

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

MEETING MINUTES

DECEMBER 15, 2016

The Regular Meeting of The Southeast Morris County Municipal Utilities Authority (the "Authority") was held on Thursday, December 15, 2016, at 7:00 PM prevailing time in the Board Room at the offices of the Authority at 19 Saddle Road, Cedar Knolls, New Jersey.

The Chairman called the meeting to order at 7:00 PM and read the attached statement of Public Notice (Sunshine Law) and caused same to be entered into the minutes of the meeting.

ROLL CALL

PRESENT: Chairman Iannaccone; Members Baldassari, Conradi, Dougherty, Johnson, Kissil and Rotando

ABSENT: Member Schimpf

MOTION APPROVING MINUTES OF NOVEMBER 10, 2016

Copies of the minutes of the meeting held on November 10, 2016, were distributed to the members prior to the meeting for review and comment. Member Dougherty moved that the minutes be adopted. Member Rotando seconded the motion which was duly adopted by the following vote:

YEAS: Chairman Iannaccone; Members Baldassari, Dougherty, Johnson, Kissil and Rotando

NOES: None

ABSTAINS: Member Conradi

RESOLUTION APPROVING CLOSED SESSION MINUTES OF NOVEMBER 10, 2016

Copies of the closed session minutes of the meeting held on November 10, 2016, were distributed to the members prior to the meeting for review and comment. Member Rotando offered the following resolution:

RESOLUTION NO. 90-16

RESOLUTION APPROVING CLOSED SESSION MINUTES OF NOVEMBER 10, 2016

**"COPY ANNEXED"**

Member Baldassari seconded the motion which was duly adopted by the following vote:

YEAS: Chairman Iannaccone; Members Baldassari, Dougherty, Johnson, Kissil and Rotando

NOES: None

ABSTAINS: Member Conradi

**COMMUNICATIONS**

December 5, 2016 – Copy of letter to the Township of Hanover regarding the term of Member Adolf Schimpf expiring on February 1, 2017.

**RESOLUTION – APPROVAL OF DECEMBER 2016 LIST OF BILLS**

Copies of the bill list for December 2016 were distributed to the members prior to the meeting for comment and approval. Member Dougherty moved to approve the list of bills and offered the following resolution:

**RESOLUTION NO. 91-16**

**RESOLUTION AUTHORIZING PAYMENT OF LIST OF BILLS FOR DECEMBER 2016**

**"COPY ANNEXED"**

Member Baldassari seconded the motion which was duly adopted by the following vote:

YEAS: Chairman Iannaccone; Members Baldassari, Conradi, Dougherty, Johnson, Kissil and Rotando

NOES: None

**OTHER BUSINESS**

**A. Public Rate Hearing**

A public hearing was held to review certain rate revisions to the Authority's Rules and Regulations for Water Service. A complete transcript was taken by a court reporter according to law and is made a part of these minutes.

**B. Resolution Authorizing Rate Adjustment to be Effective January 1, 2017**

Member Baldassari offered the following resolution:

RESOLUTION NO. 92-16

RESOLUTION AUTHORIZING RATE ADJUSTMENT TO BE EFFECTIVE JANUARY 1, 2017

"COPY ANNEXED"

Member Dougherty seconded the motion which was duly adopted by the following vote:

YEAS: Chairman Iannaccone; Members Baldassari, Conradi, Dougherty, Johnson, Kissil and Rotando

NOES: None

C. Resolution Authorizing the Transfer of Funds between Budget Appropriations

The Board reviewed a memorandum from the Manager of Finance dated December 8, 2016, where he advised that there exists certain funds in the 2016 budget line items which will be remaining at year end and that there are certain budget line items in the 2016 budget that require additional funding prior to the year end. Per suggestion by the Authority's Auditors that it authorize and obtain Board approval for budget transfers among its internal appropriation line items to cover actual expenditures, the Manager of Finance requested that such balances, totaling \$67,328.21, be transferred from the various budget line items with balances to those requiring additional funds to balance. Member Rotando offered the following resolution:

RESOLUTION NO. 93-16

RESOLUTION AUTHORIZING THE TRANSFER OF FUNDS BETWEEN BUDGET APPROPRIATIONS

"COPY ANNEXED"

Member Baldassari seconded the motion which was duly adopted by the following vote:

YEAS: Chairman Iannaccone; Members Baldassari, Conradi, Dougherty, Johnson, Kissil and Rotando

NOES: None

D. Resolution Authorizing the Transfer of Funds between Capital Budget Appropriations

The Board reviewed a memorandum from the Manager of Finance dated December 8, 2016, where he advised that there exists certain funds in the 2016 Capital budget line items which will be remaining at year end and that there are certain budget line items in the 2016 budget that require additional funding prior to the year end. Per suggestion by the Authority's Auditors that it authorize and obtain Board approval for budget transfers among its internal

appropriation line items to cover actual expenditures, the Manager of Finance requested that such balances, totaling \$28,000, be transferred from the capital budget line items with balances to those requiring additional funds to balance. Member Rotando offered the following resolution:

RESOLUTION NO. 94-16

RESOLUTION AUTHORIZING THE TRANSFER OF FUNDS BETWEEN CAPITAL BUDGET  
APPROPRIATIONS

"COPY ANNEXED"

Member Conradi seconded the motion which was duly adopted by the following vote:

YEAS: Chairman Iannaccone; Members Baldassari, Conradi, Dougherty,  
Johnson, Kissil and Rotando

NOES: None

E. Resolution Adopting Budget for 2017

Ms. Cummings recalled that the Budget was introduced to the Board at its October 20, 2016 meeting. She reported that the Authority had received notice from the Division of Local Government Services that the Budget had been approved. Member Baldassari offered the following resolution:

RESOLUTION NO. 95-16

RESOLUTION ADOPTING BUDGET FOR 2017

"COPY ANNEXED"

Member Conradi seconded the motion which was duly adopted by the following vote:

YEAS: Chairman Iannaccone; Members Baldassari, Conradi, Dougherty,  
Johnson, Kissil and Rotando

NOES: None

F. Resolution Authorizing Closed Session Discussion

Chairman Iannaccone stated that the following Agenda items may be held in closed session pursuant to subsections 4 and 7 of Section 12b of the Open Public Meetings Act (N.J.S.A. 10:4-6 et seq.):

1. Collective bargaining agreement negotiations with IBT Local 469
2. Compensation for Professional Service Contract for Legal Services with Sidney D. Weiss, Esq., as General Counsel
3. Contract negotiations for Insurance Coverage

The Chairman then moved the following resolution:

RESOLUTION NO. 96-16

RESOLUTION AUTHORIZING CLOSED SESSION DISCUSSIONS

"COPY ANNEXED"

Member Conradi seconded the motion which was duly adopted by the following vote:

YEAS: Chairman Iannaccone; Members Baldassari, Conradi, Dougherty, Johnson, Kissil and Rotando

NOES: None

[CLOSED SESSION MEETING FOLLOWED]

[RESUMPTION OF PUBLIC MEETING]

G. Resolution Awarding Contracts for Insurance Coverage

Mr. English reported that after marketing the Authority's insurance needs, quotations were submitted by American Alternative Insurance Company and Hartford Steam Boiler at a maximum cost to the Authority of \$129,776.14 for package, automobile, public official liability and excess liability. The Authority will obtain workers' compensation coverage from New Jersey's assigned risk at a maximum cost to the Authority of \$185,000. Mr. Weiss stated that contracts for insurance may be awarded without competitive bidding within the exception to the Local Public Contracts Law. He added that this contract is being awarded to Willis of New Jersey as producer of the Proposal as an Extraordinary Unspecifiable Service Contract pursuant to the provisions of the Local Public Contracts Law and in compliance with the Pay-to-Play Law. Willis has completed and submitted Business Entity Disclosure Certifications which certify that it has not made any reportable contributions to any political or candidate committee in the Township of Hanover, Borough of Morris Plains, Town of Morristown and the Township of Morris in the previous one year, and that the contract will prohibit it from making any reportable contributions through the term of the contract. He added that insurance companies are not required to comply with Pay-to-Play because they are prohibited by law from making political contributions. Mr. Weiss stated that the Treasurer has certified that there are

sufficient funds available in the 2017 Budget for this contract. Following the presentation made by Mr. English, Member Dougherty offered the following resolution:

RESOLUTION NO. 97-16

RESOLUTION AWARDING CONTRACTS FOR INSURANCE COVERAGE

"COPY ANNEXED"

Member Baldassari seconded the motion which was duly adopted by the following vote:

YEAS: Chairman Iannaccone; Members Baldassari, Conradi, Dougherty, Johnson, Kissil and Rotando

NOES: None

H. Resolution Authorizing Execution of a Professional Service Contract for Legal Services with Sidney D. Weiss, Esq. as General Counsel

Sidney D. Weiss, Esq. submitted a proposal dated November 17, 2016 for the providing of professional legal services. Following discussions held in closed session, the Board recommending award of the contract at an annual fee of \$128,580. The contract would be awarded without public bidding as a Professional Service Contract pursuant to the provisions of the Local Public Contracts Law (N.J.S.A. 40A:11-1 et seq.) and in compliance with N.J.S.A. 19:44A-20.5 (Pay-to-Play Law). Mr. Weiss completed and submitted Business Entity Disclosure Certifications which certify that he has not made any reportable contributions to any political or candidate committee in the Township of Hanover, Borough of Morris Plains, Town of Morristown and the Township of Morris in the previous one year, and that the contract will prohibit him from making any reportable contributions through the term of the contract. Mr. Weiss stated that the Treasurer has certified that there are sufficient funds available in the 2017 Budget for this contract. Member Dougherty offered the following resolution:

RESOLUTION NO. 98-16

RESOLUTION AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICE CONTRACT FOR LEGAL SERVICES WITH SIDNEY D. WEISS, ESQ. AS GENERAL COUNSEL

"COPY ANNEXED"

Member Conradi seconded the motion which was duly adopted by the following vote:

YEAS: Chairman Iannaccone; Members Baldassari, Conradi, Dougherty, Johnson, Kissil and Rotando

NOES: None

I. Resolution Authorizing Execution of a Professional Service Contract with Mott MacDonald as Consulting Engineers

Mott MacDonald has submitted a proposal dated December 1, 2016 for the providing of professional engineering consulting services commencing January 1, 2017 and terminating December 31, 2017 at an estimated maximum amount of \$15,000. The Board reviewed a memorandum from the Executive Director/Chief Engineer dated December 13, 2016 recommending award of the contract. The contract would be awarded without public bidding as a Professional Service Contract pursuant to the provisions of the Local Public Contracts Law (N.J.S.A. 40A:11-1 et seq.) and in compliance with N.J.S.A. 19:44A-20.5 (Pay-to-Play Law). Mott MacDonald completed and submitted Business Entity Disclosure Certifications which certify that they have not made any reportable contributions to any political or candidate committee in the Township of Hanover, Borough of Morris Plains, Town of Morristown and the Township of Morris in the previous one year, and that the contract will prohibit it from making any reportable contributions through the term of the contract. Mr. Weiss stated that the Treasurer has certified that there are sufficient funds available in the 2017 Budget for this contract. Member Baldassari offered the following resolution:

RESOLUTION NO. 99-16

RESOLUTION AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICE CONTRACT WITH HATCH  
MOTT MACDONALD AS CONSULTING ENGINEER

"COPY ANNEXED"

Member Dougherty seconded the motion which was duly adopted by the following vote:

YEAS: Chairman Iannaccone; Members Baldassari, Conradi, Dougherty, Johnson, Kissil and Rotando

NOES: None

J. Resolution Authorizing Execution of a Professional Service Contract with Nisivoccia, L.L.P. as Accountants-Auditors

Nisivoccia, L.L.P., has submitted a proposal dated December 1, 2016 for the providing of accounting-auditing services commencing January 1, 2017 and terminating December 31, 2017 at an estimated maximum amount of \$33,600. The Board reviewed a memorandum from the Executive Director/Chief Engineer dated December 13, 2016 recommending award of the contract. The contract would be awarded without public bidding as a Professional Service Contract pursuant to the provisions of the Local Public Contracts Law (N.J.S.A. 40A:11-1 et seq.) and in compliance with N.J.S.A. 19:44A-20.5 (Pay-to-Play Law). Nisivoccia, L.L.P., completed and submitted Business Entity Disclosure Certifications which certify that they have not made any reportable contributions to any political or candidate committee in the Township of Hanover, Borough of Morris Plains, Town of Morristown and the Township of Morris in the previous one year, and that the contract will prohibit it from making any reportable

contributions through the term of the contract. Mr. Weiss stated that the Treasurer has certified that there are sufficient funds available in the 2017 Budget for this contract. Member Dougherty offered the following resolution:

RESOLUTION NO. 100-16

RESOLUTION AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICE CONTRACT WITH  
NISIVOCCIA, L.L.P. AS ACCOUNTANTS-AUDITORS

"COPY ANNEXED"

Member Rotando seconded the motion which was duly adopted by the following vote:

YEAS: Chairman Iannaccone; Members Baldassari, Conradi, Dougherty,  
Johnson, Kissil and Rotando

NOES: None

- K. Resolution Authorizing Execution of a Professional Service Contract for Non-exclusive Professional Consulting Engineering Services related to Water Supply Planning and Rate Related Matters

Howard J. Woods Jr. & Associates, L.L.C. has submitted a proposal dated December 1, 2016 for the providing of non-exclusive professional consulting engineering services related to water supply planning and rate related matters commencing January 1, 2017 and terminating December 31, 2017 at an estimated maximum amount of \$24,000. The Board reviewed a memorandum from the Executive Director/Chief Engineer dated December 13, 2016 recommending award of the contract. The contract would be awarded without public bidding as a Professional Service Contract pursuant to the provisions of the Local Public Contracts Law (N.J.S.A. 40A:11-1 et seq.) and in compliance with N.J.S.A. 19:44A-20.5 (Pay-to-Play Law). Howard J. Woods Jr. & Associates, L.L.C. completed and submitted Business Entity Disclosure Certifications which certify that they have not made any reportable contributions to any political or candidate committee in the Township of Hanover, Borough of Morris Plains, Town of Morristown and the Township of Morris in the previous one year, and that the contract will prohibit it from making any reportable contributions through the term of the contract. Mr. Weiss stated that the Treasurer has certified that there are sufficient funds available in the 2017 Budget for this contract. Member Dougherty offered the following resolution:

RESOLUTION NO. 101-16

RESOLUTION AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICE CONTRACT FOR NON-EXCLUSIVE PROFESSIONAL CONSULTING ENGINEERING SERVICES RELATED TO WATER SUPPLY  
PLANNING AND RATE RELATED MATTERS

"COPY ANNEXED"



Member Baldassari seconded the motion which was duly adopted by the following vote:

YEAS: Chairman Iannaccone; Members Baldassari, Conradi, Dougherty, Johnson, Kissil and Rotando

NOES: None

- L. Resolution Approving Contract with GE Intelligent Platforms, Inc., for the Purchase of Proprietary Software/Hardware System Products and Services

The Board reviewed a memorandum from the IT Manager dated December 10, 2016. The Authority has a need for licensed proprietary software products and services for the planned upgrade to its Supervisory Control and Data Acquisition ("SCADA") system. GE Intelligent Platforms, Inc. ("GE") has agreed to provide such products and services. The purchase of such products and services are determined to be in the best interest of the Authority and the Water System. The total cost to the Authority is the sum of \$33,106.19. The contract is being approved without public bidding as being less than the bidding threshold of \$40,000 and as a contract for the provision and performance of goods and services for the support and maintenance of proprietary computer software pursuant to the exceptions provided in the Local Public Contracts Law (N.J.S.A. 40A:11-5(1)(dd)); and in compliance with N.J.S.A. 19:14A-1 (Pay-to-Play Law). GE has completed and submitted Business Entity Certificates that certify that it has not made any reportable contributions that would bar award of this contract pursuant to the Pay-to-Play Law; and that the award of the contract will prohibit it from making any such reportable contributions during the term of the contract. The Treasurer has certified that there are sufficient funds available in the 2017 Budget. Member Dougherty offered the following resolution:

RESOLUTION NO. 102-16

RESOLUTION APPROVING CONTRACT WITH GE INTELLIGENT PLATFORMS, INC., FOR THE PURCHASE OF PROPRIETARY SOFTWARE/HARDWARE SYSTEM PRODUCTS AND SERVICES

"COPY ANNEXED"

Member Rotando seconded the motion which was duly adopted by the following vote:

YEAS: Chairman Iannaccone; Members Baldassari, Conradi, Dougherty, Johnson, Kissil and Rotando

NOES: None

M. Resolution Approving Change Order for the Painting and Rehabilitation of Picatinny Water Storage Tank No. 1

The Authority awarded a contract to Pro-Spec Painting, Inc., on January 21, 2016, for the project entitled Painting and Rehabilitation of Picatinny Water Storage Tank No. 1 where the maximum cost to the Authority authorized was \$798,850. The Superintendent has advised by memorandum dated December 9, 2016 that a Change Order for additional work required is needed to properly store material delivered to the site. The services required will cost the Authority an additional amount not to exceed \$22,390.12. The Authority has determined that the additional services are necessary and reasonable; and will benefit the Water System. Mr. Weiss stated that the Treasurer has certified that there are sufficient funds available in the 2017 Budget for this contract. Member Dougherty offered the following resolution:

RESOLUTION NO. 103-16

RESOLUTION APPROVING CHANGE ORDER FOR THE PAINTING AND REHABILITATION OF  
PICATINNY WATER STORAGE TANK NO. 1

"COPY ANNEXED"

Member Rotando seconded the motion which was duly adopted by the following vote:

YEAS: Chairman Iannaccone; Members Baldassari, Conradi, Dougherty, Johnson, Kissil and Rotando

NOES: None

N. Resolution Authorizing Award of Contracts Under the Morris County Cooperative Pricing Council

The Authority is a participant in a Cooperative Pricing Agreement with the Morris County Cooperative Pricing Council ("MCCPC"). The purchase of work, materials and supplies through Cooperative Pricing Councils, such as the MCCPC, is authorized without additional advertising by the participants under Section 11 (5) of the Local Public Contracts Law, N.J.S.A. 40A:11-11(5). The Board reviewed a memorandum from the Manager of Finance dated December 13, 2016 recommending certain contract awards under the Cooperative Pricing Agreement for the 2017 budget year. Mr. Weiss stated that the Treasurer has certified that there are sufficient funds available in the 2017 Budget for these contracts. Member Rotando offered the following resolution:

RESOLUTION NO. 104-16

RESOLUTION AUTHORIZING AWARD OF CONTRACTS UNDER THE MORRIS COUNTY  
COOPERATIVE PRICING COUNCIL

"COPY ANNEXED"

Member Dougherty seconded the motion which was duly adopted by the following vote:

YEAS: Chairman Iannaccone; Members Baldassari, Conradi, Dougherty, Johnson, Kissil and Rotando

NOES: None

O. Resolution Authorizing Award of Contracts Under the State of New Jersey Cooperative Purchasing Program

The Board reviewed a memorandum from the Director of Finance dated December 13, 2016, requesting authorization to purchase certain items from authorized vendors under the State of New Jersey Cooperative Purchasing Program I-NJCP during the 2017 budget year. The purchases of goods and services by local contracting units through the State agency without advertising is authorized under Section 12 of the Local Public Contracts Law, N.J.S.A. 40A:11-12. The vendors listed in the memorandum have been awarded New Jersey State Contracts by the Division of Purchase and Property in the Department of Treasury. Mr. Weiss stated that the Treasurer has certified that there are sufficient funds available in the 2017 Budget for these contracts. Member Rotando offered the following resolution:

RESOLUTION NO. 105-16

RESOLUTION AUTHORIZING AWARD OF CONTRACTS UNDER THE STATE OF NEW JERSEY  
COOPERATIVE PURCHASING PROGRAM

"COPY ANNEXED"

Member Dougherty seconded the motion which was duly adopted by the following vote:

YEAS: Chairman Iannaccone; Members Baldassari, Conradi, Dougherty, Johnson, Kissil and Rotando

NOES: None

P. Resolution Appointing Public Agency Compliance Officer for 2017

In accordance with N.J.A.C. 17:27-3.2, each public agency shall designate an individual to serve as its Public Agency Compliance Officer or P.A.C.O. The P.A.C.O. is the liaison between the Division of Contract Compliance and Equal Employment Opportunity in Public Contracts and the Authority and is the point of contact for all matters concerning implementation and administration of the statute. Each year, all public agencies are required to appoint a P.A.C.O. Ms. Cummings recommended that Alexis Bozza be appointed as the Authority's P.A.C.O. Member Dougherty offered the following resolution:

RESOLUTION NO. 106-16

RESOLUTION APPOINTING PUBLIC AGENCY COMPLIANCE OFFICER FOR 2016

"COPY ANNEXED"

Member Conradi seconded the motion which was duly adopted by the following vote:

YEAS: Chairman Iannaccone; Members Baldassari, Conradi, Dougherty,  
Johnson, Kissil and Rotando

NOES: None

REPORTS

Copies of the following reports were distributed to the Members for review and comment and a discussion ensued as to each item:

- A. Executive Director/Chief Engineer – November 2016
- B. Superintendent – November 2016
- C. Information Technology – November 2016
- D. Finance – November 2016

PUBLIC DISCUSSION

Chairman Iannaccone stated the next portion of the meeting was set aside for public discussion. No one from the public was present. The Chairman then closed the public portion of the meeting.

ADJOURNMENT

There being no further business, Member Baldassari moved that the meeting be adjourned. Member Dougherty seconded the motion. The meeting adjourned at 9:17 PM.

THE SOUTHEAST MORRIS COUNTY  
MUNICIPAL UTILITIES AUTHORITY



SIDNEY D. WEISS  
Assistant Secretary

## SUNSHINE LAW STATEMENT

Adequate notice of this meeting has been provided in accordance with the provisions of the "Open Public Meetings Act", in the following manner:

1. By posting a copy of the Annual Notice of the Authority's regular meetings (upon which this meeting is listed) on the Bulletin Board at the Authority's offices at 19 Saddle Road, Cedar Knolls, New Jersey, and by delivering copies of such notice for posting at similar public places in the municipal buildings of the Town of Morristown, the Townships of Hanover and Morris and the Borough of Morris Plains on February 3, 2016.

2. By delivering to, for filing, copies of the Annual Notice with the Daily Record, the Newark Star Ledger, the Morris News Bee, the clerks of the Townships of Chatham, Harding, Mendham, Randolph and Parsippany-Troy Hills, the Borough of Florham Park and the County of Morris on February 3, 2016.

SOUTHEAST MORRIS COUNTY  
MUNICIPAL UTILITIES AUTHORITY

PUBLIC HEARING

DATE: DECEMBER 15, 2016 - 7:00 P.M.

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IN THE MATTER OF

THE PUBLIC HEARING

RE: 2017 RATE REVISIONS  
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BEFORE: SAVERIO C. IANNACCONE, CHAIRMAN  
DONALD KISSIL, VICE CHAIRMAN  
WILLIAM CONRADI, SECRETARY  
DENNIS BALDASSARI, MEMBER  
MARY E. DOUGHERTY, MEMBER  
ALAN JOHNSON, MEMBER  
RALPH ROTANDO, MEMBER

A L S O P R E S E N T:

CHARLES MAGGIO,  
MANAGER OF FINANCE/TREASURER

LAURA CUMMINGS, P.E.,  
EXECUTIVE DIRECTOR/CHIEF ENGINEER

PAUL KOZAKIEWICZ, SUPERINTENDENT

ALEXIS BOZZA, RECORDING SECRETARY

A P P E A R A N C E S:

SIDNEY D. WEISS, ESQ.  
19 Saddle Road  
Cedar Knolls, New Jersey 07927  
Attorney for SMCMUA

J.H. BUEHRER & ASSOCIATES  
884 BREEZY OAKS DRIVE  
TOMS RIVER, NJ 08753  
(732) 295-1975

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1			I N D E X	
2	WITNESS		DIRECT	
3	CHARLES MAGGIO			
4	BY: MR. WEISS	6		
5				
6				
7				
8				
9			E X H I B I T S	
10	NUMBER	DESCRIPTION	I.D.	EVID.
11	A-1	Affidavit of Publication Daily Record	3	5
12	A-2	Affidavit of Publication Star-Ledger	3	5
13	A-3	Certification of Service	3	6
14	A-4	Rules & Regulations for Water Service	3	12
15	A-5	Cost of Service Study	3	12
16	A-6	Rate Study	3	18
17	A-7	Revised Rate Schedule	3	18
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1 (A-1, Affidavit of Publication, Daily Record,  
2 marked for identification.)  
3 (A-2, Affidavit of Publication, Star-Ledger,  
4 marked for identification.)  
5 (A-3, Certification of Service, marked for  
6 identification.)  
7 (A-4, Rules & Regulations for Water Service,  
8 marked for identification.)  
9 (A-5, Cost of Service Study, marked for  
10 identification.)  
11 (A-6, Rate Study, marked for identification.)  
12 (A-7, Revised Rate Schedule, marked for  
13 identification.)  
14 CHAIRMAN IANNACCONE: Other business:  
15 Public Rate Hearing.  
16 Sid.  
17 MR. WEISS: Thank you, Mr. Chairman.  
18 This, of course, is the public hearing that's  
19 required by statute on the proposed revision of rates.  
20 I just want to say at the beginning that a  
21 lot of what you're going to hear today you've heard  
22 before. You're familiar with, both in your capacity as  
23 members and as members of the various committees of the  
24 authority. But the statute does require that there be  
25 a public hearing and that evidence be presented.

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1 So despite the fact that you are familiar  
2 with it and you've heard it before, it's very important  
3 that we establish a record in case anybody should  
4 challenge the rates in the future, we have a record to  
5 show that all this information was formally before you,  
6 not informally at other meetings and at your committee  
7 meetings.  
8 So I ask you to be patient, even though, as I  
9 said, some of things will sound very familiar to you.  
10 I've heard this before. I've seen this before. But,  
11 nevertheless, it's important that we establish the  
12 record.  
13 So with that in mind, and I should introduce  
14 myself for the record first as Sidney D. Weiss, general  
15 counsel to the authority.  
16 And I have a couple of exhibits here that I  
17 would like to introduce at the beginning. The statute  
18 required notice of this hearing be published in two  
19 newspapers 20 days in advance of the hearing.  
20 I have an Affidavit of Publication from the  
21 Daily Record that's been marked A-1 for identification.  
22 Mr. Chairman, I would like to have this introduced as  
23 evidence, A-1 in evidence.  
24 CHAIRMAN IANNACCONE: You need a resolution  
25 or anything?

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1 MR. WEISS: Just accept it.  
2 CHAIRMAN IANNACCONE: Accepted.  
3 (A-1, Affidavit of Publication, Daily Record,  
4 received into evidence.)  
5 MR. WEISS: And I have an Affidavit of the  
6 Star-Ledger, also indicating that publication was made  
7 on November 23 -- is it, Alexis? -- which is also 20  
8 days prior to the date of this -- more than 20 days,  
9 and that's been marked A-2 for identification. I would  
10 like to have this accepted as A-2 in evidence.  
11 CHAIRMAN IANNACCONE: A-2 in evidence, do you  
12 mark this?  
13 MR. WEISS: You can mark it.  
14 CHAIRMAN IANNACCONE: Okay.  
15 (A-2, Affidavit of Publication, Star-Ledger,  
16 received into evidence.)  
17 MR. WEISS: And, finally, the certification  
18 of service by the clerk. I'm sorry.  
19 Statute requires that the clerks of every  
20 municipality served by the authority be served a notice  
21 of this hearing.  
22 I have a Certification of Service by Alexis  
23 Bozza, our secretary for the authority stating that she  
24 has, in fact, served each of the clerks 20 days prior  
25 to the date of this hearing. And I ask that this be

<p style="text-align: right;">Page 6</p> <p>1 accepted as A-3 in evidence.  2 Thank you, Mr. Chairman.  3 (A-3, Certification of Service, received into  4 evidence.)  5 MR. WEISS: At this time, I would like to  6 call Mr. Charles Maggio as a witness.  7 C H A R L E S M A G G I O, MANAGER OF  8 FINANCE/TREASURER, SOUTHEAST MORRIS COUNTY MUNICIPAL  9 UTILITIES AUTHORITY, having been duly sworn by the  10 Notary, testified as follows:  11 DIRECT EXAMINATION BY MR. WEISS:  12 Q. Would you state your full name for the  13 record?  14 A. Charles Maggio.  15 Q. By whom are you employed and for how long?  16 A. Southeast Morris County Municipal Utilities  17 Authority. A little over two years.  18 Q. And what is your present position with the  19 authority?  20 A. Manager of Finance.  21 Q. And how long have you served in that  22 capacity?  23 A. Approximately nine months.  24 Q. You're also a treasurer, aren't you?  25 A. Yes.</p>	<p style="text-align: right;">Page 8</p> <p>1 recently adopted or updated?  2 A. The master plan is the authority's capital  3 program. It was most recently -- officially updated in  4 2012, but there's a plan to have it redone in 2017.  5 Q. And you've reviewed the master plan in  6 connection with this hearing?  7 A. I have.  8 Q. All right. Now, I'm going to show you  9 another document entitled Rules &amp; Regulations for Water  10 Service that's been introduced -- or marked as A-4 for  11 identification.  12 Can you identify that document?  13 A. It's the authority's tariff.  14 Q. That's referred to commonly as the  15 authority's tariff?  16 A. Yes.  17 Q. And what is the tariff exactly?  18 A. It's the rules and regulations that the authority  19 operates under.  20 Q. Does it also have the rate schedules?  21 A. It does.  22 Q. Thank you.  23 Are you also familiar with the enabling  24 legislation and statutes of the authority as set forth  25 in New Jersey Statutes 40:14B-1, etcetera?</p>
<p style="text-align: right;">Page 7</p> <p>1 Q. What was your position prior to your present  2 position of Manager of Finance/Treasurer?  3 A. Supervisor of Finance for about a year and a half.  4 Q. Can you just briefly state your educational  5 background, professional qualifications in the area of  6 municipal finance, including your prior employment  7 experience?  8 A. I have a bachelor's degree in business  9 administration from Seton Hall University. I just  10 completed the seventh of eight classes that will allow  11 me to sit for the certified municipal financial officer  12 test. The eight classes are scheduled for early next  13 year. I also sat for one of the three classes required  14 to sit for the qualified purchasing agent exam and the  15 second class is also scheduled for early next year.  16 Q. As Manager of Finance/Treasurer, what are  17 principal duties and responsibilities?  18 A. I oversee all aspects of the authority's financial  19 assets, including budget preparation, financial  20 reporting and tracking payroll, accounts payable,  21 accounts receivable, and day-to-day purchasing.  22 Q. And are you familiar with the authority's  23 master plan?  24 A. I am.  25 Q. What is the master plan and when was it most</p>	<p style="text-align: right;">Page 9</p> <p>1 A. Yes.  2 Q. Does the statute have any provisions  3 regarding the revenue requirements to be maintained by  4 the authority?  5 A. Yes. It allows changes to service charges or  6 rates, as necessary, to pay the expenses of the  7 operation and maintenance of the utility system,  8 including insurance, extensions and replacements, plus  9 interest and principal on any bonds and to maintain any  10 reserves as required or deemed necessary by the  11 authority.  12 Q. And are you also familiar with the service  13 contract of the authority with its creating  14 municipalities?  15 A. Yes.  16 Q. Does that agreement contain any provisions  17 regarding the rates to be maintained by the authority?  18 A. Yes. Section 301 requires that rates be  19 sufficient to pay all expenses of operation and  20 maintenance of the water system, all principal and  21 interest on bonds as they become due, all payments due  22 to the Town of Morristown for the acquisition of the  23 water system, and to comply with the terms and  24 conditions of any bond resolution and the authority's  25 enabling legislation.</p>



<p style="text-align: right;">Page 10</p> <p>1 Q. Now, you referred to bonds and bond 2 resolution, does the authority have any outstanding 3 bonds or is subject to any bond resolution? 4 A. We do not have any outstanding bonds. The most 5 recent bond was paid off on January 1st of this year. 6 Q. But you're familiar with the conditions under 7 which authorities and other public entities can issue 8 bonds to finance capital improvements and other 9 projects? 10 A. Yes. 11 Q. And do those bond resolutions generally have 12 any requirements with respect to maintenance of rates? 13 A. Yes. 14 Q. And what are those requirements: That they 15 meet generally and exceed the revenue requirements -- 16 A. Yes. 17 Q. -- of the expenses and other obligations of 18 the authority? 19 A. Yes. 20 Q. Does the authority contemplate any future 21 financing through bonds? 22 A. No. But it's always possible. And if we were 23 to -- if the authority were to decide to finance 24 through bonds, we would have to meet any of the bond 25 resolutions, the rates would have to meet any of the</p>	<p style="text-align: right;">Page 12</p> <p>1 that? 2 A. This is the cost of service study we provided. 3 Q. Okay. Can you just briefly summarize the 4 findings and recommendations? 5 A. The cost of service study found that the 6 residential class of service was underpaying for the 7 cost to the authority to provide that service and that 8 our commercial class of service was overpaying for the 9 authority to provide that class of service. 10 MR. WEISS: Mr. Chairman, at this time I 11 would like to introduce two more exhibits. 12 The rules and regulations, the tariff for the 13 authority, that's been marked A-4 for identification, I 14 would like that to be marked A-4 in evidence. 15 (A-4, Rules &amp; Regulations for Water Service, 16 received into evidence.) 17 MR. WEISS: And the cost of service study 18 that has been referred to by the witness, A-5 for 19 identification, I ask that that be marked in evidence 20 as Exhibit A-5. 21 (A-5, Cost of Service Study, received into 22 evidence.) 23 MR. WEISS: Thank you. 24 BY MR. WEISS: 25 Q. All right. Now, Mr. Maggio, have you</p>
<p style="text-align: right;">Page 11</p> <p>1 bond resolutions. 2 Q. Thank you. 3 And switching subjects a little bit, has the 4 authority recently obtained a cost of service study 5 regarding its rate structure? 6 A. Yes, we have. 7 Q. Can you first just explain very briefly, what 8 is a cost of service study? 9 A. A cost of service study is a study conducted to 10 determine the responsibility of each class of service 11 for the cost incurred by the authority to provide that 12 service. 13 Q. And when was that study obtained and who 14 prepared it? 15 A. It was obtained in July of this year, and it was 16 prepared by Howard Woods, Jr., of Howard Woods, Jr., &amp; 17 Associates. 18 Q. Did you collaborate with Mr. Woods on the 19 study and are you familiar with its recommendations and 20 conclusions? 21 A. I did. And, yes, I am. 22 Q. I'm going to show you a copy of a document 23 that's been marked A-5 for identification entitled Cost 24 of Service Allocation Study for the period ending 25 December 31st, 2016, and ask whether you can identify</p>	<p style="text-align: right;">Page 13</p> <p>1 conducted an investigation as to the adequacy of the 2 authority's current rates to meet its revenue 3 requirements, capital improvement program, and other 4 obligations in the present foreseeable future? 5 A. Yes. 6 Q. What did that investigation consist of? 7 A. Laura Cummings, our Executive Director, and I, 8 along with Paul Kozakiewicz, our Superintendent, and 9 other supervisory staff, did a thorough review of 10 budgets, contracts, and expenditures for 2017. We 11 worked with Howard Woods, our Business Planning and 12 Consultant to analyze our revenues from the past 13 several years and project future revenues based on 14 trends and other information. We also compared our 15 rates with other water authorities, both public and 16 private. 17 Q. Did your investigation consider and take into 18 account the conclusions and recommendation of the cost 19 of service study prepared by Mr. Woods that's been 20 marked into evidence? 21 A. Yes, it did. 22 Q. Have you prepared a report based upon that 23 investigation? 24 A. Yes. 25 Q. I'm going to show you a report which has been</p>

1 marked A-6 for identification 2-17 proposed -- 2017  
2 proposed rate adjustment, December 15th, 2016, board  
3 meeting.

4 Is this the report you prepared?

5 A. Yes, it is. Yes.

6 Q. And have you also prepared a Power  
7 presentation based upon this report?

8 A. Yes, we have.

9 Q. Are you prepared to proceed with that at this  
10 time?

11 A. I am.

12 Q. Please do so.

13 A. The 2017 Proposed Rate Adjustment.

14 So we develop our operating capital budget and  
15 revenue projections over a six-year period. The state  
16 requires that our capital program be projected over six  
17 years.

18 We target a minimum general fund balance of  
19 \$5 million at the end of a six-year period.

20 Our strategy is to cash fund all capital projects.  
21 Our final 2010 series bond payment was made on  
22 January 1st of 2016.

23 Over the six-year strategy, the annual capital  
24 funding ranges from \$2.5 to \$4.6 million and that's  
25 through the year 2022.

1 The only debt the authority has is a \$30,000  
2 annual payment to Morristown through 2076 for the  
3 purchase of the original assets.

4 We maintain a cash working capital equal to 12.5  
5 percent of the operating expenses or \$2 million,  
6 whichever is greater.

7 We define prospective rate increases needed to  
8 raise cash in advance of funding commitments for each  
9 year in the six-year period.

10 We assume no revenue from connection fees and  
11 revise the six-year projections on an annual basis.

12 For the 2017 proposed rate increases on metered  
13 sales, we have a 1 percent -- we're proposing a  
14 1 percent increase for commercial customers, a  
15 2.25 percent increase for residential customers, and a  
16 2 percent increase in irrigation customers, and all  
17 other fixed charges would be at 2 percent.

18 Q. Now, before you move on, what's the reason  
19 for the disparity between the increase for commercial  
20 and residential customers?

21 A. That is using the recommendations from the cost of  
22 service study to try to bring that disparity closer  
23 together.

24 Q. Does it correct the disparity?

25 A. It does not. Our idea was to slowly bring it

1 closer together and review it on an annual basis.

2 Q. So am I correct in saying that what you're  
3 proposing is a number of small rate increases over this  
4 six-year period to meet this six-year plan that you  
5 refer to?

6 A. Correct.

7 Q. And that will be reviewed annually --

8 A. Yes.

9 Q. -- to see whether that small increase is  
10 justified or whether it should be greater or lower?

11 A. Yes.

12 Q. Is that fair to say?

13 A. Yes.

14 Q. Okay. Do you consider any alternatives to  
15 this approach?

16 A. The alternative of doing a large increase at one  
17 time, it was a possibility, but we felt it was a better  
18 strategy to do smaller increases and review them on an  
19 annual basis.

20 Q. And why was that a better strategy?

21 A. It was more palatable for our customer base.

22 Q. Would it also give you the chance to review  
23 it annually?

24 A. And we would be able to review it annually as  
25 well.

1 Q. To make it fairer?

2 A. Right.

3 Q. Any other alternatives? What about the bond  
4 financing, did you consider that?

5 A. The Board has expressed that they preferred a cash  
6 fund capital program. It was considered, but we do  
7 not -- we preferred cash funding.

8 Q. You can proceed with your presentation.

9 A. Okay. And the last slide here is just a  
10 comparative rate slide. It's showing that the annual  
11 cost for a residential customer based on usage of 7,500  
12 gallons a month, the median for the Southeast Morris  
13 County MUA would be \$419 of which -- the cost would be  
14 \$419 which is below the median of \$498, and it is in  
15 comparison to rates for surrounding authorities from  
16 2015 so, and our \$419 rate amount is from 2017.

17 So it would even -- we believe it would be even  
18 further from the median if we were to compare it to  
19 current rates to all authorities.

20 Q. Does that conclude your presentation?

21 A. Yes.

22 MR. WEISS: Mr. Chairman, I have a copy of  
23 the proposed rate adjustment referred to by the witness  
24 and marked A-6 for identification.

25 May I have this please marked in evidence,

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1 A-6?

2 (A-6, Rate Study, received into evidence.)

3 BY MR. WEISS:

4 Q. Are there any exceptions to the proposed rate

5 increases that we referred to?

6 A. Yes. Connection fees are calculated using

7 annual -- adjusted annually using a statutory formula.

8 They're not being adjusted at this time, but they'll be

9 adjusted based on that formula early next year.

10 Q. Now, have you prepared a schedule of the

11 proposed revised rates?

12 A. Yes.

13 Q. I show you a copy of proposed rate schedule

14 dated -- effective January 1st, 2017, marked A-7 for

15 identification.

16 Can you identify that?

17 A. This is the rate schedule, yes.

18 MR. WEISS: Mr. Chairman, one more exhibit,

19 proposed revised rates marked A-7 for identification.

20 May I have that marked in evidence please?

21 (A-7, Revised Rate Schedule, received into

22 evidence.)

23 BY MR. WEISS:

24 Q. All right. Now, Mr. Maggio, based upon your

25 investigation, are the authority's current rates

Page 19

1 adequate to meet the authority's revenue requirements,

2 capital improvement program, and the other obligations

3 in the foreseeable future that you referred to?

4 A. No.

5 Q. Are the new rates that are proposed in

6 Exhibit A-7 adequate to meet those requirements and

7 obligations?

8 A. Yes. As outlined over the six-year strategy.

9 Q. And are they fair and reasonable in your

10 opinion?

11 A. Yes.

12 Q. Are they directed at resolving the

13 discrepancies between the cost of serving customers,

14 different classes of customers that the authority

15 referred to in the cost of service study you've

16 testified to?

17 A. Yes.

18 Q. What's the effective date of the new rates?

19 A. January 1st, 2017.

20 MR. WEISS: Thank you, Mr. Maggio.

21 I have no further questions.

22 Are there any questions from the Board?

23 MR. KISSIL: I'd like -- I guess the question

24 that I really have is the disparity between the

25 residential and the commercial, and it is not to be

Page 20

1 resolved over the six-year period.

2 Is that correct?

3 MR. MAGGIO: We will be revisiting over the

4 six-year period.

5 MR. KISSIL: We will revisit it every year --

6 MR. MAGGIO: Right.

7 MR. KISSIL: -- but you don't expect it to

8 balance out until at least the six-year period.

9 MR. MAGGIO: At the six-year period, we would

10 have another cost of service study to determine how

11 much closer we've gotten to that -- how close to the

12 disparity it is.

13 MR. KISSIL: It's the weakest link in the

14 entire rate structure increase that I'm concerned about

15 from a residential customer perspective, that's where

16 we are most vulnerable to questions about the

17 acceptability of the study.

18 Obviously, we're going to go ahead with it.

19 I am in favor of it, but I want us to be aware that

20 that kind of disparity, and not being resolved over the

21 six-year period, means we really need to think about

22 this very carefully for the future.

23 MR. WEISS: Don, if I might just say, to

24 resolve it more quickly, we put a greater burden on the

25 customer, it would raise the rates of the residential

Page 21

1 customers quicker. We're doing it slower to minimize

2 the impact --

3 MR. KISSIL: But it still won't resolve.

4 MR. WEISS: -- over a longer period of time.

5 MR. KISSIL: But you think it will resolve in

6 six years, Sid?

7 MR. WEISS: Well, I don't know if it will or

8 will not. It's intended to. It certainly will be --

9 it certainly will diminish.

10 MR. KISSIL: I can never get Howard to agree.

11 MR. WEISS: But, again, to resolve it more

12 quickly, Don, it would be a greater burden on the

13 residential customer that's why we're doing it this

14 way. We could resolve it immediately, would probably

15 result in a 10 percent increase for residential

16 customers --

17 MR. KISSIL: I hear you. I understand --

18 MR. WEISS: -- but a 1 percent increase or a

19 decrease --

20 MR. KISSIL: I understand the delay. I

21 understand the delay very clearly. I understand the

22 reasoning --

23 MR. WEISS: It's not the delay, it's the

24 impact on the residential customer that I don't think

25 you understand.

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<p>1 MR. KISSIL: They're spreading it out, I 2 understand that very clearly, but I just want to get a 3 sense of when we're going to be in better shape than we 4 are right now with Howard Woods's study. 5 MR. WEISS: It's not a matter of being in 6 better shape. The intent is to minimize the impact on 7 the resident. We can correct it with this rate 8 increase. We can correct the imbalance by having a 9 greater increase of the residential rate and have no 10 increase in commercial rate. We can take care of it at 11 this meeting, if you want to resolve it quickly. 12 But the intent of this Board, as expressed in 13 many meetings, was to spread it over a period of time. 14 And Mr. Woods did appear before the Board to explain 15 this to the Board, and I think everybody understood. 16 MR. KISSIL: And I approved of that, but I 17 still maintain that it is a vulnerability for someone 18 who is going to complain about why my rates are two and 19 a half times higher than the guy down the street. 20 MR. WEISS: Because it cost more to serve 21 you, that's why. That's the reason. That's the 22 explanation. 23 MS. CUMMINGS: Excuse me. It's not two and a 24 half times more. It's just that the increase was 25 2.25 percent versus 1 percent. So it's not a</p>	<p>1 MR. WEISS: Okay. So if anyone can claim -- 2 we can justify why the residential rate should be 3 increased, but we'd have more difficulty justifying why 4 the situation occurred with the industrial customers 5 being overcharged, the commercial/industrial. 6 MR. KISSIL: Okay. 7 MS. CUMMINGS: Just to emphasize also that 8 the actual rates, when we look at it on an annual basis 9 to a typical customer were not 50 percent of the 10 private water company, but we're getting pretty close 11 to being about half the cost of what some of the 12 private water companies charge. 13 MR. KISSIL: That is very important. 14 CHAIRMAN IANNACCONE: Okay. Anything else, 15 Sid? 16 MR. WEISS: Any other questions? 17 Not by me, but by you. I'm done. 18 Any other questions by the Board? 19 MR. JOHNSON: Not for me. 20 MR. WEISS: Okay. You should, Mr. Chairman, 21 just open the meeting to the public. There are none 22 here so let's -- 23 CHAIRMAN IANNACCONE: Open the meeting to the 24 public. 25 Close it.</p>
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<p>1 multiplier of two. 2 MR. KISSIL: You're right. I'm sorry. I 3 misspoke. 4 CHAIRMAN IANNACCONE: And I think we should 5 add, there is absolutely no urgency to doing this. 6 It's just I think out of the conscious of the Board 7 that we decided to do it. We could have just left 8 everything as is and left the burdens where they are 9 today. Okay. So by force would raise a lawsuit so. 10 Okay. I think you have to understand that. 11 MR. BALDASSARI: I think the other thing just 12 to kind of clarify and put on the record is that in 13 five years when we redo the cost of service study, your 14 mix of customers will have changed. 15 MS. CUMMINGS: Yes. 16 MR. BALDASSARI: And we don't know right now 17 whether we have more residential or more commercial or 18 whatever. So the cost of service study may show 19 something completely different in five years. 20 MR. WEISS: And, Don, I think you also have 21 to understand, you said the vulnerability is basically 22 with the residential; no, the vulnerability is with the 23 industrial customers who are paying more than they 24 should be paying. 25 MR. MAGGIO: Currently.</p>	<p>1 So ordered. 2 MR. WEISS: And, Mr. Chairman, that concludes 3 the public rate hearing. 4 I do have a resolution entitled Resolution 5 Approving Revised Schedule of Service Charges. I think 6 each of you have a copy before you. 7 And I ask for a motion to adopt the 8 resolution. 9 MR. BALDASSARI: So moved. 10 MS. DOUGHERTY: Second. 11 MR. WEISS: Okay. Thank you. Thank you. 12 (Proceedings concluded at 7:45 p.m.) 13 14 15 16 17 18 19 20 21 22 23 24 25</p>

## 1 CERTIFICATE

2

3 I, Lorin Thompson, a Notary Public and  
4 Shorthand Reporter of the State of New Jersey, do  
5 hereby certify that prior to the commencement of the  
6 examination CHARLES MAGGIO was duly sworn to testify  
7 the truth, the whole truth and nothing but the truth.

8 I DO FURTHER CERTIFY that the foregoing is a  
9 true and accurate transcript of the testimony as taken  
10 stenographically by and before me at the time, place  
11 and on the date hereinbefore set forth.

12 I DO FURTHER CERTIFY that I am neither a  
13 relative nor employee nor attorney nor counsel of any  
14 of the parties to this action, and that I am neither a  
15 relative nor employee of such attorney or counsel, and  
16 that I am not financially interested in the action.

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Notary Public of the State of New Jersey  
My commission expires July 26, 2021  
Dated: December 15, 2016

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	University (1) 7:9		
	updated (2) 8:1,3		
	upon (3) 13:22;14:7;18:24		
	urgency (1) 23:5		
	usage (1) 17:11		
	using (3) 15:21;18:6,7		



# Southeast Morris County Municipal Utilities Authority

19 SADDLE ROAD • CEDAR KNOLLS, NEW JERSEY 07927 • TEL 973-326-6880 • FAX 973-326-9521

## Resolution No. 90-16

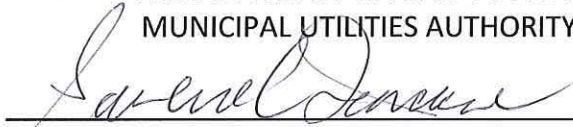
### RESOLUTION APPROVING CLOSED SESSION MINUTES

RESOLVED that the attached minutes of the Closed Session Meeting held on November 10, 2016, be and the same are hereby approved but withheld from public inspection and insertion in the regular Minute Book pending release for public disclosure pursuant to the provisions of the Open Public Meetings Act; and

BE IT FURTHER RESOLVED that the minutes be inserted in the Closed Session Minute Book of the Authority pending such disclosure.

ATTEST:

  
SIDNEY D. WEISS, Assistant Secretary

THE SOUTHEAST MORRIS COUNTY  
MUNICIPAL UTILITIES AUTHORITY  
  
SAVERIO C. IANNACCONE, Chairman

Dated: December 15, 2016

#### Board Members

**Morristown:**  
Mary Dougherty  
Donald Kissil

**Morris Township:**  
Dennis Baldassari  
Alan Johnson

**Morris Plains:**  
William Conradi  
Ralph R. Rotando

**Hanover Township:**  
Saverio C. Iannaccone  
Adolf Schimpf

**Executive Director/Chief Engineer:** Laura Cummings, P.E.

**Superintendent:** Paul A. Kozakiewicz

CERTIFICATION

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Thursday, December 15, 2016, at a meeting duly convened of said Authority.

  
A handwritten signature in cursive script, appearing to read 'S. Weiss', is written over a horizontal line.

SIDNEY D. WEISS, Assistant Secretary

Dated: December 15, 2016



# Southeast Morris County Municipal Utilities Authority

19 SADDLE ROAD • CEDAR KNOLLS, NEW JERSEY 07927 • TEL 973-326-6880 • FAX 973-326-9521

## Resolution No. 91-16

### RESOLUTION AUTHORIZING PAYMENT OF DECEMBER 2016 LIST OF BILLS

BE IT RESOLVED that authorization is hereby granted to make payment of the following list of bills:

#### OPERATING FUND

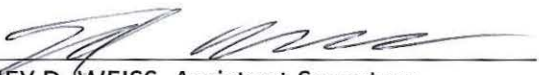
Total Salary and Wages \$ 377,710.88

Total Operating Fund Checks and Wire Transfers \$ 514,703.79

GENERAL FUND/SPECIAL ACCOUNT \$ 221,433.55

TOTAL OF DECEMBER 2016 LIST OF BILLS \$ 1,113,848.22

ATTEST:

  
SIDNEY D. WEISS, Assistant Secretary

THE SOUTHEAST MORRIS COUNTY  
MUNICIPAL UTILITIES AUTHORITY

  
SAVERIO C. IANNACCONI, Chairman

Dated: December 15, 2016

#### Board Members

**Morristown:**  
Mary Dougherty  
Donald Kissil

**Morris Township:**  
Dennis Baldassari  
Alan Johnson

**Morris Plains:**  
William Conradi  
Ralph R. Rotando

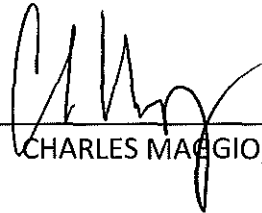
**Hanover Township:**  
Saverio C. Iannaccone  
Adolf Schimpf

**Executive Director/Chief Engineer:** Laura Cummings, P.E.

**Superintendent:** Paul A. Kozakiewicz

# TREASURER'S CERTIFICATION

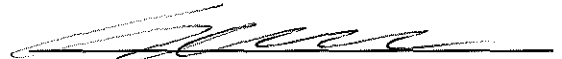
I hereby certify that there are sufficient funds available (\$1,113,848.22) for payment of the resolution entitled Resolution Authorizing Payment of December 2016 List of Bills in the Authority's 2016 Operating Budget.

  
\_\_\_\_\_  
CHARLES MAGGIO, Treasurer

Dated: December 15, 2016

# CERTIFICATION

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Thursday, December 15, 2016, at a meeting duly convened of said Authority.



SIDNEY D. WEISS, Assistant Secretary

Dated: December 15, 2016





# Southeast Morris County Municipal Utilities Authority

19 SADDLE ROAD • CEDAR KNOLLS, NEW JERSEY 07927 • TEL 973-326-6880 • FAX 973-326-9521

## Resolution No. 92-16

### RESOLUTION APPROVING REVISED SCHEDULES OF SERVICE CHARGES

WHEREAS, the Authority's Executive Director/Chief Engineer and Manager of Finance have prepared a study which recommends the adoption of certain rate revisions to the Authority's Rules and Regulations for Water Service ("Tariff"); and

WHEREAS, the proposed revised rates are required to generate sufficient revenues for the Authority to meet its expenses, six-year Capital Improvement Plan and other obligations; and

WHEREAS, the Authority is required by law to hold a public hearing on the aforesaid rate revisions; and

WHEREAS, notice of a public hearing and the revised schedules of service charges were published in the Daily Record and the Star Ledger on November 23, 2016, as required by law; and

WHEREAS, notice of the proposed revised service charges was served upon the municipal clerk of each municipality serviced by the Authority within the time permitted by law; and

WHEREAS, a public hearing on the proposed revised schedule of service charges was held by the Authority on December 15, 2016, as required by law; and

WHEREAS, extensive testimony was presented in support of the proposed revised rates and opportunity was provided to the public to question witnesses and comment thereon; and

WHEREAS, the proposed rate revisions are found to be just and reasonable and reasonably necessary to promote the purposes of the Authority; and

WHEREAS, the Authority finds it to be in the best interest of the water system and the public interest to adopt the proposed revised schedules of service charges.

#### Board Members

**Morristown:**  
Mary Dougherty  
Donald Kissil

**Morris Township:**  
Dennis Baldassari  
Alan Johnson

**Morris Plains:**  
William Conradi  
Ralph R. Rotando

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**Executive Director/Chief Engineer:** Laura Cummings, P.E.

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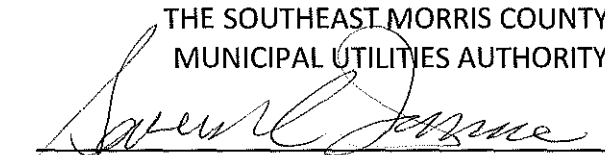


NOW, THEREFORE, BE IT RESOLVED by The Southeast Morris County Municipal Utilities Authority as follows:

1. The revised schedules of service charges set forth in Exhibit "A" annexed hereto be and are hereby approved and adopted.
2. The revised schedules of service charges shall be effective for bills rendered on and after January 1, 2017.

ATTEST:

  
SIDNEY D. WEISS, Assistant Secretary

THE SOUTHEAST MORRIS COUNTY  
MUNICIPAL UTILITIES AUTHORITY  
  
SAVERIO C. IANNACCONE, Chairman

DATED: December 15, 2016

**THE SOUTHEAST MORRIS COUNTY  
MUNICIPAL UTILITIES AUTHORITY**

**SCHEDULE NO. 1  
GENERAL METERED SERVICE**

Applicable to the use of water supplied through meters in the territory services by the Authority.

The Total of a customer's bill for a billing period includes consumption plus the facilities charges.

**CONSUMPTION CHARGE**

**RESIDENTIAL RATE  
(BILLED QUARTERLY)**

		RATE (per 100 Cubic Feet)
<u>Quantity Used Quarterly</u>		
"Lifeline" Rate	0-10	\$ 2.649
Conservation Rate	11-30	\$ 2.912
High Usage Rate	31-90	\$ 4.367
Incentive Rate	91 & Over	\$ 5.824

**REGULAR INDUSTRIAL AND COMMERCIAL RATE  
(BILLED QUARTERLY)**

\$4.314 per 100 Cubic Feet

**LARGE INDUSTRIAL AND COMMERCIAL RATE  
(BILLED MONTHLY)**

\$4.314 per 100 Cubic Feet

\*Flat rate applicable to all industrial and commercial customers.

NOTE: One consumption unit = 100 cubic feet = 748 gallons

Residential customers are services to single family residences.

Regular Industrial and Commercial Customers are all industrial and commercial customers who are not Large Industrial and Commercial Customers.

Large Industrial and Commercial Customers are monthly-billed industrial and commercial customers with 1 inch meters or greater whose annual usage is 1,200 consumption units (120,000 cubic feet) or more.

THE SOUTHEAST MORRIS COUNTY  
MUNICIPAL UTILITIES AUTHORITY

SCHEDULE NO. 2  
GENERAL METERED SERVICE

Applicable to the use of water supplied through meters in the territory serviced by the Authority. The total of a customer's bill for a billing period includes consumption plus the facilities charges.

QUARTERLY FACILITIES CHARGE  
ALL WATER EXTRA (SEE SCHEDULE NO. 1)

<u>Meter Size</u>	<u>Charges</u>
5/8 Inch	\$ 19.91
3/4 Inch	\$ 24.39
1 Inch	\$ 39.97
1 1/2 Inch	\$ 61.23
2 Inch	\$ 86.16
3 Inch	\$ 143.60
4 Inch	\$ 222.36
6 Inch	\$ 416.89
8 Inch	\$ 647.95
10 Inch	\$ 915.44

MONTHLY FACILITIES CHARGES  
ALL WATER EXTRA (SEE SCHEDULE NO. 1)

<u>Meter Size</u>	<u>Charges</u>
5/8 Inch	\$ 6.65
3/4 Inch	\$ 8.13
1 Inch	\$ 23.73
1 1/2 Inch	\$ 30.82
2 Inch	\$ 39.15
3 Inch	\$ 58.21
4 Inch	\$ 84.53
6 Inch	\$ 149.38
8 Inch	\$ 226.40
10 Inch	\$ 315.57

**DEFINITIONS**

**CONSUMPTION CHARGE:** This charge includes the cost of treating the water and pumping it to the customers.

**FACILITIES CHARGE:** This charge covers the cost of water service lines, meter installation, meter reading, billing costs and other expenses. This does not change with consumption.

**BILL CALCULATION:** The consumption charge is calculated by subtracting the prior meter reading from the present reading. This answer is then multiplied by the rate per 100 cubic feet. The applicable facilities charge is then added to this amount making total water bill.

THE SOUTHEAST MORRIS COUNTY  
MUNICIPAL UTILITIES AUTHORITY

SCHEDULE NO. 3  
PRIVATE FIRE PROTECTION

Applicable to customers within and outside the District for Private Fire Protection.

<u>Size of Service</u>	<u>Charges per Quarter</u>
2 Inch	\$ 72.70
3 Inch	\$ 96.55
4 Inch	\$ 144.26
6 Inch	\$ 238.54
8 Inch	\$ 399.84
10 Inch	\$ 571.36

THE SOUTHEAST MORRIS COUNTY  
MUNICIPAL UTILITIES AUTHORITY

SCHEDULE NO. 4  
PRIVATE FIRE PROTECTION SERVICE (HYDRANTS)

Applicable within and outside the District for Private Fire Protection.

<u>Private Fire Hydrants</u>	<u>Charges per Quarter</u>
4 Inch	\$ 62.47
4 1/4 – 4 1/2 Inches	\$ 78.38
5+ Inches	\$ 93.14

NOTE: Private Fire Hydrants are those provided by customers pursuant to Section 10A of the Authority's Rules and Regulations for Water Service.

**THE SOUTHEAST MORRIS COUNTY  
MUNICIPAL UTILITIES AUTHORITY**

**SCHEDULE NO. 5  
NON-METERED SERVICE**

Applicable to the entire territory service by the Authority.

**RATE**

Annual Charge \$ 87.46 (outdoor drinking fountain)



THE SOUTHEAST MORRIS COUNTY  
MUNICIPAL UTILITIES AUTHORITY

SCHEDULE NO. 6  
MISCELLANEOUS SERVICE

Applicable to the entire territory serviced by the Authority.

Charges not involving use of water.

Resumption of service after discontinuance due to non-payment of bills or violation of the Rules and delivery of 24-hour notice of discontinuance of service except that the charge for delivery of the 24-hour notice of discontinuance of service shall be waived in the case of senior citizens over the age of 65 years (upon request).

Meters up to and including 1 Inch	\$ 39.76
Meters larger than 1 Inch	\$ 64.75

Any other turn-offs and turn-ons regardless of reason of any service.

Meters up to and including 1 Inch	\$ 39.76
Meters larger than 1 Inch	\$ 64.75

TAPPING FEES

	<u>NEW</u>	<u>RENEWAL</u>
5/8 x 3/4 Inch	\$ 566.82	\$ 424.83
3/4 Inch	\$ 628.16	\$ 486.17
1 Inch	\$ 908.73	\$ 636.11
1 1/2 Inch	\$ 968.93	\$ 706.54
2 Inch	\$1,391.49	\$1,108.65

WET CUT FEES

<u>Sizes</u>	<u>Charges</u>
4 Inch	\$ 486.17
6 Inch	\$ 554.32
8 Inch	\$ 600.90
10 Inch	\$ 766.74

**OTHER SERVICES**

	<u>Charges</u>
Pumping Out Meter Pit	\$ 79.51
Annual Backflow/Detector Check	\$ 79.51
Locate and Clean Curb Box per Hour*	\$ 39.76

\*One hour minimum.

**LABOR AND MATERIALS**

Any labor performed and all materials furnished by the Authority will be charged to the customers, at cost, unless otherwise provided in these schedules.

THE SOUTHEAST MORRIS COUNTY  
MUNICIPAL UTILITIES AUTHORITY

SCHEDULE NO. 7  
SERVICE TO OTHER WATER SUPPLY SYSTEMS  
(Non-retail service)

Applicable outside the District of the Authority.

TERMS OF PAYMENT

Net cash on presentation of the bill.

BULK RATE PER 100 CU. FT.

\$ 2.35

MISCELLANEOUS APPLICATION FEES

<u>TYPE OF APPLICATION</u>	FEES*
A. Service Connection Outside District (Excludes new Main Extensions)	
1. Residential (per connection/unit)	\$ 32.94
2. Commercial or Industrial (single unit and accessory use)	\$ 332.82
3. Industrial Park or Commercial Complex	\$ 816.72
B. New Main Extension Outside District For purpose of providing service solely to persons or property within District	
1. Residential	\$ 172.66
2. Commercial or Industrial	\$ 332.82

**Schedule No. 7 (Revised)**  
**Effective January 1, 2017**

C. All Other New Main Extension Outside District

- |   |                                 |
|---|---------------------------------|
| 1. Residential Development<br>(per connection/unit)                                   | \$ 32.94<br>(Min. fee 1,016.64) |
| 2. Commercial or Industrial (single use and accessory use<br>including fire service)  | \$ 2,207.07                     |
| 3. Industrial Park or Commercial Complex (two or more<br>units) (per connection/unit) | \$ 1,903.84                     |

---

\*Preliminary Fee intended to defray the cost to the Authority of processing the initial application and making written requests (when required) to the Authority. The Authority may require a supplemental fee, cash deposit or other security in the event additional costs are incurred in connection with the application. Such fees are in addition to the connection fee required pursuant to Schedule 13.

**THE SOUTHEAST MORRIS COUNTY  
MUNICIPAL UTILITIES AUTHORITY**

**SCHEDULE NO. 8  
APPLICATION FOR WATER MAIN EXTENSION**

Applicable within the District of the Authority.

(To cover engineering, inspection, legal, etc., costs incurred relating to application.)

Application Fee  
\$554.32

Deposit: \$528.20 plus \$3.98 per foot of water main extension

Application fee and deposit listed above are non-refundable. Additional cash deposits may be required to cover actual costs incurred in connection with the application. Unused portion of additional deposit will be refunded after all requirements are completed.

**THE SOUTHEAST MORRIS COUNTY  
MUNICIPAL UTILITIES AUTHORITY**

**SCHEDULE NO. 9  
UNCOLLECTIBLE CHECK CHARGE**

If a customer or applicant for service submits an uncollectible check in payment of a bill, deposit or any service rendered, the Authority may charge a handling fee of \$34.08 plus any penalties the Authority may incur from its bank handling the uncollectible check.

**THE SOUTHEAST MORRIS COUNTY  
MUNICIPAL UTILITIES AUTHORITY**

**SCHEDULE NO. 10  
SCHEDULE OF DEPOSITS**

- Omitted -

**THE SOUTHEAST MORRIS COUNTY  
MUNICIPAL UTILITIES AUTHORITY**

**SCHEDULE NO. 11  
HYDRANT PERMIT FEES**

Applicant to the entire territory serviced by the Authority to persons obtaining permits from the Authority to use Public Hydrants for purposes other than Fire Protection.

Deposit Required for borrowed Wrench and Adapter (deposit refunded when returned)	\$ 174.93
Monthly Charge for Unmetered Water (payable in advance)	\$ 112.45



**THE SOUTHEAST MORRIS COUNTY  
MUNICIPAL UTILITIES AUTHORITY**

**SCHEDULE NO. 12  
WATER SEARCH SERVICE CHARGE**

- Omitted -

THE SOUTHEAST MORRIS COUNTY  
MUNICIPAL UTILITIES AUTHORITY

SCHEDULE NO. 13  
CONNECTION FEE

Any applicant for potable water supplied through an Authority Line shall be required to pay a connection fee pursuant to Section 18 of the Authority's Rules and Regulations for Water Service as follows:

Connection Fee

(Per Equivalent Dwelling Unit)

\$ 4,426.00

An equivalent dwelling unit is defined as usage of 214.492 gallons per day.

Reduced Rate/Credit for Public Housing Authorities and Non-profit Organizations Building Affordable Housing

- A. Effective January 26, 2005, public housing authorities and non-profit organizations building affordable housing shall be allowed a fifty percent (50%) reduction in the Connection Fee for new connections to the Water System.
- B. For units previously connected to the Water System that were demolished or refurbished to allow for new affordable housing units for which a Connection Fee was previously paid, public housing authorities and non-profit organizations shall be entitled to a credit against the Connection Fee equal to the Connection Fee previously assessed and paid for connection to the Water System for units previously connected to the Water System.
- C. The Connection Fee assessable against a public housing authority or non-profit organization for units previously connected to the Water System that were demolished or refurbished to allow for new affordable housing units shall be the lesser of the reduced rate provided for in Paragraph A above; or the current Connection Fee applicable to other types of housing developments minus the credit provided under Paragraph B above provided that the public housing authority or non-profit organization can establish that a Connection Fee was previously assessed and paid for connecting to the Water System. If the public housing authority or non-profit organization cannot establish that a Connection Fee was previously assessed and paid for connection to the Water System, the reduced rate provided for in Paragraph A above (i.e. fifty percent (50%) of the regular Connection Fee) shall be assessed.

The reductions set forth in Paragraphs A, B and C above are provided pursuant to the provisions of P.L. 2005, Chapter 29 of the Laws of the State of New Jersey (N.J.S.A. 40:14B-23) adopted and effective on January 26, 2005.


THE SOUTHEAST MORRIS COUNTY  
MUNICIPAL UTILITIES AUTHORITY

SCHEDULE NO. 14  
IRRIGATION SERVICE

Flat Rate per 100 cubic feet	\$ 5.84
Seasonal on/off; drain meter charge	\$ 119.27

# CERTIFICATION

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Thursday, December 15, 2016, at a meeting duly convened of said Authority.

  
SIDNEY D. WEISS, Assistant Secretary

Dated: December 15, 2016



# Southeast Morris County Municipal Utilities Authority

19 SADDLE ROAD • CEDAR KNOLLS, NEW JERSEY 07927 • TEL 973-326-6880 • FAX 973-326-9521

## Resolution No. 93-16

### RESOLUTION AUTHORIZING THE TRANSFER OF FUNDS BETWEEN BUDGET APPROPRIATIONS

WHEREAS, the Authority's Manager of Finance/Treasurer has advised that there exists certain funds in the 2016 budget line items which will be remaining at year end; and

WHEREAS, there are certain budget line items in the 2016 budget that require additional funding prior to the year end; and

WHEREAS, the Manager of Finance/Treasurer has requested that such balances be transferred from the various budget line items with balances to those requiring additional fund to balance; and

WHEREAS, it appears that such transfers are in the best interest of the Authority and the Water System;

NOW THEREFORE, BE IT RESOLVED by The Southeast Morris County Municipal Utilities Authority that the following transfers within the 2016 Operating Budget totaling \$67,328.21 are hereby approved:

#### Budget Transfers for 2016

<u>Budget Line Item</u>	<u>Title</u>	<u>Amount</u>
Transfer To:		
02-405-50-623	HEALTH,SAFETY & SECURITY - Uniforms	5,100.00
02-60-400-633	TRANS: Mains & Valves Maint	17,000.00
02-10-400-615	Dues, Conferences, Training	400.00
02-30-400-615	FINAN: Dues/Confer/Training	1,125.00
02-40-400-617	CUST SVC: Cust Record/Collect Billing Sv	9,675.00
02-60-400-633	TRANS: Mains & Valves Maint	12,500.00
02-30-400-615	FINAN: Dues/Confer/Training	1,025.00
02-60-400-629	TRANS: Vehicle & Equip - Maint	5,000.00
02-50-400-605	OPER: Paint & Supplies	2,500.00
02-75-400-636	Water: Microbiological Equipment/Supplies	1,603.21
02-50-400-691	OPERATIONS- Equipment Rentals	5,000.00
02-50-400-615	OPER: Dues/Conference/Training	400.00
02-30-400-502	FINAN: Overtime	6,000.00
Total		\$67,328.21

#### Board Members

##### Morristown:

Mary Dougherty  
Donald Kissil

##### Morris Township:

Dennis Baldassari  
Alan Johnson

##### Morris Plains:

William Conradi  
Ralph R. Rotando

##### Hanover Township:

Saverio C. Iannaccone  
Adolf Schimpf

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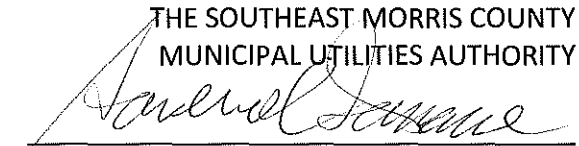
Transfer From:

02-40-550-690	HEALTH,SAFETY & SECURITY - EQUIPMENT	5,100.00
02-60-400-692	TRANS: Street Repair/Spoil Rem	17,000.00
02-50-400-615	OPER: Dues/Conference/Training	400.00
02-30-400-650	FINAN: Postage	10,800.00
02-50-400-690	OPERATIONS - Tools	12,500.00
02-30-400-614	FINAN: Bank & PR Charges	1,025.00
02-60-400-628	TRANS: Vehicle & Equip - Fuel	5,000.00
02-60-400-628	TRANS: Vehicle & Equip - Fuel	2,500.00
02-75-400-640	Water: Contract Lab Haz/Mat Disposal	1,603.21
02-60-400-628	TRANS: Vehicle & Equip-Fuel	5,000.00
02-10-400-615	Dues, Conferences, Training	400.00
02-30-400-501	FINAN: Salary & Wages	6,000.00
	Total	<u>\$67,328.21</u>

AND BE IT FURTHER RESOLVED that the Manager of Finance/Treasurer be and is hereby authorized and directed to take whatever actions are necessary or convenient to effectuate the provisions of this Resolution and the transfers hereby approved.

ATTEST:

  
SIDNEY D. WEISS, Assistant Secretary

THE SOUTHEAST MORRIS COUNTY  
MUNICIPAL UTILITIES AUTHORITY  
  
SAVERIO C. IANNACCONE, Chairman

DATED: December 15, 2016

# CERTIFICATION

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Thursday, December 15, 2016, at a meeting duly convened of said Authority.

  
SIDNEY D. WEISS, Assistant Secretary

Dated: December 15, 2016



# Southeast Morris County Municipal Utilities Authority

19 SADDLE ROAD • CEDAR KNOLLS, NEW JERSEY 07927 • TEL 973-326-6880 • FAX 973-326-9521

## Resolution No. 94-16

### RESOLUTION AUTHORIZING THE TRANSFER OF FUNDS BETWEEN CAPITAL BUDGET APPROPRIATIONS

WHEREAS, the Manager of Finance/Treasurer of The Southeast Morris County Municipal Utilities Authority (the Authority) has advised that there exists certain funds in the 2016 Capital Budget line items, as listed below, which will not be expended by year end; and

WHEREAS, the Manager of Finance/Treasurer has requested that the following transfers be approved within the 2016 Capital Budget:

From:		
Account Number	Account	Amount
02-00-500-344	2014 Residential Meters	28,000

To:		
Account Number	Account	Amount
02-00-500-364	2015 Storage Tank Rehab & Inspection	28,000

WHEREAS, it appears that such transfers are in the best interest of the Authority.

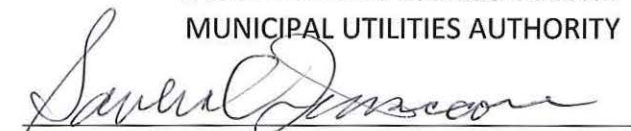
NOW THEREFORE, BE IT RESOLVED by The Southeast Morris County Municipal Utilities Authority that the requested transfers within the 2016 Capital Budget totaling \$28,000 as set forth above are hereby approved;

AND BE IT FURTHER RESOLVED that the Manager of Finance/Treasurer be and is hereby authorized and directed to take whatever actions are necessary or convenient to effectuate the provisions of this Resolution and document the transfers hereby approved.

ATTEST:

  
SIDNEY D. WEISS, Assistant Secretary

THE SOUTHEAST MORRIS COUNTY  
MUNICIPAL UTILITIES AUTHORITY

  
SAVERIO C. IANNACCONI, Chairman

DATED: December 15, 2016

#### Board Members

**Morristown:**  
Mary Dougherty  
Donald Kissil

**Morris Township:**  
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Ralph R. Rotando

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Adolf Schimpf


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**Superintendent:** Paul A. Kozakiewicz



# CERTIFICATION

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Thursday, December 15, 2016, at a meeting duly convened of said Authority.

  
SIDNEY D. WEISS, Assistant Secretary

Dated: December 15, 2016

# 2017 ADOPTED BUDGET RESOLUTION

## THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

**FISCAL YEAR:**    **FROM:**    January 1, 2017    **TO:**    December 31, 2017

WHEREAS, the Annual Budget and Capital Budget/Program for The Southeast Morris County Municipal Utilities Authority for the fiscal year beginning January 1, 2017 and ending December 31, 2017, has been presented for adoption before the governing body of The Southeast Morris County Municipal Utilities Authority at its open public meeting of December 15, 2016; and

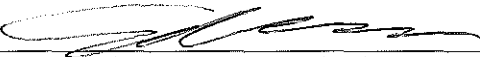
WHEREAS, the Annual Budget and Capital Budget as presented for adoption reflects each item of revenue and appropriation in the same amount and title as set forth in the introduced and approved budget, including all amendments thereto, if any, which have been approved by the Director of the Division of Local Government Services; and

WHEREAS, the Annual Budget as presented for adoption reflects Total Revenues of \$14,422,986, Total Appropriations, including any Accumulated Deficit, if any, of \$14,300,100 and Total Unrestricted Net Position utilized of \$0; and

WHEREAS, the Capital Budget as presented for adoption reflects Total Capital Appropriations of \$4,363,000 and Total Unrestricted Net Position planned to be utilized of \$4,363,000; and

NOW, THEREFORE BE IT RESOLVED, by the governing body of The Southeast Morris County Municipal Utilities Authority, at an open public meeting held on December 15, 2016 that the Annual Budget and Capital Budget/Program of The Southeast Morris County Municipal Utilities Authority for the fiscal year beginning, January 1, 2017 and, ending, December 31, 2017 is hereby adopted and shall constitute appropriations for the purposes stated; and

BE IT FURTHER RESOLVED, that the Annual Budget and Capital Budget/Program as presented for adoption reflects each item of revenue and appropriation in the same amount and title as set forth in the introduced and approved budget, including all amendments thereto, if any, which have been approved by the Director of the Division of Local Government Services.



(Assistant Secretary's Signature)

December 15, 2016

(Date)

Governing Body Member:

Baldassari, Dennis  
Conradi, William  
Dougherty, Mary  
Iannaccone, Saverio  
Johnson, Alan  
Kissil, Donald  
Rotando, Ralph  
Schimpf, Adolf

Aye

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Nay

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Recorded Vote

Abstain

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Absent

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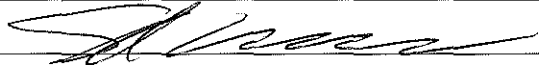
# 2017 ADOPTION CERTIFICATION

## THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

### AUTHORITY BUDGET

**FISCAL YEAR:**    **FROM:**    January 1, 2017    **TO:**    December 31, 2017

It is hereby certified that the Authority Budget and Capital Budget/Program annexed hereto is a true copy of the Budget adopted by the governing body of the Southeast Morris County Municipal Utilities Authority, pursuant to N.J.A.C. 5:31-2.3, on the 15 day of, December, 2016.

Officer's Signature:			
Name:	Sidney D. Weiss, Esq.		
Title:	Assistant Secretary		
Address:	19 Saddle Rd Cedar Knolls, NJ 07927		
Phone Number:	973-326-7234	Fax Number:	973-356-9521
E-mail address	sdweiss@smcmua.org		



# Southeast Morris County Municipal Utilities Authority

19 SADDLE ROAD • CEDAR KNOLLS, NEW JERSEY 07927 • TEL 973-326-6880 • FAX 973-326-9521

## Resolution No. 96-16

### RESOLUTION AUTHORIZING CLOSED SESSION DISCUSSIONS

RESOLVED that discussions of:

1. IBT Local 469 Contract Negotiations; and
2. Compensation for Professional Service Contract for Legal Services with Sidney D. Weiss, Esq., as General Counsel
3. Contract Negotiations for Insurance Coverage

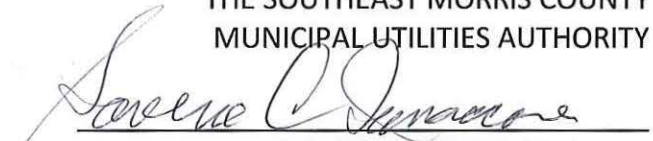
be held in closed session pursuant to subsections 4 and 7 of Section 12b of the Open Public Meetings Act (N.J.S.A. 10:4-6 et seq.); and be it further

RESOLVED that since the discussions are to be conducted in closed session as permitted by the Act, and may involve questions of attorney/client privilege, it is not known at this time when, or if, the contents of the discussions may be disclosed.

ATTEST:

  
SIDNEY D. WEISS, Assistant Secretary

THE SOUTHEAST MORRIS COUNTY  
MUNICIPAL UTILITIES AUTHORITY

  
SAVERIO C. IANNACCONI, Chairman

Dated: December 15, 2016

#### Board Members

**Morristown:**  
Mary Dougherty  
Donald Kissil

**Morris Township:**  
Dennis Baldassari  
Alan Johnson

**Morris Plains:**  
William Conradi  
Ralph R. Rotando

**Hanover Township:**  
Saverio C. Iannaccone  
Adolf Schimpf

**Executive Director/Chief Engineer:** Laura Cummings, P.E.

**Superintendent:** Paul A. Kozakiewicz

# CERTIFICATION

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Thursday, December 15, 2016, at a meeting duly convened of said Authority.



SIDNEY D. WEISS, Assistant Secretary

Dated: December 15, 2016



# Southeast Morris County Municipal Utilities Authority

19 SADDLE ROAD • CEDAR KNOLLS, NEW JERSEY 07927 • TEL 973-326-6880 • FAX 973-326-9521

## Resolution No. 97-16

### RESOLUTION AWARDING CONTRACTS FOR INSURANCE COVERAGE FOR 2017

WHEREAS, there exists a need for renewal of the Authority's insurance policies for property including package (property, crime, equipment breakdown, inland marine, general liability and automobile), public official liability, excess liability, temporary disability benefit and workers compensation; and

WHEREAS, Willis of New Jersey, Inc. ("Willis"), the Authority's insurance consultant and agent, has prepared an Insurance Renewal Proposal dated December 13, 2016, to be effective January 1, 2017, and submitted to the Members prior to this meeting; and

WHEREAS, Willis has advised that formal insurance proposals were submitted by American Alternative for property, crime, inland marine, general liability, automobile, public official liability and excess liability and Hartford Steam Boiler for equipment breakdown at a maximum cost to the Authority of \$129,756.14; and Assigned Risk for workers compensation at a maximum cost to the Authority of \$185,000.00 (the "Proposal"); and

WHEREAS, contracts for insurance may be awarded without competitive bidding within the exception to the Local Public Contracts Law, specifically set forth in N.J.S.A. 40A:11-5(m); and

WHEREAS, this contract is being awarded to Willis as producer of the Proposal as an Extraordinary Unspecifiable Service Contract pursuant to the provisions of the Local Public Contracts Law and in compliance with N.J.S.A. 19:44A-20.5 (Pay-to-Play Law), to be effective January 1, 2017; and

WHEREAS, Willis has completed and submitted Business Entity Disclosure Certifications which certify that they have not made any reportable contributions to any political or candidate committee in the Township of Hanover, Borough of Morris Plains, Town of Morristown and the Township of Morris in the previous one year, and that the contract will prohibit it from making any reportable contributions through the term of the contract; and

WHEREAS, the Treasurer has determined and certified in writing that the value of the Contract will exceed \$17,500; and

WHEREAS, the Executive Director has, upon advice of counsel, certified that the awards meet the statute and regulations governing the award of such contracts, a copy of which Certification is annexed as Exhibit "A"; and

WHEREAS, the Treasurer has certified that funds are available in the 2017 budget; and

#### **Board Members**

**Morristown:**  
Mary Dougherty  
Donald Kissil

**Morris Township:**  
Dennis Baldassari  
Alan Johnson

**Morris Plains:**  
William Conradi  
Ralph R. Rotando

**Hanover Township:**  
Saverio C. Iannaccone  
Adolf Schimpf

**Executive Director/Chief Engineer:** Laura Cummings, P.E.

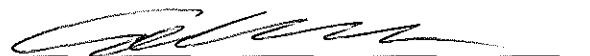
**Superintendent:** Paul A. Kozakiewicz

WHEREAS, the Local Public Contracts Law (N.J.S.A. 40A:11-1 et seq.) requires that the resolution awarding contracts of this nature must be available for public inspection and that notice of the award be published in a newspaper authorized to publish the Authority's legal advertisements.

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

1. That the insurance proposal submitted by the Authority's insurance consultant be and the same is hereby approved and accepted as to the following:
  - a. American Alternative for property, crime, inland marine, general liability, automobile, public official liability and excess liability and Hartford Steam Boiler for equipment breakdown at an annual premium of \$129,756.14; and
  - b. Assigned Risk for workers compensation at an annual premium of \$185,000.00.
2. The Executive Director/Chief Engineer be and is hereby authorized and directed to accept and sign the proposal on behalf of the Authority on or after January 1, 2017 unless terminated by the Board prior to that date.
3. The above contract is awarded without competitive bidding pursuant to the provisions of N.J.S.A. 40A:11-5(m) for the reasons set forth in annexed Certification of the Executive Director.
4. Copies of this Resolution and the Proposal herein approved shall be filed in the office of the Secretary of the Authority and in the respective offices of the Clerks of the Township of Hanover, the Township of Morris, the Town of Morristown and the Borough of Morris Plains, and notice of the awards shall be published once in the Daily Record in accordance with the Local Public Contracts Law.

ATTEST:



SIDNEY D. WEISS, Assistant Secretary

THE SOUTHEAST MORRIS COUNTY  
MUNICIPAL UTILITIES AUTHORITY



SAVERIO C. IANNACCONE, Chairman

DATED: December 15, 2016





# Southeast Morris County Municipal Utilities Authority

19 SADDLE ROAD • CEDAR KNOLLS, NEW JERSEY 07927 • TEL 973-326-6880 • FAX 973-326-9521

## CERTIFICATION

TO: SMCMUA Board Members

FROM: Laura Cummings, P.E., Executive Director/Chief Engineer

SUBJECT: Insurance Coverage

DATE: December 15, 2016

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This is to request your approval of the annexed resolution authorizing contracts for insurance coverage to be executed as stated therein:

Firm: Willis of New Jersey, Inc.  
(Insurance Agent)

Carriers: See attached resolution

Cost: Not to exceed \$314,756.14 total

Period: January 1, 2017 through December 31, 2017

Purpose: Insurance policies covering property including package (property, crime, equipment breakdown, inland marine, general liability and automobile), public official liability, excess liability and workers compensation.

The contracts for insurance coverage are requested to be awarded without competitive bids pursuant to Section 40A:11-5(m) of the Local Public Contracts Law as an Extraordinary Unspecifiable Service.

I do hereby certify as follows:

1. A Renewal Proposal was prepared by the Authority's insurance consultant, Willis of New Jersey, Inc., dated December 13, 2016, which was provided to the Members and will be presented at the December 15, 2016 meeting. Quotations were solicited by the Authority's agent, Robert English. The results of these solicitations will be discussed and supplemented by Robert English of Willis of New Jersey, Inc., at the December 15, 2016 meeting.



2. The awards can be made pursuant to the exception set forth in 40A:11-5(m) of the Local Public Contracts Law.
3. The services are specialized and qualitative in nature requiring expertise, extensive training and proven reputation because they involve complex insurance evaluation and underwriting concepts and because they are within the specific exception under the aforesaid section of the Local Public Contracts Law.
4. The services cannot be described by written specifications because of the complexities described above and because no such specifications are required under the exceptions set forth in the Local Public Contracts Law.
5. I have reviewed the rules and regulations of the Division of Local Government Services applicable to the Local Public Contracts Law with counsel and certify that the proposed contract may be awarded within the exception set forth in N.J.S.A. 40A:11-5(m).

Respectfully submitted,



Laura Cummings, P.E.  
Executive Director/Chief Engineer

TREASURER'S CERTIFICATION

I hereby certify funds are available in the amount of \$314,756.14, for payment of a contract with Willis of New Jersey, Inc., for renewal of the Authority's insurance policies for package (property, crime, equipment breakdown, inland marine, general liability and automobile), public official liability, excess liability and workers compensation for 2017. This item will be charged to Account No. 62-92-492-650 Insurance Expense

A handwritten signature in black ink, appearing to read 'C. Maggio', is written over a horizontal line.

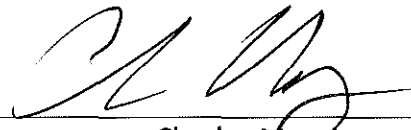
CHARLES MAGGIO, Treasurer

DATED: December 15, 2016

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

CERTIFICATION OF VALUE IN EXCESS OF \$17,500 (PAY-TO-PLAY LAW)

The undersigned hereby certifies that the estimated amount of the contract to be awarded to Willis of New Jersey, Inc., as producer of the Proposal for the Authority's insurance policies for property including package (property, crime, equipment breakdown, inland marine, general liability and automobile), public official liability, excess liability, temporary disability benefit and workers compensation for the one year period commencing on January 1, 2017 exceeds \$17,500.

A handwritten signature in black ink, appearing to read 'C. Maggio', is written over a horizontal line.

Charles Maggio  
Treasurer

Dated: December 15, 2016

# CERTIFICATION

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Thursday, December 15, 2016, at a meeting duly convened of said Authority.



SIDNEY D. WEISS, Assistant Secretary

Dated: December 15, 2016

**NOTICE OF AWARD OF CONTRACT  
FOR EXTRAORDINARY UNSPECIFIABLE SERVICE**

Public Notice is hereby given that on December 15, 2016, The Southeast Morris County Municipal Utilities Authority accepted a proposal for insurance coverage submitted by Willis of New Jersey, Inc., the Authority's insurance agent on behalf of American Alternative for property, crime, inland marine, general liability, automobile, public official liability and excess liability and Hartford Steam Boiler for equipment breakdown; and Assigned Risk for workers compensation, without competitive bidding as an extraordinary unspecifiable service. The contract is for insurance coverage for a period of one year commencing on January 1, 2017 at a cost to the Authority not to exceed \$314,756.14, as more particularly set forth in a Resolution adopted on December 15, 2016, and accompanying attachments, copies of which are on file and available for public inspection in the office of the Authority, 19 Saddle Road, Cedar Knolls, New Jersey, and in the respective offices of the Clerks of the Township of Morris, the Township of Hanover, the Town of Morristown and the Borough of Morris Plains.

THE SOUTHEAST MORRIS COUNTY  
MUNICIPAL UTILITIES AUTHORITY

SAVERIO C. IANNACCONE, Chairman

DATED: December 15, 2016



# **Southeast Morris County Municipal Utilities Authority**

19 SADDLE ROAD • CEDAR KNOLLS, NEW JERSEY 07927 • TEL 973-326-6880 • FAX 973-326-9521

## **Resolution No. 98-16**

### **RESOLUTION AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICE CONTRACT FOR LEGAL SERVICES WITH SIDNEY D. WEISS, ESQ., AS GENERAL COUNSEL**

WHEREAS, the Authority has a need for professional legal services to assist it in fulfilling its statutory and contractual obligations; and

WHEREAS, Sidney D. Weiss, Esq., has submitted a proposal dated November 17, 2016 to serve as General Counsel to the Authority for a period of one (1) year at an annual fee of \$128,580 plus expenses as set forth in a proposed Professional Services Contract for Legal Services, a copy of which is annexed hereto as Exhibit "A"; and

WHEREAS, this Contract is being awarded without public bidding as a Professional Service Contract pursuant to the provisions of the Local Public Contracts Law (N.J.S.A. 40A:11-1 et seq.) and in compliance with N.J.S.A. 19:44A-20.5 (Pay-to-Play Law); and

WHEREAS, Sidney D. Weiss, Esq., has completed and submitted Business Entity Disclosure Certifications which certify that he has not made any reportable contributions to any political or candidate committee in the Township of Hanover, Borough of Morris Plains, Town of Morristown and the Township of Morris in the previous one year, and that the contract will prohibit him from making any reportable contributions through the term of the contract; and

WHEREAS, the Treasurer has determined and certified in writing that the value of the Contract will exceed \$17,500; and

WHEREAS, funds are available and have been certified by the Treasurer of the Authority; and

WHEREAS, the Local Public Contracts Law (N.J.S.A. 40A:11-1 et seq.) requires that notice of the awarding of professional service contracts be printed once in a newspaper authorized by law to publish the Authority's legal advertisement;

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

#### **Board Members**

**Morristown:**  
Mary Dougherty  
Donald Kissil

**Morris Township:**  
Dennis Baldassari  
Alan Johnson

**Morris Plains:**  
William Conradi  
Ralph R. Rotando

**Hanover Township:**  
Saverio C. Iannaccone  
Adolf Schimpf

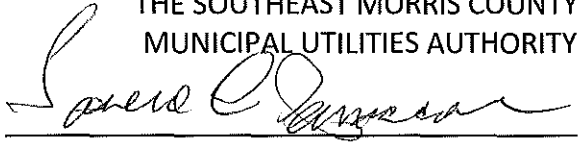
**Executive Director/Chief Engineer:** Laura Cummings, P.E.

**Superintendent:** Paul A. Kozakiewicz

1. That Sidney D. Weiss, Esq., be and is hereby retained as General Counsel to The Southeast Morris County Municipal Utilities Authority to render necessary legal services and advice, as outlined in the Professional Services Contract annexed hereto and made a part hereof;
2. The proper officers of the Authority be and they are hereby authorized to execute the annexed Agreement upon the part of the Authority in the manner prescribed by law;
3. This contract is awarded without competitive bidding as a "Professional Service Contract" in accordance with the Local Public Contracts Law because the services to be rendered are professional services as therein defined; and
4. Copies of this Resolution and the contract herein approved shall be filed in the office of the Secretary of the Authority and in the respective offices of the Clerks of the Township of Hanover, the Township of Morris, the Town of Morristown and the Borough of Morris Plains, and notice of the award shall be printed once in the Daily Record in accordance with the Local Public Contracts Law.

ATTEST:

  
\_\_\_\_\_  
SIDNEY D. WEISS, Assistant Secretary

THE SOUTHEAST MORRIS COUNTY  
MUNICIPAL UTILITIES AUTHORITY  
  
\_\_\_\_\_  
SAVERIO C. IANNACCONE, Chairman

DATED: December 15, 2016

SIDNEY D. WEISS  
ATTORNEY AT LAW  
19 SADDLE ROAD  
CEDAR KNOLLS, NEW JERSEY 07927  
Telephone (973) 326-7234  
Fax (973) 326-9521  
sdweiss@smcmua.org

November 17, 2016

Ms. Laura Cummings  
Executive Director  
The Southeast Morris County Municipal Utilities Authority  
19 Saddle Road  
Cedar Knolls, New Jersey 07927

Dear Laura;

Re: Proposal to serve as General Counsel--2017

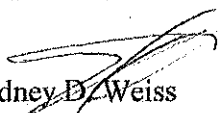
You have requested that I submit a proposal to serve as General Counsel to the Authority for 2017.

I propose that I be retained on the same terms and conditions set forth in my current contract subject to any adjustment in compensation to be approved by the Board in its discretion. With respect to the other items you requested, I advise as follows:

1. Mandatory Affirmative Action Statement: A Statement indicating my compliance with the Mandatory Affirmative Action language is annexed to the Agreement.
2. Employee Information Report: Previously Provided
3. Business Registration Certificate: Previously Provided.
4. Letter of Federal Approval: N/A
5. Business Entity Disclosure Certificates (Pay to Play Law): Enclosed.
6. Political Contribution List: Enclosed.

Enclosed is a draft of the proposed new contract for 2017, which can be finalized and signed after the Board approves my compensation for the forthcoming year. Please return one fully executed copy to me for my records.

Respectfully submitted,

  
Sidney D. Weiss

Enclosures

RECEIVED  
NOV 21 2016



## **PROFESSIONAL SERVICE CONTRACT FOR LEGAL SERVICES**

This Agreement made as of the 1st day of January, 2017 by and between THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY, a body corporate and politic of the State of New Jersey have its principal office at 19 Saddle Road, Cedar Knolls, New Jersey 07927 (the "Authority") and SIDNEY D. WEISS, Esq. residing at 84 Washington Avenue, Morristown, New Jersey 07960 ("Attorney").

### **WITNESSETH**

#### **RECITALS**

- A. Authority is a municipal utilities authority organized and existing pursuant to the Municipal and County Utilities Authority Law, N.J.S.A. 48:14B-1 et. seq. (The "Act");
- B. Attorney is an attorney at law of the State of New Jersey who has served as attorney and legal adviser to the Authority since its inception in 1977; and
- C. Authority wishes to retain the services of Attorney as its General Counsel on the terms and conditions hereinafter set forth and Attorney is willing to accept such position on such terms and conditions.

NOW, THEREFORE, in consideration of the foregoing premises and the terms, covenants and conditions set forth in this Agreement, and for other good and valuable consideration, the parties agree as follows:

1. Position; Title. Attorney is hereby retained as General Counsel for and during the term of this Agreement and any extensions of this Agreement.

2. Services. As General Counsel, Attorney shall provide such legal services as may reasonably be requested by the Executive Director and/or the Members of the Authority. Such services shall consist of attendance at all regular meetings, executive sessions and committee meetings of the Members; preparing and reviewing resolutions; reviewing minutes, reports and correspondence submitted at meetings. In addition, Attorney shall provide other legal services involving interpretation of the Act and other laws and regulations affecting the operation and business of the Authority; labor matters; construction contracts; capital improvement projects; rate

revisions and annual connection fee adjustments; acquisition of easements and rights of way; real property transactions; contractor and customer disputes; oversee litigation, financing and other matters referred to outside counsel; assist in strategic planning for the Authority; and provide general legal advice and services incidental to the above ("Basic Scope of Service").

3. Compensation; Expenses.

(a) For the foregoing services, Authority shall pay to Attorney a base annual fee of \$\_\_\_\_\_ (Basic Fee") payable in equal monthly installments on or before the last day of each month during the term of this Agreement; or in such other installments as the parties may agree upon.

(b) In addition to the Basic Fee, Attorney shall receive an allowance of \$100.00 per month towards the expense of operating and insuring a motor vehicle on Authority business.

(c) The Authority shall further reimburse Attorney for other reasonable expenses incurred by Attorney on behalf of the Authority subject to submission by Attorney of reasonable substantiation and documentation of such expenses.

4. Availability.

(a) Attorney shall hold himself available to render the services described above for approximately 80 to 100 hours per month (the "Basic Time Parameters") on days and times reasonably acceptable to the Executive Director and/or the Members. Attorney shall also hold himself available for periods in excess of the Basic Time Parameters and/or for extra-ordinary services beyond the Basic Scope of Services described in Section 2 subject to payment of additional compensation to be agreed upon by and mutually acceptable to the Authority and Attorney. Nothing herein shall require the Authority to retain the services of Attorney beyond the Basic Scope of Services or Basic Time Parameters referred to above.

(b) Attorney shall devote such time and attention and give his best efforts as may be reasonably required to perform the services of General Counsel as set forth in this Agreement; provided, however, that Attorney shall be excused from providing such services during periods of temporary incapacity and reasonable vacation periods without thereby in any way affecting the compensation to be paid hereunder.

(c) Attorney shall be entitled to engage in other activities and represent other clients provided such activities or representation does not conflict or unreasonably interfere with the performance of the services to be provided and time and availability to be expended under this Agreement.

5. Facilities.

(a) The Authority will provide, at Authority expense, a reasonably suitable office to Attorney at its Headquarters Facility at 19 Saddle Road, Cedar Knolls, New Jersey (the "Primary

Office"). Attorney shall provide the services to be performed under this Agreement primarily at the Primary Office but may also provide such services at his home or other locations as he may reasonably determine to be appropriate. Attorney shall advise the Executive Director, or her designee, whenever services are to be performed outside the Primary Office.

(b) The Authority will also provide, at no expense to Attorney, non-exclusive part time secretarial assistance for use by Attorney on Authority business; and where deemed necessary or appropriate by Attorney and the Executive Director, outside temporary secretarial or clerical assistance to perform the services required by this Agreement.

6. Term; Termination. The term of this Agreement shall be for a period of one year commencing January 1, 2017 and terminating December 31, 2017. Either party shall have the right to terminate this Agreement at the end of the initial term or at any time thereafter upon not less than sixty (60) days written notice of any such termination by the terminating party. This Agreement may also be terminated by the Authority for "cause". For purposes of this section "cause" shall mean (i) death or permanent disability; (ii) loss or suspension of Attorney's license to practice law; (iii) fraud, theft, embezzlement or misappropriation of Authority or customer funds; (iv) conviction of a crime of moral turpitude or (v) habitual failure to perform the services required by this Agreement after due notice and an opportunity to cure.

7. Independent Contractor. In the performance of his services under this Agreement it is mutually understood and agreed that Attorney is and at all times shall be an independent contractor and not an employee of the Authority. The Authority shall have no right to direct the time, manner or method by which Attorney shall provide the services to be provided pursuant to this Agreement other than as expressly set forth herein. Attorney shall be responsible, as an independent contractor, for making all payments, declarations and filings with local, state and federal taxing and other governmental authorities with respect to the compensation and fees to be paid pursuant to this Agreement.

8. MISCELLANEOUS PROVISIONS:

(a) Entire Agreement. This Agreement sets forth the entire agreement and understanding of the parties and shall not be modified in any manner except by an instrument in writing executed by the parties. This Agreement supersedes all prior agreements between the parties pertaining to the subject matter.

(b) Waivers. The failure of either party to insist upon strict adherence to any term, covenant or condition of this Agreement on any occasion shall not be considered a waiver or relinquishment of any right of such party or parties to insist upon strict performance of that term, covenant or condition, or any other term, covenant or condition, of this Agreement at any time thereafter.

(c) Headings. The caption headings in this Agreement are solely for convenience or reference and shall not affect its interpretation.

(d) Notices. Notices required or permitted to be given under this Agreement shall be in writing and shall be sent by certified mail, return receipt requested, by hand delivery or by a nationally recognized overnight delivery service. All notices shall be sent to the addresses of the parties first above written, or to such other address as the parties may from time to time designate in writing, and shall be deemed given when sent.

(e) Binding Effect; Assignment. This Agreement shall be binding upon the parties and their respective heirs, executors, administrators, successors or assigns. However, it is understood and agreed that this Agreement is for the personal services of Attorney and that neither party shall assign this Agreement without the express prior written consent of the other party except that Attorney shall be permitted to assign this Agreement to a professional service corporation, law firm or other entity of which he is a principal owner or shareholder and for which he shall be primarily responsible for performing the services to be provided hereunder.

(f) Severability. If any provision of this Agreement shall be declared invalid or illegal for any reason whatsoever, then notwithstanding such invalidity or illegality, the remaining terms and provisions of this Agreement shall remain in full force and effect in the same manner as if the invalid or illegal provision had not been contained herein.

(g) Governing Law. This Agreement shall be interpreted in accordance with, and the rights of the parties hereto shall be determined by, the laws of the State of New Jersey.

(h) Professional Service Contract. This is a professional service contract awarded without competitive bidding pursuant to the provisions of the New Jersey Local Public Contracts Law, N.J.S.A. 40A:11-1 et seq.

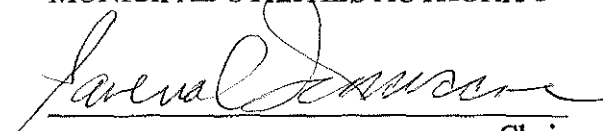
SEE ADDENDUM ANNEXED HERETO AND MADE A PART HEREOF.

The parties have executed this Agreement as of the 1st day of January, 2017.

ATTEST:

THE SOUTHEAST MORRIS COUNTY  
MUNICIPAL UTILITIES AUTHORITY

\_\_\_\_\_  
, Secretary

  
, Chair

WITNESS:

\_\_\_\_\_

  
SIDNEY D. WEISS, ESQ., Attorney

## NOTICE OF AWARD OF PROFESSIONAL SERVICE CONTRACT

Public Notice is hereby given that on December 15, 2016, The Southeast Morris County Municipal Utilities Authority adopted a Resolution authorizing execution of Professional Service Contract with Sidney D. Weiss, Esq., as General Counsel. The contract is for professional legal services to be performed over a period of one year at a cost to the Authority estimated not to exceed \$\_\_\_\_\_ as more particularly set forth in the aforesaid Resolution, copies of which are on file and available for public inspection in the office of the Authority, 19 Saddle Road, Cedar Knolls, New Jersey, and in the respective offices of the Clerks of the Township of Morris, the Township of Hanover, the Town of Morristown and the Borough of Morris Plains.

THE SOUTHEAST MORRIS COUNTY  
MUNICIPAL UTILITIES AUTHORITY

SAVERIO C. IANNACCONE, Chairman

DATED: December 15, 2016

TREASURER'S CERTIFICATION

I hereby certify that there are sufficient funds available (\$128,580) for payment of professional service contract with Sidney D. Weiss to serve as General Counsel for professional legal services. This item will be charged to Account No. 02-10-400-602

Admin & Prof. Services - Legal



CHARLES MAGGIO, Treasurer

DATED: December 15, 2016

CERTIFICATION OF VALUE IN EXCESS OF \$17,500 (PAY-TO-PLAY LAW)

The undersigned hereby certifies that the estimated amount of the contract to be awarded to Sidney D. Weiss for professional legal services exceeds \$17,500.

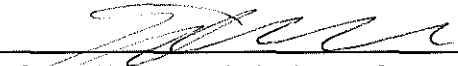
A handwritten signature in black ink, appearing to read 'Charles Maggio', is written over a horizontal line.

CHARLES MAGGIO, Treasurer

Dated: December 15, 2016

CERTIFICATION

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Thursday, December 15, 2016, at a meeting duly convened of said Authority.

  
SIDNEY D. WEISS, Assistant Secretary

Dated: December 15, 2016





# Southeast Morris County Municipal Utilities Authority

19 SADDLE ROAD • CEDAR KNOLLS, NEW JERSEY 07927 • TEL 973-326-6880 • FAX 973-326-9521

## Resolution No. 99-16

### RESOLUTION AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICE CONTRACT FOR CONSULTING ENGINEERING WITH MOTT MACDONALD

WHEREAS, the Authority has a need for non-exclusive professional consulting engineering services to assist it in fulfilling its statutory and contractual obligations; and

WHEREAS, Mott MacDonald has submitted a proposal dated December 1, 2016 for the providing of such services at an estimated maximum amount of \$15,000, a copy of which is annexed hereto as Exhibit "A"; and

WHEREAS, this Contract is being awarded without public bidding as a Professional Service Contract pursuant to the provisions of the Local Public Contracts Law (N.J.S.A. 40A:11-1 et seq.) and in compliance with N.J.S.A. 19:44A-20.5 (Pay-to-Play Law); and

WHEREAS, Mott MacDonald has completed and submitted Business Entity Disclosure Certifications which certify that they have not made any reportable contributions to any political or candidate committee in the Township of Hanover, Borough of Morris Plains, Town of Morristown and the Township of Morris in the previous one year, and that the contract will prohibit them from making any reportable contributions through the term of the contract; and

WHEREAS, funds are available and have been certified by the Treasurer of the Authority; and

WHEREAS, the Local Public Contracts Law (N.J.S.A. 40A:11-1 et seq.) requires that notice of the awarding of professional service contracts be printed once in a newspaper authorized by law to publish the Authority's legal advertisement;

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

1. That Mott MacDonald be and is hereby retained as consulting engineers to The Southeast Morris County Municipal Utilities Authority until December 31, 2017 and appointment of their successor, to render necessary consulting engineering services, as outlined in the agreement annexed hereto and made a part hereof; and

#### Board Members

**Morristown:**  
Mary Dougherty  
Donald Kissil

**Morris Township:**  
Dennis Baldassari  
Edward A. Taratko, Jr.

**Morris Plains:**  
William Conradi  
Ralph R. Rotando

**Hanover Township:**  
Saverio C. Iannaccone  
Adolf Schimpf

**Executive Director/Chief Engineer:** Laura Cummings, P.E.

**Superintendent:** Paul A. Kozakiewicz

2. The services shall be provided on a non-exclusive basis as requested by the Authority from time to time during the term of the annexed agreement; and
3. This contract is awarded without competitive bidding as a "Professional Service Contract" in accordance with the Local Public Contracts Law because the services to be rendered are professional services as therein defined; and
4. Copies of this Resolution shall be filed in the office of the Secretary of the Authority and in the respective offices of the Clerks of the Township of Hanover, the Township of Morris, the Town of Morristown and the Borough of Morris Plains, and notice of the award shall be printed once in the Daily Record in accordance with the Local Public Contracts Law.

ATTEST:

  
SIDNEY D. WEISS, Assistant Secretary

THE SOUTHEAST MORRIS COUNTY  
MUNICIPAL UTILITIES AUTHORITY

  
SAVERIO C. IANNACCONE, Chairman

DATED: December 15, 2016



Ms. Laura Cummings, PE  
Executive Director/Chief Engineer  
Southeast Morris County Municipal Utilities Authority  
19 Saddle Road  
Cedar Knolls, NJ 07927

**Your Reference**  
Consulting Engineering  
Services for 2017

**Our Reference**  
380023

111 Wood Avenue South  
Iselin NJ 08830-4112  
United States of America

T +1 (800) 832 3272  
F +1 (973) 376 1072  
[www.mottmac.com/americas](http://www.mottmac.com/americas)

## **Proposal for Consulting Engineering Services for 2017**

December 1, 2016

Dear Ms. Cummings:

In accordance with your request for proposal, we are pleased to submit the following proposal to provide General Engineering Services to the Authority in 2017.

As Consulting Engineers to the Authority since 1977, Mott MacDonald has performed general engineering consultation as well as detailed design and construction management tasks for the Authority. Mott MacDonald has developed a comprehensive and detailed understanding of the Authority's water system and operations and has been able to provide the Authority with a recommended improvement program, which has been undertaken in stages to reach its current level of service.

As consultants over the years, Mott MacDonald has also worked closely with the Authority's management and operating staff, which has resulted in an effective management partnership. As General Consultant, we would continue to work closely with the Executive Director and operations staff to provide technical advice on operational, engineering, and construction related issues. As General Consultant, Mott MacDonald would provide a level of assurance to the Authority that the facilities are being operated and upgraded in a cost-effective manner.

As consultants, the firm can provide more than ample resources to adequately meet any short-term surges in the Authority's workload. The multi-disciplinary nature of the firm, and our close proximity to the Authority, assures that when problems arise requiring expertise in a certain area, generally, that expertise can be found within the firm and delivered in an efficient and timely manner.

The depth of resources and wealth of expertise of Mott MacDonald can be of great benefit to the Authority, not only with respect to specific assigned tasks, but also as a resource for the individuals who will serve as General Consulting Engineer. Staff that has provided Consulting Engineering Services in the past would continue to provide these services in 2017. James J. Poirier, PE, Executive Vice President will serve as Mott MacDonald Principal-in-Charge. Carol Walczyk, PE, Vice President will serve as the designated Engineering Representative to the Authority and the primary point of contact for day-to-day general engineering assistance.

Mott MacDonald offers the Authority the following benefits:



- An experienced and capable individual to serve as Principal-in-Charge (James J. Poirier, PE). Mr. Poirier is extremely familiar with the Authority's facilities, having worked on a wide range of Authority projects since 1979.
- An experienced and capable project management team who have worked together for more than 25 years and successfully completed numerous projects for the Authority. In addition to the principals named herein, we also have an extensive group of support staff that would be available to meet any needs the Authority may have. Mr. Earl Schneider, PE, as Head of Mott MacDonald's Asset Management Group, has worked closely with the Authority in developing its WaterCAD hydraulic model and GIS database. Mr. Schneider has also been responsible for the detailed design and construction of a wide range of projects for the Authority over the past 25 years. Ms. Walczyk has worked on a number of projects for the Authority, including the current Picatinny Booster Station Generator project, the rehabilitation of Picatinny Water Tank No. 2, and the 2014 and 2015 Annual Inspections. Mr. Poirier, Mr. Schneider and Ms. Walczyk all have the authority to assign additional personnel to the various tasks and services requested by the Authority.
- A proven track record representing New Jersey municipal utilities and water authorities. Mott MacDonald currently serves as the named Authority Engineer for many New Jersey utility authorities.
- Mott MacDonald also provides water utility engineering services to many large investor owned utilities including American Water Works Service Company, New Jersey American Water, Aqua NJ, Suez, and Middlesex Water Company, to name a few.
- Mott MacDonald has specialized water treatment and transmission facilities design capacities and significant experience in the design of a wide range of rehabilitation techniques for process components and large diameter transmission mains.
- Experience in dealing with regulatory agencies such as the New Jersey Department of Environmental Protection; Army Corps of Engineers; FEMA; USEPA; etc.
- Financial management capabilities, including experience working with Authority budgets and rate schedules, experience in dealing with bond counsel, and capabilities in obtaining financial assistance with agencies such as the New Jersey Drinking Water State Revolving Fund Program.
- Size of firm and depth of resources to provide full service capabilities if needed in areas such as underground storage tank management, wetlands evaluation, instrumentation and control services, and other environmental services.
- Location of key project personnel in our Iselin, New Jersey head-quarters, and local Morris Township office and with numerous staff who live in the Authority's service area ensuring rapid response to the needs of the Authority.
- Mott MacDonald is also extremely familiar with the operations of many larger water purveyors throughout the State, and in particular in northern New Jersey. We have extensive "hands-on" design experience with the supply and transmission systems of the Morris County MUA, Passaic Valley Water Commission; New Jersey American Water and many of the municipal purveyors interconnected with the Authority's distribution system. This experience will

continue to add significant value in assisting the Authority in understanding and managing any integration scenarios amongst major water purveyors in the region.

As General Consultant, Mott MacDonald would provide the following services:

- Task 1 – Attend Board Meetings or Standing Committee Meetings as requested

As General Consultant, we would attend the Authority's monthly meetings when requested by the Executive Director/Chief Engineer, or regularly at the option of the Authority. We would be available to answer questions the Authority may have at these meetings. We would also be available at that time to provide general consulting services to the Executive Director/Chief Engineer and Board on various water related topics.

For Standing Committee meetings, we would be available to answer technical questions raised by the management and operations staff concerning the operations and maintenance of the facilities. Following the meeting, we would be available to review operational problems that may have occurred since the previous meeting. We would also be available to provide advice or assistance to the Authority on capital improvements and routine repairs to the facilities that may be requested or recommended by various operations staff. These services may include additional technical experts to address AutoCAD, GIS, SCADA electrical, structural or other civil and environmental issues that may arise.

- Task 2 – Provide Specific Engineering Consulting Services

Since technical issues will arise from time to time, Mott MacDonald will be available to undertake specific engineering assignments as requested and directed by the Executive Director/Chief Engineer or other authorized representative of the Authority. These services may include a wide range of engineering tasks or projects to assist the Authority in implementing capital improvements; assistance with the development of Contract Documents for Authority projects or improvement programs, and assistance with construction and maintenance projects deemed necessary by the Executive Director/Chief Engineer. Assignments under this Task would be undertaken on a "Task Order" basis. Based upon information to be provided by the Authority, Mott MacDonald will prepare a written scope of work and budget and implementation schedule and submit same for review and approval by the Authority. A written "Task Order" will be prepared for execution by the Executive Director/Chief Engineer authorizing the assignment. All work under this task would be completed within the not-to-exceed budget amount, unless written approval is obtained from the Authority to amend said amount.

Mott MacDonald will provide General Engineering Consulting Services including: attend monthly Board Meetings and/or Standing Committee as requested by the Executive Director/Chief Engineer, and providing consulting services to Authority staff on various technical issues which arise during the month (Task 1); and provide "specific" technical consulting services (Task 2).

Tasks 1 and 2 services would be billed on a reimbursable basis based upon actual hours applied and our prevailing rate schedule. For budget amounts not-to-exceed \$5,000 and \$10,000, respectively, as outlined in the RFP. These services would



also be provided on a Task Order basis or project estimate basis, when requested by the Authority. We have included herewith Mott MacDonald's 2017 Rate Schedule for your reference. Eligible expenses associated with these tasks would be billed at actual cost.

With respect to other engineering services as may be required and authorized by the Authority, Mott MacDonald would provide such services on a reimbursable basis in accordance with the enclosed rate schedule, or on a Task Order/competitive cost proposal basis, when requested by the Authority.

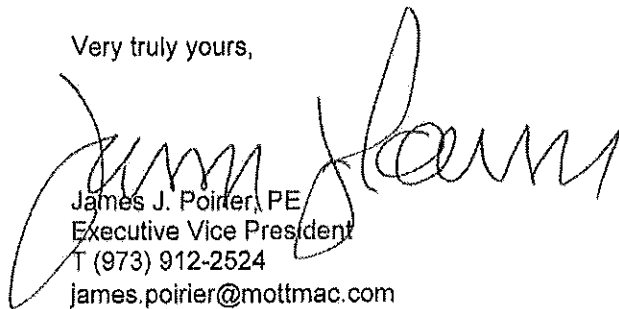
We further agree that the provisions of the Master Agreement for Consulting Engineering Services between the Authority and Mott MacDonald's predecessor, Elson T. Killam Associates, Inc., dated October 25, 1977 (the "1977 Agreement"), shall, to the extent not inconsistent with the provisions of this proposal, be incorporated herein by reference; and that this proposal with the incorporation of such provisions shall supersede the said 1977 Agreement and be the operative agreement between Mott MacDonald and the Authority from the date of its acceptance by the Authority.

Please be advised that Mott MacDonald accepts the Mandatory Affirmative Action Language outlined in P.L. 1975, C. 127 (N.J.A.C. 17:27). Attached hereto is a copy of Mott MacDonald's Certificate of Employee Information Report issued by the State Treasurer.

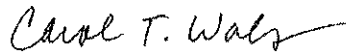
We have also included herewith completed Business Entity Disclosure Certification forms; Business Registration Certificate; New Jersey Employee Information Report and the requested Pay-to-Play forms.

We are prepared to undertake this work upon your authorization and look forward to our continued association with the Authority.

Very truly yours,



James J. Poirier, PE  
Executive Vice President  
T (973) 912-2524  
james.poirier@mottmac.com



Carol T. Walczyk, PE, PMP  
Vice President  
T (973) 912-2534  
carol.walczyk@mottmac.com

## 2017 Hourly Rate Table

Principals / Principal Project Managers / Principal Engineers .....	\$175.00 to \$247.00
Sr. Project Engineer / Sr. Project Architect / Sr. Project Manager /	
Sr. Project Geologist / Sr. Project Scientist.....	\$130.00 to \$205.00
Sr. Specialist V / Sr. Designer V .....	\$110.00 to \$171.00
Sr. Inspector IV/V / Sr. Surveyor IV/V .....	\$100.00 to \$170.00
Project Engineer / Engineer IV / Project Architect / Architect IV /	
Project Manager .....	\$115.00 to \$185.00
Project Geologist / Geologist IV / Project Scientist / Scientist IV .....	\$ 92.00 to \$163.00
Engineer II/III / Architect II/III.....	\$ 90.00 to \$159.00
Specialist III/IV / Designer III/IV .....	\$ 70.00 to \$148.00
Scientist II/III / Geologist II/III .....	\$ 70.00 to \$125.00
Engineer I / Architect I .....	\$ 72.00 to \$111.00
Scientist I / Geologist I .....	\$ 60.00 to \$ 85.00
Inspector III / Surveyor III / Specialist I/II .....	\$ 68.00 to \$110.00
Assistant Surveyor I/II / Assistant Inspector I/II .....	\$ 80.00 to \$ 85.00
Technicians .....	\$ 55.00 to \$ 88.00
Administration / Project Support .....	\$ 60.00 to \$115.00

\* Hourly rates for special consultations and services in conjunction with litigation are available on request.

### EXPENSES

Personal Auto / Company Auto .....	\$0.54 <sup>1</sup> / mile
Company Vans / Company Pick-Up.....	\$0.65 / mile
Photocopies & Offset Reproduction .....	Variable
UPS / Federal Express /Postage /Messenger Service .....	Variable
Subcontractors (including Contract Laboratory) .....	Direct + 15%
Mobile Devices .....	Variable
Field Equipment.....	Variable
Travel / Lodging Per Diem.....	As Incurred

<sup>1</sup>per IRS standard mileage rate (rate as of January 1, 2016 is shown – subject to change)

Invoices are payable within 30 days of invoice date.

Delinquent bills are subject to finance charges of 1.5% per month.

The client shall pay attorney fees, court costs, and related expenses incurred in the collection of delinquent accounts.

## NOTICE OF AWARD OF PROFESSIONAL SERVICE CONTRACT

Public Notice is hereby given that on December 15, 2016, The Southeast Morris County Municipal Utilities Authority adopted a Resolution authorizing execution of Professional Service Contract with Mott MacDonald as Consulting Engineers. The contract is for professional engineering services to be performed over a period of one year at a cost to the Authority estimated not to exceed \$15,000 as more particularly set forth in the aforesaid Resolution, copies of which are on file and available for public inspection in the office of the Authority, 19 Saddle Road, Cedar Knolls, New Jersey, and in the respective offices of the Clerks of the Township of Morris, the Township of Hanover, the Town of Morristown and the Borough of Morris Plains.

THE SOUTHEAST MORRIS COUNTY  
MUNICIPAL UTILITIES AUTHORITY

SAVERIO C. IANNACCONE, Chairman


DATED: December 15, 2016



# TREASURER'S CERTIFICATION

I hereby certify that there are sufficient funds available (\$15,000) for payment of a professional service contract with Mott MacDonald for non-exclusive professional consulting engineering services to assist it in fulfilling its statutory and contractual obligations. This item will be charged to Account No. 02-10-400-601 Professional Services.

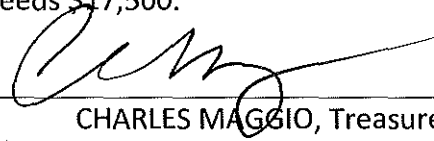
general engineering

  
\_\_\_\_\_  
CHARLES MAGGIO, Treasurer

DATED: December 15, 2016

CERTIFICATION OF VALUE IN EXCESS OF \$17,500 (PAY-TO-PLAY LAW)

The undersigned hereby certifies that the estimated amount of the contract to be awarded to Mott MacDonald for non-exclusive professional consulting engineering services to assist it in fulfilling its statutory and contractual obligations exceeds \$17,500.


A handwritten signature in black ink, appearing to read 'C. Maggio', is written over a horizontal line.

CHARLES MAGGIO, Treasurer

Dated: December 15, 2016

# CERTIFICATION

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Thursday, December 15, 2016, at a meeting duly convened of said Authority.

  
SIDNEY D. WEISS, Assistant Secretary

Dated: December 15, 2016



# Southeast Morris County Municipal Utilities Authority

19 SADDLE ROAD • CEDAR KNOLLS, NEW JERSEY 07927 • TEL 973-326-6880 • FAX 973-326-9521

## Resolution No. 100-16

### RESOLUTION AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICE CONTRACT FOR ACCOUNTING-AUDITING SERVICES WITH NISIVOCIA, L.L.P.

WHEREAS, the Authority has a need for professional accounting-auditing services to assist it in fulfilling its statutory and contractual obligations; and

WHEREAS, Nisivoccia, L.L.P., has submitted a proposal dated December 1, 2016, for the providing of such services at an estimated maximum amount of \$33,600 for auditing and examining the Authority's financial statements as of December 31, 2016 and related services, a copy of which proposal is annexed hereto as Exhibit "A"; and

WHEREAS, this Contract is being awarded without public bidding as a Professional Service Contract pursuant to the provisions of the Local Public Contracts Law (N.J.S.A. 40A:11-1 et seq.) and in compliance with N.J.S.A. 19:44A-20.5 (Pay-to-Play Law); and

WHEREAS, Nisivoccia, L.L.P., has completed and submitted Business Entity Disclosure Certifications which certify that they have not made any reportable contributions to any political or candidate committee in the Township of Hanover, Borough of Morris Plains, Town of Morristown and the Township of Morris in the previous one year, and that the contract will prohibit them from making any reportable contributions through the term of the contract; and

WHEREAS, the Treasurer has determined and certified in writing that the value of the Contract will exceed \$17,500; and

WHEREAS, funds are available and have been certified by the Treasurer of the Authority; and

WHEREAS, the Local Public Contracts Law (N.J.S.A. 40A:11-1 et seq.) requires that notice of the awarding of professional service contracts be printed once in a newspaper authorized by law to publish the Authority's legal advertisement;

#### Board Members

**Morristown:**  
Mary Dougherty  
Donald Kissil

**Morris Township:**  
Dennis Baldassari  
Alan Johnson

**Morris Plains:**  
William Conradi  
Ralph R. Rotando

**Hanover Township:**  
Saverio C. Iannaccone  
Adolf Schimpf

**Executive Director/Chief Engineer:** Laura Cummings, P.E.

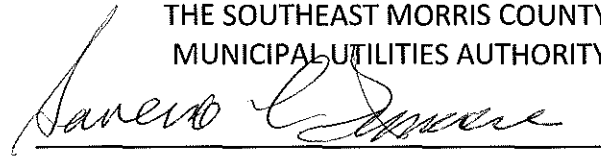
**Superintendent:** Paul A. Kozakiewicz

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

1. That Nisivoccia, L.L.P., be and is hereby retained as accountants-auditors to The Southeast Morris County Municipal Utilities Authority for the year ending December 31, 2016, and appointment of their successor, to render necessary accounting-auditing services and advice, as outlined in the letter-agreement annexed hereto as Exhibit "A" and made a part hereof;
2. The proper officers of the Authority be and they are hereby authorized to execute the annexed letter agreement on the part of the Authority in the manner prescribed by law;
3. This contract is awarded without competitive bidding as a "Professional Service Contract" in accordance with the Local Public Contracts Law because the services to be rendered are professional services as therein defined; and
4. Copies of this Resolution shall be filed in the office of the Secretary of the Authority and in the respective offices of the Clerks of the Township of Hanover, the Township of Morris, the Town of Morristown and the Borough of Morris Plains, and notice of the award shall be printed once in the Daily Record in accordance with the Local Public Contracts Law.

ATTEST:

  
SIDNEY D. WEISS, Assistant Secretary

THE SOUTHEAST MORRIS COUNTY  
MUNICIPAL UTILITIES AUTHORITY  
  
SAVERIO C. IANNACCONI, Chairman

DATED: December 15, 2016



Mount Arlington Corporate Center  
200 Valley Road, Suite 300  
Mt. Arlington, NJ 07856  
973-328-1825 | 973-328-0507 Fax  
Lawrence Business Center  
11 Lawrence Road  
Newton, NJ 07860  
973-383-6699 | 973-383-6555

December 1, 2016

The Honorable Chairman and Members of the Authority Board  
Southeast Morris County Municipal Utilities Authority  
19 Saddle Road  
Cedar Knolls, NJ 07927

We are pleased to confirm our understanding of the services we are to provide Southeast Morris County Municipal Utilities Authority (the "Authority") for the year ended December 31, 2016. We will audit the financial statements – *regulatory basis* - of the various funds of the Authority, including the related notes to the financial statements, as of and for the years ended December 31, 2016 and 2015.

We have also been engaged to report on supplementary information that accompanies the Authority's *regulatory basis* financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the *regulatory basis* financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the various funds financial statements or to the various funds financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and we will provide an opinion on it in relation to the *regulatory basis* financial statements as a whole:

- 1) Schedules of expenditures of federal and state awards.
- 2) Supplementary Data Schedules

#### Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements – *regulatory basis* - are fairly presented, in all material respects, in conformity with accounting practices prescribed or permitted by the Department of Community Affairs, Division of Local Government Services, State of New Jersey (the "Division") and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the *regulatory basis* financial statements as a whole. The objective also includes reporting on —

- Internal control over financial reporting and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the *regulatory basis* financial statements in accordance with *Government Auditing Standards*.
- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with federal and state statutes, regulations and the terms and conditions of federal and state awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996, Title 2 U.S. Code of Federal Regulations (CFR)

The Honorable Chairman and Members of  
the Authority Board  
Southeast Morris County Municipal Utilities Authority  
Page 2  
December 1, 2016

and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that the purpose of the report is solely to (1) describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance.

The OMB Circular A-133 and NJ OMB 15-08 report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and NJ OMB 15-08. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of OMB Circular A-133 and NJ OMB 15-08 and , and will include tests of accounting records, a determination of major program(s) in accordance with OMB Circular A-133 and NJ OMB 15-08, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our single audit. Our reports will be addressed to the Honorable Mayor and Members of the Authority Council. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the *regulatory basis* financial statements or the Single Audit compliance opinions are other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the *regulatory basis* financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the *regulatory basis* financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

### **Management Responsibilities**

Management is responsible for the *regulatory basis* financial statements, schedules of expenditures of federal and state awards, and all accompanying information as well as all representations contained therein. Management is also responsible for identifying all federal and state awards received and understanding and complying with the compliance requirements, and for preparation of the schedules of expenditures of federal and state awards (including notes and noncash assistance) in accordance with the requirements of OMB Circular A-133. In addition, we will assist with preparation of your *regulatory basis* financial statements, schedules of expenditures of federal and state awards, and related notes. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. You agree to assume all management responsibilities relating to the *regulatory basis* financial statements, schedules of expenditures of federal and state awards, and related notes and any other nonaudit services we provide. You will be required to acknowledge in the

The Honorable Chairman and Members of  
the Authority Board  
Southeast Morris County Municipal Utilities Authority  
Page 3  
December 1, 2016

written representation letter our assistance with preparation of the *regulatory basis* financial statements and schedules of expenditures of federal and state awards and related notes and that you have reviewed and approved the *regulatory basis* financial statements, schedules of expenditures of federal and state awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them. We understand that you have designated the Director of Finance to be responsible and accountable for overseeing our services.

Management is responsible for (1) establishing and maintaining effective internal controls, including internal controls over compliance, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring the management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles/practices; for the preparation and fair presentation of the *regulatory basis* financial statements in conformity with accounting practices prescribed or permitted by the Department of Community Affairs, Division of Local Government Services, State of New Jersey (the "Division"); and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

You are responsible for including all informative disclosures that are appropriate for the *regulatory basis* financial statements prepared in conformity with accounting practices prescribed or permitted by the Division. Those disclosures will include (1) a description of the accounting policies of the Authority which conform to the accounting practices applicable to municipalities which have been prescribed or permitted by the Division, including a summary of significant accounting policies, and how this basis of accounting differs from GAAP; (2) informative disclosures similar to those required by GAAP; and (3) additional disclosures beyond those specifically required that may be necessary for the *regulatory basis* financial statements to achieve fair presentation.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the *regulatory basis* financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities also include identifying significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information. Your responsibilities include adjusting the *regulatory basis* financial statements to correct material misstatements and confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the *regulatory basis* financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud



could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provision of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by OMB Circular A-133 and NJ OMB 15-08, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review on January 1, 2017.

You are responsible for preparation of the schedule of expenditures of state and federal awards in conformity with OMB Circular A-133 and NJ OMB 15-08. You agree to include our report on the schedule of expenditures of state and federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedules of expenditures of federal and state awards that includes our report thereon OR make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of state and federal awards is issued with our report thereon OR make the audited financial statements readily available to intended users of the schedules of expenditures of federal and state awards no later than the date the schedules of expenditures of federal and state awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedules of expenditures of federal and state awards in accordance with OMB Circular A-133 and NJ OMB 15-08; (2) you believe the schedules of expenditures of federal and state awards, including its form and content, are fairly presented in accordance with OMB Circular A-133 and NJ OMB 15-08; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedules of expenditures of federal and state awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with accounting practices prescribed or permitted by the Division. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited *regulatory basis* financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited *regulatory basis* financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with accounting practices prescribed or permitted by the Division; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with accounting practices prescribed or permitted by the Division; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

With regard to using the auditors' report, you understand that you must obtain our prior written consent to reproduce or use our report in bond offering official statements or other documents. With regard to the electronic dissemination of audited *regulatory basis* financial statements, including *regulatory basis* financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

#### **Audit Procedures—General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the *regulatory basis* financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the *regulatory basis* financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the *regulatory basis* financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the *regulatory basis* financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding

sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the *regulatory basis* financial statements; schedules of expenditures of federal and state awards; federal and state award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

#### **Audit Procedures—Internal Controls**

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the *regulatory basis* financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the *regulatory basis* financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the *regulatory basis* financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by OMB Circular A-133, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal and state award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to OMB Circular A-133.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, OMB Circular A-133 and NJ OMB 15-08.

#### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the *regulatory basis* financial statements are free of material misstatement, we will perform tests of the Authority's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

OMB Circular A-133 and NJOMB 15-08 require that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Circular A-133 Compliance Supplement* and the *State Aid/Grant Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the Authority's major programs. The purpose of these procedures will be to express an opinion on the Authority's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to OMB Circular A-133 and NJ OMB 15-08.

The Honorable Chairman and Members of  
the Authority Board  
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### **Engagement Administration, Fees, and Other**

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

We are not financial advisors under the SEC's definition related to debt issuances and we will not be performing those services.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form, if applicable, that summarizes our audit findings. It is management's responsibility to submit the reporting package (including *regulatory basis* financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits.

We will provide copies of our reports to the Authority and the Division; however, management is responsible for distribution of the reports and the *regulatory basis* financial statements to any other required parties. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Nisivoccia LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a Cognizant or Oversight Agency for Audit or its designee, a federal or state agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Nisivoccia LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the a Cognizant Agency, Oversight Agency for Audit, or Pass-through Entity. If we are aware that a federal or state awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to issue our reports no later than April 30, 2016. Kathryn L. Mantell is the engagement partner and is responsible for supervising the engagement and signing the reports. Our fee for these services including out-of pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) and implementation of GASB 68, Reporting Pension Liabilities, will be \$33,600 for the year ended December 31, 2016. Our fees also includes normal correspondence, phone calls and questions. We encourage continuous communication with our client's financial administration throughout the year in order to be kept apprised of any potential problem situations and to hopefully attempt to minimize or correct them on a timely basis. We believe this open communication enhances our ability to perform a quality audit and minimize year-end audit findings.

Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 120 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fees are based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss the circumstances with you and arrive at a new fee estimate, if necessary.

Our firm is committed to providing our clients with personal services. Although we have the resources and capabilities of a larger firm, we choose to operate like a small firm. Our staff is diversified in experience and is closely supervised by the engagement partner (both onsite and offsite) in the performance of their duties. We are confident that we have the resources available to best serve your needs. The performance of the audit will be scheduled in advance with the Director of Finance based upon the Authority's projection of their readiness for audit. We will schedule interim procedure prior to the final audit fieldwork which would include planning the audit, reading minutes, testing internal controls and other procedures. We anticipate that the balance of the audit will take approximately one week to perform. We expect that the entire staff assigned to your audit, staff accountants and the in-charge accountant, will be on site for a majority of the time. The engagement partner will be in contact both on and off site during the engagement.

We will conduct an exit conference with the Director of Finance prior to delivery of the draft audit which will occur approximately three weeks after our last day of field work for review by the Authority Board Finance Committee. We will meet with the Finance Committee to discuss the audit and any findings and/or recommendations and meet with the Authority Board, if desired. Additionally, we will work together with your staff in order to deliver the draft audit no later than April 14, 2017, meet and discuss the draft, audit with the Finance Committee during the week of April 17, 2017 and present the audit to the full Authority Board at a public meeting during the week of April 24, 2017, if desired. We feel that we will have no internal constraints in meeting the specified deadlines and will assist your staff in meeting them as well (by streamlining our requests for information and performing the audit in an extremely organized fashion.

Our fees for additional services you may request would be billed at our standard hourly rates (which vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit) which are as follows:

Partner/Principal	\$150-\$175
Manager/Supervisor	\$135-\$145
Senior (In-Charge) Accountants	\$115-\$130
Staff Accountants	\$95-\$110

Nisivoccia LLP will not act as dissemination agent for the Authority in connection with the Authority's obligations, if any, to provide secondary market disclosure. Our work to prepare secondary market disclosure documents shall consist of and be limited to (1) distribution of the Authority's audited *regulatory basis* financial statements to the Authority or its designated dissemination agent in an electronic format that complies with the requirements of the Municipal Securities Rulemaking Board's Electronic Municipal Market Access Data Port, and (2) preparation of certain operating data, customarily consisting of the financial information, readily available in the *regulatory basis* financial statements of the Authority, contained in Appendix A to an Official Statement, and distribution of that data to the Authority or its designated dissemination agent in an electronic format that complies with the requirements of the Municipal Securities Rulemaking Board's Electronic Municipal Market Access Data Port. The Authority, or its designated dissemination agent, shall remain responsible for filing required secondary market disclosure information and "material event" notices in accordance with any prior undertakings, and Nisivoccia LLP shall not have any responsibility nor liability for the failure of the Authority, or its designated dissemination agent, to comply with the Authority's secondary market disclosure undertakings.

With regard to the electronic dissemination of audited *regulatory basis* financial statements, including *regulatory basis* financial statements published electronically on your website and on the **Municipal Securities Rulemaking Board's Electronic Municipal Market Access Data Port**, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

#### MSRB Municipal Advisor Rule:

On September 18, 2013, the Securities and Exchange Commission (the "SEC") adopted a rule requiring that "municipal advisors" register with the Securities and Exchange Commission. A "municipal advisor" is someone that "provides advice to or on behalf of a municipal entity with respect to municipal financial products or the issuance of municipal securities, including advice with respect to the structure, timing, terms, and other similar matters concerning such financial products or issues[.]" Nisivoccia LLP is not a registered Municipal Advisor and is not subject to the fiduciary duty established in Section 15B(c)(1) of the Exchange Act with respect to the municipal financial product or issuance of municipal securities. Accordingly, pursuant to the new Municipal Advisor rule and absent the available exception to the rule discussed below, Nisivoccia LLP cannot provide the Authority with advice or recommendations regarding the issuance of municipal securities.

Under the Municipal Advisor rule, the Authority may continue to receive advice from its auditor, bond counsel and other professionals, provided both the Authority and the professional satisfy the "Issuer Has Hired an Independent Municipal Advisor Exemption". First, as municipal issuer, the Authority needs to have (i) engaged an independent registered municipal advisor and (ii) made such engagement known in writing to the person seeking to rely on the exemption and/or post this declaration on the Authority web site. Second, the person relying on this exemption, such as us, your bond counsel and others, must:

The Honorable Chairman and Members of  
the Authority Board  
Southeast Morris County Municipal Utilities Authority  
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December 1, 2016

1. obtain a written representation from the Southeast Morris County Municipal Utilities Authority that it is represented by, and will rely on the advice of, an independent registered municipal advisor. The written representation from the Authority may be a declaration posted on the Authority's web site as long as the posting states that the representation is intended to establish the independent municipal advisor exemption pursuant to the Municipal Advisor rule;
2. provide written disclosure to the Southeast Morris County Municipal Utilities Authority and its independent registered municipal advisor that, by obtaining such representation from the Authority, the firm is not a municipal advisor and is not subject to the fiduciary duty established in Section 15B(c)(1) of the Exchange Act with respect to the municipal financial product or issuance of municipal securities; and
3. provide the written disclosure described above at a time and in a manner reasonably designed to allow the Southeast Morris County Municipal Utilities Authority to assess the material incentives and conflicts of interest that such person may have in connection with the municipal advisory activities.

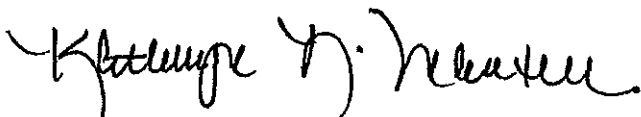
If the Southeast Morris County Municipal Utilities Authority has engaged the services of a registered Municipal Advisor, we encourage you to notify us in accordance with paragraph 1 above. We have already provided to you in this letter the disclosure contained in paragraph 2 above, which we trust is being provided to you in the time and manner set forth in paragraph 3 above. If the Authority has not engaged the services of a registered Municipal Advisor, or has, but has not satisfied the requirements of the "Issuer Has Hired an Independent Municipal Advisor Exemption", then any services performed by us in connection with the issuance of municipal securities shall be performed pursuant to the Statements on Standards for Attestation Engagements and related Attestation Interpretations as issued by the American Institute of Certified Public Accountants, then currently in effect.

We appreciate the opportunity to be of service to Southeast Morris County Municipal Utilities Authority and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

*Government Auditing Standards* require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2014 peer review report is included with this letter.

Very truly yours,

NISIVOCIA LLP

  
Kathryn L. Mantell, Partner

## NOTICE OF AWARD OF PROFESSIONAL SERVICE CONTRACT

Public Notice is hereby given that on December 15, 2016, The Southeast Morris County Municipal Utilities Authority adopted a Resolution authorizing execution of Professional Service Contract with Nisivoccia, L.L.P., as Accountants-Auditors. The contract is for professional accounting/auditing services to be performed over a period of one year at a cost to the Authority estimated not to exceed \$33,600 as more particularly set forth in the aforesaid Resolution, copies of which are on file and available for public inspection in the office of the Authority, 19 Saddle Road, Cedar Knolls, New Jersey, and in the respective offices of the Clerks of the Township of Morris, the Township of Hanover, the Town of Morristown and the Borough of Morris Plains.

THE SOUTHEAST MORRIS COUNTY  
MUNICIPAL UTILITIES AUTHORITY

SAVERIO C. IANNACCONE, Chairman

DATED: December 15, 2016



TREASURER'S CERTIFICATION

I hereby certify that there are sufficient funds available (\$33,600) for payment of a professional service contract with Nisivoccia, LLP, for professional accounting-auditing services to assist it in fulfilling its statutory and contractual obligations. This item will be charged to Account No. 62-30-400-613.

*Consultant Services Audit*

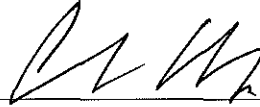


CHARLES MAGGIO, Treasurer

DATED: December 15, 2016

CERTIFICATION OF VALUE IN EXCESS OF \$17,500 (PAY-TO-PLAY LAW)

The undersigned hereby certifies that the estimated amount of the contract to be awarded to Nisivoccia, LLP, for professional accounting-auditing services to assist it in fulfilling its statutory and contractual obligations exceeds \$17,500.



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CHARLES MAGGIO, Treasurer

Dated: December 15, 2016

# CERTIFICATION

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Thursday, December 15, 2016, at a meeting duly convened of said Authority.



SIDNEY D. WEISS, Assistant Secretary

Dated: December 15, 2016



## **Southeast Morris County Municipal Utilities Authority**

19 SADDLE ROAD • CEDAR KNOLLS, NEW JERSEY 07927 • TEL 973-326-6880 • FAX 973-326-9521

### **Resolution No. 101-16**

#### **RESOLUTION AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICE CONTRACT FOR NON-EXCLUSIVE PROFESSIONAL CONSULTING ENGINEERING SERVICES RELATED TO WATER SUPPLY PLANNING AND RATE RELATED MATTERS**

WHEREAS, The Southeast Morris County Municipal Utilities Authority (the "Authority") has a need for non-exclusive professional consulting engineering services related to water supply planning and rate related matters commencing January 1, 2017; and

WHEREAS, Howard J. Woods Jr. & Associates, L.L.C. has submitted a proposal dated December 1, 2016 for the providing of such services commencing January 1, 2017 and terminating December 31, 2017 at an estimated maximum amount of \$24,000, a copy of which is annexed hereto as Exhibit "A"; and

WHEREAS, this Contract is being awarded without public bidding as a Professional Service Contract pursuant to the provisions of the Local Public Contracts Law (N.J.S.A. 40A:11-1 et seq.) and in compliance with N.J.S.A. 19:44A-20.5 (Pay-to-Play Law); and

WHEREAS, Howard J. Woods Jr. & Associates, L.L.C. has completed and submitted Business Entity Disclosure Certifications which certify that they have not made any reportable contributions to any political or candidate committee in the Township of Hanover, Borough of Morris Plains, Town of Morristown and the Township of Morris in the previous one year, and that the contract will prohibit it from making any reportable contributions through the term of the contract; and

WHEREAS, the Treasurer has determined and certified in writing that the value of the Contract will exceed \$17,500; and

WHEREAS, funds are available and have been certified by the Treasurer of the Authority; and

WHEREAS, the Local Public Contracts Law (N.J.S.A. 40A:11-1 et seq.) requires that notice of the awarding of professional service contracts be printed once in a newspaper authorized by law to publish the Authority's legal advertisement;

#### **Board Members**

**Morristown:**  
Mary Dougherty  
Donald Kissil

**Morris Township:**  
Dennis Baldassari  
Edward A. Taratko, Jr.

**Morris Plains:**  
William Conradi  
Ralph R. Rotando

**Hanover Township:**  
Saverio C. Iannaccone  
Adolf Schimpf

**Executive Director/Chief Engineer:** Laura Cummings, P.E.

**Superintendent:** Paul A. Kozakiewicz

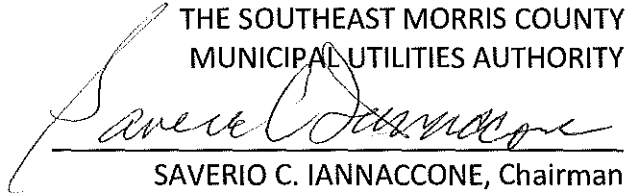
1. That the proposal of Howard J. Woods, Jr. and Associates L.L.C. dated December 1, 2016, a copy of which is annexed hereto as Exhibit "A" be and the same is hereby accepted and approved effective January 1, 2017 unless terminated by the Board of Members prior to that date.
2. The Executive Director/Chief Engineer be and is hereby authorized and directed to accept and sign the proposal on behalf of the Authority on or after January 1, 2017 unless terminated by the Board prior to that date.
3. This contract is awarded without competitive bidding as a "Professional Service Contract" in accordance with the Local Public Contracts Law because the services to be rendered are professional services as therein defined; and
4. Copies of this Resolution shall be filed in the office of the Secretary of the Authority and in the respective offices of the Clerks of the Township of Hanover, the Township of Morris, the Town of Morristown and the Borough of Morris Plains, and notice of the award shall be printed once in the Daily Record in accordance with the Local Public Contract Law.

ATTEST:



SIDNEY D. WEISS, Assistant Secretary

THE SOUTHEAST MORRIS COUNTY  
MUNICIPAL UTILITIES AUTHORITY



SAVERIO C. IANNACCONE, Chairman

DATED: December 15, 2016

# Howard J. Woods, Jr. & Associates, L.L.C.

December 1, 2016

Ms. Laura Cummings, P.E.  
Executive Director & Chief Engineer  
Southeast Morris County Municipal Utilities Authority  
19 Saddle Road  
Cedar Knolls, NJ 07927

Re: Proposal for 2017 Professional Engineering  
Services Related to Water Supply Planning  
and Rate Related Matters

Dear Ms. Cummings:

Thanks for giving me the opportunity to work with you over the past three years on a range of planning issues. I have enjoyed the opportunity to work with you and your staff throughout this period and I believe we have achieved some significant accomplishments. I understand that you have identified several issues that you would like to address in 2017 and that you may choose to engage my services in addressing these challenges. I am pleased to offer the following proposal for professional services.

## **Background**

Over the past three years, we completed a preliminary supply analysis and evaluated near-term water use trends within your service area. This analysis demonstrated that you have sufficient supplies to meet current demands and provide additional water in support of regional economic development. We also identified a trend toward greater water use efficiency on the part of existing customers. We expect this trend to continue and this will make additional capacity available to service new customers within and outside the District even as the District Municipalities continue to grow.

The planning we did in these areas was leveraged to develop a Cost Allocation Study in 2016. This Study can be easily updated to reflect current economic conditions and

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49 Overhill Road, East Brunswick, New Jersey 08816-4211

Phone: 267-254-5667

E-mail: [howard@howardwoods.com](mailto:howard@howardwoods.com)



anticipated water sales. In our 2016 Study, we identified some departures from full-cost based rates and this Study can form the basis of future rate adjustments designed to move each customer class toward full cost pricing.

We also participated in an analysis of the Morris Commons, LLC v. Rockaway Township et al. matter and identified a way in which Morris County Municipal Utilities Authority ("MCMUA") water could be made available to Wharton/Rockaway while generating a utilization fee for The Southeast Morris County Municipal Utilities Authority ("SMCMUA"). Appropriate contract amendments were put in place and this should generate an additional \$28,000 per year in new revenues. As the Pondview development in Rockaway Township continues to grow, this amount of revenue will also grow as additional volumes of water are sold to Wharton to meet the Pondview demands. We believe that additional opportunities to grow wholesale sales similar to this exist and this can be an important source of future revenues for SMCMUA.

The current state of water resource planning and development in Morris County creates a number of opportunities and risks for SMCMUA. By taking advantage of the opportunities and properly managing the risks, you have the opportunity to expand the scope of your operations in a way that promotes sustainability and rate stability for your retail and sale-for-resale customers.

### **Proposal**

Howard J. Woods Jr. & Associates, L.L.C. is pleased to offer you this professional services proposal to address your water supply planning and related business planning needs.

Our proposal is structured in a way that allows you to engage our services as you determine that our support is needed. As we look forward to 2017, we understand that you would like our support in addressing several issues including but not limited to:

1. Develop an updated Cost of Service Allocation Study. We developed an updated Cost Allocation Study in 2016 and this study demonstrated the need to make class rate modifications to bring each customer class in line with full-cost pricing principals. This Study can be easily linked to the SMCMUA operating and capital budgets and this will facilitate rate design in the coming years.
2. Review the Authority's Rules and Regulations and Practices, Procedures and By-Laws. Periodic reviews of the Authority's business practices are appropriate to make certain that the Authority is responsive to its customers needs while simultaneously operating in an efficient manner that conforms to current regulations. We will conduct a review of these documents to identify areas where improvements could be implemented to conform to industry best practices. Our review will specifically address compliance with N.J.A.C. 7:10, the New Jersey Safe Drinking Water Act Rules.

3. Master Plan and Regional Water Supply Initiative Support. The Authority will be updating its Master Plan in 2017 and we will provide support and assistance in this effort to ensure that a comprehensive and well thought out business plan results from the effort. We understand that the Authority will engage the services of a highly qualified engineering firm to complete the usual and customary studies and evaluations that form the basis of a facilities master plan. Given our extensive knowledge and experience with such plans, we will assist the Authority in reviewing the output from the engineer and in coordinating the plan recommendations with the Authority's financial plans, in particular, the five-year budget and the Cost Allocation Study.

Regionally, opportunities abound for SMCMUA. The SMCMUA is one of 69 community public water systems located in Morris County. These systems rely on a variety of bedrock and glacial sand aquifers, surface water supplies and purchased water supplies. Some of the purchased water supplies rely on sources of water outside of Morris County. The development and management of water supplies in Morris County is complicated by known cases of groundwater contamination and the intersection of three major drainage basins (Delaware, Raritan and Passaic) within the County. In addition to the water resource regulation by the Department of Environmental Protection, land use and resource controls imposed by the NJ Highlands Council also impact water supply planning and the cost of providing service in Morris County. The development of a current Master Plan and a sound business plan will best position SMCMUA to take advantage of opportunities for further regionalization and supply integration.

4. Strengthen revenue budgeting procedures to take full advantage of the new customer accounting and billing systems. (Continued from 2016). The current budgeting procedure relies on trending revenue dollars actually collected from year to year. Your new accounting system will allow billing determinants to be tracked in a way that will give you a better understanding of temporal changes in water use and revenues. This will provide an enhanced tool for managing SMCMUA expenses during the course of the year and improve your ability to meet annual financial objectives. Ultimately, improved tracking of the billing determinants that lead to the revenues you collect will allow you to make certain that each customer class is producing sufficient revenues to recover the full cost of providing service to that class.
5. Review emergency response plans approach to drought and severe rainfall events. Industry standards have been evolving recently with regard to drought planning and responses to severe rainfall events. Data accumulated by the New Jersey State Climatologist demonstrate that we are in a period where extreme weather patterns are becoming more normal. We can assist you by reviewing your current drought and emergency response plans to make sure that those plans reflect the latest approaches to these extreme events.



6. Related Matters. We are available as needed to address unspecified planning issues that may arise during the course of the year.

We are prepared to review and evaluate available information related to the operation of your water system and to help you thoroughly assess your water resource and business planning needs during 2017. We will build on previously completed studies and reports to avoid duplication of effort. This will include a review of studies prepared by others, external data that influence your water resource planning decisions, and current operating data. We will perform analyses and evaluations of your system and we will attend and participate in meetings on an as-needed basis and as directed by you. Decisions made by SMC MUA with respect to water resource planning have implications for current and future revenues and operating expenses. We will assist you in evaluating alternatives with a clear eye focused on retail and wholesale rates needed to implement your business plan. Based on our understanding of the tasks that you wish us to complete in 2017, the cost of our assistance will not exceed \$24,000. A summary of the anticipated level of effort and associated billings is presented in Schedule A. We will issue bills on the basis of time actually required to provide this assistance, so you will only be charged for the services you elect to use. If less time is required to complete these tasks, your bill will be less. We will also provide any additional supplementary services as requested by the Authority during the life of this project.

#### **Summary of Staffing & Proposed Fees**

Howard J. Woods, Jr., P.E. will be the principal point of contact for the Authority and will be responsible for all work addressed by this proposal. A detailed resume of my qualifications is attached. I have a thorough understanding of water supply issues facing the State of New Jersey and I have extensive experience in the field of water supply planning. I have prepared comprehensive plans for 60 water systems located throughout the United States. Communities served by these systems include Pittsburgh, Pennsylvania and its surrounding suburbs, Charleston, West Virginia, Richmond, Indiana, East Saint Louis, Illinois and Monterey, California. I was also responsible for the preparation of water supply plans for New Jersey-American Water Company and I have developed long-term demand forecasts and supply plans for the Passaic Valley Water Commission. In completing these planning evaluations, I developed alternatives and identified the least costly means of providing safe water service for each water system addressed by these studies. These plans identified specific facility needs for five, ten and fifteen year planning horizons, defined the long term role of each system in promoting regional water supply development, and assessed the impact of future State and Federal water quality regulations on system operations and needs. I served as the water utility representative to the New Jersey Water Supply Advisory Council from 1989 through 1997. While a member of the Council, I assisted the State in the development of the New Jersey Statewide Water Supply Master Plan. I also recently served as a member of the Public Advisory Committee charged with completing a peer review of the current draft New Jersey Water Supply Plan. My background in rate setting is also extensive. I have developed cost of service allocation studies for numerous public authorities and I

have served as an expert witness in litigation associated with rate setting and cost allocation procedures. The attached resume lists the numerous cases in which I have offered expert testimony before the New Jersey Board of Public Utilities. I am also the 2013 recipient of the George Warren Fuller Award from the New Jersey Section of the American Water Works Association.

My billing rate is \$180 per hour (one hundred eighty dollars per hour). No work will be delegated or subcontracted without prior written approval from your office.

The proposed consulting fees associated with the elements of work defined above are based on actual time spent on the engagement at the standard hourly rates noted above. The estimates for the work provided for in this proposal will not be exceeded without your express written approval. Bills will be based on actual time and expenses incurred, so your cost will be lower if less time is required to complete the assignments. Actual out-of-pocket expenses up to the limits set forth on Schedule A, such as for travel or overnight mail, will be charged without mark-up. Should you require any assistance for work not addressed by this proposal, we would be pleased to accommodate you and we will bill you at our standard rates noted above. Our fees will be billed monthly based on work performed and expenses incurred in the previous month. We would appreciate payment within 30 days from the date of billing.

The term of this Agreement is from the inception of work for SMCMUA on January 1, 2017 with respect to the scope outlined above through the ensuing twelve-month planning period. It is understood that, upon entering into this agreement, we are acting as an independent contractor, and that we are not entitled to any compensation other than that specifically set forth herein. This agreement is not assignable without your written consent, the validity and interpretation of which shall be governed by the laws of the State of New Jersey.

This will further confirm that during the term of my engagement I will comply with the mandatory Affirmative Action statement attached hereto as Schedule B and with the provisions of the New Jersey Pay to Play Law, N.J.S.A. 19:44A-20.2 et. seq., The New Jersey Campaign Contributions and Expenditures Act, N.J.S.A. 19:44-1 et. seq., and all other applicable laws and regulations pertaining to my engagement.

Please call me if you have any questions about this proposal or if I can assist you in any way. Thank you again for giving me the opportunity to offer this proposal. I hope you find this acceptable and I look forward to working with you and your staff in the coming planning period.

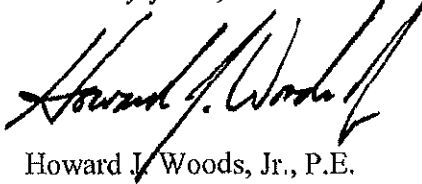
Ms. Laure Cummings, P.E.  
Re: Professional Engineering Services

December 1, 2016  
Page 6 of 6

---

If this letter correctly sets forth your understanding of our relationship, please acknowledge by signing and returning the enclosed copy of this letter.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Howard J. Woods, Jr.", with a stylized flourish at the end.

Howard J. Woods, Jr., P.E.

I agree with above and authorize Howard J. Woods, Jr. & Associates, L.L.C. to begin providing its services based on the above terms.

---

Laura Cummings, P.E.  
Executive Director & Chief Engineer  
Southeast Morris County Municipal Utilities Authority

**Schedule A**  
**Summary of Work Plan Tasks and Costs**  
**Professional Engineering Services for Water Supply Planning**  
**and Rate Related Matters**

<b>Task Designation</b>	<b>Estimated Hours</b>	<b>Estimated Consulting Fees</b>	<b>Estimated Expenses</b>	<b>Total Estimated Cost</b>
Review Existing Studies and Available Data	30	\$5,400	\$0	\$5,400
Perform Evaluations and Studies	60	\$10,800	\$300	\$11,100
Attendance at Meetings	<u>40</u>	<u>\$7,200</u>	<u>\$300</u>	<u>\$7,500</u>
TOTAL	<u>130</u>	<u>\$23,400</u>	<u>\$ 600</u>	<u>\$24,000</u>

## NOTICE OF AWARD OF PROFESSIONAL SERVICE CONTRACT

Public Notice is hereby given that on December 15, 2016, The Southeast Morris County Municipal Utilities Authority adopted a Resolution authorizing execution of Professional Service Contract with Howard J. Woods, Jr., & Associates, L.L.C. The contract is for non-exclusive professional consulting engineering services to be performed over a period of one year at a cost to the Authority estimated not to exceed \$24,000 as more particularly set forth in the aforesaid Resolution, copies of which are on file and available for public inspection in the office of the Authority, 19 Saddle Road, Cedar Knolls, New Jersey, and in the respective offices of the Clerks of the Township of Morris, the Township of Hanover, the Town of Morristown and the Borough of Morris Plains.

THE SOUTHEAST MORRIS COUNTY  
MUNICIPAL UTILITIES AUTHORITY

SAVERIO C. IANNACCONE, Chairman

DATED: December 15, 2016

# TREASURER'S CERTIFICATION

I hereby certify that there are sufficient funds available (\$24,000) for payment of a professional service contract with Howard J. Woods, Jr. & Associates, L.L.C. for non-exclusive professional consulting engineering services to assist it in fulfilling its statutory and contractual obligations. This item will be charged to Account No. 02-10-400-609.

  
\_\_\_\_\_  
CHARLES MAGGIO, Treasurer

DATED: December 15, 2016

CERTIFICATION OF VALUE IN EXCESS OF \$17,500 (PAY-TO-PLAY LAW)

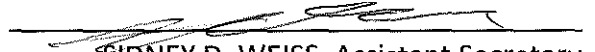
The undersigned hereby certifies that the estimated amount of the contract to be awarded to Howard J. Woods, Jr., & Associates, L.L.C. for non-exclusive professional consulting engineering services to assist it in fulfilling its statutory and contractual obligations exceeds \$17,500.

  
\_\_\_\_\_  
CHARLES MAGGIO, Treasurer

DATED: December 15, 2016

CERTIFICATION

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Thursday, December 15, 2016, at a meeting duly convened of said Authority.

  
SIDNEY D. WEISS, Assistant Secretary

DATED: December 15, 2016





# **Southeast Morris County Municipal Utilities Authority**

19 SADDLE ROAD • CEDAR KNOLLS, NEW JERSEY 07927 • TEL 973-326-6880 • FAX 973-326-9521

## **Resolution No. 102-16**

### **RESOLUTION APPROVING CONTRACT WITH GE INTELLIGENT PLATFORMS, INC., FOR THE PURCHASE OF PROPRIETARY SOFTWARE/HARDWARE SYSTEM PRODUCTS AND SERVICES**

WHEREAS, the Authority has a need for licensed proprietary software products and services for the planned upgrade to its Supervisory Control and Data Acquisition ("SCADA") system; and

WHEREAS, GE Intelligent Platforms, Inc. ("GE") has agreed to provide such products and services; and

WHEREAS, the total cost of such products and services to the Authority is the sum of \$33,106.19; and

WHEREAS, the contract is being approved without public bidding as being less than the bidding threshold of \$40,000 and as a contract for the provision and performance of goods and services for the support and maintenance of proprietary computer software pursuant to the exceptions provided in the Local Public Contracts Law (N.J.S.A. 40A:11-5(1)(dd)); and in compliance with N.J.S.A. 19:14A-1 (Pay-to-Play Law); and

WHEREAS, GE has completed and submitted Business Entity Certificates that certify that it has not made any reportable contributions that would bar award of this contract pursuant to the Pay-to-Play Law; and that the award of the contract will prohibit it from making any such reportable contributions during the term of the contract; and

WHEREAS, the Treasurer has determined and certified in writing that the value of the products and services will exceed \$17,500;

WHEREAS, the Treasurer has certified that there are sufficient funds available in the 2017 Budget; and

WHEREAS, the purchase of such products and services are determined to be in the best interest of the Authority and the Water System;

#### **Board Members**

**Morristown:**  
Mary Dougherty  
Donald Kissil

**Morris Township:**  
Dennis Baldassari  
Alan Johnson

**Morris Plains:**  
William Conradi  
Ralph R. Rotando

**Hanover Township:**  
Saverio C. Iannaccone  
Adolf Schimpf

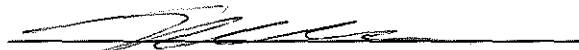
**Executive Director/Chief Engineer:** Laura Cummings, P.E.

**Superintendent:** Paul A. Kozakiewicz

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

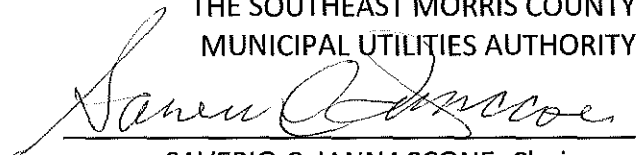
1. The quote of GE Intelligent Platforms, Inc., dated December 5, 2016, be and the same is hereby approved and accepted; and
2. The Chairman or Vice Chairman and Secretary or Assistant Secretary be and are hereby authorized and directed to accept the quote and execute and deliver such contract documents as may be necessary or desirable to implement the provisions of this Resolution.

ATTEST:



SIDNEY D. WEISS, Assistant Secretary

THE SOUTHEAST MORRIS COUNTY  
MUNICIPAL UTILITIES AUTHORITY



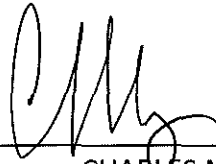
SAVERIO C. IANNACCONE, Chairman

DATED: December 15, 2016

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

CERTIFICATION OF VALUE IN EXCESS OF \$17,500 (PAY-TO-PLAY LAW)

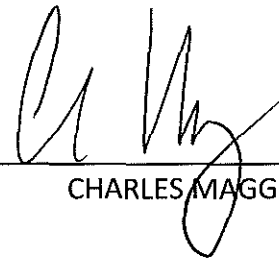
The undersigned hereby certifies that the estimated amount of the contract to be approved with GE Intelligent Platforms, Inc. for licensed proprietary software/hardware system products and services exceeds \$17,500.

  
\_\_\_\_\_  
CHARLES MAGGIO, Treasurer

DATED: December 15, 2016

# TREASURER'S CERTIFICATION

I hereby certify funds for are available for payment of a contract with GE Intelligent Platforms, Inc. for licensed proprietary software/hardware system products. The total maximum amount of this contract will not exceed \$33,106.19. This item will be charged to Account No. 02-00-500-390 (2016 IT – SCADA and Security).

A handwritten signature in black ink, appearing to read 'C. Maggio', is written over a horizontal line.

CHARLES MAGGIO, Treasurer

DATED: December 15, 2016

# CERTIFICATION

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Thursday, December 15, 2016, at a meeting duly convened of said Authority.

  
SIDNEY D. WEISS, Assistant Secretary

Dated: December 15, 2016



## **Southeast Morris County Municipal Utilities Authority**

19 SADDLE ROAD • CEDAR KNOLLS, NEW JERSEY 07927 • TEL 973-326-6880 • FAX 973-326-9521

### **Resolution No. 103-16**

#### **RESOLUTION AUTHORIZING CHANGE ORDER TO THE PAINTING AND REHABILITATION OF PICATINNY WATER STORAGE TANK NO. 1**

WHEREAS, the Authority awarded a contract to Pro-Spec Painting, Inc., on January 21, 2016, for the project entitled Painting and Rehabilitation of Picatinny Water Storage Tank No. 1; and

WHEREAS, the maximum cost to the Authority authorized was \$798,850; and

WHEREAS, the Superintendent has advised by memorandum dated December 9, 2016 that a Change Order for additional work required is needed to properly store material delivered to the site; and

WHEREAS, the services required will cost the Authority an additional amount not to exceed \$22,390.12 as more particularly set forth in the memorandum and the proposed change order, copies of which are annexed hereto; and

WHEREAS, the Authority has determined that the services to be performed are necessary and reasonable; and will benefit the Water System; and

WHEREAS, funds are available and have been certified by the Treasurer;

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

1. The services for the added work to be provided under the contract for the project entitled Painting and Rehabilitation of Picatinny Water Storage Tank No. 1 be awarded to Pro-Spec Painting, Inc., shall be provided at a maximum cost to the Authority not to exceed \$22,390.12.
2. The proposed changed order annexed hereto dated December 8, 2016, be and the same is hereby approved.

#### **Board Members**

**Morristown:**  
Mary Dougherty  
Donald Kissil

**Morris Township:**  
Dennis Baldassari  
Alan Johnson

**Morris Plains:**  
William Conradi  
Ralph R. Rotando

**Hanover Township:**  
Saverio C. Iannaccone  
Adolf Schimpf

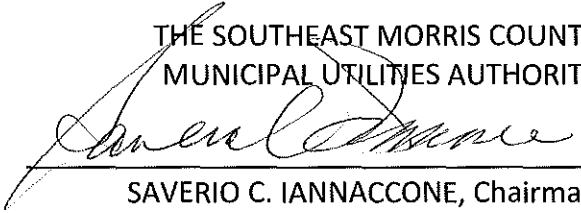
**Executive Director/Chief Engineer:** Laura Cummings, P.E.

**Superintendent:** Paul A. Kozakiewicz

3. The Executive Director/Chief Engineer or the Superintendent be and are hereby authorized to execute and deliver the said change order for the Authority.

ATTEST:

  
\_\_\_\_\_  
SIDNEY D. WEISS, Assistant Secretary

THE SOUTHEAST MORRIS COUNTY  
MUNICIPAL UTILITIES AUTHORITY  
  
\_\_\_\_\_  
SAVERIO C. IANNACCONI, Chairman

Dated: December 15, 2016



Southeast Morris County Municipal Utilities Authority  
19 SADDLE ROAD • CEDAR KNOLLS, NEW JERSEY 07927 • TEL 973/326-6860 • FAX 973/326-9521

## MEMORANDUM

To: Laura Cummings, PE, Executive Director / Chief Engineer

From: Paul A. Kozakiewicz, Superintendent 

Re: Rehabilitation of Picatinny Tank #1 - Change Order #03

Date: December 9, 2016

Cc: Charles Maggio, Manager of Finance / Treasurer

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Pro-Spec Painting, Inc. was awarded the Contract for Painting and Rehabilitation of Picatinny Tank #1 on January 21, 2016. They began work in accordance with the Contract after receiving the Notice to Proceed.

Pro-Spec accepted delivery of one thousand eighty (1,080) gallons of Induron Perma-Clean 100 {a.k.a. "paint"} on June 6, 2016 in preparation for painting the tank interior. During the abrasive blasting surface preparation it was discovered that there are structural issues within the tank that need immediate attention.

Pro-Spec was issued a Stop Work Order on July 18, 2016. This Order was not lifted until November 10, 2016 and work could not resume until a Project Meeting was held on November 23, 2016.

CP Engineers, the Authority's Project Managers, has advised us that the application and storage of the "paint" is temperature sensitive. Due to the time needed to perform the structural repairs, Pro-Spec does not expect to complete the interior painting until spring 2017. Therefore Pro-Spec has submitted a Proposal for a Change Order to supply a heated storage trailer in order to maintain the quality of the paint. The total amount of the request is \$24,958.12. However Article XXXI of the Contract states that "No overhead or profit will be allowed for Contractor-owned equipment." {Page 103 of 114 (d)}. Therefore the requested amount is reduced by \$2,568.00. The revised amount of the Change Order is **\$22,390.12**. It should be noted that the cost to replace this paint would be \$57,240.00.

The Treasurer will certify that funds are available for this Change Order.





**Pro-Spec Painting, Inc.**

INDUSTRIAL • COMMERCIAL  
PAINTING CONTRACTORS

1819 Cedar Avenue  
Vineland NJ 08360-3456

Tel 856.690.9500

Fax 856.690.9525

[www.pro-spec.com](http://www.pro-spec.com)

**VIA EMAIL**

December 8, 2016

Paul Kozakiewicz  
Superintendent  
Southeast Morris County Municipal Utilities Authority  
19 Saddle Road  
Cedar Knolls, NJ 07927

Telephone: (973) 326-6865  
Fax: (973) 326-9521  
Cell: (973) 241-6193  
Email [pkozakiewicz@smcmua.org](mailto:pkozakiewicz@smcmua.org)

Sean J. Sauder  
Senior Project Engineer  
CP Professional Services  
35 Sparta Avenue  
Sparta, NJ 07871

Telephone: (973) 300-9003 x24  
Fax: (973) 300-4003  
Cell: (973) 271-4025  
Email: [sean.sauder@cpengineers.com](mailto:sean.sauder@cpengineers.com)

**Re: South East Morris County Municipal Utilities Authority  
Painting and Rehabilitation of Picatinny Water Storage Tank No. 1  
Coatings, Linings Storage and Protection**

Gentlemen:

I enclose two (2) Change Proposals, one to guaranty the proper storage and protection of coatings material at the project site. The second Change Proposal requires outside haulers to deliver material for storage at the owners' facility. Pro-Spec will perform all handling of the material in a satisfactory manner through April 15, 2017 at the owners' facility.

Pro-Spec recommends the on-site storage option and will proceed accordingly based on your written directive.

It has come to our attention the weather forecast is for freezing temperatures next week. If we have your response and authorization today, we will proceed to have the materials properly stored and protected before freezing temperatures arrive.

Thank you in advance for your immediate attention.

Sincerely,  
**Ronald W. Yarbrough**  
Ronald W. Yarbrough  
Pro-Spec Painting, Inc.

Digitally signed by Ronald W Yarbrough  
DN: CN=Ronald W Yarbrough,  
E=ryarbrough@pro-spec.com, O=Pro-Spec  
Painting, Inc., C=US  
Reason: I am approving this document with  
my legally binding signature  
Location: Vineland NJ  
Date: 2016-12-08 13:49:28

enc.: Change Proposal 03 - Material Storage Onsite  
Change Proposal 04 - Material Storage Offsite

cc: Larry Andrews, Pro-Spec Painting, Inc.  
Jeff Hart, Pro-Spec Painting, Inc.



## CHANGE ORDER REQUEST (PROPOSAL)

Project: Painting and Rehabilitation of Picatinny Tank #1 Change Order Request Number: CP-03  
From (Contractor): Pro-Spec Painting  
To: Paul Kozakiewicz Date: 12/8/16  
Southeast Morris County MUA A/E Project Number: Contract Number 201501  
Re: Change Proposal 3 - Material Storage (Onsite) Contract For: \_\_\_\_\_

This Change Order Request (C.O.R.) contains an itemized quotation for changes in the Contract Sum or Contract Time in response to proposed modifications to the Contract Documents based on Owner requested Change Proposal for Winter Storage of Induron Paint.

### Description of Proposed Change:

Due to Emergency Repairs, Owner has purchased and taken title to 1,080 gallons of Perma Clean 100 (24 drums 45 gallon drums).

Perma Clean 100 must be properly stored in order to maintain warranty in accordance with CP Engineers Progress Meeting No.4, November 23, 2016.

Proposed Cost involved in the storage on site with a temperature controlled storage container and necessary handling to retain coating suspension and liquidity for use on or about April 15, 2017.

All equipment, and manpower required to perform the work covered by this change proposal has been reserved and allocated to perform the work starting on December 12, 2016 and shall be complete April 15, 2017.

Attached supporting information from: ☐ Subcontractor ☐ Supplier ☐ Engineer ☐ \_\_\_\_\_

### Reason For Change:

- 1) Stop Work order issued by Southeast Morris County MUA for Structural Steel Repairs.
- 2) Owner requesting a change proposal for storage of Induron paint through the Winter.

Does Proposed Change involve a change in Contract Sum? ☐ No ☒ Yes [Increase] \$ 24,958.12  
Does Proposed Change involve a change in Contract Time? ☒ No ☐ Yes [Increase] 0 days.

Attached pages: ☒ Proposal Worksheet Detail: Change Proposal 3 - Material Storage Onsite Detail  
☐ Proposal Worksheet Summary: \_\_\_\_\_

Signed by: Larry Andrews

Date: 12/08/16

Copies: ☒ Owner ☐ Consultants ☒ Engineer ☐ \_\_\_\_\_ ☐ \_\_\_\_\_ ☐ \_\_\_\_\_ ☐ File

**Pro-Spec Painting, Inc.**  
 1819 Cedar Avenue  
 Vineland NJ 08360-3456

Tel 856.690.9500  
 Fax 856.690.9525  
 www.pro-spec.com



Southeast Morris County MUA  
 19 Saddle Rd  
 Cedar Knolls, NJ, 07927

Telephone: (973) 326-6865  
 Fax: (973) 326-9521

**PROJECT: Painting and Rehabilitation of Picatinny Tank #1**  
**CHANGE PROPOSAL: Change Proposal 03 - Material Storage (onsite)**

Attention Paul Kozakiewicz

Pursuant of your request, I have prepared a cost proposal for the following changes.

**Description of Change:**

1. Proposed Cost involved in the storage on site with a temperature controlled storage container and necessary handling to retain coating suspension and liquidity for the use on or about April 15, 2017.  
 (Owner to provide Electric)

The change to the contract amount will be as follows:

**ADD** **\$ 24,958.12**

<b>On-Site Labor</b>						
<u>Work Description</u>	<u>Class</u>	<u>Base Rate</u>	<u>Burd. Rate</u>	<u>Total/Hr</u>	<u>Est. Hrs</u>	<u>Est. Cost</u>
Material Handling	Painter, Journeyman	\$ 65.63	\$ 47.60	\$ 113.23	60	\$ 6,793.80
				\$ -		\$ -
On-Site Labor Subtotal:						\$ 6,793.80
On-Site Labor Mark-Up:						\$ 679.38
<b>On-Site Labor Total:</b>						<b>\$ 7,473.18</b>

<b>Equipment, Owned</b>				
<u>Duration</u>	<u>Quantity</u>	<u>Description, IO Number</u>	<u>Rate</u>	<u>Est. Cost</u>
4		2 2000 Watt Heating units	\$ 55.00	\$ 440.00
4		1 Drum Handling Ring	\$ 175.00	\$ 700.00
4		1 Storage Facility	\$ 625.00	\$ 2,500.00
4		1 Drum Handling Equipment	\$ 2,200.00	\$ 8,800.00
4		1 Environmental Controls	\$ 100.00	\$ 400.00
Owned Equipment Subtotal:				\$ 12,840.00
Owned Equipment Mark-Up:				\$ 2,568.00
<b>Owned Equipment Total:</b>				<b>\$ 15,408.00</b>

Other Costs			
Description	Quantity	Price	Est. Cost
Truck/ Delivery Service	6	\$ 225.00	\$ 1,350.00
			\$ -
	Other Subtotal:		\$ 1,350.00
	Other Total:		\$ 1,350.00

Summary			
On-Site Labor:		\$	7,473.18
Equipment, Owned:		\$	15,408.00
Equipment, Rented:		\$	-
Materials:		\$	-
Subcontracted Work:		\$	-
Other Costs: Safety		\$	-
Other Costs: Freight		\$	1,350.00
Bond:		\$	726.94
Total for This Change Proposal:			\$ 24,958.12

A proposal worksheet detail\* is attached for your review. A further breakdown of the quantity take-off and unit prices is available upon request.

An extension of additional time will be required: N/A

Above prices are subject to change if not accepted within (30) days.

Your prompt attention will allow us to expedite this matter at once.

Sincerely,

*Larry Andrews*

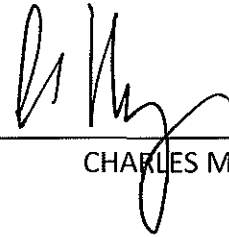
Larry Andrews  
Pro-Spec Painting, Inc.

\*Material and labor totals may appear slightly inaccurate as a result of rounding to two (2) decimal places on CSI Form 13.6C. Proposal Worksheet Detail Calculations are performed in four (4) decimal places.

# TREASURER'S CERTIFICATION

I hereby certify funds are available in the total maximum amount of \$22,390.12 for payment of a change order with Pro-Spec Painting, Inc. for the Painting and Rehabilitation of Picatinny Water Storage Tank No. 1. This item will be charged to Account No. 02-00-500-328

2016 - Storage Tank Rehab & Site Improvement.




CHARLES MAGGIO, Treasurer

DATED: December 15, 2016

# CERTIFICATION

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Thursday, December 15, 2016, at a meeting duly convened of said Authority.

  
SIDNEY D. WEISS, Assistant Secretary

Dated: December 15, 2016



# **Southeast Morris County Municipal Utilities Authority**

19 SADDLE ROAD • CEDAR KNOLLS, NEW JERSEY 07927 • TEL 973-326-6880 • FAX 973-326-9521

## **Resolution No. 104-16**

### **RESOLUTION AUTHORIZING AWARD OF CONTRACTS UNDER COOPERATIVE PRICING AGREEMENT WITH THE MORRIS COUNTY COOPERATIVE PRICING COUNCIL**

WHEREAS, The Southeast Morris County Municipal Utilities Authority ("Authority") is a participant in a Cooperative Pricing Agreement with the Morris County Cooperative Pricing Council ("MCCPC"); and

WHEREAS, the purchase of work, materials and supplies through Cooperative Pricing Councils, such as the MCCPC, is authorized without additional advertising by the participants under Section 11 (5) of the Local Public Contracts Law, N.J.S.A. 40A:11-11(5); and

WHEREAS, the vendors listed below have been awarded contracts by the MCCPC for and including the budget year 2017; and

WHEREAS, the Authority wishes to purchase these items listed below from such authorized vendors approved by the MCCPC; and

WHEREAS, the contract costs are estimated not to exceed the amounts stated below; and

WHEREAS, the Treasurer of the Authority has certified the availability of funds for these contracts in the 2017 Budget;

NOW THEREFORE BE IT RESOLVED by The Southeast Morris County Municipal Utilities Authority that the vendors listed below be awarded the contracts set forth below for the budget year 2017:

#### **Board Members**

**Morristown:**  
Mary Dougherty  
Donald Kissil

**Morris Township:**  
Dennis Baldassari  
Edward A. Taratko, Jr.

**Morris Plains:**  
William Conradi  
Ralph R. Rotando

**Hanover Township:**  
Saverio C. Iannaccone  
Adolf Schimpf

**Executive Director/Chief Engineer:** Laura Cummings, P.E.

**Superintendent:** Paul A. Kozakiewicz

CONTRACT	VENDOR	ITEMS	AMOUNT
#5	Tilcon New York	Paving Materials/Crushed Stone, Gravel and Sand	\$35,000
#1	Allied Oil Company	Unleaded Gasoline	\$70,000
#18	Tree King	Tree Removal	\$6,000
#13-A	City Fire Equipment	Maintenance Sprinkler System	\$5,500
#16	Office Concepts	Office Supplies and Office Furniture	\$30,000
#12	Allied Oil Company	Diesel Fuel	\$ 15,000
#17	Main Pool and Chemical	Chlorine	\$10,000
#25	Allen Paper and Supply (Term Enterprise, Inc.)	Janitorial Supplies	\$5,000
#52	Protective Measures	Fire Alarms, Sprinklers, Standpipe Systems, and Fire Pumps (Inspection, Certifications and Maintenance)	\$6,500
#31	Reed and Perrine Sales, Inc.	Calcium Chloride	\$4,000

ATTEST:



SIDNEY D. WEISS, Assistant Secretary

THE SOUTHEAST MORRIS COUNTY  
MUNICIPAL UTILITIES AUTHORITY



SAVERIO C. IANNACCONE, Chairman

DATED: December 15, 2016



# TREASURER'S CERTIFICATION

I hereby certify that there are sufficient funds available in the 2017 Budget to purchase work, materials and supplies from the vendors listed below through the Morris County Cooperative Pricing Council in 2017. The contract costs are estimated not to exceed the amounts stated:

CONTRACT	VENDOR	ITEMS	AMOUNT
#5	Tilcon New York	Paving Materials/Crushed Stone, Gravel and Sand	\$35,000
#1	Allied Oil Company	Unleaded Gasoline	\$70,000
#18	Tree King	Tree Removal	\$6,000
#13-A	City Fire Equipment	Maintenance Sprinkler System	\$5,500
#16	Office Concepts	Office Supplies and Office Furniture	\$30,000
#12	Allied Oil Company	Diesel Fuel	\$ 15,000
#17	Main Pool and Chemical	Chlorine	\$10,000
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#52	Protective Measures	Fire Alarms, Sprinklers, Standpipe Systems, and Fire Pumps (Inspection, Certifications and Maintenance)	\$6,500
#31	Reed and Perrine Sales, Inc.	Calcium Chloride	\$4,000

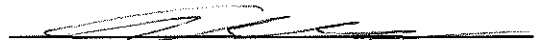


CHARLES MAGGIO, Treasurer

DATED: December 15, 2016

# CERTIFICATION

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Thursday, December 15, 2016, at a meeting duly convened of said Authority.

  
SIDNEY D. WEISS, Assistant Secretary

Dated: December 15, 2016



# Southeast Morris County Municipal Utilities Authority

19 SADDLE ROAD • CEDAR KNOLLS, NEW JERSEY 07927 • TEL 973-326-6880 • FAX 973-326-9521

## Resolution No. 105-16

### RESOLUTION AUTHORIZING AWARD OF CONTRACTS UNDER THE STATE OF NEW JERSEY COOPERATIVE PURCHASING PROGRAM

WHEREAS, The Southeast Morris County Municipal Utilities Authority ("Authority") wishes to purchase the items listed below from authorized vendors under the State of New Jersey Cooperative Purchasing Program I-NJCP during the 2017 budget year; and

WHEREAS, the purchases of goods and services by local contracting units through the State agency without advertising is authorized under Section 12 of the Local Public Contracts Law, N.J.S.A. 40A:11-12; and

WHEREAS, the vendors listed below have been awarded New Jersey State Contracts by the Division of Purchase and Property in the Department of Treasury; and

WHEREAS, the contract costs are estimated not to exceed the amounts stated below; and

WHEREAS, the Treasurer of the Authority has certified the availability of funds for these contracts in the 2016 Budget;

NOW THEREFORE, BE IT RESOLVED by The Southeast Morris County Municipal Utilities Authority that the vendors listed below be awarded the contracts set forth below for the budget year 2017:

CONTRACT	VENDOR	ITEMS	AMOUNT
#82583 (T216A)	Verizon Wireless	Wireless Devices & Services	\$ 20,000
#75237 (T0200)	Pitney Bowes, Inc.	Mailing System Vendor	\$5,000
#70256 (M0483)	Dell Marketing	Computers & Supplies	\$12,000
#75827 (T0115)	Fisher Scientific	Laboratory Chemicals & Supplies	\$8,000
# 85091 (T0983)	Hach Company	Laboratory Chemicals, Supplies & Testing Services	\$30,000
#82527 (M8000)	Goodyear Auto Service Center, Parsippany, NJ	Tires	\$4,000
#82528 (M8000)	Bridgestone Tires Apollo Automotive Center, Denville, NJ	Tires	\$4,000

#### Board Members

##### Morristown:

Mary Dougherty  
Donald Kissil

##### Morris Township:

Dennis Baldassari  
Edward A. Taratko, Jr.

##### Morris Plains:

William Conradi  
Ralph R. Rotando

##### Hanover Township:


Saverio C. Iannaccone  
Adolf Schimpf

**Executive Director/Chief Engineer:** Laura Cummings, P.E.

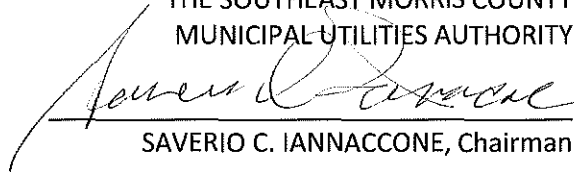
**Superintendent:** Paul A. Kozakiewicz

CONTRACT	VENDOR	ITEMS	AMOUNT
89850 (M0003)	Dell Marketing	Software Licenses & Related Services	\$10,000
89849 (M0003)	CDW Government LLC	Software Licenses & Related Services	\$8,000
83881 (M7003)	Environmental Systems Research Institute, Inc.	Geographic Information Systems (GIS) Software	\$25,000
83927 (T0109)	Communication Service Integrators	Radio Communication Equipment & Accessories	\$6,000
#83453 (T-2581)	GovDeals	Internet Auctions	5% of Auction Price

ATTEST:

  
SIDNEY D. WEISS, Assistant Secretary

THE SOUTHEAST MORRIS COUNTY  
MUNICIPAL UTILITIES AUTHORITY

  
SAVERIO C. IANNACONE, Chairman

DATED: December 15, 2016

# TREASURER'S CERTIFICATION

I hereby certify that there are sufficient funds available in the 2017 Budget to purchase work, materials and supplies from the vendors listed below through the New Jersey Cooperative Purchasing Program in 2017. The contract costs are estimated not to exceed the amounts stated:


CONTRACT	VENDOR	ITEMS	AMOUNT
#82583 (T216A)	Verizon Wireless	Wireless Devices & Services	\$ 20,000
#75237 (T0200)	Pitney Bowes, Inc.	Mailing System Vendor	\$5,000
#70256 (M0483)	Dell Marketing	Computers & Supplies	\$12,000
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83927 (T0109)	Communication Service Integrators	Radio Communication Equipment & Accessories	\$6,000
#83453 (T-2581)	GovDeals	Internet Auctions	5% of Auction Price

  
 CHARLES MAGGIO, Treasurer

DATED: December 15, 2016

# CERTIFICATION

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SIDNEY D. WEISS, Assistant Secretary

Dated: December 15, 2016



# Southeast Morris County Municipal Utilities Authority

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Resolution No. 106-16

## RESOLUTION APPOINTING A PUBLIC AGENCY COMPLIANCE OFFICER

WHEREAS, in accordance with N.J.A.C. 17:27-3.3, each public agency shall designate an individual to serve as its Public Agency Compliance Officer ("PACO"); and

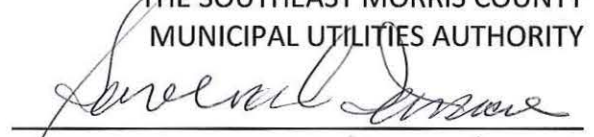
WHEREAS, a PACO is to serve as the liaison between the public agency and the State of New Jersey Department of the Treasury's Division of Contract Compliance and Equal Employment Opportunity in Public Contracts; and

WHEREAS, The Southeast Morris County Municipal Utilities Authority is required to annually appoint a PACO by formal action of the Authority.

NOW THEREFORE BE IT RESOLVED by The Southeast Morris County Municipal Utilities Authority as follows that Alexis Bozza be and she is hereby appointed as the Public Agency Compliance Officer for the Authority for 2017 in accordance with N.J.A.C. 17:27-3.3, with all of the duties and responsibilities therein enumerated and provided by law.

ATTEST:

  
SIDNEY D. WEISS, Assistant Secretary

THE SOUTHEAST MORRIS COUNTY  
MUNICIPAL UTILITIES AUTHORITY  
  
SAVERIO C. IANNACCONE, Chairman

DATED: December 15, 2016

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SIDNEY D. WEISS, Assistant Secretary

Dated: December 15, 2016