept this product which is going to enable the MUA to benefit from an extended warranty and also a side-by-side comparison on how the two tanks will perform. Their group at Sherwin Williams is working up final language that will be submitted for our review. It is our intent to see that this product be advanced on the second tank on the interior. Mr. Schweizer asked if any of the Board Members want to take a trip to the Suez project, please let me know and we will set something up. Mr. Holt added that the paint does cure quickly and it goes on nice and thick.; (3) Markewicz Pump Station Switchgear – ATI is advancing their studies and one of the elements that came up was discussion about our existing generator at Markewicz and part of the evaluation ATI is going to come back to us with is whether that should be demolished and removed and a new generator furnished or can we still benefit from this very large relatively unused motor that is there and just change the electric end of that unit so that it generates 480 volts instead of 2300 volts. That is one of the latest action items that occurred and evaluation of that will be incorporated into their recommendation back to us later this year.; (4) Scrub Oaks Well Project – We intended to get a letter out to the Highlands Council and we drafted it and just sent it over to Glenn today for his review and brought copies for the Board Members this evening. This is a draft document that we intended to send to the Highlands but we will defer to anybody who has questions and comments about it. Mr. Holt asked that the Board Members take a couple days to read through the document and email back any questions or comments they may have; it may generate further discussion or thoughts about how to make it a more complete response. As you may recall, the Highlands was unable to render a Consistency Determination on our application to DEP for allocation from the Scrub Oaks Mine and they asked us for specific questions to provide further information. He mentioned that he thought we could be successful in responding with further clarifications of the data and everything you developed over the years on the Scrub Oaks Mine and not going out and conducting an additional round of testing or pump testing.

Mr. Platt asked if there were any exhibits to the letter. Mr. Holt replied there are three exhibits. They are mapping exhibits of our service area and the deficit sub-watershed. The sub-watershed that we are going to pull water out of the well is physically one that is in severe deficit. So when we take another gallon of water out of the ground, Highlands interprets that we are aggravating the deficit. He has pitched a couple of options here on how we might mitigate that deficit by running that well at certain times of the year and allow the recharge to occur when the streams are not at their lowest deficit. In his opinion, this is a feasible, viable way for them to sign on the bottom line and say yes you are being consistent with the goals of the Highlands Council in terms of not aggravating our deficit. It may not serve our needs but it is the best way that we can approach and address their comment. He mentioned that then we will have to make an economic decision to decide if it is even worth pursuing a new source if we can't use it 365 days a year.

Mr. Druetzler commented that you are talking 700 gallons per minute and we are going in with 200 and you are going to drain more water out of it so why would they say yes to that and we never even tested the well for that? Mr. Holt replied that we tested the well for 1400 gpm for 14 days and allowed it to recover over 97 days. So we are relying on that data which occurred in December, January, February, March and April of 2007 to prove to them that that is what we expect the mine would be able to do over any season condition. His first approach was to say instead of taking that volume of water out over a short period of time, let's take it out over the entire year at 200 gallons per minute that is the equivalent volume and then that enables us to serve a new customer every day

of the year which I thought we were trying to accomplish. Their concern is if you take it out on that September day when the stream is lowest and driest, you are going to aggravate the deficit that is inconsistent with the goals of the Highlands. Are there other scenarios of things you could do that would avoid that deficit and enable to allow the Highlands to say you are being consistent. One of the ways is to take more water out at a larger rate over a short period of time and it is still well within the pump test range. I don't expect to create any scenario that we haven't already demonstrated back in 2007. Mr. Druetzler commented that it says here that will dewater the mine to levels that have not been reached during pump testing. Mr. Holt said that was one of the concerns and they also brought up a concern about the structure of the mine. Are we going to dewater the mine to the point that you are going to enable it to collapse or have other problems. This is one issue the Highlands did not have jurisdiction over and they raised the question. We are going to have DEP address that because that is their jurisdiction. Your jurisdiction is the water quality, quantity and deficit issues. Mr. Schweizer mentioned they raised the structure question as that was the outstanding question of the Scrub Oaks Mine Storage Project but that was based on it drawing down 3 to 5 million gallons a day. Mr. Holt mentioned that when DEP came back to us a year ago and said you may want to look at just taking 1 mg a day rate, 700 gallons per minute for three months of the year, DEP basically said they would be in favor of that type of an allocation because it is far less than anything we were going to propose originally.

Mr. Carney commented that there is a reference here to Dan Kelly's water report to the Superior Court of New Jersey. He suggested that you might want to indicate that he was appointed as the Court's engineer. He was not engaged by any of the parties in that litigation. He was the expert for the Superior Court. Mr. Holt said that he would clarify that.

Mr. Platt asked are the enclosures the three maps and Mr. Holt replied yes. Mr. Holt mentioned that the third map is the towns that we serve demonstrating that is 30,000 plus population and more to grow within our towns under those contracts. We already made the case with our allocation permit that there is a demand and need for additional sources of water to this region and the Dan Kelly report supports the conclusion that there are not many options so we need other sources. Mr. Schweizer asked if the Dan Kelly report would be an attachment and Mr. Holt replied yes.

(5) Well 8 Turbidity – We have gotten one of five quotes for a new variable frequency drive and two more are expected by the end of the week and then we will also need quotes for the work of installing and wiring those devices. Once it is in place, then we will be in a position to start running Well 8 at reduced continuous rates which would stop the start and stop process that causes the blow-off to occur. The good news is in July only we only wasted 280,000 gallons for the month, far below the 4 million gallon threshold that causes us to be in trouble. Well 8 has been running pretty consistently over the course of July. His opinion is with the a variable frequency device on board we can throttle it back slightly and we should be able to continuously operate it without turbidity interruptions nearly as much as what we were experiencing over the last year. That is the latest with Well 8 hopefully avoiding cost of treatment. Mr. Druetzler commented that this is a big accomplishment and Mr. Holt concurred. Mr. Holt mentioned that we have communicated this to DEP so they are aware that we advancing something and if we do run long on the time line that they specified, we have a paper trail to show.

(6) Clyde Potts Booster Station – Southeast Morris County M.U.A. has gotten back to us and we are trying to convene a technical discussion meeting just among Morris County and Southeast about advancing the project for the future of the pump station.

(7) Water Conservation and Drought Management Plan – With regard to the correspondence and their proposal we offered, Mr. Holt mentioned that this came about when we applied for and obtained your latest water allocation permit renewal you had a valid drought water conservation plan to be updated every three years. Our DEP Northern Enforcement agent called Tony Milonas earlier this year and said your water conservation plan is due to be updated. Mr. Druetzler asked what are the changes? Mr. Holt replied that it should be the same but we do have to update it with all your customer base, the usage, the forecast, water usage and water conservation measures and points of contact. He added to do it justice, we have to go through it and update it. He is of the opinion that in light of our current position with DEP and allocation requests, we want to be current in all our documentation.

Mr. Platt commented that if the Randolph restrictions on water are not in it, make sure they get in there because that is a very positive thing. Mr. Holt said they are probably not and their tiered water

rate structure may not be discussed in there and as Mr. Schweizer said that has been one of the biggest drivers of their controlled consumption.

Ms. Szwak asked if DEP added any new sections to this Plan or is it basically the same. Mr. Holt replied that it is a standard template that you fill out and they haven't added anything. He explained that what will come about is if Highlands Council does find us consistent with Scrub Oaks, they will put a condition in there that we prepare what is not just known as a water conservation drought management plan, but they want a water use and conservation plan conformed to their standards which is a much more elaborate document than a checklist form that we go through. Mr. Platt asked if we have the authority to impose that on our customers. Mr. Holt replied that's the problem, the Highlands rules doesn't enable a regional water purveyor to impose that on our customers. Mr. Schweizer added unless there is a State declared emergency.

On the issue of the proposal to update the Water Conservation Drought Management Plan, Mr. Schweizer asked if any Board Members have problem with Suburban's proposal in an amount not to exceed \$3,500. Mr. Dour made a Motion to approve the proposal. Mr. Hudzik seconded the Motion and it was carried unanimously.

SOLID, HAZARDOUS & VEGETATIVE WASTE REPORT:

Mr. Gindoff gave the following updates: (1) I have a correction to make to my Household Hazardous number. For the month of July, we had 192 participants not 177 as reported. Also as you can see in my report, we have added three additional Tuesdays this month to meet some additional demand for the facility. This facility has been pretty busy and we are gearing up to handle that demand.; and (2) We gave out the Vegetative Waste Report tonight. We are lagging behind in our outbound bulk sales. We have lowered the price of unscreened compost to entice some customers and to get some interest but we haven't seen any trucks come in to buy that bulk material which we need to move to make space for next year's leaves that are going to start coming in not too far in the distance future. With that, it looks that we are going to lower it by one more dollar a cubic yard for the bulk sale to see if we can move that material. We lowered it to \$6.00 for a couple of weeks and now we are lowering it one more dollar. This only applies to bulk commercial sales.

Mr. Druetzler asked why do you see so much household hazardous waste usage in August and Mr. Gindoff replied, I don't know.

Mr. Gindoff gave out a hand-out for solid waste per capita generation rates that Mr. Druetzler asked about last month. Mr. Gindoff mentioned that last month we were discussing some per capita water generation rates and where they were going and Frank Druetzler asked what is solid waste doing. He said that he looked at some numbers from the last 25 years and explained the charts which he prepared. The top chart shows the disposal numbers, the middle chart shows recycling numbers and if you add the two charts together you get the bottom chart which is generation. He looked at three different entities; the blue line represents what the USEPA is reporting in their nationwide survey of solid waste generation and the other two lines, the orange and the grey ones, are New Jersey numbers, as well as Morris County numbers. Those both come from the same source while the USEPA number always seems to be lower than ours, but I'm just showing you the trends that both entities show. He mentioned that you see that generation is pretty flat; it took a little lift in the 2000's but pretty much is flat. You will see over time that the amount that we are disposing at the top is going down compared to the amount that we are recycling. If you compare Morris County to the rest of New Jersey, you will see that we are generating slightly more recyclables than the average New Jerseyan generate slightly less disposables therefore resulting in slightly higher recycling rates than the rest of the State. As far as the generation, it is pretty flat.

Mr. Gindoff mentioned that as we discussed earlier, on the heels of the conference call on the Joint Management Agreement today, we received our solid waste management plan certification of the J.P. Mascaro agreement to be included as part of the Plan with a waste flow component to it which reaffirmed our flow control system and the waste types going to the two transfer stations in Morris County. Mr. Carney commented that it has a nice historical overview back to the 90's.

Mr. Gindoff mentioned that Dr. Nusbaum was one of our e-waste participants over the last month coming to the Household Hazardous Waste facility dropping off toner cartridges. He asked why we don't accept more toner cartridges at the Household Hazardous Waste Facility and I was going to

give him an update that there are plenty of places to get rid of toner cartridges, such as Best Buy, Staples and Lowes. Mr. Gindoff mentioned that cartridges are actually worth money and we accept them as part of our e-waste program.

Mr. Gindoff mentioned that we received two quotes on this contract from Lorco for \$498.00 and Clean Venture for \$580.00. It is a small contract and we recommend the contract go to Lorco as they are a fine company and we have done business with them before. He asked for the Board's approval of the following Resolution:

RESOLUTION NO. 16-41
RESOLUTION AWARDED MARKETING OF
CLASS D RECYCLABLE MATERIALS CONTRACT
(USED MOTOR OIL AND OIL FILTERS)

WHEREAS, on July 19, 2016, the Morris County Municipal Utilities Authority (“MCMUA”) issued a Request for Quotations seeking quotations for the marketing of Class D recyclable materials, including used motor oil and oil filters, which are generated by Morris County residents and conditionally-exempt small quantity generators of hazardous waste; and

WHEREAS, two (2) quotations were received by the MCMUA on or before August 4, 2016; and

WHEREAS, the reviews and recommendations of the two (2) complete quotations are presented in the report attached hereto as “Exhibit A”; and

WHEREAS, the quotation submitted by Lorco Petroleum Services, which quotes a price per gallon of \$0.40 to the MCMUA for the used motor oil portion of the contract, and a price per drum of \$89.00 for the used oil filters portion of the contract, is the most advantageous quotation based upon price and other factors as noted in the attached Exhibit A; and

WHEREAS, the MCMUA desires to accept this quotation for a term of one (1) year, commencing on or about September 8, 2016; and

WHEREAS, the MCMUA Treasurer has certified that funds are available in the following line item: Household Hazardous Waste 6-01-1-600-800-726 to pay the entire contract amount.

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

1. The MCMUA shall award a contract for the Marketing of Class D Recyclable Materials, as more specifically defined herein, to Lorco Petroleum Services.

2. The Executive Director of the MCMUA is authorized and directed to execute a Contract with Lorco Petroleum Services for an amount not to exceed \$498.00 for a term of one (1) year.

3. A copy of this Resolution and applicable contracts shall be available for public inspection at the offices of the Morris County Municipal Utilities Authority, 214A Center Grove Road, Randolph, New Jersey 07869.

4. A copy of this Resolution is being forwarded to the MCMUA Treasurer and Lorco Petroleum Services, 450 South Front Street, Elizabeth, New Jersey, 07202.

5. This Resolution shall take effect immediately.

CERTIFICATION

I hereby certify that the foregoing Resolution was adopted by the MCMUA at its Regular Meeting held on Tuesday, August 9, 2016.

MORRIS COUNTY MUNICIPAL
UTILITIES AUTHORITY

By: _____
Laura Szwak, Chairwoman

ATTEST:

Marilyn Regner, Secretary

Exhibit A

Used Motor Oil and/or Oil Filters Recycling Quotation 2016

Company	Used Motor Oil	Oil Filters	Total Bid (1 Year)
Lorco Petroleum Services	\$0.40 cents per gallon	\$89 per drum	\$498 (600 gallons and 2 drums)
Clean Venture	\$0.35 cents per gallon	\$150 per drum	\$580 (600 gallons and 2 drums)

MOTION: Mr. Druetzler made a Motion to award marketing of Class D Recyclable Materials Contract for used motor oil and oil filters to Lorco Petroleum Services in the amount of \$498.00 for a term of one year and Mr. Barry seconded the Motion.

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

TRANSFER STATIONS

Tonnage – For the month of July 2016, the quantity of solid waste accepted at the two transfer stations for disposal was 32,539 tons. The July 2016 tonnage is 8.12% less than the 35,414 tons accepted a year ago in July 2015. Based on tonnage projected from the first seven months of the year, for 2016 the annual total tonnage is currently projected to be 385,597 tons which would be 0.74% more than the 382,920 tons accepted in 2015. Please refer to the Transfer Station Disposal Report by Month for additional information.

Permits – Alaimo Engineering is preparing the bid specifications for the air pollution control (APC) system to be installed at the Parsippany transfer station in accordance with an APC permit received on May 16, 2016. The anticipated procurement schedule provides for the issuance of the request for proposals on or about September 6, 2016 with bids due on or about October 4, 2016. It is expected that the MCMUA would take action awarding a contract at the November 8, 2016 MCMUA meeting and issuing a notice to proceed shortly thereafter. This would provide

for 150 days of construction time to meet the April 15, 2017 target for operation of the APC system. Additionally and concurrently, Alaimo Engineering and MCMUA staff are preparing a solid waste facility permit renewal for the Parsippany transfer station which was agreed to be renewed as part of the APC improvements to be installed at the facility.

Joint Management Agreement – MCMUA and J.P. Mascaro – In a letter dated July 14, 2016, J.P. Mascaro forwarded a copy of a joint management agreement to NJDEP for its approval. In its forwarding letter, J.P. Mascaro claimed this agreement was with the consent of the MCMUA, which it was not. In a follow up letter to NJDEP dated July 26, 2016, the MCMUA clarified that the MCMUA had not consented to this joint management agreement and stated that while we do not believe it is applicable to our transfer station contract with J.P. Mascaro, we are currently evaluating the matter. While this joint management agreement in essence only includes the specifications of the existing February 2015 contract between the MCMUA and J.P. Mascaro, the MCMUA still wants to evaluate the requirement and precedent of entering into or consenting to such a joint management agreement as it seems in appropriate for the type of contractual relationship the MCMUA, a public body, has with J.P. Mascaro.

SOLID WASTE MANAGEMENT PLAN

Administrative Action Modification – Natures Choice (former Stump Factory) in Roxbury - Change in Ownership to Northeast Products, LLC

Roxbury Township has not provided a response to the MCMUA's April 27, 2016 letter seeking Roxbury's opinion, as the host municipality, regarding a request for modification to the Morris County Solid Waste Management (Plan) with respect to the Natures Choice class "B" recycling facility. This facility is located in the Ledgewood section of Roxbury Township. The requested modification would change the ownership listed in the Plan from Natures Choice Corporation to Northeast Products, LLC. while retaining all the conditions of the existing NJDEP general approval. In speaking to the Township Clerk, it is expected that Roxbury will address this matter and adopt a resolution at its August 9, 2016 Council meeting.

Administrative Action Modification – Kirk Allen Trucking Inclusion of Exempt Composting Operation in Mt. Olive

Kirk Allen Trucking, LLC (KAT) operates a business located at 20 Continental Drive in Mount Olive Township where a variety of landscape products are sold to the general public. KAT has provided notice of several exempted vegetative waste operations at this location but one such operation, a proposed small scale composting operation in accordance with N.J.A.C. 7:26A-1.4(a)(13), first requires Plan inclusion. Plan inclusion for this type of operation can be accomplished by means of an administrative action request provided by the MCMUA. Prior to submitting a request for such a change to the NJDEP, the MCMUA first seeks the host municipality's position on the inclusion of such a facility. In a letter dated July 11, 2016 the MCMUA forwarded information about the facility to the host municipality and requested that the Township of Mount Olive adopt a Council resolution setting forth its position on the proposed inclusion of this operation and facility.

Administrative Action Modification – CipCycle Inclusion of Class A Recycling Facility in the Borough of Rockaway

Similar to the facility inclusion request for KAT described above, CipCycle Processing LLC (CipCycle) has submitted a request for Plan inclusion of its proposed class "A" recycling facility to be located at 311 West Main Street in the Borough of Rockaway. This site is currently used by Cipollini Disposal for truck storage and maintenance and CipCycle is proposing to enhance the existing building and install a paper shredder and baler so it could accept and process up to 350 tons per day of class "A" recyclable materials (fiber materials and containers, e.g. glass, aluminum, steel and plastic containers). Inclusion in the Plan of a class "A" recycling facility can also be accomplished with an administrative action request pursuant to N.J.A.C. 7:26-6.11(b)3. To start this Plan inclusion process, a letter dated July 29, 2016 was sent the Clerk of Rockaway Borough with a copy of the CipCycle's inclusion submission along with a request to have the Borough's Council adopt a resolution setting forth its position on this Plan inclusion request. During this time-frame while the host municipality is considering adopting such a resolution, staff along with representatives from the Borough will schedule a site visit of the

proposed facility and get some answers to some of the issues not addressed in the Plan inclusion request provided by CipCycle.

HOUSEHOLD HAZARDOUS WASTE MANAGEMENT

Program Participation and Events – During July 2016, a total of 177 residents and businesses delivered waste to the permanent household hazardous waste (HHW) facility in Mount Olive. This almost the same participation as the previous month of June 2016, when 176 participants used the facility. July 2016's participation also represents a decrease from last year when 218 used the facility in July 2015. To meet demand for the HHW facility, three additional Tuesdays were added to the schedule for August 2016 whereas typically the facility has been only open for only one or two Tuesdays per month based on the demand for this day to be open. There are two remaining one-day HHW events scheduled for 2016. The first will take place at the Public Safety training academy on September 10 and the final disposal day of the year on October 1, 2016 at Chatham High School. MXI will be the HHW contractor for these events and MRM will provide E-waste collection and recycling.

Renewal of Contracts for HHW Programs – Request for quotations (RFQ) for the recycling of used oil and oil filters generated at the permanent HHW facility were issued in July with an August 4, 2016 submission due date. It is expected that a recommendation on the selection of a recycling vendor will be provided for the MCMUA's consideration at the August meeting. As opposed to most other recyclable materials the MCMUA markets from the HHW facility which we typically enter into one-year contracts with two optional one-year extensions, the MCMUA seeks only one-year quotes for the recycling of used motor oil and oil filters annually due to the volatility in the value of used motor oil.

VEGETATIVE WASTE MANAGEMENT – July 2016

Facility Report – As of the writing of this report the monthly vegetative waste data for July 2016 was still being compiled and therefore, the Vegetative Waste Report will be provided to the Board at the August 9 meeting. In an effort to move finished unscreened compost off-site, the MCMUA lowered the rate charged to bulk customers for the material to \$6/c.y. starting July 27, 2016. This rate was either \$7/c.y. or \$8/c.y., depending which site the material came from. The non-bulk rate is posted at \$9/c.y.

RECYCLING REPORT:

Ms. Hourihan gave the following two updates: (1) We received the preliminary July statement last week for the pricing of single stream recyclables and the price did go up again so we are still positive and it is going in the right direction. We are at \$2.33 per ton for single stream last month for June and July was at \$4.46 per ton for single stream. She mentioned that she was concerned that the price might go down because the gas price at the pumps has been going down. What actually happened inside those numbers, the paper commodity went up and the plastics and metal went down so I am concerned what the future will hold and if the paper can continue to hold the increase in value.; and (2) At the end of last week we got the last two Morris County towns tonnage reports, Madison and Rockaway Borough, and now we have all 39 tonnage reports. We were three weeks ahead of the last one last year, so that is a good trend.

Recycling Operations

Revenue and Tonnage – The preliminary June statement was received July 6 and finalized on August 1 at +\$3,323. This positive amount is owed to the MCMUA. This is the second month so far in 2016, with a positive value.

The tonnage collected by the MCMUA for recycling during July was 1,363 tons. The monthly tonnage is shown by material and by customer on the attached report.

Shared Services Agreement for the Marketing of Recyclable Materials through the MCMUA/ReCommunity Contract – On June 20, staff sent updated draft shared services contracts to the following 3 municipalities: Harding, Randolph and Rockaway Township. These contracts allow for these municipalities to join onto the marketing terms of the MCMUA/ReCommunity contract as they have been doing for the past few contracts. These shared services contracts ended with the last ReCommunity contract, in January 2016. Staff

followed up with each of the towns during July and send finalized versions of the new contract to each town for signatures, since it seems the new updates were acceptable to each town. Staff awaits to hear when the towns will authorize the contracts by resolution and then will plan to present a resolution to the MCMUA Board, possibly at the September meeting.

Morris Plains Switch to Every Week Curbside Collection – Effective July 1, 2016, Morris Plains increased curbside collection frequency from every-other week to every week. While the MCMUA does have other towns in our curbside program that are serviced on a weekly basis, namely Chatham Borough, Chester Borough and Pequannock, Morris Plains is the first town in our program to make the switch from every-other week to weekly while in our service. The other three towns began service with the MCMUA at the weekly level. This provides an excellent opportunity to monitor the potential increase in collection tonnage overall and the shift of tonnage collected at curbside versus the recycling center.

For the last 18 months, from January 2015 to June 2016, Morris Plains averaged 23.4 tons per curbside collection every two weeks, or half of that is 11.7 tons per week. For single-stream tonnage collected at the recycling center, the average for the same period was 2.87 tons per week. Here are tons collected for the first 5 weekly collections:

	<u>Curbside</u>	<u>Center</u>
July 5	8.76	2.43 (week ending 7/8/16)
July 12	17.54	1.42 (week ending 7/15/16)
July 19	10.52	1.16 (week ending 7/22/16)
July 26	13.10	1.10 (week ending 7/29/16)
August 2	11.99	not yet available

It appears that residents got the message quickly that the Borough now provides weekly collection, as the tonnage amounts have just about leveled out for each week. Additionally, the tonnage collected at the recycling center has already dropped. Additional collections will be needed to see if the combined tonnage overall will increase.

Events/Education/Miscellaneous

Clean Communities – For the Keep Morris County Clean (Slam Dunk the Junk) program, staff held a drawing of the schools that completed clean-ups to win a paired set of a trash and recycling receptacle for the school grounds. Jefferson High School won the drawing and the receptacle is being ordered. Educational Programs: The MCMUA funded 6 educational programs in July at libraries in Dover, Lincoln Park, Long Hill, Mendham Borough, Mendham Township and Roxbury and 3 educational programs at the Morris County 4-H Fair. Road Clean-ups: The MCMUA hired Adopt a Highway Litter Removal Service to do road clean-ups on July 13, 20 and 27. The clean-ups took place in Jefferson and Washington Townships. Each section was 2.5 miles or 5 miles counting both sides of the road. From the 3 clean-ups there was a total of 73 bags of trash collected and 42 bags of recycling collected and many other items, including among other things, 3 large jugs full of used motor oil, plastic car fenders, car jacks, car door frame and computer circuit boards.

MSW Rates for 2012 and 2013 – During July, staff tabulated the 2012 and 2013 Municipal Solid Waste (MWS) recycling rates. MSW is a subset of total generation, as bulky materials and construction debris are omitted from MSW. The recycling tonnage numbers are provided by the NJDEP by municipality and include 19 of 30 total tonnage categories. Through 2012, the disposal data has been provided by the NJDEP by municipality. Beginning with 2013, the NJDEP no longer tabulates the disposal data at the municipal level, only at the county level. Therefore beginning in 2013, the MCMUA is using our own transfer station totals by municipality to calculate the MSW rates. Fortunately, we have this data and the MCMUA’s total of all the municipalities for MSW disposal is very close to the NJDEP MSW disposal total for Morris County. The 2012 and 2013 MSW rate tables were emailed to the municipal recycling coordinators and are posted on the MCMUA website See the attached two tables.

Recycling Inspections/Outreach – During July, a total of 50 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 July 6, staff met with representatives of IMC (Interamerican Motor Corp) in Parsippany, as a result of two transfer station loads containing corrugated cardboard in June. IMC, was recently acquired by Auto Zone and this Parsippany location just opened in June. While Auto Zone has a recycling program, one had not yet been implemented at this new IMC location. The regional manager wondered why their garbage hauler and/or their waste broker, both Waste Management in this case, did not tell him about mandatory recycling. In many cases, there is a waste broker involved who set-ups the garbage service. In this case, this Waste Management broker is located in an office in Connecticut. This added layer increases the difficulty in trying to communicate the message that recycling is mandatory.
- On July 21, staff, along with the Parsippany recycling coordinator, met with two companies in Parsippany: Embassy Suites by Hilton and Mill Creek apartments (new construction of 212 units). Both visits were due to corrugated cardboard showing up in transfer station loads.
- On July 22, staff met with Garden State Fireworks of Long Hill also regarding corrugated cardboard in their load of garbage. They were not recycling the corrugated boxes because they contained tubes wrapped with wire, which contained the fireworks. However, the tubes are very easily removed from the box to allow the boxes to be recycled. Garden State Fireworks is ordering a separate container for cardboard from their hauler and they will educate their staff.

M.O.R.E. (Morris Office Recycling Excels) Recycling Program Inspections – On July 15, staff visited the following county buildings to inspect the garbage and recycling dumpsters for proper sorting and preparation: Youth Shelter, Detention Center, Office of Temporary Assistance, Frelinghuysen Arboretum, Morris County Library, Hanover Avenue Garage and the Public Safety Training Academy. The Youth Shelter's and Detention Center's material was very good. The other sites need improvement and staff is providing comments to each of the sites.

Additionally, on July 28, staff inspected the garbage compactor load from the Jail as it was dumped at the transfer station. Staff opened about 10 bags from the load and found recyclables in the garbage. Staff will set-up a follow-up meeting with personnel from the Jail.

During July, staff also corresponded with the Park Commission due to recyclables found at the transfer station in two garbage loads from Lewis Morris Park. The Park Commission said that it is difficult for them to enforce what patrons do while they are in the park. Staff provided some ideas for additional education.

Curbside Recycling Inspections – On Monday, July 25, MUA staff, along with Pequannock's Registered Environmental Health Specialist, drove through a section of Pequannock to inspect the recyclables set-out by residents. The biggest problem seen on that day was plastic bags. Staff was able to speak to several residents who came out to see what was going on. Follow-up letters will be sent to the other residents.

After observing some residents using plastic bags for recycling collection, the Rockaway Borough recycling coordinator called during July to request that our crews sticker resident's material which was set out at curbside in plastic bags. We decided to do the stickering in only 1 of the 3 sections for the next collection in order to minimize the impact. As it turned out, there were only 3 addresses in that section that the crew stickered. Follow-up letters were sent to those houses. On each subsequent collection in the Borough, the crews will add one more section to be stickered for plastic bag use.

2016 Municipal Recycling Tonnage Reports – As of July 31, a total of 37 of 39 reports have been received by the MCMUA. The deadline for submittal was April 30. The remaining two outstanding reports are from Madison and Rockaway Borough. Staff continues to check in with these two remaining towns on the status of the reports.

Event Containers – The MCMUA's event containers for recycling and garbage were lent to the following organization during June:

- Montville Township for July 4th Celebration
- Dog Agility Trial held at St Hubert's – July 16 & 17

Miscellaneous Presentations/Meetings/Conference Calls/Correspondence

- On Tuesday, July 19, Chris Vidal spoke at the Association of New Jersey Recyclers (ANJR) workshop at the south Jersey location in Clayton in Gloucester County. The workshop is titled, “*Working Together to Clean Up the Curbside Mix.*” Chris had prepared a power point presentation for all three ANJR workshops and will give the last presentation at the north location in September. Chris spoke about the MCMUA’s outreach and enforcement programs.
- On Friday and Saturday, July 22 and 23, staff was an exhibitor at the Morris County 4-H Fair at Chubb Park in Chester Borough.

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.

Chairwoman Szwak read the following Resolution for the meeting to go into closed session at 8:05 p.m. for discussion regarding real property:

**RESOLUTION AUTHORIZING A CLOSED SESSION FOR DISCUSSIONS
REGARDING CONTRACT NEGOTIATION AND PROPERTY ACQUISITION
INVOLVING THE AUTHORITY**

WHEREAS, the Morris County Municipal Utilities Authority desires to discuss various matters in connection with contract negotiation and property acquisition; and

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

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

1. A closed session will be held immediately following the Public Portion of this meeting for discussion regarding contract negotiation and property acquisition.
2. The matters discussed during this closed session relating to contract negotiation and property acquisition shall be recorded and duly approved by the Board but shall be held in confidence and shall not be made available for public disclosure until such time as the matter has been settled, an unappealable decision has been rendered by a court of competent jurisdiction or as otherwise required by law.

MOTION: Mr. Platt made a Motion for the meeting to go into closed session at 8:05 p.m. and Mr. Dour seconded the Motion.

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

The meeting returned to open session at 8:17 p.m. with a Motion made by Mr. Hudzik, seconded by Mr. Dour and carried unanimously.

There being no further Business, Chairwoman Szwak asked for a Motion to adjourn the meeting at 8:18 p.m.

MOTION: Mr. Platt made a Motion to adjourn the meeting at 8:18 p.m., seconded by Mr. Hudzik and carried unanimously.

Marilyn Regner
Secretary

/mr