

MINUTES OF THE REGULAR MEETING

JUNE 6, 2017

The Regular Meeting of the Morris County Municipal Utilities Authority was held on June 6, 2017 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.

Chairwoman Szwak requested a roll call.

PRESENT: Mr. William Hudzik, Mr. James Barry,
Mr. Frank Druetzler, Mr. Fletcher Platt,
Dr. Dorothea Kominos and Ms. Laura Szwak.

ABSENT: Mr. Christopher Dour and Dr. Arthur Nusbaum.

Also present was Larry Gindoff, Acting Executive Director; Andrew Holt, MCMUA Water Consulting Engineer; Larry Kaletcher, Treasurer; Marilyn Regner, Secretary; Brent Carney, Esq., Maraziti Falcon LLP; Kathleen Hourihan, District Recycling Coordinator; and William Schroeder, Nisivoccia LLP.

Chairwoman Szwak asked for the Board's approval of the Minutes of the Regular Meeting dated May 9, 2017.

MOTION: Mr. Barry made a Motion to approve the Minutes of the Regular Meeting of May 9, 2017 and Mr. Hudzik seconded the Motion.

ROLL CALL: AYES: 5 NAYES: NONE ABSTENTIONS: Dr. Kominos

TREASURER'S REPORT:

Mr. Kaletcher presented the Treasurer's Report for the Solid Waste Operating, Water Operating and Capital Accounts for the month of May 2017. Also included are the Comparative Balance Reports for both the Solid Waste and Water Divisions through the month of May 2017 and an Investment Report shows no new investment purchases for the month of May. These reports have been incorporated in these Minutes.

Mr. Druetzler questioned that this is the first time that he can remember in a long time that our expenses are greater than our revenue in Solid Waste. Mr. Kaletcher replied that the reason for that is that at the beginning of the year we encumbered over \$2M dollars for the transfer station air pollution control project.

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 Dr. Kominos seconded the Motion.

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

Mr. Kaletcher announced that Mr. William Schroeder from Nisivoccia LLP is in attendance this evening to explain and answer questions on the 2016 MCMUA Audit.

Mr. Schroeder reported that the MCMUA had another very solid financial year. Your overall net position is up \$1,567,000. That is even after we had to put in a combined net pension and OPEB, which is other post benefit retirement costs of \$9,946,000, so your overall net position

is up over 33 million dollars, of which 4.8 million of that is unrestricted net position which is offset by 28 million dollars which is tied up in your fixed assets, your property plant and equipment. The unrestricted net assets of 4.8 million is actually down about a million dollars from last year, but your overall fund balance is up \$1,567,000 because your property plant and equipment went up 2.5 million dollars during the year. Another big regenerator of the net position is your transfer station; you were \$1,418,000 under what was budgeted.

Mr. Schroder spoke about the net pension and OPEB numbers. He mentioned that the MCMUA is the only basis of accounting authorities that has to put this on your balance sheet. You are a full accrual basis of accounting. Board of Educations and municipalities do not have to record that. It is just a footnote disclosure and it is not on their balance sheet. Regarding the pension liability, these numbers are given to us by the State. The State commissions an audit done by a major firm for every municipal entity in the State and we have to go by those numbers and we have to plug them in. They do actuarial assumptions; if they change the assumed interest rate going forward, it may even change it by a percent, it changes it massively; it can change it by millions and millions of dollars. So that is why the numbers are big. Also the County number for the OPEB went up pretty impressively this year. They do an actuarial calculation, and the percentage went from 3.1% your share to 4.4%. They base that on the percentage of the bill which is calculated on who got paid what. So maybe your employees had a run of health costs in this current year and that raised that percentage. So that was a massive change here. Mr. Schroeder mentioned that he was always concerned that because we are not in the State health benefit system, we were recording that liability. Everybody that was in the State health benefit system had no liability because they said the State was handling that. Well, wonder if we went back to the State health benefit system, now I have to put \$17 million back into my net position. Now they are coming out with regulations in the next year or two that we are going to have to do a calculation for everybody that is in the State health benefit system and give them a liability also to make it more level ground. So those numbers are huge. Luckily you are so financially strong, you could withstand that, you still had net \$4.8M of unrestricted fund balance. So yes, that OPEB number is conservative in that we are booking the liability now for future years, but we are not going to pay that for years and years and years.

Mr. Schroeder mentioned that the M.U.A. also had a situation this year where it was brought to our attention, not directly, that you had an employee authorizing the use of your assets without your knowledge or authorization. There is no recommendation in the report for a few reasons. First of all, there was no financial transaction that cost the authority. Our assets weren't depleted, they are still there. It was immaterial to the financial statements and I am assuming it was a non-recurring item that once you found it out, if I put a recommendation in, the horse is already out of barn, you already fixed it. So that is why we did not have a recommendation in this report, but I just didn't think it was warranted for this situation. Mr. Schroeder mentioned that he did talk to Larry Kaletcher and went over as much as we know to make sure that there weren't any other situations involving that. One thing about internal control, especially for financial transactions, we make sure your system of internal control is adequate, that all the documents are pre-numbered and in sequential order, that they are all accounted for and that everything got into the system. We make sure the asset is there and we may look at records or stop by and see a building, but I don't think my people would know that somebody is in there illegally if they tripped over them. So that was a tough one for us to catch. We are relying on most of the internal controls though, that we do to make sure your system is solid is that you should be catching it to make sure your system is functioning adequately. So you would hope that Department heads or some people would have brought that forward. I know there is pressures of people in charge of other people and not rocking the boat, but that is what the backbone of the internal control system should be relying on. So overall, you had a very good solid year again. You are in great shape and I am here to answer any questions that you might have.

Mr. Druetzler asked if the State goes along and puts the lottery into the pension system, would that reduce, since it is a greater value for the pension system and Mr. Schroeder replied that it would bring that number down because it is based on the unfunded liability, so that would help you.

Mr. Platt mentioned that there are a couple vacant positions on the organizational chart for Chief Engineer and Deputy Director and asked if salaries for those positions included in the budget for 2016 and 2017? Mr. Kaletcher replied that was included in the 2016 and 2017 budgets. Mr. Kaletcher mentioned that the Chief Engineer and Deputy Director is one position. Mr. Platt mentioned that on page 9 under final comments of the audit report, it states that the Authority has adopted a plan to develop future water supply sources to meet the increased demands of growth

within its franchise area. Mr. Platt mentioned that to the best of his knowledge, we have not adopted a viable plan; we are working on plans and have tried to develop plans, but we don't have one. This must have been carried over when we were talking about the Rockaway well and Scrub Oaks. Mr. Schroeder replied that this management discussion and analysis section is supplied to the auditors by the management and it is not audited. Mr. Kaletcher replied that Mr. Platt has a valid point and for the 2017 audit, that can be re-worded to reflect our current philosophy. Mr. Platt requested that this wording be changed before it goes to the State and Mr. Schroeder replied that it has already been submitted to the State, but I can send down an amended report. Mr. Schroeder said that he would send down an amended sheet or a cover letter and Mr. Platt replied whatever you prefer. Mr. Druetzler asked why would you want to raise the issue and Mr. Platt replied because it is deceptive if it goes the way it is. Somebody could interpret it, particularly someone who is buying bonds or financial situations, someone who wants to develop within our franchise area, they could assume the wrong thing here is my concern. Mr. Druetzler said that they would do more due diligence if they were going to do that in this area to buy bonds or some purchasing, and maybe we didn't have an adopted plan, but we certainly had a plan that was discussed at this table about putting a well in at Scrub Oaks forever. Mr. Platt said it is up to the Board. Mr. Druetzler added that it should be corrected in next year's audit report. A motion was put forth before the Board by Mr. Platt that we notify appropriate recipients of the audit that that statement was carried over and we do not have a plan that we have adopted that is implementable. There was no second to the motion. Chairwoman Szwak commented that it is duly noted of next year.

Chairwoman Szwak asked the Board for a Motion to accept the 2016 Audit Report.

MOTION: Mr. Hudzik made a Motion to accept the 2016 Audit Report and Mr. Barry seconded the Motion.

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

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

BILL RESOLUTION NO. 17-44

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. 17-44 containing 7 pages for a total of \$3,423,989.40 dated and made a part hereof by reference.

SUMMARY

CHECK NUMBERS

CAPITAL FUNDS		\$ 0.00
WATER OPERATING FUNDS	3781-3815	143,382.25
SOLID WASTE OPERATING	7474-7580	<u>3,280,607.15</u>
		\$ 3,423,989.40

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: June 6, 2017

BOARD CHAIRWOMAN 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: June 6, 2017

DATE: June 6, 2017

Larry Kaletcher, Treasurer

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

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

CORRESPONDENCE:

Mr. Gindoff mentioned to the Board that Item No. 1 of correspondence is about the AJACO lease which is the property next to the Parsippany transfer station. Following last month's meeting and some of the concerns expressed by the Board about potential liability and environmental pollution at that site, we had our Engineer asked for information from AJACO so we can follow up on what they are going to do there and we can figure out on how to set base lines. At this point they have not gotten back to us. We have two issues before; one is pending payments on the lease and this request for information. Mr. Gindoff sent a letter demanding payments and then followed it up with a phone call. Mr. Carney mentioned that it is one year's worth of payments and it is \$2,300 per month. He added that payments were made between October of 2015 and May of 2016 and it includes a \$3,000 security deposit. There were payments made to the M.U.A. in the amount of \$21,400.00. Mr. Gindoff mentioned that he had a phone call with AJACO and they are still trying to get the approvals from Parsippany-Troy Hills and they sent the letter regarding the payments to their attorney. Then we forwarded this information request. He is going to have Brent Carney follow up with their attorney on these matters.

Item No. 2 of correspondence is about our emergency generator maintenance contract and it will be discussed in the Engineer's Report, as well as Item No. 3 regarding our water main repair or lack thereof on Sussex Turnpike.

Regarding Item No. 4 of correspondence, I will be attending the public hearing on June 14, 2017 representing the County and seeing that the Plan Amendment goes through.

Item No. 5 was included in correspondence to show that we are starting to get some paperwork coming in from the contractor doing the Air Pollution Control work at the Parsippany transfer station so this is Chris Warren of Alaimo Engineering updating our permit renewal documents with new information on the APC system.

Item No. 6 of correspondence is showing that Salem County recently got certified as flow control being approved. Flow control is gaining more momentum in New Jersey and 14 of the 21 counties now use flow control as part of their solid waste system.

Finally, Item No. 7 of correspondence is a press release that ERI sent out to municipal officials showing what services they provide in Morris County and some options for people with e-waste to get rid of.

Letter dated May 16, 2017 to Jason Cleffi, AJACO Towing from Christopher Warren, P.P., Richard A. Alaimo Engineering Company, requesting additional information in order to provide a professional opinion on the potential environmental impact of activities on the leased property to the MUA.

Letter dated May 24, 2017 to Larry Gindoff from Andrew S. Holt, PE, PP, CME, MCMUA Water Consulting Engineer, regarding recommendation for generator maintenance services contract.

Letter dated May 24, 2017 to Laura Cummings, P.E., Executive Director/Chief Engineer, Southeast Morris County M.U.A., from Larry Gindoff, Acting Executive Director, regarding Sussex Turnpike Water Main Extension by SMCMUA and hydrant installation.

Letter dated May 12, 2017 to Morris County M.U.A. from Freeholder Director Douglas Cabana enclosing a copy of the Solid Waste Plan Amendment dated April 2017 for the inclusion of Electronic Recyclers International, Inc. Class "D" Recycling Center for Electronics Demanufacturing in the Borough of Lincoln Park which is to be considered for adoption by the Board of Freeholders at their meeting on June 14, 2017.

Letter dated May 25, 2017 to Anthony Fontana, Chief, Bureau of Solid Waste Planning, NJDEP, from Christopher Warren, P.P., Richard A. Alaimo Engineering Company enclosing Solid Waste Facility Permit Renewal Application for Parsippany-Troy Hills Transfer Station including vendor specification sheets for APC equipment.

Memorandum dated May 25, 2017 to All County Landfills in New Jersey from Julie Acton, Executive Director, Salem County Improvement Authority – Solid Waste Division, advising of amendment to their Solid Waste Management Plan to provide for Flow Control.

Email from ERI dated May 12, 2017 to Larry Gindoff regarding electronic recycling options in Morris County.

Letter dated June 1, 2017 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 May 2017.

Letter dated June 1, 2017 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 May 2017.

ENGINEER'S REPORT:

Mr. Holt gave the following updates: (1) Markewicz Electrical Upgrades – Request For Proposals - We have prepared a document which is about 75% ready for review and wants to confirm sequence of review by Larry and the Water Committee. Mr. Platt suggested that it should go to Larry first. Mr. Gindoff asked if we need a Water Committee for this and Chairwoman Szwak replied that we were going to suggest having a Water Committee before the next Board Meeting at 6 p.m. Mr. Holt mentioned that before the meeting, he can get a copy to Larry and the Water Committee so we can have productive discussion about its finalization. Mr. Holt mentioned that one recommendation we had was to structure it as a design services RFP and not address the bid phase

or construction phase yet. That will enable the proposers to focus on what we need because the final scope and cost of the project are still undefined.; (2) Alamatong Well No. 8 - This will be one of the items that we talk about with a resolution. We had solicited prices from multiple well pump installers and find that the Samuel Stothoff Company should be authorized for that work to remove Well 8 pump and evaluate its current condition as to why it is not working correctly. Mr. Hudzik asked if there is a cut-off date when it should be done by and Mr. Holt replied the sooner the better. We are in summer at this stage and we would ask that they proceed with haste. Mr. Platt asked who installed the current well and Mr. Holt replied A.C. Schultes and Mr. Platt said they didn't provide a proposal. Mr. Holt replied that they were asked to furnish a price on this, but they did not.; (3) Item 3A - Leak on Howard Boulevard - There was leak detected on Howard Boulevard; an 8" valve, a branch connection off of their 12" main and ultimately, the repair needed to be implemented right away because the concern was that the leak would continue to create more of a hazard and a risk to the water system. On May 18th, the leak was isolated and John Garcia Construction was engaged to replace that valve. As a result of that, we have sent communications to each of our customer municipalities in terms of their responsibilities to have them aware of the water system infrastructure within the confines between their meters is their responsibility. Mr. Holt mentioned that he and Larry should get together to talk about the follow-up responsibility for this repair and what might fall on Mt. Arlington's responsibilities. We will have resolution tonight on that action as well.; (4) Item 3B - Emergency Generator Repair Recommendation - There is another resolution for discussion tonight through the State Contract recommending authorization to engage EMR Power System to complete four quarterly visits to all of our generators that was addressed in our May 24th correspondence.; Item 3C - Meeting with Stakeholders - Larry and I went to Lawrence Township and met with NJDEP and several stakeholders. It was quite a unique meeting. It was convened, not only for us, but for a few of the attendees. Many of the other attendees did not understand the issues that were being discussed in terms of our allocation and deficit/surplus calculations that the State publishes on their website. We know, from our experience, that our contracts are the ceiling up against which we cannot exceed in terms of theoretical diversion, even though we don't actually pump that much out. The State looks at us each month and says you might have had to pump that much out because you contracted those many gallons to your customer base. So we have always had the argument and recommended and suggested a change to the Department and they now have drafted a methodology and rolled it out amongst the attendees at this meeting. They discussed how they might relax their interpretation of contracted amounts that are not fully realized and give an entity, such as Morris County M.U.A., a little more latitude and flexibility in terms of our ability to contract above and beyond the amount we have allocated. The practical nature of water consumption is variable through the seasons and through the year and we are able to demonstrate quite clearly that despite having contracts for 96% of our allocation, we only sell about 61% on average throughout the year. So we are a very good example to the Department on how they might be able to look at us specifically but other purveyors similarly that the contract amounts relative to the diversion amounts can be looked at more favorably. They rolled out a methodology that said if you divert 80% of the total, you might then trigger the threshold that warrants special care, a special action plan that you will implement to ensure that you don't exceed your allocation. So we were not 100% on board with exactly the way they presented it, but in theory, the general concept is one that I recommend that Morris County M.U.A endorse with the Department. After the meeting was over, Larry and I agreed that it was a good idea that we would volunteer the Morris County M.U.A. to be kind of the guinea pig and let them work through some of the bugs on this approach, because if we sit back and wait for it to be finalized, it is my belief that it will not be implemented in a way that is favorable to us or as most favorable as it could be. So if we willing participate with the Department and we use our model, our contracts, our diversion amounts, our actual production for the last five years as the example, and let them experiment with it and understand if they implement it one way, it is successful and if they implement it another way, it causes problems. That is my recommendation that we willing participate with the Department and allow them to explore this concept more thoroughly with our system. Mr. Gindoff added that in many respects it seemed like a win-win that we would get more water sales without actually having more infrastructure. Mr. Holt added that right off the top it looks like to me the way they would implement it is we could potentially contract for about 20% more of the water sales than we currently have without any ramifications so as if we had developed a Scrub Oaks well as a new source and added more capacity to our system without any of that other cost. Mr. Holt said it could be a win-win for us.

Chairwoman Szwak asked how many other systems are our kind of system, are we that unique? Mr. Holt replied that we and the North Jersey District Water Supply Commission are the only wholesalers of water, another wise we don't retail the water. These two are unique from that

standpoint, but several others of the meeting stakeholders, like Passaic Valley Water Commission, are both a retailer but also a bulk wholesaler to other systems. Many systems exist like that. So this methodology would apply to them, but the percentage of the water that they sell through bulk sale relative to the amount that they sell in total, is probably far less than what we have. We are unique because all we have are contracts and that is what we are held to. We have no other room to move or room to grow in terms of what we are allowed to develop within our sources.

Chairwoman Szwak asked what does the Board think about being the guinea pig. Mr. Platt thinks it is better having input up front than to sit back and let them do something. Chairwoman Szwak asked is this something that the Water Committee has to work on and recommend to the Board. Mr. Druetzler commented that you have to talk to Fletch a little bit, as he has the experience on water here and let him give his views. Mr. Platt commented that this is a topic for the Water Committee when we meet in July and maybe circulate DEP's suggested approach to give us something to think about and if you have some thoughts to add to that, send that along as well. Mr. Hudzik's opinion is let them show us what they are doing and Mr. Platt commented that we want to make sure that we get in the early comment stage before something is cast and concrete. Mr. Holt said that maybe he could send a letter saying that the M.U.A. wishes to participate and provide further comments; we have a Water Committee Meeting in July. He thinks they will hold it open for us. It was not a published regulation; this is a very informal thing that they convened. Mr. Holt said he will send a letter that reserves our opportunity to participate with them and reinforce what we told them at the meeting.

Item D of the report, Mr. Holt mentioned that we have a meeting on July 10th at 2 p.m. with N.J. American Water Company to further discuss their long-term plans for the continued purchase of water from the Morris County M.U.A. at the Clyde Potts location. We actually scheduled this meeting separate from Southeast Morris to make sure that we have all the information that we need to continue discussions among all the parties. Chairwoman Szwak asked if any Board Member would like to attend and Mr. Druetzler said that he could attend. Mr. Platt said just one thought is that if they give any indication they are thinking about solving their own problem by reinforcing their system that is a potential source of water for the M.U.A. as well if we participate. If they are going to bring more water up 206 for their needs, a little more for us might be a good answer.

Lastly, we will recommend next month the LSRP services for the biennial certification for the Farley Waterworks property.

Mr. Holt mentioned two other items that were not in the report. With regard to the hydrant on Sussex Turnpike that was impacted by the leak on our 24" main, Southeast has actually gone ahead and installed a new hydrant on the end of their line near Sudberry Drive, which essentially replaces the need for our hydrant so with that in mind, we can temporarily take out-of-service the 24" main that serves no other purpose. That is the same main that has the leak on it that we talked about last month and the cost to repair and procedure. One of the options was to talk to Southeast Morris about having them repair it for us at our cost and we did not have those final discussions yet or if we are going to create a bid document. Mr. Holt mentioned that his only hesitation in getting that leak repaired on a main that right now would be out-of-service is that over time other leaks or other decay of other couplings on that line may also occur and only when we really wish to put this line in service, which we have no plans to do in the future, but they may develop, that would be the time to retest, re-evaluate and repair anything and all that is wrong with that portion of the main. So it is just an open item that we can't lose track of. Mr. Holt said it is in impaired state right now, we are going to decommission or de-water it and leave it out-of-service, that would be my recommendation, but we need to create an opportunity in our Asset Management Plan certainly we will reflect current condition but maybe I should do a quick report to the Board documenting here are our steps recommended if ever it is to be considered for its reinstatement. Mr. Gindoff added that Mr. Holt should do the report and it will be discussed at the Water Committee Meeting and we will get a Motion at the July meeting to approve it.

Mr. Holt mentioned the Crimi property road restoration. We have not been out there lately and there are some outstanding items there. Mr. Carney yes, the entire restoration of the whole road. That has not been done right? Mr. Holt replied that he can't report on the current status because I have not been to the property in some time. Mr. Holt said he would make a point to make discussion on it for next month. Mr. Carney said in the meantime that he should reach out to their lawyer who promised that this was all going to be done. Mr. Holt said that they would do a drive by and email Brent Carney regarding the status so Brent Carney can write a letter to their lawyer

asking what is the status of road restoration and ask for a timeline if nothing has been done. Mr. Carney mentioned that they were supposed to do it at the end of December but then for weather conditions, it was not done and there was a series of emails to me promising that we haven't forgotten but we will do it and we find out nothing has been done which I suspect is the case, because they are supposed to give us 48 hours before they commence the work, it should be done. Mr. Carney commented that he should just send an email tomorrow. Mr. Carney said someone should do the inspection and he will wait for confirmation of the status and then will send an email. Mr. Platt added that the work should be done in two weeks or when the weather breaks.

Mr. Holt mentioned that he submitted just today, June 6th letter. He wanted to be on the record as to the question that came up last month with a potential for conflict of interest that Fletcher brought up with us and our role when working for Southeast Morris County M.U.A. The letter restates what the professional engineering code of ethics talks about, what the New Jersey Administrative Code talks about in terms of regulations for licensed professionals and it just reinforces what we said last night should dialogue between Morris County M.U.A. and Southeast Morris County M.U.A. get to the point where it is contractual negotiations, then I would feel in a position that I was compromising my ability to represent your particular interests. Nothing do date has ever gotten to that level and I feel we are not in any conflict. Mr. Carney asked would that be both of the interests of both entities, and Mr. Holt replied yes. Mr. Holt did let the former Executive Director during the interview process know that we have other working relationships. We are actually soon to be under contract with Parsippany on a particular SCADA project and I know that Parsippany is one of customers with a contract with the Morris County M.U.A. Mr. Holt said that they will just monitor it, and if and it gets to that point, he will inform the Board. Mr. Platt thanked Mr. Holt for clarifying it.

Chairwoman Szwak asked if Mr. Holt had heard anything more from Southeast Morris County M.U.A. to do a Water Supply Master Plan? Mr. Holt replied that Laura Cummings was going to share with us the draft RFP that they were going to engage the consultant with. Mr. Platt commented that her timeline was the Fall. Mr. Holt commented that they have not heard from them yet but will follow-up with them in the Summer to see where they are in the process.

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

RESOLUTION NO. 17-45
RESOLUTION AWARDING EMERGENCY SERVICES CONTRACT
TO REPLACE FAILED 8" GATE VALVE – HOWARD BOULEVARD

WHEREAS, the Morris County Municipal Utilities Authority (hereinafter the "Authority") owns and operates a system for the distribution of potable water located within the district of the Authority; and

WHEREAS, an emergency situation developed with respect to the operation of an 8" gate valve located on the Hoard Boulevard water main in Mount Arlington, New Jersey by virtue of a failed 8" gate valve on May 17, 2017; and

WHEREAS, upon the recommendation of the Consulting Engineer (Suburban), the Acting Executive Director authorized the acquisition of emergency services and equipment in order to provide for the replacement and continued operation of the system which is essential for the distribution of water in the Authority's service area; 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 performance of the services; 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 contract 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 State of New Jersey on this 6th day of June, 2017 as follows:

1. The Authority ratifies the actions taken to meet the emergency condition and the award of the contract on file at the offices of the Authority for the provision of emergency services and equipment by John Garcia Construction Co., Inc., 183 Friar Lane, Clifton, New Jersey 07013 at a cost not to exceed the amount of \$9,778.50 for the replacement of the Authority's 8" gate valve located on the Hoard Boulevard water main in Mount Arlington, New Jersey.

2. This Resolution shall take effect immediately.

CERTIFICATION

I hereby certify that the foregoing Resolution was adopted by the Morris County Municipal Utilities Authority at the Regular Meeting held on June 6, 2017.

MORRIS COUNTY MUNICIPAL
UTILITIES AUTHORITY

By: _____
Laura Szwak, Chairwoman

ATTEST:

Marilyn Regner, Secretary

TREASURER'S CERTIFICATION

I hereby certify that there are sufficient funds in the Equipment Repairs appropriation, Account No. 02-6-600-602-325 listed to cover the expenditures included in the Resolution Awarding Procurement of Emergency Services Contract To Replace Failed 8" Gate Valve – Howard Boulevard; dated June 6, 2017.

DATE: June 6, 2017

Larry Kaletcher, Treasurer

MOTION: Mr. Hudzik made a Motion to award Emergency Services Contract To Replace Failed 8" Gate Valve on Howard Boulevard to John Garcia Construciton Co., Inc. in an amount not to exceed \$9,778.50 and Mr. Platt seconded the Motion.

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

RESOLUTION NO. 17-46 **RESOLUTION TO ENGAGE SERVICES OF EMR POWER SYSTEM** **FOR GENERATOR PREVENTATIVE MAINTENANCE PROGRAM** **FOR MCMUA WATER FACILITIES**

WHEREAS, Suburban Consulting Engineers (SCE), the MCMUA Water Consulting Engineer, performed an evaluation of options to develop a more aggressive emergency generator preventative maintenance program to increase the reliability of the MCMUA facilities that are critical to water production and distribution; and

WHEREAS, after careful consideration and evaluation, SCE reviewed the approved vendor listing with the State of New Jersey Department of Treasury, Division of Purchase and Property to solicit quotation for services under State Contract A81474 for Preventative Maintenance and Testing of Emergency Generators.

WHEREAS, MCMUA staff and SCE recommend engaging the services of EMR Power System of Trenton, New Jersey based on its price quote in the amount of \$6,250.00 to complete the four (4) quarterly visits to each generator site to perform one (1) major service and three (3) minor service events.

WHEREAS, the MCMUA Treasurer has certified there are funds available in Account Number 02-6-900-958-151, Facility Maintenance.

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

1. The Executive Director is authorized and directed to execute a contract, in a form subject to approval by MCMUA Counsel, based on the price quote submitted by EMR Power System in the amount of \$6,250.00.
2. Authority Staff and Consultants are authorized to effectuate the terms and conditions of this resolution and contract.
3. This resolution will 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 June 6, 2017.

MORRIS COUNTY MUNICIPAL
UTILITIES AUTHORITY

By: _____
Laura Szwak, Chairwoman

ATTEST:

Marilyn Regner, Secretary

MOTION: Mr. Hudzik made a Motion to engage services of EMR Power System For Generator Preventative Maintenance Program for MCMUA Water Facilities in an amount not to exceed \$6,250.00 and Mr. Barry seconded the Motion.

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

RESOLUTION NO. 17-47
RESOLUTION AUTHORIZING A CONTRACT FOR WORK ON WELL #8 PUMP

WHEREAS, the Morris County Municipal Utilities Authority (MCMUA) has a 175 hp pump and motor at well #8 which has been operating unreliably and needs to be removed, evaluated, potentially repaired and reinstalled: and

WHEREAS, the MCMUA consulting engineer (Suburban Consulting Engineers or SCE) has requested quotations from three well pump and installation contractors to perform such work; and

WHEREAS the SCE received competitive pricing from two (2) of the contractors with the cost proposal form Samuel Stothoff Co., Inc. of Flemington New Jersey in the amount of \$11,100.00 being the lowest, followed by the proposal of Unitech Drilling of Franklinville, New Jersey in the amount of \$18,850.00. AC Schultes, the third contractor, did not provide a quotation as requested; and

WHEREAS, MCMUA staff and SCE recommend proceeding with this work and awarding a contract to Samuel Stothoff Co., Inc. based on its cost proposal in the amount of \$11,100 in order to perform repairs in a timely manner to assure reliable water supply to the MCMUA system through the summer period of higher demands; and

WHEREAS, the MCMUA Treasurer has certified there are funds available to pay for the cost of this contract in account number 02-6-600-602-325 (Water – Equipment Repair).

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

1. The Executive Director is authorized and directed to execute a contract, in a form subject to approval by MCMUA Counsel, based on the proposal submitted by Samuel Stothoff Co., Inc. in the amount of \$11,100.00.
2. The Executive Director, staff and consultants are authorized to take all other actions necessary or desirable to effectuate the terms and conditions of this Resolution.
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 June 6, 2017.

MORRIS COUNTY MUNICIPAL
UTILITIES AUTHORITY

By: _____
Laura Szwak, Chairwoman

ATTEST:

Marilyn Regner, Secretary

MOTION: Mr. Barry made a Motion to authorize a contract for work on Well #8 Pump to Samuel Stothoff Co., Inc. in the amount of \$11,100.00 and Mr. Platt seconded the Motion.

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

PROJECT STATUS

1. Markewicz Electrical Upgrades

We have begun the preparation of the request for design proposal documents and will circulate a draft by June 20, 2017.

2. Alamtong Well #8

We have requested pricing from (3) three qualified well pump installation and maintenance contractors to perform the removal of the existing 175 hp pump and motor for Well #8, perform an inspection and evaluation recommendation report, as well as the reinstallation of the pump following completion of any required repairs. We have received competitive pricing from two (2) of the Contractors with Samuel Stothoff Co., Inc. of Flemington New Jersey as the current low at \$11,100.00, and Unitech Drilling of Franklinville, New Jersey at \$18,850.00. AC Schultes has not responded. We recommend proceeding with this work as Equipment Repairs for the water distribution system in order to facilitate these repairs in a timely manner to assure reliable water supply to the MCMUA system through the summer period of higher demands. It is recommended that MCMUA authorize Samuel Stothoff, Inc. to complete this equipment repair.

3. General System

A. While performing routine leak detection, MCMUA personnel located a leak in an 8” valve on Howard Boulevard south of Pub 199 in Mt. Arlington. The leak was emanating from an 8” valve bonnet which is along a stub line that branches off of the 12” DIP watermain on Howard Boulevard. An increase in the leak occurred when the valve was exercised in an attempt to eliminate the leak. As water was discharging from the defective 8” valve, water was present on the surface of Howard Boulevard, compromising distribution system integrity and the ability for MCMUA to provide high quality potable water to its customers. In order to assure clean and reliable water supply to its customers, it was necessary to immediately engage a contractor to complete the required repair. John Garcia Construction, Inc. was engaged to perform this emergency work, and due to an uncertainty as to the scope of the repairs, it was agreed upon that time and material tracking would be the basis of payment. SCE personnel were onsite to verify materials used and man-hours. During the repair, it was determined the existing 8” valve could not be successfully rehabilitated, and thus required full replacement. At approximately 11:30am on May 18th, 2017, the leak was isolated by closing the upstream and downstream valves from the leak location. The repairs and pavement restoration were completed at approximately 2:30 pm. We have reviewed the invoice and recommend the payment to John Garcia Construction Co., Inc., in the amount of \$9,778.50, as authorized by emergency resolution.

As a result of this recent emergency repair, we have prepared draft correspondence reminding all of our customers of contractual language which requires the municipalities and water systems of the need to perform maintenance and system repairs in a timely manner to prevent a compromise to MCMUA distribution system integrity. Further review of customer water system maintenance and repair responsibility and jurisdiction is required, and SCE will meet with the acting Executive Director and Counsel as necessary.

B. We have performed an evaluation of options to develop a more aggressive emergency generator preventative maintenance program to increase the reliability of the MCMUA facilities which are critical to water production and distribution. After careful consideration and evaluation, we reviewed the approved vendor listing with the State of New Jersey Department of Treasury, Division of Purchase and Property to solicit quotation for services under State Contract A81474 for Preventative Maintenance and Testing of Emergency Generators. We recommend that the MCMUA by order of Resolution, engage EMR Power System, Trenton NJ in the amount of \$6,250.00 to complete the four (4) quarterly visits to each generator site to perform one (1) major service and three (3) minor service events.

C. The Acting Executive Director and SCE met with the NJDEP and other Bulk Sale/Purchase Contracts Deficit/Surplus Stakeholders on May 25th, 2017 at the New Jersey Water Science Center in Lawrence Township NJ. The workgroup meeting was convened by NJDEP to explore proposed alternative methodologies to track the deficit/surplus analysis. While several stakeholders were passive towards any changes the NJDEP might incorporate, MCMUA made a case for the need for a new, more liberal interpretation of the contract limits,

based on historic and forecast demands. We do not agree with the changed methodology as presented at the meeting, however, recommend MCMUA volunteer to demonstrate a modified approach that will enable MCMUA to contract for and sell additional water supply within our current allocation limits.

D. We have scheduled a meeting for Monday July 10th at 2:00 pm with representatives for New Jersey-American Water Company to discuss long-term plans for the continued purchase of water from MCMUA and to evaluate options prior to the expiration of the existing agreement. This information will assist in guiding the MCMUA in its participation with SMCMUA regional water supply planning efforts. The Water Committee may wish to have members attend.

E. We have received a proposal and scope of work from Practical Environmental Solutions, LLC the LSRP of record, who previously prepared the Soil Remedial Action Permit (RAP). This scope of work is to complete the Biennial Certification at the Farley Waterworks property. We will review this proposal and provide recommendation at the July Board Meeting.

SOLID, HAZARDOUS & VEGETATIVE WASTE REPORT:

Mr. Gindoff reported that with regard to tonnage at the Transfer Station, we had a great month in May. We were up 13.29% from last May. We had an incredibly busy day on the day after Memorial Day where our two facilities were as busy as they get throughout the year and they handled the waste fine. It was a good month for garbage. With that, we had started the APC Project. They had started staging some material and setting up the site to prepare for some of the work. They are about to begin powerwashing the one area they are going to be working on and one snafu we had was we were supposed to have a pre-assembly meeting earlier this week that got postponed by the contractor, so that is going to happen next week.

Mr. Platt brought this up to me a few months ago so I have invited Alaimo to show up to the meeting in July so that we could meet the consultants that we use at Alaimo so I will have our Solid Waste Consultant here to discuss some of the projects.

It is all good news on the medical waste illegal dumping issue at the transfer stations. We have not had any incidences and our staff has been working quite energetically with the hospital people to try to stop that, so that is good news for us.

With regard to the Solid Waste Management Plan inclusions, he heard from another County that recently went through a plan inclusion process that DEP is using this certification at this time to ask the Counties for updates on their recycling programs to see how they are doing. Now Morris County is pretty much on target with our goals with respect to recycling so I am not sure if DEP will also use this opportunity to make us come back and give them some answers on how we are going to improve things in the future. They actually called us up and asked how are you doing so well. I will be interested to see if they come back to us with any requirements on doing anything but we have a good story to tell if they do.

With regard to Household Hazardous Waste, we had a very good day on Saturday, the first Household Hazardous Waste Day of the year. MXI was the vendor for the chemicals and MRM was the vendor for e-waste. In total we had 943 participants show up at the site between 9 o'clock and 2 o'clock. Actually that is an average number for these times. We have been breaking a thousand sometimes. Everyone did a great job. The bid for the one day event is being worked on and should be ready for review and consideration at the next meeting in July. The other bid for the permanent facility is currently on the street and also should be coming before the Board in July.

With respect to Vegetative Waste, on one of the policy matters that we approved last month about providing some free compost to some of our better customers, I just want to confess that I violated it when we shut out one of the entities that we use to provide free compost to which was Washington Township Garden Club. After they wrote me a gut wrenching letter, I did provide the free load to them and they wrote a letter back to me thanking me.

Regarding the bulk sale of compost, I did put together a resolution that authorizes the auctioning of unscreened compost. This is our lowest quality material that we like to sell in bulk that I am seeking the Board's permission to use the auction sites to auction off chunks of our compost as we need to get it off our site to who is going to offer us the best price at the time. We have never done

this in this fashion before, so we think that we are going to sell one windrow at a time, show it, and have people inspect it and just give us a price for how much you will pay us to take the windrow off site. Mr. Gindoff said that he prepared a resolution authorizing us to do that. It is one of our least revenue generating entities in the compost program, but it at least enables us to move this material off site to make room. Chairwoman Szwak asked who bids on this and Mr. Gindoff replied it would be topsoil manufacturers, landscapers, people who would want the organic material and will further process it and will mix it in with some inert material to get the proper mixture of organic material.

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

RESOLUTION NO. 17-48
RESOLUTION AUTHORIZING THE AUCTION/SALE
OF BULK QUANTITIES OF UNSCREENED COMPOST

WHEREAS, the Morris County Municipal Utilities Authority (MCMUA) operates two compost facilities that produce bulk quantities of unscreened compost: and

WHEREAS, from time-to-time the MCMUA desires to sell bulk quantities of unscreened compost for the efficient operation of its compost facilities as well as to keep the compost facilities operating in accordance within NJDEP general approval limits; and

WHEREAS, when the MCMUA determines it needs to sell bulk quantities of unscreened compost, the MCMUA desires to post the unscreened compost on an "on-line" web site, such as www.GovDeals.com, for public auction and sale to the highest bidder and/or to sell the unscreened compost to another governmental entity through a shared services agreement for an agreed upon price; and

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

1. The Executive Director of the MCMUA is hereby authorized to determine the need to sell bulk quantities of unscreened compost and then post and sell the bulk quantities of unscreened compost for auction on an "on-line" web site, such as www.GovDeals.com, to the highest bidder and/or sell the unscreened compost to another governmental entity through a shared services agreement for an agreed upon price.
2. This resolution shall take effect immediately.

CERTIFICATION

I hereby certify that the foregoing Resolution was adopted by the Morris County Municipal Utilities Authority at the Regular Meeting held on June 6, 2017.

MORRIS COUNTY MUNICIPAL
UTILITIES AUTHORITY

By: _____
Laura Szwak, Chairwoman

ATTEST:

Marilyn Regner, Secretary

MOTION: Dr. Kominos made a Motion to authorize the auction/sale of bulk quantities of unscreened compost and Mr. Hudzik seconded the Motion.

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

Mr. Gindoff mentioned some open space matters. One is following the last meeting that we approved the Untermeyer Lake additional money to be used for that project. Marilyn and I both got trained in the Freeholder IQM2 process which is their system of running their meetings and getting resolutions through. It was actually good work for us to get involved with that to make the work that the County has done for us in these open space projects a little easier on their end and that we could fulfill our obligation of just getting the work done here.

Finally, Mr. Gindoff informed the Board that he has been participating in something called the GIS Department's POSI, which is the Public Open Space Inventory. They are trying to get a good grip on the inventory of all the open space that the County has acquired through the various programs, the Historic Preservation, the M.U.A., the Park Commission and the County and they don't have a very good database of it so Steve Rice who works for GIS has been meeting with individual departments, including me, to ask about what could you use this POSI database for. I said I would like to develop it to potentially work on our stewardship and/or inspection programs so I can get the sites inventoried. I will keep you informed on that as we have another meeting with the group in a couple of weeks.

TRANSFER STATIONS

Tonnage

For the month of May 2017, the tonnage of solid waste accepted at the two transfer stations was robust at 36,991 tons. This monthly tonnage for May 2017 was 13.29% greater than the 32,652 tons accepted a year ago in May 2016. Based on monthly tonnage disposed of for the first five months of the year, for 2017 the annual total tonnage disposal is trending ahead of 2016 and is currently projected to be 402,825 tons. If this projection holds true, 2017 tonnage would be 5.24% more than the 385,849 tons accepted in 2016. Please refer to the Transfer Station Disposal Report by Month for additional information.

Air Pollution Control System Installation – Parsippany Transfer Station

Following the May 1, 2017 execution of the contract for the air pollution control system at Parsippany, MBT Contracting began staging the site in preparation for construction. Fencing and concrete have been brought to the site and they have power-washed the first area being worked on in preparation. Additionally, MBT provided several shop drawings to Alaimo Engineering for review, some of which have been provided to the NJDEP solid waste permitting group to update our pending solid waste facility permit application. A pre-assembly meeting with the Alaimo structural engineer is scheduled for June 1. To date, the process with MBT is going well.

Ajaco Towing – Lease of Additional Lots at Parsippany Transfer Station

Following discussion at the May Board meeting regarding potential environmental impacts of the Ajaco Towing activities at the MCMUA's property it leases to Ajaco, Alaimo Engineering sent a May 16, 2017 letter to Ajaco as a request for information. This request provides a form for Ajaco to fill out to provide background data in preparation for a conference call to discuss further. To date, we have not received a response from Ajaco but they are still not using the site as anticipated while awaiting final municipal approval.

Operational Matters

Medical Waste Disposal – MCMUA recycling staff continued to provide assistance to the Atlantic Health Care Facilities (Morristown Memorial and Chilton Hospitals) during the month in an attempt to help turn around their waste management issues which had impacted our transfer stations. MCMUA efforts seem to be paying dividends as the transfer station has not identified any problem loads in almost two months. A new position of sustainability coordinator was established by Atlantic Health. Additionally they hired a person who is much more engaged in the matter and has been training the employees regarding proper waste management and recycling requirements.

SOLID WASTE MANAGEMENT PLAN

Administrative Action Modification for CipCycle Inclusion of Class “A” Recycling Facility in the Borough of Rockaway

There is no new activity on this matter with respect to the application before the MCMUA and County for Plan inclusion. The applicant, CipCycle, had submitted notifications to NJDEP regarding a flood hazardous verification for this site on April 11, 2017 and as such, this may be the current hold up in revising the application. If submitted to the MCMUA, the revised application would then be forwarded back to Rockaway Borough's governing body for its consideration and adoption of a resolution setting forth the municipal position on the Plan inclusion request.

Electronics Recyclers International, Inc. (ERI) Plan Inclusion Request – Class “D” Recycling Facility, Lincoln Park

The Board of Chosen Freeholders has established a June 14, 2017 public hearing to consider the Plan inclusion request of ERI. This is the last step in the Plan inclusion process at the county level prior to being submitted to the NJDEP for final certification and approval. In other counties, the NJDEP has recently used this Plan certification process when a new amendment is presented to the state to require the counties to respond to deficiencies in their solid waste plans (typically related to not achieving recycling goals). As Morris County has been hovering right around the 50% MSW recycling rate, it will be interesting to see what NJDEP will require as part of the certification process. Finally, it should be noted that on May 12, ERI sent out a promotional piece to Morris County communities introducing the company and services offered by ERI here in Morris County either through their new facility in Lincoln Park or through partners like the Salvation Army and Staples. A copy of the promotional email has been included with the correspondence.

HOUSEHOLD HAZARDOUS WASTE MANAGEMENT

Program Participation – During May 2017, a total of 183 residents and businesses delivered waste to the permanent household hazardous waste (HHW) facility in Mount Olive. This is up a bit from April 2017 levels when 175 participants used the facility. May 2017's participation represented a slight increase from last year when 172 participants used the facility in May 2016.

One-Day HHW Events – The first of three MCMUA 2017 one-day HHW events is scheduled for June 3, 2017 at the Public Safety Training Academy on West Hanover Avenue. Both HHW and E-waste will be accepted at this event. In addition, the MCMUA has scheduled two other fall HHW events for 2017. A fall event will also take place at the Public Safety and Training Academy on September 23 and the final program of the year will take place at Pequannock Valley Park on October 28. This is a new Pequannock Township location.

Procurement – On June 1, the MCMUA issued a bid for the operation of the permanent HHW facility which will have proposals received in late June ready for Board consideration of awarding a contract at the July 11 meeting. Likewise, staff is preparing a bid for future one-day HHW event days which is anticipated to be issued in mid-June with receipt of proposals in July with an August resolution awarding a contract. Staff is also finalizing the E-waste request for quotations providing for the MCMUA and other Morris County E-waste needs in accordance with the state's Electronics Recycling Act. This is also anticipated to be awarded by the MCMUA at the August meeting.

VEGETATIVE WASTE MANAGEMENT

Facility Report – Compost and mulch residential deliveries started on April 17, 2017 and are scheduled to continue through September 29, 2017. One of the two trucks the MCMUA uses for residential deliveries had on-and-off mechanical issues during May resulting in juggling deliveries schedules to meet the demand for the delivery of material. The Vegetative Waste

Management Report for May 2017 will be presented to the Board at the June 6 meeting providing details on the acceptance and sales of vegetative materials for May 2017.

Regarding bulk sales of unscreened compost, the MCMUA has in the past sold much of this difficult to market unscreened compost to contractors, top soil producers and landscapers. As a way to fairly market and sell this material, the MCMUA would like to use a public auction site like www.GovDeals.com to establish auctions for the sales of large quantities of the unscreened compost. A resolution will be presented to the Board for its consideration at the June 6, 2017 meeting authorizing the sale of bulk quantities of unscreened compost product through a public auction.

OPEN SPACE PRESERVATION - Staff has recently been trained at using the Freeholder meeting system called IQM2 and was able for the first time to input the required Freeholder resolution authorizing the use of the MCMUA public trust fund money for the Untermeyer Lake acquisition. This was approved by the MCMUA at the May meeting. MCMUA use of IQM2 takes some of the burden off of county staff in helping the MCMUA administratively complete its open space projects.

Staff has been participating in meetings with the county GIS staff on updating its POSI (Public Open Space Inventory) database and working with them to coordinate open space mapping and data needs with the MCMUA.

RECYCLING REPORT:

Ms. Hourihan passed around a photo album that Liz Sweedy prepared on the Awards Luncheon. I have to give Liz a lot of kudos and credit for putting together the Awards Luncheon. She made it really fun and there was a nice class of students from a recycling club who re-enacted a video that they had created as an educational piece for their school. There were kids from Morris County Vo-Tech there who were part of the fashion show so it was a nice event and a lot of good award recipients that were recognized that was also very nice.

Talking about awards, Liz Sweedy had nominated Chris Vidal for an award for the Clean Communities Program, which they had a conference at the end of May and they have a dinner where they recognize award recipients. Chris Vidal received an award for her Educational Enforcement. She had done a lot of work helping Mike Flora put together an educational presentation which was given at a Clean Communities Certification Program and that was part of the educational program for that so Chris did a lot of work helping Mike put that educational program together so it was nice for her to be recognized for that work.

Coming up in June is our second composition audit with ReCommunity. We were going to do it in May but they had planned it for the Saturday after the luncheon so they decided to push it back so it is now scheduled for Saturday, June 24th. It is actually our third audit in our contract but the first audit ReCommunity had done on their own before our contract started. We were part of one audit together last November so this is really our second audit together. The first one had lots of hiccups. I am anticipating that this one we are going to have learned from all that trial and error and we are

going to have a much smoother audit. I am gearing up for that getting the truck sampling ready based on the percentage that each town contributes to our weekly schedule.

Ms. Hourihan explained that we had gone out to rebid for a stationary compacting unit which when we buy it, it will be located at Chatham Township Recycling Center. We got three bids in and we had to reject the lowest bidder and we are seeking to award it to Rudco Products. The lowest bidder had a problem with their Certificate of Affirmative Action. They are a Canadian company and they said that the Certificate of Affirmative Action did not apply to them and they crossed it off so they did not complete that and that is a material defect. Mr. Carney added that actually there is a box on the form for them to say if they don't comply, they check yes that says they will comply with the State Agency's regulations and they just put a big line through all of it and said none of this is applicable for a Canadian company. So that would completely unlevel the playing field, so that is a material defect. This contract is set up so that we have said in the contract that we plan to buy at least one compactor and that the pricing is good until the end of December in case we need to order another compactor. The contract gives us the ability to order more than two compactors, but this resolution is authorizing us to purchase up to two. We plan to buy just one now and if the need arises, we would buy the second one.

Ms. Hourihan asked for the Board's approval of the following Resolution:

RESOLUTION NO. 17-49
RESOLUTION AUTHORIZING EXECUTION OF CONTRACT BY AND BETWEEN
THE MCMUA AND RUDCO PRODUCTS, INC. FOR THE
PURCHASE OF ONE OR MORE STATIONARY COMPACTOR SYSTEM(S) (REBID)

WHEREAS, the Morris County Municipal Utilities Authority (MCMUA) issued a request for bids for the "Purchase of One or more Stationary Compactor System(s) (ReBid)"; and

WHEREAS, the MCMUA received three (3) sealed, competitive bids on June 1, 2017 from the companies listed below at the amounts shown for one stationary compactor system; and

	<u>Bid Amount</u>
Reaction Distributing Inc. (Reaction) 19 Brock Street, Ajax, Ontario, Canada L1S 1S9	\$19,634.00
Rudco Products, Inc (Rudco) 114 East Oak Road, Vineland, NJ 08360	\$20,130.00
Detachable Container & Compactor Corp, dba Detcon (Detcon) 5039 Industrial Road, Farmingdale, NJ 07727	\$25,555.00

WHEREAS, the bid of Reaction, being the apparent lowest, was reviewed by the Authority's Counsel and Staff to determine compliance with the bid specifications; and

WHEREAS, it was determined that the bid of Reaction contained a material defect regarding the Certification of Affirmative Action Program, since Reaction crossed off the form and wrote "Not applicable – Canadian Corporation"; and

WHEREAS, the bid of Reaction also took exception regarding certain provisions of the warranty; and

WHEREAS, the bid of Rudco, being the next apparent lowest, was reviewed by the Authority's Counsel and Staff to determine compliance with the bid specifications; and

WHEREAS, it was determined that the bid of Rudco meets the requirements of the bid specifications and in accordance with the same, must submit a certificate of insurance in a form acceptable to the County's Risk Manager prior to the commencement of the contract; and

WHEREAS, the MCMUA desires to purchase at least one (1) new stationary compactor system according to the bid from Rudco and possibly additional systems, if needed, through December 31, 2017 at the amount of \$20,130.00 for each system; and

WHEREAS, the MCMUA Treasurer has certified that sufficient funds are available in line item 7-01-3-300-800-151 Equipment Purchase for the purchase of two (2) new stationary compactor systems.

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

1. The MCMUA hereby rejects the bid of Reaction due to the material defect contained therein which cannot be waived by the MCMUA.
2. The MCMUA exercises its discretion to waive all immaterial defects, if any, with respect to the bid of Rudco, received on June 1, 2017.
3. The MCMUA awards the Purchase of One or more Stationary Compactor System(s) Contract to Rudco, having a business address of 114 East Oak Road, Vineland, NJ 08360 as the lowest responsible and responsive bidder, in the amount not to exceed the bid price of \$20,130.00 for each system and the Acting Executive Director is authorized to execute said Contract, having a term that shall expire on December 31, 2017.
4. The Contract awarded herein to Rudco shall commence after the execution of the Contract, the submission of all required insurance certificates required by the Contract, in a form acceptable to the Risk Manager of Morris County, and all other documentation required by the Contract.
5. After the commencement of the Contract by and between the MCMUA and Rudco, the MCMUA Board hereby authorizes during the term of the Contract, the purchase of at least one stationary compactor system with a maximum limit of two stationary compactor systems at the bid price \$20,130.00 for each stationary compact system. Any stationary compactor system recommended to be ordered by MCMUA staff during the term of the aforementioned Contract, beyond the maximum limit of two stationary compactor systems authorized by this Resolution, shall require separate approval by the MCMUA Board.
6. The Authority's staff and consultants are hereby authorized to take all other actions necessary or desirable to effectuate the terms and conditions of this Resolution.
7. Within three days, Sundays and holidays excepted, after the awarding and full execution of the Contract awarded herein to Rudco, the remaining unsuccessful bidders' bid security shall be returned to them, together with a copy of this Resolution.
8. A copy of this Resolution shall be submitted to the Authority's Treasurer and kept on file in the offices of the Authority.
9. 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 June 6, 2017.

MORRIS COUNTY MUNICIPAL
UTILITIES AUTHORITY

By: _____
Laura Szwak, Chairwoman

ATTEST:

Marilyn Regner, Secretary

MOTION: Mr. Druetzler made a Motion to authorize execution of contract by and between MCMUA and Rudco Products Inc. for purchase of one or more stationary compactor system(s) (Rebid) and Mr. Barry seconded the Motion.

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

Chairwoman Szwak said great job to Liz and the team. Everybody was there working away or modeling. It was a lot of fun but I just wanted to give her and your whole team a lot of credit.

Chairwoman Szwak had a question under the Atlantic Health Systems about the plastic bags and they found a solution to the problem. What was the solution? Ms. Hourihan said she has to follow-up with Chris. Unfortunately, Chris is on vacation for the last two weeks. Mr. Gindoff commented he believes that the solution is they are supposed to be having someone ripping open the plastic bags. Ms. Hourihan commented that they were using a compactor and in order to clean up the load before they delivered it, they were going to be taking it from the compactor and putting it into a roll-off. So I am not too sure if the permanent solution going forward is to use the roll-off because there was a problem with loading loose material as opposed to being able to throw a bag of material into something. Mr. Gindoff added that there was certainly some ambiguity that the hauler said don't worry you can put it in plastic, we'll take care of it and all of a sudden, his market said we are not taking it like that. Kathy said that she could follow-up on it at the next meeting.

Recycling Operations

Revenue and Tonnage – The preliminary April statement was received on May 2 in the amount of \$3,167.16 owed to the MCMUA. This report has not yet been finalized by the MCMUA.

Tonnage collected by the MCMUA for recycling during May through the 29th was 1,246 tons. The monthly tonnage is shown by material and by customer on the attached report.

Bid to Purchase One or more Stationary Compactor System(s) – After all bids were rejected from the first bid solicitation, staff revised the specifications in some areas and released the rebid solicitation on Thursday, May 18. Bids are due on Thursday, June 1.

Bid to Purchase One or more Roll-off Container(s) and/or One or more Rear-Loading Dumpster(s) – As reported at the May Board meeting, there were no bids received for this bid request. Staff will rebid this.

Boat Shrink Wrap – Since delivering the roll-off container to collect boat shrink wrap to Lee's County Marina on Friday, March 31, the MUA has emptied the container 15 times through May 30 for a total of 12.65 tons collected so far. The program will continue into mid-June.

Events/Education/Miscellaneous

Clean Communities – The MCMUA ordered outdoor waste stations, similar to the one located outside the MCMUA office, for several outdoor County locations as requested by the Buildings and Grounds Department. The waste stations were delivered on May 9 and some of them have been put in place. The Slam Dunk the Junk program is going well. Of the 31 schools which registered for the clean-ups, so far 19 have completed them and submitted their paperwork to the MCMUA. The deadline for the poster contest is June 6. Liz Sweedy attended the Clean Communities Conference and worked at the Kid's Day event held on May 24 and 25 in Essex County. At the Conference Award Dinner, Chris Vidal received an Enforcement award for all of her work to stop illegal dumping and assistance she provides to Mike Flora. Congratulations to Chris for her outstanding work! **Educational Programs:** The MCMUA funded seven education programs in May at St. Peter's Orphanage in Denville, at a school in Morris Township and at school aftercare programs in Morristown, Rockaway Township and Wharton. **Road Clean-up:**

The MCMUA hired Adopt a Highway Litter Removal Services of America to do one road clean-up in May on the 24. The clean-up took place on another section of Howard Blvd.

Cleanup of Waterloo Valley Road, Mt Olive – On May 5 and 6, a cleanup was done on Waterloo Valley Road in Mt Olive by Jersey Off Road Bicycle Association, volunteers from Marty's Reliable Cycle and volunteers from Northstar Contracting Group. The group removed over 11 tons of debris that was dumped illegally using loaders and roll-off containers. Mike Flora had very recently noticed the large dumped pile of debris and happened to revisit the site while the cleanup was going on. That these groups would come together on their own to cleanup this debris is a wonderful thing. Staff is reaching out to Marty's Reliable Cycle to get the full story.

Municipal Recycling Coordinators Meeting – On Friday, May 12, in the morning before the Awards Luncheon, staff hosted a Municipal Recycling Coordinators meeting at the Haggerty Education Center at Frelinghuysen Arboretum in the classroom downstairs. In addition to announcements made by staff, we had 3 guest speakers, including Samantha McGraw of Sustainable Jersey, Dr. Nadereh Afsharmanesh of Earth Friendly Products and Danny Bonilla, Hanover Township Economic Development Advisory Committee and Whippany River Watershed Action Committee. Earth Friendly Products and Arthur Gallager & Co (which provided volunteers for the cleanup project about which Danny Bonilla spoke) were both award recipients at the subsequent luncheon.

2017 Awards Luncheon – The Awards Luncheon, was held at the Haggerty Education Center at the Frelinghuysen Arboretum, in the large room upstairs at noon on Friday, May 12 immediately following the morning Municipal Recycling Coordinators meeting. There were about 85 attendees. A program is attached listing the eight award recipients and the back of the program lists some of the other features at the event.

Liz Sweedy did a great job of planning and organizing this event for the third year. Liz was an excellent host of the event. She coordinated a fashion show featuring the students from the Stoney Brook School Recycling Club who re-enacted an educational video they created for their school and there were many other models sporting funky fashion. Thanks to Laura Szwak for welcoming everyone and to Laura and Bill Hudzik for presenting the awards.

A press release about the award recipients was drafted and sent to Larry Ragonese, County of Morris Communications and Digital Media Manager, for distribution. Some photos from the luncheon are included on the last page of this report.

2016 Municipal Tonnage Grant Reports – Through May 30, a total of 16 municipal recycling tonnage reports had been received by the MCMUA at the start of writing this report. That was a very low number for the end of May. The official NJDEP deadline for submission of municipal tonnage reports was April 30. Staff sent a reminder to coordinators to send a copy of their report to the MCMUA and has received several by the time this report was finished.

Recycling Inspections/Outreach – During May, a total of 4 transfer station loads suspected of improperly containing mandated recyclable materials were photographed and written-up by MCMUA tipping floor inspectors and recycling staff.

- On May 4, staff met with the assistant manager of the Holiday Inn Express & Suites in Roxbury regarding 3 recent transfer station violations. There was corrugated cardboard mixed with debris from room renovations. The manager will advise the construction contractors to recycle.
- On May 23, at the request of the Roxbury recycling coordinator, staff joined her on a visit to the Kohl's store, since she wanted to make sure the store was recycling properly. They met with the assistant store manager. There is some follow-up needed with the operations manager which will be done by the Roxbury recycling coordinator in June.

Continued Assistance Provided to Hospitals

Atlantic Health Systems – On May 4 and 5, staff met with Garden State Waste, the hauler for Morristown Medical Center who was explaining that he needed to dispose of a load of recyclable material from the hospital at the transfer station because it was contaminated with plastic bags. Staff told the hauler that the material needed to be cleaned up on site and that an NOV would be issued if it was sent to the transfer station. There were some logistical issues realized with loading the material into the container without plastic bags, but the hospital and the hauler may have found a solution to that problem. Another question now, is if the recyclable material has too much food contamination.

On May 18, staff operated an educational table at Chilton Hospital in Pequannock. The table was stationed just inside the cafeteria doors so that the employees had to pass the table to get to the food line. The hospital had just announced that they will be doing single-stream recycling and MUA staff was there to give out the flyers that the MUA had created for them. The hospital's safety officer was also at the table. She had just done a survey of employees recycling knowledge to establish a baseline.

M.O.R.E. (Morris Office Recycling Excels) Recycling Program Inspections – On May 3, staff visited the following county buildings to inspect the garbage and recycling dumpsters for proper sorting and preparation: Court House, Administration Building, Weights and Measures, Sheriff’s Legal Services, Homeless Solutions and the Public Safety Training Academy. The material at Homeless Solutions was in very good condition. The material at most of the other sites needs some improvement and staff is providing comments to each of the sites.

Event Containers – The MCMUA’s event containers for recycling and garbage were lent to the following organizations during May:

- Drew University for two weeks in the beginning of May.
- Chester Education Foundation for a 5K “Spring Stampede” event held on May 13

Miscellaneous Presentations/Meetings/Conference Calls/Correspondence

- On Wednesday, May 3 and again on Thursday, May 4, staff, along with the East Hanover assistant to the recycling coordinator, delivered an apartment-style recycling bag and some additional educational information to each of the 370 units of Hanover Park Condos.
- On Saturday, May 6, staff participated as an exhibitor at the Festival Earth event held by Sustainable Morristown.
- On Wednesday, May 10, staff attended the NJ WasteWise meeting in Hamilton.
- On Tuesday, May 16, staff attend the Association of New Jersey Recyclers (ANJR) Board meeting in Mercer County.
- On Thursday, May 18, staff attended a training session on purchasing given by Jim Jorgensen, the Director of Purchasing for the County of Morris.
- On Wednesday, May 24, staff met with the new Rockaway Borough recycling coordinator at his office to help him prepare the 2016 recycling tonnage report.
- Also, on Wednesday, May 24, staff met w the Qualified Purchasing Agent of the Park Commission to review our shared services agreement.

Photos from the 2017 Environmental Excellence Awards



Stoney Brook School (Recycling Club Students), winners of the “It’s S’cool to Recycle” award, donning their hats made from found objects.



Grace Weiner, granddaughter of Penny Jones, modeling a dress made by Liz Sweedy decorated with paper from hard cover books, sending a message that hard cover books are not acceptable in our curbside recycling program.



Liz Sweedy, master of ceremonies of the awards luncheon event doing an excellent job of educating and entertaining attendees.



Liz Sweedy, Penny Jones and Grace Weiner, Penny's granddaughter, along with a blue and white dress created by Liz. The dress was part of a display which underscores the problems caused by plastics in the oceans.



Employees of Earth Friendly Products, recipients of the “Recycling Naturally” award, along with Laura Szwak and Kathleen Hourihan.



Arthur Gallagher & Co., winner of the “Insuring a Better Tomorrow by Caring about Today” award accepted by Todd Hughes, along with Bill Hudzik and Larry Gindoff.

ATTORNEY REPORT:

Mr. Carney thanked Larry for putting Attorney Report on the Agenda, but I don't have a report this evening.

There being no comments from the attorney, this portion of the meeting was closed.

PUBLIC PORTION:

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

OLD BUSINESS:

Regarding the demolition of the house and the termination of the lease that we currently have, Steve Trimboli prepared the Lease Termination Agreement and Brent Carney participated on the Resolution. Mr. Gindoff mentioned that this in essence is terminating our lease for that house and gives us authority to execute that lease. Chairwoman Szwak mentioned that we have the Agreement signed by Ian Schweizer which is attached to the Resolution.

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

RESOLUTION NO. 17-50
RESOLUTION AUTHORIZING EXECUTION OF
LEASE TERMINATION AGREEMENT

WHEREAS, the Morris County Municipal Utilities Authority (hereinafter the "Authority") is a party to a House Lease as Landlord for property situated at 87 Flanders-Netcong Road, Flanders, New Jersey having a term beginning January 1, 2015 and expiring December 31, 2017; and

WHEREAS, the Tenant of the aforementioned House Lease has executed the attached Lease Termination Agreement and has vacated the property voluntarily; and

WHEREAS, the attached Lease Termination Agreement terminates the House Lease as of April 17, 2017, requires the removal of all personnel property of the tenant by June 1, 2017, and imposes terms and conditions, as more particularly set forth in the attached Lease Termination Agreement.

NOW, THEREFORE, BE IT RESOLVED by the Morris County Municipal Utilities Authority in the County of Morris and State of New Jersey on this 6th day of June, 2017 as follows:

1. The Acting Executive Director is authorized and directed to execute the attached Lease Termination Agreement and the Authority's staff and consultants are authorized to take all actions reasonable and necessary to effectuate the terms of the Lease Termination Agreement.
2. This Resolution shall take effect immediately.

CERTIFICATION

I hereby certify that the foregoing Resolution was adopted by the Morris County Municipal Utilities Authority at the Regular Meeting held on June 6, 2017.

MORRIS COUNTY MUNICIPAL
UTILITIES AUTHORITY

By: _____
Laura Szwak, Chairwoman

ATTEST:

Marilyn Regner, Secretary

MOTION: Mr. Barry made a Motion to authorize execution of Lease Termination Agreement for 87 Flanders-Netcong Road and Dr. Kominos seconded the Motion.

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

Mr. Gindoff mentioned that we got the paperwork to start filling out for the demolition permit and they asked us for a survey, which we don't have. They said we won't need a survey until we build something. Mr. Gindoff also mentioned that he spoke with John Bonanni this morning, who asked me to reserve the house for use by the County or local Fire Departments for some sort of use. After speaking with John, I spoke with Scott DiGiralomo, Head of County Public Safety Division, and he wants to use it for the SWAT training. I will be meeting with them tomorrow and giving them a tour of the house. Chairwoman Szwak mentioned that you should ask whose liability is it. If the County is asking for it, they should be liable and we should ask for an Indemnification.

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

NEW BUSINESS:

Mr. Gindoff mentioned that Kathleen, Brent and I met with our Qualified Purchasing Agent who we subcontract with at the County Park Commission and went over some protocols, dialogues and systems to get her comfortable with what we do so we could officially use her designation as we envisioned. There is probably not too much use for her as far as we discussed as to what opportunities there would be to use for the window contracts, which are ones above \$17,500 and below \$40,000. These would be opportunities to get quotes instead of going out to bid, but she did not seem too keen on too many scenarios doing that. One big thing it does do for us is it raises our need to get two quotations from \$2,250 to \$6,000. That is a nice cushion that we can secure after holding this meeting. Certainly the long-term plan is we need to develop our own in-house Qualified Purchasing Agent. Mr. Carney commented that we get the benefit of getting quotations for anything over \$6,000 and under the bid threshold.

Mr. Gindoff mentioned on a similar matter, as I was discovering preparing for the meeting, we need to adopt a resolution every time we enter into a contract between the MUA and a vendor getting the Board's approval, so I was wondering if we should think about authorizing small contracts to be allowed to be executed without a specific resolution going before the Board. Mr. Carney said I think what Larry is saying is for consideration of a resolution that provides authority to the Executive Director or the MUA staff, whoever the appropriate person is, to just enter into contracts that less than a certain amount provided there is money in the budget for it. Mr. Gindoff mentioned that everything in theory is a contract. Chairwoman Szwak said then how do you inform the Board. Mr. Carney replied it would have to be on the bill list still. Mr. Druetzler asked how many small contracts would you have and Mr. Gindoff replied virtually every contract I sign, which is any service I get. If you are comfortable with a certain dollar amount, I would suggest that we have some overriding authorization allowing the execution of contracts under a certain amount. Mr. Druetzler commented that you don't have to do a resolution every time you buy something. Mr. Carney said what Larry is talking about is when a contract needs to be signed below a certain amount and before it gets paid, it has to require Board's approval on the bill list, but the execution of the contract up to a certain amount. Mr. Druetzler commented that you do what every government agency does, you have the vouchers here and people go through the vouchers. Mr. Carney commented that anytime a contract needs to be signed, it requires Board approval.

Chairwoman Szwak mentioned not to forget the Water Committee Meeting next time and I want Fletch to give you all an update on the search committee for a new Executive Director and he set up a great process and thanked Fletch. Chairwoman Szwak asked Mr. Platt to give a progress report.

Mr. Platt reported that the advertisements for the position was prepared initially by the search committee, myself and the Executive Committee, was reviewed by both attorneys, by Steve Trimboli and Joe Maraziti's office. It has been published by Marilyn. I met with Marilyn and Larry to go through the procedures for getting it published. Larry helped me set up a discrete file in the cloud that only search committee, Frank, Jim, Laura and I have access to. No one else knows the password to that at this time. We published in two newspapers on a Sunday and a Wednesday, as well as being posted on the AEA and MCMUA websites. The Committee met last week to go over some preliminary discussion. I set up a spreadsheet to summarize the resumes that have come in and that is on the cloud file. As of this morning, we have received 18 resumes. We intend to meet again later in June, go through it, select potential candidates for interviews by the Committee first and then we will probably recommend that one or two or three candidates meet with the full Board, who will make the final selection of the new Executive Director. Mr. Platt mentioned that Larry and Marilyn have both been very cooperative throughout this whole effort. Chairwoman Szwak thanked Mr. Platt for taking the lead and also thanked Marilyn for getting everything out and getting all that done.

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

Chairwoman Szwak asked the Board for a Motion for the meeting to adjourn at 8:33 p.m.

MOTION: Mr. Hudzik made a Motion for the meeting to adjourn at 8:33 a.m. Mr. Platt seconded the Motion and it was carried unanimously.

Marilyn Regner
Secretary

/mr