THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

MEETING MINUTES

JANUARY 16, 2014

The Regular Meeting of The Southeast Morris County Municipal Utilities Authority was held on Thursday, January 16, 2014, at 7:30PM 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 7:30PM 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 Dougherty; Members Baldassari, Carroll, Conradi, Schimpf and Taratko

ABSENT: Members Iannaccone and Kissil

MOTION APPROVING MINUTES OF DECEMBER 19, 2013

Copies of the minutes of the meeting held on December 19, 2013, were distributed to the members prior to the meeting for review and comment. Member Baldassari moved that the minutes be adopted as presented. Member Conradi seconded the motion which was duly adopted by the following vote:

YEAS: Chairman Dougherty; Members Baldassari, Carroll, Conradi, Schimpf and Taratko

NOES: None

COMMUNICATIONS

- 1. January 8, 2014 Copy of letter to the Morris County Municipal Utilities Authority regarding increase in the wholesale water rate.
- 2. January 10, 2014 Copy of letter from the Borough of Morris Plains the reappointment of William Conradi.
- 3. December 31, 2013 Copy of notice from the National Cybersecurity and Communications Integration Center regarding point of sale system targeting.

RESOLUTION – APPROVAL OF JANUARY LIST OF BILLS

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

RESOLUTION NO. 01-14

RESOLUTION AUTHORIZING PAYMENT OF LIST OF BILLS FOR JANUARY 2014

"COPY ANNEXED"

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

- YEAS: Chairman Dougherty; Members Baldassari, Carroll, Conradi, Schimpf and Taratko
- NOES: None

OTHER BUSINESS

A. Resolution Rejecting Certain Bid as Non-responsive and Authorizing the Award of a Contract for Excavation Spoils Removal

The Board reviewed a memorandum from the Superintendent dated January 16, 2014 regarding the bids that were received on December 12, 2013 for the contract for excavation spoils removal. It had been determined that the lowest bid received by Grinnell, in the amount of \$37,875, did not meet the requirements set forth in the bid specifications in that it failed to include a proper bid bond, a defect that cannot be waived by the Authority. Mr. Weiss stated that Grinnell was given several opportunities to respond to an objection by another bidder but declined to do so. The Superintendent recommended that the contract be awarded to Global Development Contractors for its lowest responsive bid of \$41,690. After discussion, Member Carroll offered the following resolution:

RESOLUTION NO. 02-14

RESOLUTION REJECTING CERTAIN BID AS NON-RESPONSIVE AND AUTHORIZING THE AWARD OF A CONTRACT FOR EXCAVATION SPOILS REMOVAL

"COPY ANNEXED"

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

- YEAS: Chairman Dougherty; Members Baldassari, Carroll, Conradi, Schimpf and Taratko
- NOES: None
- B. Resolution Approving Agreement for Software Support and Delegating Authority to the Executive Director

The Board reviewed a draft resolution approving an agreement with Edmunds & Associates, Inc., for application software support and system upgrades for the Authority's financial software for 2014. Member Taratko offered the following resolution:

RESOLUTION NO. 03-14

RESOLUTION APPROVING AGREEMENT FOR SOFTWARE SUPPORT AND DELEGATING AUTHORITY TO THE EXECUTIVE DIRECTOR

"COPY ANNEXED"

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

- YEAS: Chairman Dougherty; Members Baldassari, Carroll, Conradi, Schimpf and Taratko
- NOES: None
- C. 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 Chief Financial Officer/Treasurer dated January 9, 2014 recommending certain contract awards under the Cooperative Pricing Agreement. Member Baldassari offered the following resolution:

RESOLUTION NO. 04-14

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

"COPY ANNEXED"

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

- YEAS: Chairman Dougherty; Members Baldassari, Carroll, Conradi, Schimpf and Taratko
- NOES: None
- D. Resolution Authorizing Award of Contracts Under the State of New Jersey Cooperative Purchasing Program

The Board reviewed a memorandum from the Chief Financial Officer/Treasurer dated January 16, 2014, requesting authorization to purchase certain items from authorized vendors under the State of New Jersey Cooperative Purchasing Program I-NJCP during the 2014 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. Member Baldassari offered the following resolution:

RESOLUTION NO. 05-14

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

"COPY ANNEXED"

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

- YEAS: Chairman Dougherty; Members Baldassari, Carroll, Conradi, Schimpf and Taratko
- NOES: None
- E. Resolution Authorizing Closed Session Discussion

Chairman Dougherty stated that the following Agenda item may be held in closed session pursuant to the exceptions set forth in the Open Public Meetings Law:

- 1. Report of the Engineering Committee
 - a. Contract negotiations with OpSolve LLC

The Chairman then moved the following resolution:

RESOLUTION NO. 06-14

RESOLUTION AUTHORIZING CLOSED SESSION DISCUSSION

"COPY ANNEXED"

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

- YEAS: Chairman Dougherty; Members Baldassari, Carroll, Conradi, Schimpf and Taratko
- NOES: None

[CLOSED SESSION MEETING FOLLOWED]

[RESUMPTION OF PUBLIC MEETING]

F. Resolution Cancelling Capital Budget Amount and Transferring Balance to Current Projects

The Board reviewed a memorandum from the Chief Financial Officer dated January 14, 2014 recommending the cancellation of the 2014 Capital Budget item titled Water Main Rehabilitation and Replacement in the amount of \$200,000 and transfer those funds to two current items, OpSolve Conversion Contract (\$120,000) and IT Services Contract (\$80,000). After discussion, Member Carroll offered the following resolution:

RESOLUTION NO. 07-14

RESOLUTION CANCELLING CAPITAL BUDGET AMOUNT AND TRANSFERRING BALANCE TO CURRENT PROJECTS

"COPY ANNEXED"

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

- YEAS: Chairman Dougherty; Members Baldassari, Carroll, Conradi, Schimpf and Taratko
- NOES: None
- G. Resolution Approving Statement of Work for Data and Billing System Conversion

Ms. Cummings recalled that the Authority entered into a Billing Services and Software Licensing Agreement with OpSolve, LLC ("OpSolve") dated October 3, 2013 (the "Agreement"). The Agreement contemplated the submission of a subsequent separate Statement of Work (SOW) for Data and Billing System Conversion utilizing OpSolve's proprietary software. The Board reviewed a draft SOW for such work dated January 14, 2014. After discussion, Member Baldassari offered the following resolution:

RESOLUTION NO. 08-14

RESOLUTION APPROVING STATEMENT OF WORK FOR DATA AND BILLING SYSTEM CONVERSION

"COPY ANNEXED"

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

- YEAS: Chairman Dougherty; Members Baldassari, Carroll, Conradi, Schimpf and Taratko
- NOES: None

H. Outside the District Service Application – Sand Spring Lane in Harding Township

The Authority received a request from the Estate of Peter H. B. Frelinghuysen for water service to property located in the Township of Harding, Outside the District of the Authority. The proposed service is intended to supply water to a single family residence located on Sand Spring Lane, designated as Block 22, Lot 3 on the municipal tax map. The property in question fronts on the Authority's system and no "new extension" (as defined in the Service Contract between the Authority and its creating municipalities dated January 20, 1977) will be required. However, since the proposed service connection is intended to serve property Outside the District of the Authority, consents from the Creating Municipalities are required to §204(B) of the said Service Contract. The Executive Director/Chief Engineer and Superintendent have reviewed the request and are of the opinion that the connection can be made without any adverse effect on the water system or customers within the District. After discussion, Member Taratko moved to approve the application and request approval of the four Creating Municipalities. Member Conradi seconded the motion which was duly adopted.

I. Report of the Personnel Committee

Member Carroll reported that the Personnel Committee met on December 19th to discuss Union contract negotiations.

In accordance with the agenda, Board members and staff met to conduct a review of IBT Local 469 counter proposal responses and the Authority's proposed contract revisions, and to discuss the dental benefits program, wage increases and retiree medical benefits. A revised draft was submitted to IBT Local 469 the following week.

The meeting also included a discussion of the maternity leave request for Alexis Bozza, approved by the Executive Director. Chairman Dougherty said she would have no objection to hiring Theresa Bozza, Alexis' mother-in-law, as Alexis' replacement during here leave as long as we were satisfied that there was no conflict of interest because of her relationship to Alexis. Mr. Weiss advised that he did not see any conflict or even an appearance of conflict, particularly since the Authority no longer contracts with her son and Alexis' husband, Steve Bozza, for any plumbing work. Chairman Dougherty and all members present were in agreement.

J. Discussion – Reorganization Meeting Agenda

Mr. Weiss went through the draft agenda for the Annual Reorganization Meeting of the Authority scheduled for Monday, February 3, 2014. Mr. Weiss added that a reception at Il Giardino Ristorante would immediately follow the meeting.

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 December 2013
- B. Superintendent December 2013
- C. Information Technology December 2013
- D. Customer Service and Billing December 2013
- E. Financial December 2013

PUBLIC DISCUSSION

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

ADJOURNMENT

There being no further business, Member Carroll moved that the meeting be adjourned. Member Schimpf seconded the motion. The meeting adjourned at 8:22PM.

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 6, 2013.

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 6, 2013. Southeast Morris County Municipal Utilities Authority 19 SADDLE ROAD • CEDAR KNOLLS, NEW JERSEY 07927 • TEL 973-326-6880 • FAX 973-326-6864



Resolution No. 01-14

RESOLUTION AUTHORIZING PAYMENT OF JANUARY 2014 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\$	285,108.70
Total Operating Fund Checks and Wire Transfers\$	366,190.47
GENERAL FUND/SPECIAL ACCOUNT \$	242,411.61

TOTAL OF JANUARY 2014 LIST OF BILLS

ATTEST:

SIDNEY D. WEISS, Assistant Secretary

DATED: January 16, 2014

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

MARY É. DOUGHERTY, Chairman

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893,710.79

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Edward A. Taratko, Jr. Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone 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 (\$893,710.79) for payment of the resolution entitled Resolution Authorizing Payment of January 2014 List of Bills in the Authority's 2014 Operating Budget.

Janue A Congleton JANICE CONGLETON, Treasurer

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, January 16, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

Resolution No. 02-14

RESOLUTION REJECTING CERTAIN BID AS NONRESPONSIVE AND AUTHORIZING THE AWARD OF A CONTRACT FOR EXCAVATION SPOILS REMOVAL

WHEREAS, the Authority advertised for public bids pursuant to the Local Public Contracts Law in connection with the removal of excavation spoils; and

WHEREAS, four bids were received on December 12, 2013; and

WHEREAS, the bids have been reviewed by the Authority's Superintendent as set forth in a memorandum dated January 16, 2014, a copy of which memorandum is annexed hereto; and

WHEREAS, it has been determined that the lowest bid received by Grinnell, in the amount of \$37,875, does not meet the requirements set forth in the bid specifications for the reasons set forth in the attached memorandum; and

WHEREAS, the Authority has reserved the right to reject any bids; and

WHEREAS, the Authority's Superintendent has recommended that the contract be awarded to Global Development Contractors for its lowest responsive bid of \$41,690; and

WHEREAS, funds are available for this award in the 2014 budget and have been certified by the Treasurer of the Authority;

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

- 1. That the low bid received by Grinnell, on December 12, 2013 in connection with the removal of excavation spoils is hereby rejected as fatally defective and unresponsive.
- 2. That the contract be awarded to the second low bidder, Global Development Contractors, for its responsive bid in the amount of \$41,690.

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Edward A. Taratko, Jr. Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

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

Superintendent: Paul A. Kozakiewicz

- 3. That the appropriate officers of the Authority be and they are hereby authorized and directed to execute a contract with regard to said project on behalf of the Authority in the manner provided by law.
- 4. That the contract be limited to the maximum amount of bid and the term of one year.

ATTEST:

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY 101 Mar

SIDNEY D. WEISS, Assistant Secretary

DATED: January 16, 2014

MARY É. DOUGHÉRTY, Chairman



Southeast Morris County Municipal Utilities Authority 19 Saddle Road • Cedar Knolls, New Jersey 07927 • Tel 973/326–6860 • Fax 973/326–9521

MEMORANDUM

DATE: January 16, 2014

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

FROM: Paul Kozakiewicz, Superintendent

RE: Bids Received – Excavation Spoils Removal

Sealed bids were received on Thursday, December 12, 2013 at 11:00 AM for the annual contract for the removal of excavation spoils that will be generated by the Authority in the course of our transmission and distribution work. Eight companies received Specifications / Bid Documents and four submitted bids.

The following is a tabulation of the results.

	Firm Name & Address	Unit Price	Unit Price	Unit Price	Total
		Per Cu. Yd. Item 1	Per Cu. Yd. Item 2	Per Cu. Yd. Item 3	Maximum Bid
1	Grinnell 482 Houses Corner Rd. Sparta, NJ 07871	\$21.00	\$27.00	\$19.50	\$37,875.00
2	Global Development Contractors 86 Lavergne St. Belleville, NJ 07109	\$22.50	\$33.95	\$23.00	\$41,690.00
3	Yannuzzi & Sons, Inc. 152 Route 206 South Hillsborough, NJ 08844	\$39.00	39.00	\$33.00	\$67,950.00
4	TOMCO Construction 22 Howard Blvd. Mt. Arlington, NJ 07856	\$155.00	\$31.80	\$26.30	\$158,500.00

Item 1 is unclassified soil and stone \sim estimated maximum quantity = 1,500 Cu. Yds. Item 2 is asphalt \sim estimated maximum quantity = 200 Cu. Yds. Item 3 is concrete \sim estimated maximum quantity = 50 Cu. Yds.

On December 18, 2013 we received a Bid Protest from an attorney representing Global Development Contractors, LLC. They were objecting to several alleged deficiencies in the Proposal submitted by "Grinnell". This matter was referred to our General Counsel, Sidney Weiss, Esq. for review. Grinnell was given several opportunities to respond to the objections but failed to do so within the time provided. Based on the information on hand it was determined that the Proposal submitted by "Grinnell" was non-responsive for failure to submit a proper bid bond with their bid, a defect which cannot be cured or waived by the Authority. Therefore this bid should be rejected.

I recommend the Authority accept the Bid submitted by Global Development Contractors for a total maximum bid amount of \$41,690.00. Please note that this is an annual contract for services "as needed". The Treasurer/CFO will certify that funds are available in the 2014 Operating Budget.

Global Development Contractors is a permitted waste hauler in New Jersey. They submitted documentation that they are familiar with this type of work. They also had the recently expired Contract with the Authority for this work.

TREASURER'S CERTIFICATION

I hereby certify funds for payment of a contract with Global Development Contractors for Excavation Spoils Removal as follows:

- 1. In 2014, funds are available in the amount of \$38,216; and
- In 2015, funds will be available in the amount of \$3,474 subject to the approval of the 2015 Budget.

The total maximum amount of this contract will not exceed \$41,690. This item will be charged to Account No. 4-02-60-400-692.

JANICE A. CONGLETON, Treasurer

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, January 16, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary



Resolution No. 03-14

RESOLUTION APPROVING AGREEMENT FOR SOFTWARE SUPPORT AND DELEGATING AUTHORITY TO THE EXECUTIVE DIRECTOR

WHEREAS, The Southeast Morris County Municipal Utilities Authority (the "Authority") has received a proposed invoice ("Invoice") and software support agreement ("Agreement") from Edmunds & Associates, Inc. ("Edmunds") for application software support and system upgrades for the Authority's financial software (the "Agreement"), at a total cost of \$9,719.00 (copies of the Invoice and Agreement being annexed hereto); and

WHEREAS, it is deemed to be in the best interest of the Authority and the water system to enter into the Agreement with Edmunds for such services; and

WHEREAS, the Treasurer has certified that funds are available.

NOW THEREFORE, BE IT RESOLVED by The Southeast Morris County Municipal Utilities Authority that the Invoice and Agreement for application software support and system upgrades be and the same is hereby approved; and

BE IT FURTHER RESOLVED that the Executive Director be and is hereby authorized and directed to execute and deliver, on behalf of the Authority, the Agreement hereby approved and any future replacements, renewals or extensions thereof that do not exceed the bidding threshold of the New Jersey Local Public Contracts Law (N.J.S.A. 40A:11-1 et seq.) or the threshold for compliance with the New Jersey Pay-to-Play Law (N.J.S.A. 19:14A-1 et seq.).

ATTEST:

SIDNEY D. WEISS, Assistant Secretary

DATED: January 16, 2014

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Edward A. Taratko, Jr.

Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

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

Superintendent: Paul A. Kozakiewicz

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTALITIES AUTHORITY MARY E. DOUGHERTY, Chairman

24-495

P

Edmunds & Associates, Inc. 301 A Tilton Road Northfield,NJ 08225

INVOICE #

14-00483

2013 OCT 17 P 4: QNOICE DATE: 10/01/13

DUE DATE: 01/06/14

Southeast Morris County MUA Attn: Accounts Payable 19 Saddle Road Cedar Knolls, NJ 07927

ATTN: Accounts Payable

Thank you for your business! Please contact us at (609)645-7333 with questions regarding this invoice. Visit us at www.edmundsassoc.com

QUANTITY/UNIT	SERVICE ID	DESCRIPTION	UNIT PRICE	AMOUNT
		2014 Software Maintenance		
1.0000	MHEAD	2014 Software Maintenance	0.0000	0.00
1.0000	MNMFN1	SS Financial Accounting	3,308.0000	3,308.00
1.0000	MNMER1	SS Electronic Requisitions	945.0000	945.00
1.0000	MNMAR1	SS Accounts Receivable	945.0000	945.00
1.0000	MNMPR1	SS Payroll	2,316.0000	2,316.00
1.0000	MNMHR1	SS Human Resources	2,205.0000	2,205.00
			TOTAL DUE:	\$ 9,719.00

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2014 Annual Software Support Agreement

To receive continued Application Software Support and MCSJ/SBx/UAx System upgrades from Edmunds & Associates, Inc. (E&A), you must enter into this agreement. The terms of this agreement are listed below:

- 1. Any defects in the E&A Application Software as determined by E&A will be corrected at no cost to the user provided the said defect is not the result of misuse, operator error, or is beyond the original requirements of the system specifications.
- 2. E&A is responsible for providing software support under this agreement <u>only</u> for its proprietary application software. This includes all MCSJ/SBx/UAx licensed products. Support for <u>third party products</u>, i.e.; Microsoft Office, UCAARS, etc. are not covered under this agreement and all phone or on-site support is a billable service. Our minimum hourly rate is \$150 with at least one-half hour billable.
- 3. E&A end user documentation, faq's, helpful hints, video tutorials and chat is available via our website at www.edmundsassoc.com
- 4. Standard telephone support will be available from 8:00am to 5:00 pm EST, Monday through Friday excluding holidays.
- 5. Each user of E&A proprietary software is required to have a high-speed connection. E&A will provide support, enhancements and instruction for our application software via the Internet. Lack of compliance that requires an on site visit from either our support or hardware staff is billable at the rate of \$150 per hour for each support person or technician.
- 6. E&A's liability on any claim shall not exceed the original cost of the E&A proprietary software system. In no event shall E&A be held liable for consequential, incidental, special or exemplary damages, for loss, damage or expense directly or indirectly arising from the client's inability to use our products.
- 7. E&A reserves the right to withdraw without penalty any E&A application software package from coverage at our sole discretion upon thirty (30) days notice.
- 8. This agreement must be signed and returned by December 31, 2013 for continued support. The effective date of this agreement is January 1, 2014 through December 31, 2014.

Client: Authorized Representative: Signature	and the second	
Authorized Representative		Date
Printed Name:		
		301A Tilton Road Northfield, NJ 08225 P: 1.609.645.7333 support@edmundsassoc.com www.edmundsassoc.com

TREASURER'S CERTIFICATION

I hereby certify that there are sufficient funds available (\$9,719) for payment of an invoice and software support agreement with Edmunds & Associates, Inc., for 2014. This item will be charged to Account No. <u>4-02-12-400-604</u>. <u>Janue A Congleton</u> JANICE A. CONGLETON, Treasurer

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, January 16, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary



Resolution No. 04-14

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

WHEREAS, the 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 2014; 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 Chief Financial Officer of the Authority has certified the availability of funds for these contracts in the 2014 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 2014:

<u>Contract</u>	Vendor	Items	F	Amount
1	Allied Oil Company	Unleaded Gasoline	\$	121,500
15-C	Beyer Ford	Utility Vehicles	\$	65,000
13-A	City Fire Equipment	Sprinkler System Maintenance	\$	5,500
12	Finch Fuel Oil Company	Diesel Fuel	\$	25,000
28	Garden State Hwy. Products	Traffic Cones and Work Zone Signs	\$	5,000
16	Office Concepts, Staples and WB Mason	Office Supplies	\$	20,000
31	Reed & Perrine Sales, Inc.	Calcium Chloride	\$	2,000
47	Rio Supply and HD Waterworks	Water Meters and Parts	\$	8,000
5	Tilcon New York	Paving Materials, Crushed Stone, Gravel and Sand	\$	30,000
18	Tree King	Tree Removal	\$	6,000

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Edward A. Taratko, Jr. Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

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

Superintendent: Paul A. Kozakiewicz

AND BE IT FURTHER RESOLVED that the Chief Financial Officer be and is hereby authorized and directed to certify the availability of funds for the above contracts at the time of purchase of each of the items related to the above in the amount of such purchase as applicable.

ATTEST:

SIDNEY D. WEISS, Assistant Secretary

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY Ulla

MARY E. DOUGHERTY, Chairman

TREASURER'S CERTIFICATION

I hereby certify that there are sufficient funds available in the 2014 Budget to purchase work, materials and supplies from the vendors listed below through the Morris County Cooperative Pricing Council in 2014. The contract costs are estimated not to exceed the amounts stated.

<u>Contract</u>	Vendor	Items	A	Amount
1	Allied Oil Company	Unleaded Gasoline	\$	121,500
15-C	Beyer Ford	Utility Vehicles	\$	65,000
13-A	City Fire Equipment	Sprinkler System Maintenance	\$	5,500
12	Finch Fuel Oil Company	Diesel Fuel	\$	25,000
28	Garden State Hwy. Products	Traffic Cones and Work Zone Signs	\$	5,000
16	Office Concepts, Staples and WB Mason	Office Supplies	\$	20,000
31	Reed & Perrine Sales, Inc.	Calcium Chloride	\$	2,000
47	Rio Supply and HD Waterworks	Water Meters and Parts	\$	8,000
5	Tilcon New York	Paving Materials, Crushed Stone, Gravel and Sand	\$	30,000
18	Tree King	Tree Removal	\$	6,000

Jonue A Congleton JANICE A. CONGLETON, Treasurer

DATED:

January 16, 2014

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, January 16, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary



Resolution No. 05-14

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

WHEREAS, the Authority wishes to purchase the items listed below from authorized vendors under the State of New Jersey Cooperative Purchasing Program I-NJCP during the 2014 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 Chief Financial Officer of the Authority has certified the availability of funds for these contracts in the 2014 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 2014:

CONTRACT	VENDOR	ITEM	AN	<u>10UNT</u>
82528 (M8000)	Bridgestone Tires	Tires	\$	4,000
80071 (G-8022)	Capitol Supply Inc.	Automotive Parts and Accessories	\$	5,000
70256 (M0483)	Dell Marketing	Computers and Supplies	\$	10,000
75827 (T0115)	Fischer Scientific	Laboratory Chemicals, Supplies and Testing	\$	25,000
82527 (M8000)	Goodyear Tires	Tires	\$	4,000
70967 (T-2581)	GovDeals	Internet Auctions	5%	of Price
70262 (M0483)	Hewlett Packard	Computer and Server Supplies	\$	5,000
53090 (T2075)	Kyocera Mita (GE Capital)	Copy Machine Lease, Copies and Supplies	\$	7,000
75237 (T0200)	Pitney Bowes, Inc.	Mailing System	\$	4,200
75247 (T0200)	Tempo Systems	Time Clock Hardware and Software Maintenance	\$	2,000
80199 (T0142)	Tilcon New York, Inc.	Crushed Stone, Sand and Gravel	\$	25,000
82583 (T216A)	Verizon Wireless	Wireless Devices and Services	\$	25,000

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Edward A. Taratko, Jr. Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

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

Superintendent: Paul A. Kozakiewicz

AND BE IT FURTHER RESOLVED that, subject to the adoption of the 2014 budget, the Chief Financial Officer be and is hereby authorized and directed to certify the availability of funds for the above contracts at the time of purchase of the items related to the above in the amounts of such purchases as applicable.

ATTEST:

SIDNEY D. WEISS, Assistant Secretary

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY MARY E. DOUGHERTY, Chairman

TREASURER'S CERTIFICATION

I hereby certify that there are sufficient funds available in the 2014 Budget to purchase work, materials and supplies from the vendors listed below through the New Jersey Cooperative Purchasing Program in 2014. The contract costs are estimated not to exceed the amounts stated.

<u>CONTRACT</u>	VENDOR	ITEM	A	MOUNT	
82528 (M8000)	Bridgestone Tires	Tires	\$	4,000	
80071 (G-8022)	Capitol Supply Inc.	Automotive Parts and Accessories	\$	5,000	
70256 (M0483)	Dell Marketing	Computers and Supplies	\$	10,000	
75827 (T0115)	Fischer Scientific	Laboratory Chemicals, Supplies and Testing	\$	25,000	
82527 (M8000)	Goodyear Tires	Tires	\$	4,000	
70967 (T-2581)	GovDeals	Internet Auctions	5%	% of Price	
70262 (M0483)	Hewlett Packard	Computer and Server Supplies	\$	5,000	
53090 (T2075)	Kyocera Mita (GE Capital)	Copy Machine Lease, Copies and Supplies	\$	7,000	
75237 (T0200)	Pitney Bowes, Inc.	Mailing System	\$	4,200	
75247 (T0200)	Tempo Systems	Time Clock Hardware and Software Maintenance	\$	2,000	
80199 (T0142)	Tilcon New York, Inc.	Crushed Stone, Sand and Gravel	\$	25,000	
82583 (T216A)	Verizon Wireless	Wireless Devices and Services	\$	25,000	

Janue A Congliton JANICE A. CONGLETON, Treasurer

DATED:

January 16, 2014

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, January 16, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary



Resolution No. 06-14

RESOLUTION AUTHORIZING CLOSED SESSION DISCUSSIONS

RESOLVED that discussion of:

1. Contract negotiations with OpSolve, LLC

be held in closed session pursuant to subsection 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

DATED: January 16, 2014

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY MUL

MARY E. DOUGHERTY, Chairman

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Edward A. Taratko, Jr. Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone 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, January 16, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary



Resolution No. 07-14

RESOLUTION CANCELLING CAPITAL BUDGET AMOUNT AND TRANSFERRING BALANCE TO CURRENT PROJECTS

WHEREAS, the Authority's Chief Financial Officer/Treasurer has advised that there exists certain funds budgeted for capital improvements which are being cancelled or deferred; and

WHEREAS, such funds and the capital improvements being cancelled or deferred are more particularly described and set forth in Exhibit "A" attached hereto and made hereof; and

WHEREAS, the Chief Financial Officer/Treasurer has requested that such balances be cancelled and transferred to new capital projects described in Exhibit "A"; and

WHEREAS, it appears that such cancellations and 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 capital fund balances totaling \$200,000, as more particularly described and set forth in Exhibit "A" annexed hereto, be cancelled and transferred to two new Capital Budget items as recommended by the Chief Financial Officer/Treasurer in said Exhibit "A";

AND BE IT FURTHER RESOLVED that the Chief Financial Officer/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

DATED: January 16, 2014

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Edward A. Taratko, Jr. Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

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

Superintendent: Paul A. Kozakiewicz

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY MARY E. DOUGHERTY, Chairman

Exhibit A



Southeast Morris County Municipal Utilities Authority 19 SADDLE ROAD • CEDAR KNOLLS, NEW JERSEY 07927 • TEL 973-326-6880 • FAX 973-326-9521

MEMORANDUM

To: Laura Cummings, Executive Director/Chief Engineer

From: Janice Congleton, CFO/Treasurer

Date: January 14, 2014

Re: Capital Budget Cancellation and Transfer

As per our discussion, I recommend that we cancel the 2014 Capital Budget item titled Water Main Rehabilitation and Replacement in the amount of \$200,000 and transfer the funds to two new 2014 Capital Budget items, OpSolve Conversion Contract (\$120,000) and IT Services Contract (\$80,000). This is necessary to have available funds for the two current projects.

Please see attached spreadsheet.

Capital Budget 2014 Cancellation and Transfer

	2014 Contracts	2013 Budget	2013 Expended	Balance YDT	2014 Budget	Additional Unbudgeted	Cancel and Transfer	2014 Adj. Budget
Billing System Purchase and Conversion		\$ 200,000.00	\$ 40,378.00	\$ 159,622.00		\$ 120,000.00	-1464-14	\$ 120,000.00
Opsolve Conversion Contract	\$ 210,000.00							
Information Technology Hardware & Software					\$ 140,000.00	\$ 80,000.00		\$ 220,000.00
IT Services Contract (Capital Portion)	\$ 80,000.00							1. S. S. S.
Water Main Rehabilitation and Replacement					\$ 200,000.00		\$ 200,000.00	\$ -
TOTALS					\$ 340,000.00	\$ 200,000.00	\$ 200,000.00	\$ 340,000.00

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, January 16, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary



Resolution No. 08-14

RESOLUTION APPROVING STATEMENT OF WORK FOR DATA AND BILLING SYSTEM CONVERSION

WHEREAS, The Southeast Morris County Municipal Utilities Authority (the "Authority") entered into a Billing Services and Software Licensing Agreement with OpSolve, LLC ("OpSolve") dated October 3, 2013 (the "Agreement"); and

WHEREAS, the Agreement contemplated, inter alia, the submission of a subsequent separate Statement of Work (SOW) for Data and Billing System Conversion utilizing OpSolve's proprietary software; and

WHEREAS, pursuant to the Agreement, OpSolve has submitted an SOW for such work dated January 14, 2014, a copy of which is annexed hereto as Exhibit "A" (the "Conversion SOW"); and

WHEREAS, the total cost of the work to be performed pursuant to the Conversion SOW, as more particularly set forth in Exhibit "A", is not to exceed the sum of \$209,955.00; and

WHEREAS, the Agreement was awarded without public bidding 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, the Treasurer has determined and certified in writing that the value of the Conversion SOW will exceed the \$17,500 threshold of the Pay-to-Play Law; and

WHEREAS, OpSolve has previously completed and submitted Business Entity Certificates that certify that it has not made any reportable contributions that would bar award of this contact 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 Agreement; and

WHEREAS, the Treasurer has certified that funds are available for the Conversion SOW in the 2014 budget; and

WHEREAS, the proposed Conversion SOW is in accordance with the provisions of the Agreement and is 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 Edward A. Taratko, Jr.

Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone 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 proposed Statement of Work (SOW) for Data and Billing System Conversion annexed hereto as Exhibit "A" (the "Conversion SOW") be and the same is hereby approved substantially in the form annexed hereto as Exhibit "A";
- 2. The Chairman or Vice Chairman and Secretary or Assistant Secretary are hereby authorized and directed to sign the Conversion SOW in the form annexed hereto as Exhibit "A" together with such revisions, if any, as shall be approved by the Chairman or Vice Chairman with the advice of the General Counsel; the execution of such agreement by the Chairman or Vice Chairman, with any such revisions, to be conclusive proof of such approval;
- 3. The officers, staff and consultants of the Authority be and are hereby authorized and directed to execute and deliver such further documents and take such further actions as shall be necessary or convenient to effectuate and implement the Conversion SOW hereby approved.

ATTEST:

SIDNEY D. WEISS, Assistant Secretary

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

MARY E. DOUGHERTY, Chairman

DATED: January 16, 2014

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 Statement of Work (No. 2014 SMCMUA DC001) as part of the Billing and Services Agreement dated October 3, 2013 with OpSolve LLC exceeds \$17,500.

Janice A. Congleton Janice A. Congleton Chief Financial Officer/Treasurer

Dated:

January 16, 2014

TREASURER'S CERTIFICATION

I hereby certify that there are sufficient funds available (\$209,955) in the 2014 Budget for payment of Statement of Work No. 2014_SMCMUA_DC001 for Data and Billing System Conversion with OpSolve LLC, as part of the Billing Services and Software Licensing Agreement dated October 3, 2013. This item will be charged to Account No.

C-01-00-400-706

Janue & Congliton JANICE A. CONGLETON, Treasurer

DATED: January 16, 2014

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, January 16, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

DATED: January 16, 2014

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

MEETING MINUTES

FEBRUARY 3, 2014

The Organization Meeting of The Southeast Morris County Municipal Utilities Authority was held on Monday, February 3, 2014, at 7:30 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 7:30PM and read the attached statement of Public Notice (Sunshine Law) and caused same to be entered into the minutes of the meeting.

Mr. Weiss explained that due to the inclement weather, some of the Members were participating in the meeting by telephone communication as permitted by Article XI, Section 6b of the Authority's By-laws. He stated such participation was permitted as long as all persons participating are able to hear each other. He asked that each Member, during the roll call, acknowledge whether they were participating in person or by telephone and whether they could hear the Chairman's reading of the Sunshine Law Statement.

ROLL CALL

- PRESENT: Chairman Dougherty*; Members Baldassari, Conradi*, Kissil*, Schimpf* and Taratko*
- ABSENT: Members Carroll and Iannaccone
- * These Members participated in meeting via telephone and acknowledged that they could hear the Chairman and other participants. Member Baldassari participated in person and acknowledged that he could hear the other participants.

OATH OF OFFICE FOR REAPPOINTED MEMBERS CONRADI AND KISSIL

Mr. Weiss administered the oaths of office to William Conradi and Donald Kissil who had been reappointed to the Authority's Board of Members.

ELECTION OF OFFICERS

Chairman Dougherty stated it was the annual organizational meeting of The Southeast Morris County Municipal Utilities Authority.

The next item on the agenda was the election of officers for the current year. Chairman Dougherty stated that the following officers were to be elected to hold office until the next Annual meeting and selection of their successors: Chairman, Vice Chairman, Secretary, Assistant Secretary, Treasurer, and Assistant Treasurer.

Member Taratko nominated William Conradi for the office of Chairman. Chairman Dougherty seconded the nomination. There were no other nominations. Member Conradi was unanimously elected.

Chairman Dougherty congratulated Member Conradi, thanked the Board and Authority staff for a successful year and turned the meeting over to the newly elected Chairman.

Chairman Conradi commended Member Dougherty for an excellent job as Chairman for 2013.

Chairman Conradi stated the next office to be filled was Vice Chairman. Chairman Conradi nominated Edward Taratko for the office of Vice Chairman. Member Dougherty seconded the nomination. Member Taratko was unanimously elected.

Chairman Conradi stated the next office to be filled was Secretary. Chairman Conradi nominated Member Iannaccone for the office of Secretary. Member Dougherty seconded the nomination. Member Iannaccone was unanimously elected.

Chairman Conradi stated the next office to be filled was Treasurer. Chairman Conradi nominated Janice Congleton for the office of Treasurer. Member Dougherty seconded the nomination. Janice Congleton was unanimously elected.

Chairman Conradi stated the next office to be filled was Assistant Secretary. Chairman Conradi nominated Sidney Weiss for the office of Assistant Secretary. Member Dougherty seconded the nomination. Sidney Weiss was unanimously elected.

Chairman Conradi stated the next office to be filled was Assistant Treasurer. Chairman Conradi nominated Laura Cummings for the office of Assistant Treasurer. Member Taratko seconded the nomination. Laura Cummings was unanimously elected.

REORGANIZATION RESOLUTIONS

The Chairman stated the next item on the agenda was the consideration of the annual organization resolutions required by the Public Meetings Law and Mr. Weiss explained the resolutions.

1. DESIGNATION OF OFFICIAL NEWSPAPER

Member Baldassari offered the following Resolution:

RESOLUTION NO. 09-14

DESIGNATION OF OFFICIAL NEWSPAPER

"COPY ANNEXED"

Member Dougherty seconded the motion which was unanimously adopted.

2. DESIGNATION OF NEWSPAPERS TO RECEIVE NOTICES PURSUANT TO OPEN PUBLIC MEETINGS LAW

Member Baldassari offered the following Resolution:

RESOLUTION NO. 10-14

DESIGNATION OF NEWSPAPERS TO RECEIVE NOTICES PURSUANT TO OPEN PUBLIC MEETINGS LAW

"COPY ANNEXED"

Member Dougherty seconded the motion which was unanimously adopted.

3. APPROVAL OF SCHEDULE OF MEETINGS

Member Dougherty offered the following Resolution:

RESOLUTION NO. 11-14

APPROVAL OF SCHEDULE OF MEETINGS

"COPY ANNEXED"

Member Taratko seconded the motion which was unanimously adopted.

4. ESTABLISHMENT OF COMMITTEES

Mr. Weiss reported that the By-Laws of the Authority provide for the appointment of special committees and in accordance with the past practice has prepared a resolution establishing these committees. Member Dougherty offered the following Resolution:

RESOLUTION NO. 12-14

ESTABLISHMENT OF COMMITTEES

"COPY ANNEXED"

Member Taratko seconded the motion which was unanimously adopted.

The Chairman appointed the following members to these Committees:

FINANCE COMMITTEE: Dennis Baldassari, Chairman Adolf Schimpf Edward A. Taratko, Jr.

PERSONNEL COMMITTEE: Robert Carroll, Chairman Dennis Baldassari Mary Dougherty

ENGINEERING COMMITTEE: Edward A. Taratko, Jr., Chairman Saverio Iannaccone Donald Kissil

5. APPROVE BANKING RESOLUTIONS

Member Dougherty offered the following Resolution:

RESOLUTION NO. 13-14

APPROVE BANKING RESOLUTIONS

"COPY ANNEXED"

Member Baldassari seconded the motion which was unanimously adopted.

Mr. Weiss indicated that the next matters involved selection of consultants and that all of the consultants had provided the documentation required by Pay to Play and other applicable State laws and regulations and that the Treasurer had certified that funds were available in the 2014 Budget.

6. SELECTION OF GENERAL COUNSEL FOR 2014

The Board reviewed a proposal for professional services from Sidney D. Weiss, Esq., for the year 2014. Member Dougherty offered the following Resolution:

RESOLUTION NO. 14-14

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

"COPY ANNEXED"

Member Taratko seconded the motion which was unanimously adopted.

7. SELECTION OF CONSULTING ENGINEER FOR 2014

The Board reviewed a proposal for professional services from Hatch Mott MacDonald for the year 2014. Member Dougherty offered the following Resolution:

RESOLUTION NO. 15-14

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

"COPY ANNEXED"

Member Taratko seconded the motion which was unanimously adopted.

8. SELECTION OF ACCOUNTANT-AUDITOR FOR YEAR ENDED 2013

The Board reviewed a proposal for professional services from Nisivoccia, L.L.P., for the year ended 2013. Member Baldassari offered the following Resolution:

RESOLUTION NO. 16-14

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

"COPY ANNEXED"

Member Dougherty seconded the motion which was unanimously adopted.

MOTION APPROVING MINUTES OF JANUARY 16, 2014

Copies of the minutes of the meeting held on January 16, 2014, were distributed to the members prior to the meeting for review and comment. Member Dougherty moved that the minutes be adopted as presented. Member Kissil abstained. Member Schimpf seconded the motion which was duly adopted by the remaining members present.

RESOLUTION APPROVING CLOSED SESSION MINUTES OF JANUARY 16, 2014

Copies of the minutes of the closed session portion of the meeting held on January 16, 2014, were distributed to the members prior to the meeting for review and comment. Member Dougherty moved to approve the closed session minutes and offered the following resolution:

RESOLUTION NO. 17-14

RESOLUTION APPROVING CLOSED SESSION MINUTES OF JANUARY 16, 2014

"COPY ANNEXED"

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

YEAS: Chairman Conradi; Members Baldassari, Dougherty, Schimpf and Taratko

NOES: None

ABSTAINS: Member Kissil

OTHER BUSINESS

A. Report of the Finance Committee

Member Baldassari reported that the Finance Committee met on January 23, 2014 to discuss and review the 2014 Capital Budget, the proposal from Nisivoccia, L.L.P., and the investment program for 2014.

The line item for the water system improvement project, with a total estimated cost of \$200,000, was deferred to the 2015 Capital Budget. The \$200,000 was re-allocated to two information technology projects as follows: \$80,000 for capital improvements related to Authority's business network under the project entitled "The Operation, Management, and Administration of Data Processing Services Consisting of Information Technology Managed Services" and \$120,000 for capital improvements related to the billing system conversion for additional costs related to the data conversion from the OpSolve READi software to the Harris FlexiBill software.

The Finance Committee reviewed proposal submitted by Nisivoccia to prepare the 2013 Financial Audit. It was discussed that assuming continued satisfaction with Nisivoccia, a new project manager be assigned after five (5) years to provide added quality control and another perspective in the analysis of the Authority's financial activities.

The Finance Committee reviewed the proposed investment program submitted by the Chief Financial Officer/Treasurer dated January 23, 2014 which provided a trend that summarizes interest accrued since 2001. Interest earnings have decreased significantly over this time period where current earnings are just under \$6,000 per year.

The next meeting of the Finance Committee will be scheduled after the 2013 Audit is completed. That meeting will include a review of the Audit findings and also a comprehensive review of the restricted capital funds and near term capital expenditures which will be used to consider potential impacts on future rates.

B. Resolution Approving 2014 Investment Program

Copies of the 2014 Investment Program prepared by the Chief Financial Officer dated January 23, 2014 were distributed to the members prior to the meeting for review and comment. Member Baldassari offered the following resolution:

RESOLUTION NO. 18-14

RESOLUTION APPROVING 2014 INVESTMENT PROGRAM

"COPY ANNEXED"

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

YEAS: Chairman Conradi; Members Baldassari, Dougherty, Kissil, Schimpf and Taratko

- NOES: None
- C. Report of the Engineering Committee

Member Taratko reported that the Engineering Committee met on January 28, 2014 to discuss a review a number of items.

The Engineering Committee reviewed the proposal from Hatch Mott MacDonald dated January 14, 2014 for consulting engineering services for 2014. After review of the proposal, the Engineering Committee concurred on award of this project. Tasks 1 and 2 are for services that would be provided on an as-requested basis and Task 3 is for the required annual inspection for a total estimated fee of \$20,000 to be funded from the Operating Budget. Tasks 4 and 5 are for the development of bid documents for the upcoming tank rehabilitation and inspection services for a total of \$17,500 to be funded as part of the 2014 Capital Budget.

The Engineering Committee also reviewed the proposals received for the information technology managed services project. The Engineering Committee recommended award of this contract to Computer Systems and Methods, as recommended by the Executive Director/Chief Engineer and review committee.

The Engineering Committee discussed the reallocation of funds from the planned water supply improvement project (\$200,000) to the ITMS (\$80,000) and Billing System Conversion Projects (\$120,000); which was also reviewed during the Finance Committee meeting.

The Engineering Committee reviewed the 2013 Annual Report of the Consulting Engineer received by Hatch Mott MacDonald. The Committee and staff discussed the report and recommendations for improvements, with particular emphasis on required improvements associated with the Park Avenue and Picatinny Booster Pumping Stations.

The Committee discussed the proposal submitted by Sidney Weiss to provide legal services for 2014. A change in the annual fees associated with the new proposal from the current fee will be addressed in accordance with the final approval of employee compensation changes.

Lastly, the Engineering Committee reviewed the 2013 Clyde Potts Reservoir Dam Inspection Report submitted by French and Parrello Association. The Committee and staff discussed the report and recommendations for improvements with emphasis on the requirements for updating the mapping during 2015.

D. Resolution Approving and Awarding Contract for The Operation, Management and Administration of Data Processing Services Consisting of Information Technology Managed Services to Computer Systems and Methods

On November 15, 2013, the Authority, in accordance with the competitive contracting provisions set forth in N.J.S.A. 40A:4.1-4.5 of the New Jersey Local Public Contracts Law (the "Act"), advertised for requests for proposals ("RFP") for The Operation, Management and Administration of Data Processing Services Consisting of Information Technology Managed Services. Five proposals were received and opened on December 12, 2013. The proposals were reviewed by the Executive Director/Chief Engineer and other staff of the Authority. The Board reviewed a report, prepared by the Executive Director/Chief Engineer dated January 29, 2014, evaluating the proposals in accordance with the methodology described in the RFP and recommending the award of a twenty-four month contract to Computer System Methods. Member Taratko moved the following resolution:

RESOLUTION 19-14

RESOLUTION APPROVING AND AWARDING CONTRACT FOR THE OPERATION, MANAGEMENT AND ADMINISTRATION OF DATA PROCESSING SERVICES CONSISTING OF INFORMATION TECHNOLOGY MANAGED SERVICES TO COMPUTER SYSTEMS AND METHODS

"COPY ANNEXED"

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

- YEAS: Chairman Conradi; Members Baldassari, Dougherty, Kissil, Schimpf and Taratko
- NOES: None

PUBLIC DISCUSSION

Chairman Conradi stated the next portion of the meeting was set aside for public discussion. No one presented any discussion. The Chairman then closed the public portion of the meeting.

ADJOURNMENT

There being no further business, Member Dougherty moved that the meeting be adjourned and Member Schimpf seconded the motion. The meeting adjourned at 8:13 PM.

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

SIDNEY D. WEISS

Assistant Secretary



Resolution No. 09-14

RESOLUTION DESIGNATING OFFICIAL NEWSPAPER

BE IT RESOLVED that the Daily Record be designated as the Official Newspaper of The Southeast Morris County Municipal Utilities Authority for publication and notice requirements.

ATTEST:

SIDNEY D. WEISS, Assistant Secretary

DATED: February 3, 2014

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

omad lem WILLIAM J. CONRADI, Chairman

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Edward A. Taratko, Jr. Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone 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 Monday, February 3, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

February 3, 2014 DATED:



Resolution No. 10-14

RESOLUTION DESIGNATING NEWSPAPERS TO RECEIVE NOTICES PURSUANT TO OPEN PUBLIC MEETINGS LAW

BE IT RESOLVED that the Daily Record, the Star Ledger and the Morris News Bee and such other newspapers published within the territory served by the Authority as the Chairman may from time to time designate, be designated as the newspapers to receive notices pursuant to the provisions of the "Open Public Meetings Law", P.L. 1975, c. 231.

ATTEST:

00 SIDNEY D. WEISS, Assistant Secretary

February 3, 2014 DATED:

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

William Ulium Conradi WILLIAM J. CONRADI, Chairman

CERTIFICATION

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Monday, February 3, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

DATED: February 3, 2014 Southeast Morris County Municipal Utilities Authority 19 SADDLE ROAD • CEDAR KNOLLS, NEW JERSEY 07927 • TEL 973-326-6880 • FAX 973-326-6864



Resolution No. 11-14

APPROVAL OF SCHEDULE OF MEETINGS

BE IT RESOLVED that the schedule of regular meetings presented to the Members and annexed hereto, be approved; and the Secretary be authorized and directed to post, file and deliver notice of such schedule as required by and pursuant to the provisions of the Open Public Meetings Law.

ATTEST:

SIDNEY D. WEISS, Assistant Secretary

DATED: February 3, 2014

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY $1 + 1 \ge 0$

WILLIAM J. CONRADI, Chairman

Board Members

Morristown: Mary Dougherty Donald Kissil

Morris Township: Dennis Baldassari Edward A. Taratko, Jr. Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

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

Superintendent: Paul A. Kozakiewicz

Southeast Morris County Municipal Utilities Authority 19 Saddle Road • Cedar Knolls, New Jersey 07927 • Tel 973/326-6880 • Fax 973/326-9521



ANNUAL NOTICE

SCHEDULE OF MEETINGS

Pursuant to P.L. 1975, c. 231, Section 13, known as the "Open Public Meetings Act", The Southeast Morris County Municipal Utilities Authority gives notice that it will hold regular meetings on the dates listed.

2014

	2011		
February		13	
March	6	13	
April	3	24	
Мау	1	15	
June	5	19	
July	3	17	
August	7	21	
September	4	18	
October	2	16	
November	6	13	
December	4	18	
	2015		
January	8	15	

February 2 (Mon) (Organization Meeting)

All meetings will be held at the Authority's offices, 19 Saddle Road, Cedar Knolls (Hanover Township), New Jersey 07927, at 7:30PM, except as indicated above or unless notice is given to the contrary.

DATED: February 3, 2014

CERTIFICATION

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Monday, February 3, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

February 3, 2014 DATED:



Resolution No. 12-14

RESOLUTION ESTABLISHING COMMITTEES

BE IT RESOLVED that pursuant to the By-Laws of the Authority, there be established the following special committees, each to consist of three members to be appointed by the Chairman of this Authority.

> Finance Committee Personnel Committee Engineering Committee

The Chairman appointed the following members to these Committees:

FINANCE COMMITTEE: Dennis Baldassari, Chairman Adolf Schimpf Edward A. Taratko, Jr.

PERSONNEL COMMITTEE: Robert Carroll, Chairman Dennis Baldassari Mary Dougherty

ENGINEERING COMMITTEE: Edward A. Taratko, Jr., Chairman Saverio Iannaccone Donald Kissil

ATTEST:

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SIDNEY D. WEISS, Assistant Secretary

DATED: February 3, 2014

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Edward A. Taratko, Jr. Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

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

Superintendent: Paul A. Kozakiewicz

MUNICIPAL UTILITIES AUTHORITY Conradi ium WILLIAMJ. CONRADI, Chairman

THE SOUTHEAST MORRIS COUNTY

CERTIFICATION

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Monday, February 3, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

DATED: February 3, 2014



Resolution No. 13-14

RESOLUTION APPROVING BANKING RESOLUTION

RESOLVED, that the attached Depository and Signing Resolution and/or Authorization for TD Bank, Provident Bank and Santander Bank, be and the same are hereby approved and adopted.

AND BE IT FURTHER RESOLVED, that the appropriate officers of the Authority be and are hereby authorized and directed to execute and deliver any and all documents implementing the above authorization.

ATTEST:

SIDNEY D. WEISS, Assistant Secretary

DATED: February 3, 2014

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

iam onsadi WILLIAM CONRADI, Chairman

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Edward A. Taratko, Jr. Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

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

Superintendent: Paul A. Kozakiewicz



America's Most Convenient Bank®

MUNICIPAL MASTER SIGNERS CERTIFICATE

Municipality Name:	TIN: 22-2133468
Southeast Morris County M.U.A	

Address(es): Legal Street Address: <u>19 Saddle Road</u> <u>Cedar Knolls, NJ 07927</u> Mailing Address (if different):

Asst. Secretary

I, **Exerch** of <u>Southeast Morris County M.U.A</u>, a body corporate and politic duly organized and existing under the laws of the State/Commonwealth of <u>New Jersey</u> (the "Corporation"), hereby certify to TD Bank, N.A. (the "Bank") that the following named person(s) is/are authorized under the Certificate of Resolution presently on file with the Bank to act in accordance with all aspects of the Corporation's banking relationship with the Bank, including, without limitation, the opening and closing of deposit accounts without completing a signature card for each new account as stated in said Certificate of Resolution:

Name: William J. Conradi	Title: Chairman	Signature:
Edward A. Taratko	Vice Chairman	
Janice Congleton	Treasurer	
Laura Cummings	Asst. Treasurer	

This Municipal Master Signers Certificate shall remain in full force and effect for a period of one (1) year from the date below or upon change in authorized signers, whichever occurs earlier.

Furthermore, the Corporation will be responsible for immediately notifying the Bank of any changes in authorized signer(s) by properly executing an updated Certificate of Resolution and Municipal Master Signers Certificate.

I further certify that the foregoing are titles, names and genuine signatures of the present officers, employees and agents of the Corporation as identified in the most recent Certificate of Resolution on file with the Bank.

In Witness thereof, I have hereunto subscribed my name as ______ Sidney D. Weiss, Asst. Secretary of

Southeast Morris County M.U.A ______ on the date shown below.

Signature

Date

Bank Use Only:

Resolution Verification:

Date of Resolution: Date Verified:

Verified By:	
Signature:	
Division:	

(11084497.2)

ADDENDUM TO MUNICIPAL / GOVERNMENTAL UNIT CORPORATE AUTHORIZATION RESOLUTION

TD BANK, N.A.

By: Southeast Morris County Municipal Utilities Authority

19 Saddle Road Cedar Knolls, NJ 07927

Hereinafter referred to as "Bank"

Hereinafter referred to as "Governmental Unit"

1. I am Xixix of the Governmental Unit.

2. The Governmental Unit is organized under the laws of <u>New Jersey</u> and has Federal Employer I.D. Number <u>22-2133468</u>.

3. The resolutions set forth below on pages 1 & 2 are a correct copy of the resolutions adopted at a meeting of the Governmental Unit Officers (check one: City Councilors Town Councilors Town Selectmen X Other Elected Governing Body - specify: <u>Board of Members</u>) duly and properly called and held on <u>02/03/2014</u> (date). These resolutions appear in the minutes of the meeting and have not been rescinded or modified.

This Addendum to Municipal / Governmental Unit Corporate Authorization Resolution ("Addendum") modifies and amends an existing Municipal / Governmental Unit Corporate Authorization Resolution dated February 3, 2014, in order to authorize the use of Bank's Cash Management and related banking services.

AGENTS. Any agent listed below, subject to any written limitations, is authorized to exercise the powers granted as indicated below:

Signature
X
X
X
X
X
X

POWERS GRANTED.

- (1) Execute and deliver the Cash Management Master Agreement for Governmental Units and use the related cash management services identified herein and provided by the Bank and/or third-party vendors selected by the Bank in accordance with that Agreement and its related Service Agreements; and
- (2) If checked, execute and deliver the WebExpress Agreement for Governmental Units and, pursuant thereto, use WebExpress to, as further outlined therein, check balances and account information on the Governmental Unit's deposit and loan accounts with Bank, transfer funds from the Governmental Unit's deposit accounts to other deposit accounts of the Governmental Unit or to make payments on the Governmental Unit's loan accounts, enter stop payment orders on the Governmental Unit's checking accounts with Bank; and use the bill payment feature of the service to schedule recurring or one-time bill payments to third parties.
- (3) [3] If checked, execute and deliver the Electronic Payment Service Agreement for Governmental Units with Bank and, pursuant thereto, initiate debit and credit ACH transactions to the deposit accounts of the Governmental Unit.
- (4) If checked, execute and deliver the Wire Transfer Service Agreement for Governmental Units with Bank and, pursuant thereto, initiate domestic wire transfers from the Governmental Unit's accounts at the Bank.

(5) If checked, execute and deliver the Check Imaging Services Agreement for Governmental Units with Bank and, pursuant thereto, store and retrieve paid checks on optical compact disc.

(6) \Box If checked, execute and deliver the following additional Services Agreement(s) with Bank and, pursuant thereto, use the Service(s) outlined therein for the purposes outlined therein:

1

RESOLUTIONS. The Governmental Unit resolves that:

(1) The Bank is designated to provide the Internet-based and other cash management services indicated in this Addendum.

(2) This Addendum shall continue to have effect until express written notice of its rescission or modification has been received and recorded by the Bank. Any and all prior resolutions adopted by the Governmental Unit Officers of the Governmental Unit and certified to the Bank as governing the operation of this Governmental Unit's account(s), are in full force and effect, until the Bank receives and acknowledges an express written notice of its revocation, modification or replacement. Any revocation, modification or replacement of a resolution must be accompanied by documentation, satisfactory to the Bank, establishing the authority for the changes.

(3) The signature of an Agent on this Addendum is conclusive evidence of his/her authority to act on behalf of the Governmental Unit. Any Agent, so long as s/he acts in a representative capacity as agent of the Governmental Unit, is authorized to make any and all other contracts, agreements, stipulations and orders which s/he may deem advisable for the effective exercise of the powers indicated above, from time to time with the Bank, subject to any restrictions on this Addendum or otherwise agreed to in writing.

(4) All Internet-based banking transactions, if any, by or on behalf of the Governmental Unit prior to the adoption of this Addendum are hereby ratified, approved and confirmed.

(5) The Governmental Unit agrees to the terms and conditions of the Bank's Cash Management Master Agreement for Governmental Units, and authorizes any Agent named above to execute that Agreement and related Service Agreement(s) as identified herein and deliver the same to the Bank. The Governmental Unit authorizes the Bank, at any time, to charge the Governmental Unit for all checks, drafts, or other orders for the payment of money that are drawn on the Bank, so long as they contain the required signature for this purpose.

(6) The Governmental Unit acknowledges and agrees that the Bank may rely on alternative signature and verification codes issued to or obtained from the Agents named on this Addendum. The term "alternative signature and verification codes" includes, but is not limited to, ID numbers and personal identification numbers (PIN) to be used by the Agents to access WebExpress. The Bank shall have no responsibility or liability for unauthorized use of alternative signature and verification codes unless otherwise agreed in writing.

EFFECT ON PREVIOUS RESOLUTIONS. To the extent applicable, this Addendum supersedes an Addendum dated

CERTIFICATION OF AUTHORITY. I further certify that the Governmental Unit Officers of the Governmental Unit have, and at the time of adoption of these resolutions had, the full power and lawful authority to adopt the foregoing resolutions and to confer the powers granted to the persons named above, who have the full power and lawful authority to exercise the same.

IN WITNESS WHEREOF, I have subscribed my name to this document and affixed the seal of the Governmental Unit on February 3, 2014 (date).

Attest by Other Officer

Name: Title: Name: Sidney D. Weiss



UNIVERSAL RESOLUTION

Legal Name of Business ("Depositor"):	Southeast Morris County M.U.A.
Principal Business Street Address:	19 Saddle Road
	Cedar Knolls, NJ 07927
Business Type (<i>Check One</i>):	Corporation Member-managed LLC Sole Proprietor Manager-managed LLC Limited Partnership Unincorporated organization or General Partnership association Other (specify):

CHECK ONE:

<u>X</u> Certification of Resolutions: (Must be selected for a Depositor controlled by a governing body) The undersigned is authorized by the Depositor to certify, and hereby does certify, that the Resolutions set forth below were properly adopted on <u>February 3</u>, 2014 by the Depositor in accordance and conformity with the Depositor's governing documents, all agreements with third parties, and all laws applicable to the Depositor, have not been modified or rescinded, and are in full force and effect and binding on the Depositor.

<u>X</u> Adoption of Resolutions: The undersigned does hereby adopt the Resolutions set forth the below, and certify that such Resolutions are in accordance and conformity with the Depositor's governing documents, all agreements with third parties, and all laws applicable to the Depositor.

Resolutions

RESOLVED: That Santander Bank, N.A. (the "Bank") be, and hereby is, designated a depository of funds of the Depositor subject to the terms and conditions of the Business Deposit Account Agreement, with authority to accept at any time for the credit of the Depositor deposits in checking, savings, money market savings, term or any other account, by whomsoever made in whatever manner endorsed; and

RESOLVED: That the Bank shall not be liable in connection with the collection of such items that are handled by the Bank without negligence and the Bank shall not be liable for the acts of its agents, subagents or for any other casualty; and

RESOLVED: That the Depositor assumes full responsibility for and shall indemnify the Bank against all losses, liabilities and claims resulting from payments, withdrawals or orders made or purported to be made in accordance with, or from actions taken in good faith and in reliance upon, these Resolutions; and

Payment Orders

RESOLVED: That the Bank be, and hereby is, authorized and directed to certify, pay or otherwise honor all checks, drafts, notes, bills of exchanges, acceptances, undertakings and other instruments or orders for the payment, transfer or withdrawal of money for whatever purpose and to whomsoever payable when such instruments and orders are properly made, signed, or endorsed by the signature, the actual or purported facsimile signature or the oral direction of any of the authorized signers below; provided, however, that any



check, draft, note, bill of exchange, acceptance, undertaking or other instrument for the payment, transfer or withdrawal must bear the actual or purported facsimile signature of any of the authorized signers below; and RESOLVED: That any authorized signer acting alone be, and hereby is, authorized on behalf of the Depositor to endorse, negotiate and collect any and all checks, drafts, notes, bills of exchange, acceptances, undertakings and other instruments and to open and close and update information on any account of the Depositor at the Bank; and

Funds Transfers

RESOLVED: That any of the authorized signers below acting alone be, and hereby is, authorized on behalf of the Depositor to instruct, orally or by such other means as the Bank may make available to Depositor, the Bank to initiate the transfer of funds by wire, telex, automated clearinghouse, book entry, computer or such other means, and to execute agreements with the Bank for the transfer of funds from any of Depositor's accounts and to delegate from time to time to other persons the authority to initiate the transfer of funds from any such account; and

Additional Resolutions

RESOLVED: That any authorized signer acting alone be, and hereby is, authorized on behalf of the Depositor to enter into a written lease for the purpose of renting, maintaining and accessing a safe deposit box and any authorized signer is authorized to terminate the lease; and

RESOLVED: That the Bank may rely on any signature, endorsement or order and any facsimile signature or oral instruction reasonably believed by the Bank to be made by an authorized signer, and the Bank may act on any direction of an authorized signer without inquiry and without regard to the application of the proceeds thereof, provided that the Bank acts in good faith; and

RESOLVED: The Bank may rely on this document and on any certificate by an authorized representative of the Depositor as to the names and signatures of the authorized signers of the Depositor until the Bank has actually received written notice of a change and has had a reasonable period of time to act on such notice; and

RESOLVED: That the Depositor agrees to notify the Bank promptly and in writing of any change in (a) these Resolutions, (b) the identity of persons authorized to sign, endorse or otherwise authorize payments, transfers or withdrawals, (c) ownership of the Depositor or the Depositor's legal structure or status, including the Depositor's dissolution or bankruptcy; and

RESOLVED: That any of the following named persons, or persons from time to time holding the following offices of the Depositor be, and hereby are, designated as the authorized signers to act on behalf of the Depositor in accordance with the above resolutions (fill in names of authorized individuals or titles of officers, or both):

Name and/or Title	Signature	
William J. Conradi, Chairman		
Edward A. Taratko, Vice Chairman		
Janice Congleton, Treasurer		
Laura Cummings, Assistant Treasurer		



Incumbency Certification

(Required only if any authorized signer is described solely by title in the previous section)

The undersigned is authorized by the Depositor to certify, and hereby does certify, that the Depositor is duly organized and in good standing in the jurisdiction in which it is organized and that the signatures below represent the true and accurate signature of the person named below and that such person holds the title corresponding to such person's name:

Name	Title	Signature	
William J. Conradi, Chair	man		
Edward A. Taratko, Vice	e Chairman		
Janice Congleton, Trea	surer		
Laura Cummings, Assis	stant Treasurer		
	and a second		

RESOLVED: That all of the following named persons are no longer designated as authorized signers on behalf of the Depositor:

Name(s): Mary E. Dougherty

If the Depositor is controlled by a governing body, each individual executing this document certifies and warrants that s/he is duly authorized to act on behalf of the Depositor in all matters pertaining to its rights, responsibilities and activities in connection with the foregoing, including but not limited to executing this document on behalf of the Depositor. If the Depositor is a limited liability company or partnership, each individual executing this document certifies and warrants that the undersigned are all of its members, managers or general partners, as the case may be.

IN WITNESS WHEREOF, I/we have signed this certificate on the 3 day of February, 2014.

Chairman (Signature and Title) (Signature

Vice Chairman

(Signature and Title)

(Signature and Title)

Asst. Treasurer (Signature and Title)

Date

NOTE: If only one person signs the above certification and that person is authorized to act by the above resolutions, this certificate must be confirmed by another authorized representative of the Depositor. (Not applicable if the Depositor is a sole proprietorship or a member-managed limited liability company with a single member and the sole proprietor or single member, as applicable, signs the document.)

CONFIRMED By:

(Signature and Title)

Effective 10/17/2013 Corporate Banking 3 of 3

CERTIFICATION

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Monday, February 3, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

DATED: February 3, 2014

Resolution No. <u>14-14</u>

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 to serve as General Counsel to the Authority for a period of one (1) year at an annual fee of \$115,000 plus expenses as set forth in a proposed Professional Services Contract for Legal Services dated as of February 1, 2014, 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 Edward A. Taratko, Jr. Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone 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 dated as of December 17, 2013, 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:

10

SIDNEY D. WEISS, Assistant Secretary

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

liam onadi WILLIAM J. CONRADI, Chairman

DATED: February 3, 2014

PROFESSIONAL SERVICE CONTRACT FOR LEGAL SERVICES

This Agreement made as of this 1st day of February, 2014 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. <u>Position; Title</u>. Attorney is hereby retained as General Counsel for and during the term of this Agreement and any extensions of this Agreement.

2. <u>Services</u>. 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. <u>Compensation</u>; Expenses.

(a) For the foregoing services, Authority shall pay to Attorney a base annual fee of \$115,000 (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 his 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. <u>Term; Termination</u>. The term of this Agreement shall be for a period of one year commencing February 1, 2014 and terminating January 31, 2015. 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. <u>Independent Contractor</u>. 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) <u>Entire Agreement</u>. 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) <u>Waivers</u>. 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) <u>Headings</u>. The caption headings in this Agreement are solely for convenience or reference and shall not affect its interpretation.

(d) <u>Notices</u>. 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) <u>Binding Effect; Assignment</u>. 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) <u>Severability</u>. 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) <u>Governing Law</u>. 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) <u>Professional Service Contract</u>. This is a professional service contract awarded without competitive bidding pursuant to the provisions of the New Jersey Local Public Contracts Law, <u>N.J.S.A.</u> 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 February, 2014,

ATTEST:

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

, Secretary

,Chairman

WITNESS:

SIDNEY D. WEISS, ESQ., Attorney

NOTICE OF AWARD OF PROFESSIONAL SERVICE CONTRACT

Public Notice is hereby given that on February 3, 2014, 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 precise nature, duration, specific services and the amounts to be charged are 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

WILLIAM J. CONRADI, Chairman

TREASURER'S CERTIFICATION

I hereby certify that there are sufficient funds available (\$115,000) for payment of professional service contract with Sidney D. Weiss to serve as General Counsel for professional legal services to assist it in fulfilling its statutory and contractual obligations. This item will be charged to Account No. 4 - D2 - 10 - 400 - 602.

Janue A Congleta JANICE A. CONCLETON, Treasurer

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 Sidney D. Weiss for professional legal services to assist it in fulfilling its statutory and contractual obligations exceeds \$17,500.

Janue A Congletm JANICE A. CONGLETON, Treasurer

Dated:

February 3, 2014

CERTIFICATION

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Monday, February 3, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary



Resolution No. 15-14

RESOLUTION AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICE CONTRACT FOR CONSULTING ENGINEERING WITH HATCH 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, Hatch Mott MacDonald has submitted a proposal dated January 14, 2014 for the providing of such services at an estimated maximum amount of \$34,500, 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, Hatch 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, 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 Edward A. Taratko, Jr. Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

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

Superintendent: Paul A. Kozakiewicz

- 1. That Hatch Mott MacDonald be and is hereby retained as consulting engineers to The Southeast Morris County Municipal Utilities Authority until February 3, 2014 and appointment of their successor, to render necessary consulting engineering services, as outlined in the letter-agreement annexed hereto and made a part hereof; and
- 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 letter 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:

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

SIDNEY D. WEISS, Assistant Secretary

DATED: February 3, 2014

William & Conradi WILLIAM J. CONRADI, Chairman



Hatch Mott MacDonald 111 Wood Avenue South Iselin, NJ 08830-4112 www.hatchmott.com

January 14, 2014

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

Re: Southeast Morris County Municipal Utilities Authority Proposal for Consulting Engineering Services for 2014

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 2014.

As Consulting Engineers to the Authority since 1977, Hatch Mott MacDonald (HMM) has performed general engineering consultation as well as detailed design and construction management tasks for the Authority. Over this period of time, HMM 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, HMM 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, HMM 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 HMM 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 2014. James J. Poirier, PE, Executive Vice President will serve as HMM Principal-in-Charge and representative at special meetings and in communication with the Authority. Mr. Poirier will also serve as the designated Engineering Representative to the Authority and the primary point of contact for day-to-day general engineering assistance. Earl Schneider, PE, Vice President and Carol Walczyk, PE, Vice President will assist with engineering assignments as necessary.



HMM offers the Authority the following benefits:

- An experienced and capable individual to serve as Principal-in-charge (James J. Poirier, PE). As Manager of HMM's Water/Wastewater Division, Mr. Poirier has the Authority to commit the resources of the firm to successfully meet the needs of the Authority. Mr. Poirier is also extremely familiar with the Authority's facilities, having work on a wide range of Authority projects since 1979. As a resident of Morris Township, Mr. Poirier also has a vested interest in the performance of the Authority's system.
- An experienced and capable project management team who have worked together for more than 20 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. Schneider, as Head of HMM's Asset Management Group, has worked closely with the Authority in developing its WaterCAD hydraulic model and current 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 20 years. Ms. Walczyk has worked on a number of water quality projects for the Authority, including the development of the Authority's Wellhead Protection Study, and has extensive experience in regulatory compliance such as the development of risk management plans and sampling and testing programs. Ms. Walczyk also has experience with design, bid document preparation and engineering services during construction for water storage tanks throughout Northern New Jersey, ranging in size from 0.3 to 5.4 million gallons.
- A proven track record representing New Jersey municipal utilities and water authorities. HMM currently serves as the named Authority Engineer for many New Jersey utility authorities.
- HIMM also provides water utility engineering services to many large investor owned utilities including American Water Works Service Company, New Jersey American Water, Aqua NJ, United Water, and Middlesex Water Company, to name a few.
- HMM 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

Ms. Laura Cummings, PE - Page 2 - January 14, 2014



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 headquarters, and with numerous staff who live in the Authority's service area ensuring rapid response to the needs of the Authority.
- HMM 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, HMM would provide the following services:

Task 1 – <u>Attend Board Meetings or Standing Committee Meetings as</u> <u>requested</u> 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, HMM 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 out-

Ms. Laura Cummings, PE - Page 3 - January 14, 2014



lined in the Master Plan; assistance with the development of Contract Documents for the Authority's annual water utility improvement program; 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, HMM 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.

- Task 3 Prepare an Annual Inspection Report In accordance with the Authority's Bond Resolution, the facilities and operations of the Authority will be inspected and evaluated in the latter part of the year by HMM. A summary Report will then be prepared presenting the findings and recommendations for improving facilities, maintenance operations and equipment repairs. The report will be submitted in draft form for the Authority's review and comment. 15 bound copies of the final report will be submitted.
- Task 4 <u>Develop Contract Bid Documents for Tank Painting and</u> <u>Rehabilitation</u> – HMM will prepare contract bid documents for the rehabilitation and painting of Picatinny Water Storage Tank No. 2 and the Morris Plains Water Storage Tank.

The scope of work for rehabilitation of the Picatinny Water Storage Tank No. 2 is expected to include:

- o Installation of a 30" diameter shell manhole;
- o Installation of a lockable cage gate;
- Replacement of the existing roof vent and installation of a second vent manhole with OSHA-compliant handrail;
- o Repair or replacement of the detached inner roof rafter;
- Abrasive blasting and recoating of the interior and exterior of the tank;
- Miscellaneous repairs including replacement of overflow screen and foundation sealant; and
- Repair of any additional items found to be damaged or noncompliant with NJDEP or OSHA standards since the last inspection report.

The scope of work for rehabilitation of the Morris Plains Tank is expected to include:

- Installation of a ventilation roof manhole and installation of OSHA compliant handrail on both the new and existing roof manholes;
- Abrasive blasting and recoating of the interior and exterior of the tank; and

Ms. Laura Cummings, PE - Page 4 - January 14, 2014



Repair of any additional items found to be damaged or noncompliant with NJDEP or OSHA standards since the last inspection report.

For both tanks, HMM will evaluate tank mixing alternatives, including active mixers such as those manufactured by PAX or Solarbee and passive mixing systems such as the Tideflex system used at the Bailey Hollow Tank, provide our recommendation to the Authority, and include the approved mixing system in the contract documents.

The scope of work for exterior touch-up painting of the Baird Place Tank will also be included in either the Picatinny or Morris Plains contract documents.

The inspection reports for the Picatinny and Morris Plains tank include results of lead testing on the existing coatings. The results indicated that the Morris Plains tank interior coating would be considered lead-based under New Jersey standards, and the interior and exterior coatings of both tanks would be considered lead-based under OSHA standards. However, according to MBA, these analyses are not in accordance with current testing protocols. As a result, the tests would need to be redone in accordance with the requirements of the New Jersey Department of Community Affairs in order to obtain valid current results. Alternatively, the rehabilitation scope can be written as if the coatings have been confirmed to be lead-based under current standards. This would include a requirement that the Contractor must be certified in lead abatement, that full Class 2A containment must be used, and that blasting residue must be treated with an additive such as Blastox to encapsulate lead and render it non-hazardous. We have not included lead testing in our proposal, but can coordinate this service if needed. However, we have assumed that the bid documents will include provisions for lead abatement

In accordance with the RFP, the documents will include front end documents, contract, supplementary conditions, general conditions, technical specification, and bonding requirements. Drawings associated with the structural modifications will be limited to $8\frac{1}{2}$ " x 11" detail sheets bound with the technical specifications. We will submit draft documents for review and comment by the Authority. We will incorporate any comments and issue final bid documents. We have included production of fifteen (15) copies of the contract documents in our proposal. We will also provide a construction cost estimate for each tank.

Task 5 – Develop Contract Bid Documents for Tank Inspection Services – HMM will prepare a Request for Proposals (RFP) for supervision of the construction phase of the rehabilitation and painting of Picatinny Water Storage Tank No. 2 and the Morris Plains Water Storage Tank. Services required under the RFP will include meeting participation, bid phase services, resident inspection services, technical advice, testing services and one year anniversary inspection. We have included production of five (5)

Ms. Laura Cummings, PE - Page 5 - January 14, 2014



copies of the RFP in our proposal. The solicitation will include separate pricing for the two tanks, given that the work will be undertaken in subsequent years.

Additional Engineering Services - HMM would also provide special studies, design, and construction phase engineering services for specific projects on an "as-requested" basis. These services would be outside the General Consulting Engineering Services scope, and when requested, we would provide the Authority with a separate scope of services and cost proposal to undertake these specific services.

HMM 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); provide "specific" technical consulting services (Task 2); undertaking the noted annual inspection of the Authority's Facilities and preparation of an annual summary report (Task 3); prepare Contract Bid Documents (Task 4 and 5); and provide additional engineering services that may be requested, in accordance with the RFP.

Tasks 1 and 2 services would be billed on a reimbursable basis based upon actual hours applied and our prevailing rate schedule (with the exception of Mr. Poirier and Mr. Schneider's time, which would be capped at \$195/hour), 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 HMM's 2014 Rate Schedule for your reference. Eligible expenses associated with these tasks would be billed at actual cost.

Task 3 services (Annual Inspection and Report preparation) would be undertaken for the lump sum amount of \$5,000.

Task 4 services (Preparation of Tank Rehabilitation Bid Documents) would be undertaken for the lump sum fee of \$12,000.

Task 5 services (Preparation of Tank Rehabilitation Inspection RFP) would be undertaken for the lump sum fee of \$2,500.

We would anticipate completing the preparation of the Contract Bid Documents (Tasks 4 and 5) within four (4) weeks following the appropriate authorization to proceed, but will seek to expedite the project if possible. The Authority's target schedule is to complete the rehabilitation of Picatinny Tank No. 2 by the end of May, 2014. We have enclosed a draft construction schedule that would meet this target date.

With respect to other engineering services as may be required and authorized by the Authority, Hatch Mott MacDonald would provide such services on a reimbursable

Ms. Laura Cummings, PE - Page 6 - January 14, 2014



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 HMM'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 HMM and the Authority from the date of its acceptance by the Authority.

Please be advised that Hatch 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 Hatch 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,

Hatch Mott MacDonald

James J. Poirier, PE

Executive Vice President 1/973.912.2524 F 973.376.1072 James.poirier@hatchmott.com

Enclosures

SMCMUA - Rehabilitation of Picatinny Tank No. 2 - Draft Project Schedule

0	Task Mode	Task Name	Duration	Start	Finish	Dec 29, '13	Feb 2, '14	Mar 9, '14	Apr 13, '14	May 18, '14	
1	and a second	Authorization	2 days	Thu 1/16/14	: Fri 1/17/14	T		<u>s s i i</u>	M T W	T F	1 <u>s</u>
2	2	Design	20.1								
		Design	20 days	Mon 1/20/14	Fri 2/14/14	1.1.1	The second s				
3	00	SMCMUA review	5 days	Mon 2/17/14	Fri 2/21/14		teres -				
4	428 (\$)	Update/prepare bid pkg/advertise	7 days	Mon 2/24/14	Tue 3/4/34		tan t)			
5	196	Bid period	15 days	Wed 3/5/14	Tue 3/25/14			 د			
6	5	review bids	5 days	Wed 3/26/14	Tue 4/1/14			4	-i)	1.1.1.1.1.1.1	
7	3	award contract	5 days	Wed 4/2/14	Tue 4/8/14		1		L L =====		
8	-	construction period	37 days	Wed 4/9/14	Fri 5/30/14				the second s	and the second	

	Task	and the second second second	Project Summary	The second s	Inactive Milestone	10	Manual Summary Rol	Jup warmen and and and and	Deadline	4
Project: SMCMUA Picatinny Tank	Split	manana ana	External Tasks		Inactive Summary	ç	Manual Summary	Consecution managements	Progress	Resident Participant in and Martine of
Date: Tue 1/14/14	Milestone	*	External Milestone	0	Manual Task	C	Start-only	C		
	Summary	Course conservation	Inactive Task		Duration-only		Finish-only	Ľ		

2014 Hourly Rate Table

Principals / Principal Project Managers / Principal Engineers	\$157.00 to \$230.00
Sr. Project Engineer / Sr. Project Architect / Sr. Project Manager /	
Sr. Project Geologist / Sr. Project Scientist	\$111.00 to \$186.00
Sr. Specialist V / Sr. Designer V	\$ 98.00 to \$171.00
Sr. Inspector IV/V / Sr. Surveyor IV/V	\$ 81.00 to \$160.00
Project Engineer / Project Architect / Project Manager	\$104.00 to \$181.00
Project Geologist / Project Scientist.	\$ 92.00 to \$163.00
Engineer III/IV / Architect III/IV.	\$ 78.00 to \$157.00
Specialist III/IV / Designer III/IV.	\$ 63.00 to \$148.00
Scientist III/IV / Geologist III/IV.	\$ 68.00 to \$125.00
Engineer I/II / Architect I/II	
Scientist I/II / Geologist I/II.	\$ 52.00 to \$ 85.00
Inspector III / Surveyor III / Specialist I/II	\$ 60.00 to \$109.00
Assistant Surveyor I/II / Assistant Inspector I/II	\$ 58.00 to \$ 81.00
Technicians	\$ 37.00 to \$ 88.00
Administration / Project Support	\$ 45.00 to \$115.00

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

EXPENSES

Personal Auto / Company Auto	\$0.565 ¹ / mile
Company Vans / Company Pick-Up	
Photocopies & Offset Reproduction	
UPS / Federal Express /Postage /Messenger Service	
Subcontractors (including Contract Laboratory)	Direct + 15%
Mobile Devices	
Field Equipment	Variable
Travel / Lodging Per Diem	As Incurred
¹ per IRS standard mileage rate (rate as of January 1, 2013 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.

Hatch Mott MacDonald

NOTICE OF AWARD OF PROFESSIONAL SERVICE CONTRACT

Public Notice is hereby given that on February 3, 2014, The Southeast Morris County Municipal Utilities Authority adopted a Resolution authorizing execution of Professional Service Contract with Hatch Mott MacDonald as Consulting Engineers. The precise nature, duration, specific services and the amounts to be charged are 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

WILLIAM J. CONRADI, Chairman

TREASURER'S CERTIFICATION

I hereby certify that there are sufficient funds available (\$34,500) for payment of a professional service contract with Hatch 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. 4-02 - 10 - 400 - 601.

+ C-02-00-500-347 Janice A Congleton JANICE A. CONGLETON, Treasurer

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 Hatch Mott MacDonald for non-exclusive professional consulting engineering services to assist it in fulfilling its statutory and contractual obligations exceeds \$17,500.

JANICE A. CONGLETON, Treasurer

Dated:

February 3, 2014

CERTIFICATION

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Monday, February 3, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary



Resolution No. 16-14

RESOLUTION AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICE CONTRACT FOR ACCOUNTING-AUDITING SERVICES WITH NISIVOCCIA, 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, requests for proposals were issued to five firms, of which four firms submitted proposals; and

WHEREAS, Nisivoccia, L.L.P., has submitted the lowest proposal dated January 29, 2014, for the providing of such services at an estimated maximum amount of \$26,000 for auditing and examining the Authority's financial statements as of December 31, 2013 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 Edward A. Taratko, Jr. Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone 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, 2013, 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:

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

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WILLIAM J. CONRADI, Chairman

SIDNEY D. WEISS, Assistant Secretary



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

January 29, 2014

The Honorable President and Members of the Board of Commissioners 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 the Southeast Morris County Municipal Utilities Authority for the year ended December 31, 2013. We will audit the financial statements of the various funds of the Southeast Morris County Municipal Utilities Authority, including the related notes to the financial statements, as of and for the years ended December 31, 2013 and 2012. We have also been engaged to report on supplementary information that accompanies the Southeast Morris County Municipal Utilities Authority for the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the 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 basic financial statements are fairly presented, in all material respects, in conformity with accounting principles prescribed 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 financial statements as a whole. The objective also includes reporting on —

- Internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996, OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB's Circular 04-04, 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 Honorable President and Members of the Board of Commissioners Southeast Morris County Municipal Utilities Authority Page 2 January 29, 2014

Audit Objectives

The OMB Circular A-133 and NJ OMB 04-04 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 04-04. 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 04-04, and will include tests of accounting records, a determination of major program(s) in accordance with OMB Circular A-133 and NJ OMB 04-04, and other procedures we consider necessary to enable us to express such opinions and to render the required reports. 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 othermatter paragraphs. If our opinions on the 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 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 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 basic 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 in accordance with the requirements of OMB Circular A-133. As part of the audit, we will assist with preparation of your financial statements, schedule 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. Management agrees to assume all management responsibilities relating to the financial statements, schedules of expenditures of federal and state awards, and related notes and any other nonaudit services we provide. Management will be required to acknowledge in the written representation letter our assistance with preparation of the financial statements and schedules of expenditures of federal and state awards and that you have reviewed and approved the financial statements, schedules of expenditures of federal and state awards, and related notes prior to their issuance and have accepted responsibility for them. Further, management agrees 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 the Authority has designated the Chief Financial Officer/Treasurer, Janice A. Congleton, to be responsible and accountable for overseeing our services.

Management is responsible for including all informative disclosures that are appropriate for the financial statements prepared in conformity with accounting principles prescribed by the Division. Those disclosures will include (1) a description of the accounting policies of the Authority which conform to the accounting principles applicable to municipalities which have been prescribed 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 financial statements to achieve fair presentation.

The Honorable President and Members of the Board of Commissioners Southeast Morris County Municipal Utilities Authority Page 3 January 29, 2014

Management Responsibilities

Management is responsible for 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; following laws and regulations; and ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. The Authority is also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements in conformity with accounting principles prescribed 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.

Management is also responsible for making all financial records and related information available to us and for ensuring that management is reliable and financial information is reliable and properly recorded. The Authority is also responsible for providing us with (1) access to all information of which the Authority is aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the authority from whom we determine it necessary to obtain audit evidence.

Management's responsibilities also include identifying significant vendor relationships whereby the vendor has responsibility for program compliance and for the accuracy and completeness of that information. Management's responsibilities include adjusting the 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 financial statements taken as a whole.

Management is 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. Management's 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, management is 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 04-04, 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 and a corrective action plan.

Management is responsible for preparation of the schedule of expenditures of state and federal awards in conformity with OMB Circular A-133 and NJ OMB 04-04. Management agrees 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. Management also agrees to include the audited financial statements with any presentation of the schedule of expenditures of federal 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. Management's responsibilities include acknowledging to us in the written representation letter that (1) you are The Honorable President and Members of the Board of Commissioners Southeast Morris County Municipal Utilities Authority Page 4 January 29, 2014

Management Responsibilities

responsible for presentation of the schedule of expenditures of federal awards in accordance with OMB Circular A-133 and NJ OMB 04-04; (2) you believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with OMB Circular A-133 and NJ OMB 04-04; (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 schedule of expenditures of state and federal awards.

Management is also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with accounting principles prescribed by the Division. Management agrees to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. Management also agrees to include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Management's responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information, including its form and content, is fairly presented in accordance with accounting principles prescribed by the Division; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles prescribed 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. Management is 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, management understands 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 financial statements, including 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 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 financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the 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.

The Honorable President and Members of the Board of Commissioners Southeast Morris County Municipal Utilities Authority Page 5 January 29, 2014

Audit Procedures-General

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 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 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 management's responsibilities for the 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 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 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 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 and NJ OMB 04-04, 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 and NJ OMB 04-04.

An audit is not designed to provide an opinion 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 04-04.

The Honorable President and Members of the Board of Commissioners Southeast Morris County Municipal Utilities Authority Page 6 January 29, 2014

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Southeast Morris County Municipal Utilities 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 04-04 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 Southeast Morris County Municipal Utilities Authority's major programs. The purpose of these procedures will be to express an opinion on Southeast Morris County Municipal Utilities Authority Supplement to OMB Circular A-133 and NJ OMB 04-04.

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 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 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 Southeast Morris County Municipal Utilities Authority and the Division; however, management is responsible for distribution of the reports and the 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 Honorable President and Members of the Board of Commissioners Southeast Morris County Municipal Utilities Authority Page 7 January 29, 2014

Engagement Administration, Fees, and Other

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, 2014. Kathryn L. Mantell is the engagement partner and is responsible for supervising the engagement and signing the reports. Our fee for performance of the audit will be \$26,000. Our fee includes performance of the audit, preliminary review of the Authority's operating and capital budgets prior to submission to the State (in accordance with LFB and DLGS regulations), assistance with the requirements imposed by GASB #34, and completion deadlines as outlined in the "RFP" and at the end of this section of our proposal. Our fee 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 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 Chief Financial Officer based upon the Authority's projection of their readiness for audit. We will schedule interim procedures 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 Chief Financial Officer and Executive Director 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 full Authority Board, if desired. Additionally, we will work together with your staff in order to deliver the draft audit no later than April 11, 2014, meet and discuss the draft audit with the Finance Committee during the week of April 7, 2014 (tentatively April 10), and present the audit to the full Authority Board at a public meeting on April 24, 2014, 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).

The Honorable President and Members of the Board of Commissioners Southeast Morris County Municipal Utilities Authority Page 8 January 29, 2014

Engagement Administration, Fees, and Other

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 fee is 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 it with you and arrive at a new fee estimate before we incur the additional costs.

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:

\$150-\$160
\$135-\$145
\$115-\$130
\$95-\$110

You have identified and requested the following additional services:

We will provide GAAP assistance and support with regard to the Capital Budget and capital asset depreciation to the Chief Financial Officer/Treasurer throughout the year. We estimate that this assistance and guidance could approximate 8-12 hours at an estimated rate of \$145, or \$1,160-\$1,740.

These hours and rates are based upon estimates without any evaluation of the current policies and procedures or clear understanding of the exact scope of our services. We will agree that we will not perform any work that exceeds these estimates without your prior approval, and we will bill you only for the hours/cost that we actually incur in the performance of these services.

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 2011 peer review report is included with this letter.

Very truly yours,

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NISIVOCCIA, LLP

The Honorable President and Members of the Board of Commissioners Southeast Morris County Municipal Utilities Authority Page 9 January 29, 2014

RESPONSE:

This letter correctly sets forth the understanding of the Southeast Morris County Municipal Utilities Authority.

By: _____

Title:

Date: _____

NOTICE OF AWARD OF PROFESSIONAL SERVICE CONTRACT

Public Notice is hereby given that on February 3, 2014, 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 precise nature, duration, specific services and the amounts to be charged are 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

WILLIAM J. CONRADI, Chairman

TREASURER'S CERTIFICATION

I hereby certify that there are sufficient funds available (\$26,000) 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. 4-02-30-400-613.

4-02-30-400-613. Janue & Congleton JANICE A. CONGLETON, Treasurer

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 Nisivoccia, LLP, for professional accounting-auditing services to assist it in fulfilling its statutory and contractual obligations exceeds \$17,500.

Janice A. Congleton JANICE A. CONGLETON, Treasurer

Dated:

February 3, 2014

CERTIFICATION

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Monday, February 3, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary



Resolution No. <u>17-14</u>

RESOLUTION APPROVING CLOSED SESSION MINUTES

RESOLVED that the attached minutes of the Closed Session Meeting held on January 16, 2014, 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

DATED: February 3, 2014

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

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WILLIAM J. CONRADI, Chairman

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Edward A. Taratko, Jr. Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone 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 Monday, February 3, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary



Resolution No. <u>18-14</u>

RESOLUTION APPROVING 2014 INVESTMENT PROGRAM

WHEREAS, the Chief Financial Officer/Treasurer has submitted her recommendations for the Authority's 2014 Investment Program as set forth in a memorandum dated January 23, 2014, a copy of which is annexed hereto as Exhibit "A"; and

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

- 1. The 2014 Investment Program recommended by the Chief Financial Officer/Treasurer as set forth in the attached memorandum dated January 23, 2014 be and the same is hereby adopted and approved.
- 2. The Chief Financial Officer/Treasurer is hereby authorized and directed to use the financial institutions set forth in the attached memorandum for investment purposes and to take all appropriate actions with respect thereto.

ATTEST:

SIDNEY D. WEISS, Assistant Secretary

DATED: February 3, 2014

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

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WILLIAM J. CONRADI, Chairman

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Edward A. Taratko, Jr. Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

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

Superintendent: Paul A. Kozakiewicz

Southeast Morris County Municipal Utilities Authority



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

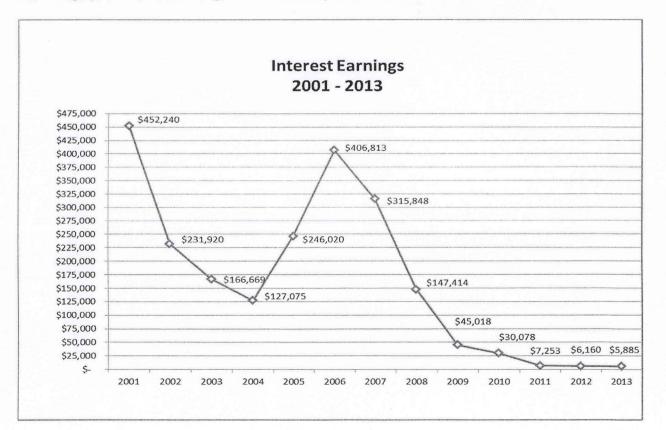
MEMORANDUM

TO:SMCMUA Board MembersFROM:Janice A. Congleton, CFOSUBJECT:2014 Investment ProgramDATE:January 23, 2014

In 2013, the General Fund monies were kept in the New Jersey Cash Management Fund, TD Bank General Fund Checking Account and Provident Bank Money Market Fund. The yields continue to be low to non-existent during the year ranging from 0.015% to 0.01% in December 2013. In December 2013, the Board approved opening an account with Santander Bank which is offering an interest rate of 0.03%.

The Authority realized approximately \$5,885 in total interest income, \$677 below the earnings in 2012, and \$115 below anticipated interest revenue in the 2013 Budget. Interest rates continue to be low ranging from .00% to .03%.

Below is a graph of interest earnings for the Authority since 2001:



GENERAL FUND:

Based on the current yields available from CDs and Money Markets, the General Fund monies were kept in the Provident Bank Money Market and TD Bank General Fund Checking most of the year. The balances as of December 31, 2013 are as follows:

TD Bank General Fund Checking	0.00%	\$4,280,660
Provident Bank Money Market	0.015%	\$1,214,131
Total General Fund		\$5,494,791

This includes the \$3,500,000 year end transfer to the General Fund from the Revenue Trust Fund as authorized by the Board on December 19, 2013. In January 2013, \$2,500,000 will be transferred to Santander Bank paying .03%. \$1,780,660 will remain in the TD Bank General Fund Checking as a compensating balance to offset bank costs and to pay current capital bills.

TRUST FUND:

The monies under the control of the trustee, TD Bank Wealth Management, are "swept" to the NJ Cash Management Fund on a bi-monthly basis, earning \$1,591 interest in 2013, \$727 above 2012 earnings.

The trustee will continue to "sweep" these funds into the NJ Cash Management Fund during 2014. The only alternative to this is TD Bank's account which is earning 0.0% in the Trust Accounts.

OPERATING FUND:

The Operating/Checking Accounts at TD Bank are earning 0.00%.

CONCLUSION:

Local Government Agencies are limited as to the investment instruments and terms. All investments must be covered by Governmental Unit Deposit Protection Act (GUDPA) insurance <u>AND</u> must have terms of one year and under. GUDPA protects the deposits of public funds in excess of the FDIC insured limit. This extra "insurance" cost brings the interest rates for government instruments below those seen advertised for the general public and other business investors.

Given this interest rate environment, the overall investment plan for 2014 will be to keep designated general fund monies "liquid", invested in government approved Money Market Funds and keep overall banking fees as low as possible. However, I will continue to monitor the short term CD rates and, if attractive, move available funds to these instruments.

For 2014, I recommend the following institutions be used for investment purposes:

TD Bank Provident Bank State of New Jersey Cash Management Fund Santander Bank Valley National Bank

On December 19, 2013, the Board authorized the transfer of \$3,500,000 to the General Fund. The total amount, \$5,494,791 is available in the General Fund for Capital Projects for the Authority and will be invested as outlined above.

CERTIFICATION

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Monday, February 3, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

DATED: February 3, 2014



Resolution No. <u>19-14</u>

RESOLUTION APPROVING AND AWARDING CONTRACT FOR THE OPERATION, MANAGEMENT, AND ADMINISTRATION OF DATA PROCESSING SERVICES CONSITING OF INFORMATION TECHNOLOGY MANAGED SERVICES TO COMPUTER SYSTEMS AND METHODS

WHEREAS, in the Daily Record and the Star Ledger on November 15, 2013, the Authority, in accordance with the competitive contracting provisions set forth in N.J.S.A. 40A:4.1-4.5 of the New Jersey Local Public Contracts Law (the "Act"), advertised for requests for proposals ("RFP") for The Operation, Management and Administration of Data Processing Services Consisting of Information Technology Managed Services; and

WHEREAS, five proposals were received and opened on December 12, 2013 from Computer Systems and Methods ("CSM"), Certus Technologies ("Certus"), Stele Infotech ("Stele"), QuickTeks LLC, and Elangeni Consulting; and

WHEREAS, the proposals were reviewed by the Executive Director/Chief Engineer and other staff of the Authority; and

WHEREAS, the proposal submitted by Elangeni Consulting was disqualified for nonsubmittal of mandatory items with their proposal; and

WHEREAS, site visits and interviews were conducted with the top three candidates, CSM, Certus and Stele on January 9 and 10, 2014; and

WHEREAS, the Executive Director/Chief Engineer has, pursuant to the aforesaid provisions of the Act, prepared a report evaluating the proposals in accordance with the methodology described in the RFP and recommending the award of a twenty-four month contract to CSM, a copy of which report is annexed hereto as Exhibit "A" (the "Evaluation Report"); and

WHEREAS, the total cost of such services to the Authority, as more particularly set forth in the Proposal submitted by CSM is estimated not to exceed \$198,718; and

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Edward A. Taratko, Jr. Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

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

Superintendent: Paul A. Kozakiewicz

WHEREAS, the contract is being awarded without public bidding pursuant to the competitive contracting provisions of the Act; and in compliance with N.J.S.A. 19:14A-1 (Pay-to-Play Law); and

WHEREAS, CSM has completed and submitted Business Entity Certificates that certify that it has not made any reportable contributions that would bar award of this contact 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 that and certified in writing that the value of the Agreement will exceed the \$17,500 threshold of the Pay-to-Play Law; and

WHERESAS, the Treasurer has further certified that funds are available in the 2014 capital budget for the portion of the total cost to be expended in 2014 (estimated not to exceed \$91,079.08); and that funds will be available for the remaining portion to be expended in 2015 (estimated not to exceed \$99,359.00) subject to approval of the 2015 Budget; and that funds will be available for the remaining portion to be expended in 2016 (estimated not to exceed \$8,279.92) subject to approval of the 2016 Budget; and

WHEREAS, the Proposal submitted by CSM and recommended by the Executive Director/Chief Engineer is determined to be in the best interest of the Authority and the Water System;

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

- 1. That the Proposal submitted by Computer Systems and Methods in response to the Authority's requests for proposals published in the Daily Record and in the Star Ledger on November 15, 2013, be and the same is hereby approved and awarded to Computer Systems and Methods in accordance with the competitive contacting provisions of the Local Public Contracts Law.
- 2. The Chairman or Vice Chairman and Secretary or Assistant Secretary are hereby authorized to sign the Contract in the form annexed to the Proposal in the manner provided by law.
- 3. The officers and staff of the Authority are hereby authorized and directed to execute and deliver such further documents and take such further action as shall be necessary or convenient to effectuate and implement the Contract hereby approved and awarded.

4. Copies of this Resolution and the contract herein approved shall be filed in the office of the Secretary of the Authority, 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

DATED: February 3, 2014

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

ongadi WILLIAM J. CONRADI, Chairman

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

Memo

TO:	SMCMUA Board
FROM:	Laura Cummings, P.E., Executive Director/Chief Engineer
Date:	January 29, 2014
Re:	Recommendation for Award of the Project entitled "The Operation, Management, and Administration of Data Processing Services Consisting of Information Technology Managed Services"
CC:	D. Rotunno, ACARDIS S. Weiss, General Counsel N. Buono, IT Manager J. Congleton, CFO/Treasurer P. Kozakiewicz, Superintendent

The Authority approved Resolution 69-13, authorizing the use of the competitive contracting process for the above referenced project.

The Authority issued a legal notice on November 15, 2013 to advertise a competitive contracting request for proposal (RFP) for "The Operation, Management, and Administration of Data Processing Services Consisting of Information Technology Managed Services". A pre-proposal meeting was held on November 22, 2013 at the Authority's office. The Authority issued a second legal notice for the same project on November 27, 2013 to provide notice of an addendum.

The proposal submittal due date was December 12, 2013. Thirteen vendors requested copies of the RFP, where a subset of five (5) of these vendors submitted proposals.

The proposal review team consisted of representatives from the ARCADIS U.S., Inc., Red Oak Consulting (Red Oak) project team including: Michael Rotunno, Project Manager and Ertan Akbas, Task Lead; and Authority staff including: Laura Cummings, Executive Director/Chief Engineer; Nicholas Buono, Information Technology Manager. Red Oak was previously contracted by the Authority to assist with this project.

The proposal submitted by Elangeni Consulting was disqualified for non-submittal of mandatory items with their proposal. Three (3) out of the four (4) remaining proposals were shortlisted where Quickteks, LLC was not included in the shortlist.

The three (3) shortlisted vendors included: Certus Technologies, Stele Infotech and Computer Systems and Methods (CSM). Interviews were scheduled with each vendor as follows: Certus Technologies, January 9th; Stele Infotech, January 9th and CSM, January 10th. All members of the proposal review team attended the interviews. Edward Taratko, SMCMUA Board Member, attended the interviews scheduled on January 9th.

Table 1 provides a summary of the final ranking and the compensation proposal comparisons. Ranking was completed in accordance with the procedure outlined in the RFP.

Based on the specified evaluation method, as the Authority's Executive Director/Chief Engineer, I recommend award of this project to Computer Systems and Methods (CSM) in accordance with the Contract Documents and Addenda. CSM was the highest ranked out of the three shortlisted vendors. Recommendation for award of the project to CSM is for an initial two (2) years at a total cost of \$198,718 with the option to extend in one (1) year increments for up to an additional five (5) years (Years 3 through 7) at the annual costs identified in Table 1. Year 1 and 2 of the project will be funded as follows: \$119,840 from the Operating Budget and \$78,878 from the Capital Budget. Years 3 through 7 would be funded from the Operating Budget.

Ranking and Cost Comparison Summary for Competitive Contracting Proposals

Table 1

The Operation, Management, and Administration of Data Processing Services Consisting of Information Technology Managed Services

Vendor	Total Score	Annual Cost Summary										Total Cost			
Veridor	Total Score	Years 1 and 2		Year 3		Year 4		Year 5		Year 6		Year 7		(7 years)	
Computer System and Methods	377	\$ 198,718.00	\$	60,892.00	\$	61,893.28	\$	62,900.20	\$	63,937.00	\$	64,980.28	\$	513,320.76	
Certus Technologies	368	\$ 227,056.75	\$	100,156.84	\$	101,959.96	\$	103,799.08	\$	105,675.04	\$	107,588.56	\$	746,236.23	
Stele Infotech	332	\$ 334,999.92	\$	110,500.00	\$	110,999.92	\$	111,499.96	\$	112,000.00	\$	112,499.92	\$	892,499.72	
Quickteks, LLC	318	\$ 96,600.00	\$	45,268.00	\$	47,608.00	\$	49,540.00	\$	51,508.00	\$	53,584.00	\$	344,108.00	
Elangeni Consultants						DISQU	IALI	FIED						N. Contra	

NOTICE OF AWARD OF COMPETITIVE CONTRACT

Public Notice is hereby given that on February 3, 2014, The Southeast Morris County Municipal Utilities Authority adopted a Resolution Approving and Awarding a Contract for Data Processing and Related Services to Computer Systems and Methods for "The Operation, Management and Administration of Data Processing Services Consisting of Information Technology Managed Services". The precise nature, duration, specific services and the amounts to be charged are 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

WILLIAM J. CONRADI, Chairman

DATED: February 3, 2014

TREASURER'S CERTIFICATION

I hereby certify funds for payment of a contract with Computer Systems and Methods for "The Operation, Management and Administration of Data Processing Services Consisting of Information Technology Managed Services" as follows:

- 1. In 2014, funds are available in the amount of \$91,079.08; and
- In 2015, funds will be available in the amount of \$99,359.00 subject to the approval of the 2015 Budget; and
- In 2016, funds will be available in the amount of \$8,279.92 subject to the approval of the 2016 Budget.

The total maximum amount of this contract will not exceed \$198,718.00. This item will be charged to Account No. 4-02-12-400-601 -601 -600 -600 -706 C-01-00-400-706

DATED: February 3, 2014

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 Suburban Consulting Engineers, Inc. for professional engineering services associated with the 2013 Water System Improvements Program exceeds \$17,500.

JANICE A. CONGLETON, Treasurer

Dated: February 3, 2014

CERTIFICATION

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Monday, February 3, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

DATED: February 3, 2014

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

MEETING MINUTES

MARCH 13, 2014

The Regular Meeting of The Southeast Morris County Municipal Utilities Authority was held on Thursday, March 13, 2014, at 7:30PM 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 7:30PM 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 Conradi; Members Baldassari, Carroll, Dougherty, Kissil, Schimpf and Taratko

ABSENT: Member Iannaccone

MOTION APPROVING MINUTES OF FEBRUARY 3, 2014

Copies of the minutes of the meeting held on February 3, 2014, were distributed to the members prior to the meeting for review and comment. Member Carroll moved that the minutes be adopted as presented. Member Dougherty seconded the motion which was duly adopted by the following vote:

YEAS: Chairman Conradi; Members Baldassari, Carroll, Dougherty, Kissil, Schimpf and Taratko

NOES: None

RESOLUTION CONFIRMING APPROVAL OF FEBRUARY 2014 LIST OF BILLS

Copies of the bill list for February 2014 were previously distributed to the members for comment and approval. The members were polled by telephone for approval prior to the meeting. Member Carroll moved to confirm the earlier approval of the February 2014 list of bills and offered the following resolution:

RESOLUTION NO. 20-14

RESOLUTION CONFIRMING APPROVAL OF PAYMENT OF THE FEBRUARY 2014 LIST OF BILLS

"COPY ANNEXED"

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

- YEAS: Chairman Conradi; Members Baldassari, Carroll, Dougherty, Kissil, Schimpf and Taratko
- NOES: None

RESOLUTION – APPROVAL OF MARCH LIST OF BILLS

Copies of the bill list for March 2014 were distributed to the members prior to the meeting for comment and approval. Member Baldassari moved to approve the list of bills and offered the following resolution:

RESOLUTION NO. 21-14

RESOLUTION AUTHORIZING PAYMENT OF LIST OF BILLS FOR MARCH 2014

"COPY ANNEXED"

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

YEAS: Chairman Conradi; Members Baldassari, Carroll, Dougherty, Kissil, Schimpf and Taratko

NOES: None

OTHER BUSINESS

A. Resolution Awarding Contract for Electrical Maintenance and Repair of Potable Water Treatment, Pumping and Distribution Facilities

The Board reviewed a memorandum from the Treatment and Pumping Supervisor dated March 6, 2014, recommending that the contract for electrical maintenance and repair of potable water treatment, pumping and distribution system facilities be awarded to Rapid Pump & Meter Service Co., Inc., based upon their low bid submitted on March 6, 2014. Member Carroll offered the following resolution:

RESOLUTION NO. 22-14

RESOLUTION AWARDING CONTRACT FOR ELECTRICAL MAINTENANCE AND REPAIR OF POTABLE WATER TREATMENT, PUMPING AND DISTRIBUTION SYSTEM FACILITIES

"COPY ANNEXED"

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

- YEAS: Chairman Conradi; Members Baldassari, Carroll, Dougherty, Kissil, Schimpf and Taratko
- NOES: None
- B. Resolution Awarding Contract for Maintenance, Servicing and Repair of Potable Water Wells, Pumping and Mechanical Facilities

The Board reviewed a memorandum from the Superintendent dated January 28, 2014, recommending that the contract for maintenance, servicing and repair of potable water wells, pumping and mechanical facilities be awarded to A. C. Schultes, Inc., based upon their low bid submitted on January 28, 2014. The Superintendent has certified that the services are being performed in an effective and efficient manner. Member Taratko offered the following resolution:

RESOLUTION NO. 23-14

RESOLUTION AWARDING CONTRACT FOR MAINTENANCE, SERVICING AND REPAIR OF POTABLE WATER WELLS, PUMPING AND MECHANICAL FACILITIES

"COPY ANNEXED"

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

- YEAS: Chairman Conradi; Members Baldassari, Carroll, Dougherty, Kissil, Schimpf and Taratko
- NOES: None
- C. Resolution Authorizing Extension of Contract for Permanent Pavement Replacements

The Board reviewed a memorandum from the Superintendent dated January 23, 2014 recommending the contract for permanent pavement replacements with Crossroads Pavement Maintenance, L.L.C., be extended for an additional year under the same terms and conditions, including price, set forth in the original contract. The Superintendent has certified that the services are being performed in an effective and efficient manner. Member Taratko moved the following resolution:

RESOLUTION NO. 24-14

RESOLUTION AUTHORIZING EXTENSION OF CONTRACT FOR PERMANENT PAVEMENT REPLACEMENTS

"COPY ANNEXED"

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

- YEAS: Chairman Conradi; Members Baldassari, Carroll, Dougherty, Kissil, Schimpf and Taratko
- NOES: None
- D. Resolution Authorizing Extension of Contract for Water Meters

The Board reviewed a memorandum from the Superintendent dated February 20, 2014 recommending the contract for encoder register positive displacement nutating disc type cold water meters with RIO Supply, Inc., be extended for an additional year under the same terms and conditions, including price, set forth in the original contract. The Superintendent has certified that the services are being performed in an effective and efficient manner. Member Taratko moved the following resolution:

RESOLUTION NO. 25-14

RESOLUTION AUTHORIZING EXTENSION OF CONTRACT FOR ENCODER REGISTER POSITIVE DISPLACEMENT NUTATING DISC TYPE COLD WATER METERS

"COPY ANNEXED"

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

- YEAS: Chairman Conradi; Members Baldassari, Carroll, Dougherty, Kissil, Schimpf and Taratko
- NOES: None
- E. Resolution Approving Agreements with Harris Computer Systems for the Purchase of Proprietary Software Products and Services

The Board reviewed draft agreements dated March 10, 2014 with Harris Computer Systems for licensed proprietary software products and services for the Authority's billing system. These agreements are being approved without public bidding as contracts 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). Member Dougherty offered the following resolution:

RESOLUTION NO. 26-14

RESOLUTION APPROVING AGREEMENTS WITH HARRIS COMPUTER SYSTEMS FOR THE PURCHASE OF PROPRIETARY SOFTWARE PRODUCTS AND SERVICES

"COPY ANNEXED"

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

YEAS: Chairman Conradi; Members Baldassari, Carroll, Dougherty, Kissil, Schimpf and Taratko

NOES: None

F. Resolution Approving Statement of Work with Tele-Works Incorporated for Payment Processing Services

The Board reviewed a memorandum from the Chief Financial Officer/Treasurer dated March 3, 2014, recommending the Authority enter into an agreement with Tele-Works Incorporated for payment processing services which provide the Authority's customers the options to pay their bills using their VISA or MasterCard credit or debit cards, or through Automated Clearing House (ACH) payments. The Authority currently offers similar payment options to its customers through Heartland Payment Services and Global Payments, Inc. Switching these services to Tele-Works Incorporated would consolidate the services to one vendor at a lower cost to the Authority. Mr. Weiss stated that the amount of these services is below the threshold for both public bidding and N.J.S.A. 19:14A-1 (Pay-to-Play Law). Member Dougherty offered the following resolution:

RESOLUTION NO. 27-14

RESOLUTION APPROVING STATEMENT OF WORK WITH TELE-WORKS INCORPORATED FOR PAYMENT PROCESSING SERVICES

"COPY ANNEXED"

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

- YEAS: Chairman Conradi; Members Baldassari, Carroll, Dougherty, Kissil, Schimpf and Taratko
- NOES: None
- G. Resolution Authorizing Closed Session Discussion

Chairman Conradi stated that the following Agenda item may be held in closed session pursuant to the exceptions set forth in the Open Public Meetings Law:

- 1. Report of the Personnel Committee:
 - a. Contract negotiations with IBT Local 469
 - b. Compensation of management/staff employees and consultant

The Chairman then moved the following resolution:

RESOLUTION NO. 28-14

RESOLUTION AUTHORIZING CLOSED SESSION DISCUSSION

"COPY ANNEXED"

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

- YEAS: Chairman Conradi; Members Baldassari, Carroll, Dougherty, Kissil, Schimpf and Taratko
- NOES: None

[CLOSED SESSION MEETING FOLLOWED]

[RESUMPTION OF PUBLIC MEETING]

H. Resolution Commending James D. Lengyel for Service to The Southeast Morris County Municipal Utilities Authority

The Board reviewed a drafted resolution commending James Lengyel, Assistant Superintendent, for dedicated service to the Authority since 1981. Member Dougherty moved the following resolution:

RESOLUTION 29-14

RESOLUTION COMMENDING JAMES D. LENGYEL FOR DEDICATED SERVICE TO THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

"COPY ANNEXED"

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

- YEAS: Chairman Conradi; Members Baldassari, Carroll, Dougherty, Kissil, Schimpf and Taratko
- NOES: None

SUCH OTHER MATTERS TO LEGALLY COME BEFORE THE BOARD

- 1. Ms. Cummings introduced Theresa Bozza to the Board. Ms. Bozza will be filling in as Temporary Part-time Administrative Assistant while Alexis Bozza is on maternity leave.
- 2. Ms. Cummings invited the Members to a retirement lunch for James Lengyel to be held on March 17, 2014.

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 Monthly Report February 2014
- B. Superintendent Monthly Report January and February 2014
- C. Information Technology Monthly Report February 2014
- D. Customer Service Monthly Report February 2014
- E. Financial Monthly Reports February 2014

PUBLIC DISCUSSION

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

ADJOURNMENT

There being no further business, Member Dougherty moved that the meeting be adjourned. Member Carroll seconded the motion. The meeting adjourned at 9:22PM.

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

SIDNEY D. WEISS Assistant Secretary Southeast Morris County Municipal Utilities Authority



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

Resolution No. 20-14

RESOLUTION CONFIRMING AUTHORIZATION OF PAYMENT OF FEBRUARY 2014 LIST OF BILLS

BE IT RESOLVED that the following list of bills dated February, 2014, is hereby approved, ratified and confirmed:

OPERATING FUND

Total Salary and Wages\$	287,979.76
Total Operating Fund Checks and Wire Transfers\$	375,339.16
GENERAL FUND/SPECIAL ACCOUNT \$	94,377.50
TOTAL OF FEBRUARY 2014 LIST OF BILLS\$	757,696.42

ATTEST:

SIDNEY D. WEISS, Assistant Secretary

DATED: March 13, 2014

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

Iam ourad WILLIAM J. CONRADI, Chairman

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Edward A. Taratko, Jr.

o, Jr. Robert Carroll William Conradi

Morris Plains:

Hanover Township: Saverio C. lannaccone 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 (\$757,696.42) for payment of the resolution entitled Resolution Authorizing Payment of February 2014 List of Bills in the Authority's 2014 Operating Budget.

Janice Congleton, Treasurer

DATED: March 13, 2014

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, March 13, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

DATED: March 13, 2014

Southeast Morris County Municipal Utilities Authority 19 Saddle Road • Cedar Knolls, New Jersey 07927 • Tel 973-326-6880 • Fax 973-326-9521



Resolution No. 21-14

RESOLUTION AUTHORIZING PAYMENT OF MARCH 2014 LIST OF BILLS

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

OPERATING FUND

TOTAL OF MARCH 2014 LIST OF BILLS \$	1,379,529.38
GENERAL FUND/SPECIAL ACCOUNT	143,877.23
Total Operating Fund Checks and Wire Transfers\$	932,944.53
Total Salary and Wages\$	302,707.62

ATTEST:

SIDNEY D. WEISS, Assistant Secretary

DATED:

March 13, 2014

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

Conrach iam WILLIAM J. CONRADI, Chairman

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Edward A. Taratko, Jr. Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

P.E. Superintendent: Paul A. Kozakiewicz

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

TREASURER'S CERTIFICATION

I hereby certify that there are sufficient funds available (\$1,379,529.38) for payment of the resolution entitled Resolution Authorizing Payment of March 2014 List of Bills in the Authority's 2014 Operating Budget.

Janue A Congleton JANICE CONGLETON, Treasurer

DATED: March 13, 2014

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, March 13, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

DATED: March 13, 2014



Resolution No. 22-14

RESOLUTION AWARDING CONTRACT FOR ELECTRICAL MAINTENANCE AND REPAIR OF POTABLE WATER TREATMENT, PUMPING AND DISTRIBUTION FACILITIES

WHEREAS, the Authority has advertised and received bids, pursuant to a fair and open process, for the project entitled Electrical Maintenance and Repair of Potable Water Treatment, Pumping and Distribution Facilities on March 6, 2014; and

WHEREAS, Rapid Pump and Meter Service Co., Inc., has been determined to be the lowest qualified bidder in the total amount of \$72,660, covering a one year period with options for renewal after the first year as permitted by the Local Public Contracts Law; and

WHEREAS, the Treasurer has certified that there are sufficient funds available in the 2014 Budget for the portion to be expended in 2014; portions to be expended in 2015 are subject to funds being available in the 2015 Budget; and

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

- 1. That a contract for the project entitled Electrical Maintenance and Repair of Potable Water Treatment, Pumping and Distribution Facilities be awarded to Rapid Pump and Meter Service Co., Inc., in accordance with its bid submitted on March 6, 2014 in the maximum amount of \$72,660.
- 2. That the appropriate officers of the Authority be and they are hereby authorized and directed to execute a contract with regard to said project on behalf of the Authority in the manner provided by law.

ATTEST:

SIDNEY D. WEISS, Assistant Secretary

DATED: March 13, 2014

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Edward A. Taratko, Jr. Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

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

Superintendent: Paul A. Kozakiewicz

MUNICIPAL UTILITIES AUTHORITY Will rown tura

THE SOUTHEAST MORRIS COUNTY

WILLIAM J. CONRADI, Chairman

TREASURER'S CERTIFICATION

I hereby certify funds for payment of a contract with Rapid Pump and Meter Service Co., Inc., for Electrical Maintenance and Repair of Potable Water Treatment, Pumping and Distribution Facilities as follows:

- 1. In 2014, funds are available in the amount of \$54,495; and
- In 2015, funds will be available in the amount of \$18,165 subject to the approval of the 2015 Budget.

The total maximum amount of this contract will not exceed \$72,660. This item will be charged to Account No. 4-02-70-400-639.

Janice A. Conglaton, Treasurer

DATED: March 13, 2014

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, March 13, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

DATED: March 13, 2014



Resolution No. 23-14

RESOLUTION AWARDING CONTRACT FOR THE SERVICING AND REPAIR OF POTABLE WATER WELLS, PUMPING AND MECHANICAL FACILITIES

WHEREAS, the Authority has advertised and received bids, pursuant to a fair and open process, for the project entitled Servicing and Repair of Potable Water Wells, Pumping and Mechanical Facilities, on January 28, 2014; and

WHEREAS, A. C. Schultes, Inc., has been determined to be the lowest qualified bidder in the total amount of \$68,000 covering a one year period with options for renewal after the first year as permitted by the Local Public Contracts Law; and

WHEREAS, the Treasurer has certified that there are sufficient funds available in the 2014 Budget for the portion to be expended in 2014; portions to be expended in 2015 are subject to funds being available in the 2015 Budget; and

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

- 1. That a contract for the project entitled Maintenance, Servicing and Repair of Potable Water Wells, Pumping and Mechanical Facilities be awarded to A. C. Schultes, Inc., in accordance with its bid submitted on January 28, 2014 in the maximum amount of \$68,000.
- 2. That the appropriate officers of the Authority be and they are hereby authorized and directed to execute a contract with regard to said project on behalf of the Authority in the manner provided by law.

ATTEST:

SIDNEY D. WEISS, Assistant Secretary

DATED: March 13, 2014

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Edward A. Taratko, Jr.

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

Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

Superintendent: Paul A. Kozakiewicz

MUNICIPAL UTILITIES AUTHORITY

THE SOUTHEAST MORRIS COUNTY

Conrada Nilliam

WILLIAM J. CONRADI, Chairman

TREASURER'S CERTIFICATION

I hereby certify funds for payment of a contract with A. C. Schultes, Inc., for Maintenance, Servicing and Repair or Potable Water Wells, Pumping and Mechanical Facilities as follows:

- 1. In 2014, funds are available in the amount of \$51,000; and
- In 2015, funds will be available in the amount of \$17,000 subject to the approval of the 2015 Budget.

The total maximum amount of this contract will not exceed \$68,000. This item will be charged to Account No. 4-02-70-400-641.

Janue A Congleton JANICE A. CONGRETON, Treasurer

DATED: March 13, 2014

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, March 13, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

DATED: March 13, 2014



Resolution No. 24-14

RESOLUTION AUTHORIZING A CONTRACT EXTENSION FOR THE PROJECT ENTITLED PERMANENT PAVEMENT REPLACEMENTS

WHEREAS, the Authority has entered into a contract dated June 1, 2012, with Crossroads Pavement Maintenance, L.L.C. (the "Contractor"), for the project entitled "Permanent Pavement Replacements", which was duly awarded and approved by resolution dated May 17, 2012 (the "Contract"); and

WHEREAS, the Contract was for an initial term of one year with an option to renew by the Authority for one or two additional years under certain conditions as permitted by N.J.S.A. 40A:11-15 of the Local Public Contracts Law; and

WHEREAS, a contract extension was authorized by resolution dated February 21, 2013 for a period of one year on the same terms and conditions, including price, set forth in the existing Contract; and

WHEREAS, the Superintendent of the Authority has recommended that the Contract be extended for an additional period of one year; and

WHEREAS, the Members of the Authority hereby find, based upon a memorandum of the Superintendent dated January 23, 2014, a copy of which is annexed hereto, that the services are being performed by the Contractor under the Contract in an effective and efficient manner; and

WHEREAS, the extension will be on the same terms and conditions, including price, set forth in the existing Contract; and

WHEREAS, the maximum cost to the Authority is \$205,972 per year for this extension.

WHEREAS, the Treasurer has certified that there are sufficient funds available in the 2014 Budget for the portion to be expended in 2014; portions to be expended in 2015 are subject to funds being available in the 2015 Budget; and

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Edward A. Taratko, Jr. Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone 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 term of the Contract dated June 1, 2012, between the Authority and Crossroads Pavement Maintenance, L.L.C., be and the same is hereby extended for an additional period of one year at a contract price of \$205,972 per year as provided in the Contract and permitted by the Local Public Contracts Law (N.J.S.A. 40A:11-15);
- 2. The extension shall be on the same terms and conditions, including price, set forth in the original Contract dated June 1, 2012, which Contract was awarded by the Authority by resolution duly adopted on May 17, 2012;
- 3. The Chairman or Vice Chairman and Secretary or Assistant Secretary be and they are hereby authorized and directed to execute and deliver an extension agreement or other document as may be required, and approved by the General Counsel, in order to effectuate the intent of this resolution.

ATTEST:

SIDNEY D. WEISS, Assistant Secretary

DATED: March 13, 2014

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

WILLIAM J. CONRADI, Chairman

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

Cc: Sidney D. Weiss, General Counsel Janice Congleton, Treasurer/CFO

Re: Contract Extension for Permanent Pavement Replacement

Date: January 23, 2014

Crossroads Pavement Maintenance, LLC of Nutley, NJ currently has a contract to perform the work required in accordance with the above referenced contract. The original contract, awarded by Resolution No. 37-12 on May 17, 2012 was for one year. This contract expired on May 31, 2013. Crossroads was granted a one year contract extension at the Board meeting of February 21, 2013 under conditions allowed by the Local Public Contracts Law, N.J.S.A.40A: 11-15. This contract extension will expire on May 31, 2014.

Rick Alessio, Managing Member of Crossroads Pavement Maintenance, LLC has submitted a request to extend the current contract for the final year in accordance with the extension clause. Mr. Alessio states that there will be no increase in the current contract prices. A copy of the letter dated January 17, 2014 is attached for your review. The LPCL - Current Index Rate in accordance with N.J.S.A. 40A:11-15 is one percent (1%). The contract extension will be subject to all existing contract provisions including all bonds.

Crossroads Pavement Maintenance, LLC has consistently performed their work in an efficient and effective manner throughout the existing contract periods. I recommend that the Authority extend this contract for the final year at the current rates as requested. The total maximum amount will remain unchanged.

Please note that this remains a unit price contract for services "as needed". Janice Congleton, Treasurer/CFO will certify that the total contract amount of Two Hundred Five Thousand Nine Hundred Seventy Two Dollars (\$205,972.00) is available.

If approved, a Contract Extension document will be prepared and forwarded to Crossroads Pavement Maintenance, LLC for execution.



81 Franklin Avenue, Nutley, NJ 07110 crossroadspm@gmail.com Phone: 973-667-0076 Fax: 973-667-0048

January 17, 2014

Southeast Morris County Municipal Utilities Authority 19 Saddle Road Cedar Knolls, New Jersey 07927 Att.: Paul Kozakiewicz

RE: Permanent Pavement Replacements

Dear Mr. Kozakiewicz,

We are in receipt of you letter dated January 16th, 2014 referencing the contract for Permanent Pavement Replacements. Please accept this letter as formal confirmation that Crossroads Pavement Maintenance will extend our contract for one additional year from May 31, 2014 thru 2015 at no additional cost. (see attached current contract prices).

Please advise if any further information is required to extend this contract.

Thank you, **Richard Alessio**



TREASURER'S CERTIFICATION

I hereby certify funds for payment of a contract with Crossroads Pavement Maintenance, L.L.C., for permanent pavement replacements as follows:

- 1. In 2014, funds are available in the amount of \$120,151; and
- In 2015, funds will be available in the amount of \$85,821 subject to the approval of the 2015 Budget.

The total maximum amount of this contract will not exceed \$205,972. This item will be charged to Account No. 4-02-60-400-692.

Janua Congleton JANICE A. CONGLETON, Treasurer

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, March 13, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary



Resolution No. 25-14

RESOLUTION AUTHORIZING A CONTRACT EXTENSION FOR NUTATING DISC TYPE ENCODER REGISTER POSITIVE DISPLACEMENT COLD WATER METERS

WHEREAS, the Authority has entered into a contract dated June 1, 2012, with RIO Supply, Inc. (the "Contractor"), for nutating disc type encoder register positive displacement cold water meters, which was duly awarded and approved by resolution dated May 17, 2012 (the "Contract"); and

WHEREAS, the Contract was for an initial term of one year with an option to renew by the Authority for one or two additional years under certain conditions as permitted by N.J.S.A. 40A:11-15 of the Local Public Contracts Law; and

WHEREAS, a contract extension was authorized by resolution dated February 21, 2013 for a period of one year on the same terms and conditions, including price, set forth in the existing Contract; and

WHEREAS, the Superintendent of the Authority has recommended that the Contract be extended for an additional period of one year; and

WHEREAS, the Members of the Authority hereby find that the services are being performed by the Contractor under the Contract in an effective and efficient manner; and

WHEREAS, the extension will be on the same terms and conditions, including price, set forth in the existing Contract; and

WHEREAS, the maximum cost to the Authority is \$309,745 per year for this extension.

WHEREAS, the Treasurer has certified that there are sufficient funds available in the 2014 Budget for the portion to be expended in 2014; portions to be expended in 2015 are subject to funds being available in the 2015 Budget; and

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

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Morris Plains: Dennis BaldassariRobert Carroll Edward A. Taratko, Jr.William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

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

Superintendent: Paul A. Kozakiewicz

- The term of the Contract dated June 1, 2012, between the Authority and RIO Supply, Inc., be and the same is hereby extended for an additional period of one year at a contract price of \$309,745 per year as provided in the Contract and permitted by the Local Public Contracts Law (N.J.S.A. 40A:11-15);
- 2. The extension shall be on the same terms and conditions, including price, set forth in the original Contract dated June 1, 2012, which Contract was awarded by the Authority by resolution duly adopted on May 17, 2012;
- 3. The Chairman or Vice Chairman and Secretary or Assistant Secretary be and they are hereby authorized and directed to execute and deliver an extension agreement or other document as may be required, and approved by the General Counsel, in order to effectuate the intent of this resolution.

ATTEST:

SIDNEY D. WEISS, Assistant Secretary

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

William Conradi WILLIAMJ. CONRADI, Chairman

I hereby certify funds for payment of a contract with RIO Supply, Inc., for encoder register positive displacement cold water meters as follows:

- 1. In 2014, funds are available in the amount of \$180,684.58; and
- In 2015, funds will be available in the amount of \$129,060.42 subject to the approval of the 2015 Budget.

The total maximum amount of this contract will not exceed \$309,745. This item will be charged to Account No. C - 02 - 0D - 50D - 344.

Janue A Conglitm JANICE A. CONGLETON, Treasurer

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, March 13, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary



Resolution No. 26-14

RESOLUTION APPROVING AGREEMENTS WITH HARRIS COMPUTER SYSTEMS FOR THE PURCHASE OF PROPRIETARY SOFTWARE PRODUCTS AND SERVICES

WHEREAS, the Authority has a need for licensed proprietary software products and services for its billing system; and

WHEREAS, Harris Computer Systems ("Harris") has agreed to provide such products and services as set forth in Purchase Agreements ARS-838 and ARS-847 dated March 10, 2014, copies of which are annexed hereto as Exhibits "A" and "B" (the "Purchase Agreements"); and

WHEREAS, the total cost of such products and services to the Authority, as more particularly set forth in the Purchase Agreements, is the sum of \$34,845; and

WHEREAS, these agreements are being approved without public bidding as contracts 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, Harris has completed and submitted Business Entity Certificates that certify that it has not made any reportable contributions that would bar award of this contact 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 Purchase Agreements will exceed \$17,500;

WHEREAS, the Treasurer has certified that there are sufficient funds available in the 2014 Budget for the portion to be expended in 2014; portions to be expended in 2015 are subject to funds being available in the 2015 Budget; and

WHEREAS, the Purchase Agreements submitted by Harris 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 Edward A. Taratko, Jr. Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone 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 the Purchase Agreements submitted by Harris Computer Systems annexed hereto as Exhibits "A" and "B" be and the same are hereby approved.
- 2. The officers and staff of the Authority are hereby authorized and directed to execute and deliver such further documents and take such further action as shall be necessary or convenient to effectuate and implement the Purchase Agreements hereby approved and ratified.

ATTEST:

ce SIDNEY D. WEISS, Assistant Secretary THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

William J. Corradi WILLIAM J. CONRADI, Chairman



Purchase Agreement

Date: March 10, 2014 Price expires 45 days from date of Agreement Contract Number: ARS-838

This understanding between **Southeast Morris County Municipal Utilities Authority** of 19 Saddle Road, Cedar Knolls NJ 07927 ("Purchaser") and **N. Harris Computer Corporation** of 2429 Military Road Suite 300, Niagara Falls, NY 14304 ("Harris") confirms the purchase of the following licensed software products and or services:

Hosting Products:	
Description	Rate
FlexiBill Resident Web Portal Monthly Hosting fee:	\$450/month

Professional Services:	
Description	Rate
One-time installation / setup / configuration fee:	\$1500
Consultation: 2 hours of training by telephone billed at \$150/hr.	\$ 300

Total Hosting Fees: \$450 / month Total Professional Services: \$1800

Optional Items:		
Initial All that Apply	Product Name	Rate
	eBills Standard - Setup standard generic HTML eBill.	\$450 one- time fee.
	Per-item fee for each generated eBill notification:	\$0.30/per eBill
	eBills Custom - Setup custom HTML eBill which resembles your paper bill.	\$1200 one- time fee.
	Per-item fee for each generated eBill notification:	\$0.30/per eBill

HARRIS

Minimum Hardware Requirements:

Due to server and network demands for the interface, Peer-to-Peer networks are NOT supported for FlexiBill Resident Web Portal Interface. All network connections MUST be on at least a 100MB switch / hub.

Recommended Client's FlexiBill Application Server

1 GB free space for creation of temporary files Windows 2003 Server (or higher) with Login that runs at console level of Server

ALL current security patches Http port 80 open to Harris Spectrum Server IP address 209.29.10.178 TCP/IP Port 5078 for bi-directional communication Allow remote Harris support via Webex connection

Additional Purchaser Requirements:

Website: It is the Purchaser's responsibility to update their website with the required hyperlink which points to the FlexiBill Resident Web Portal application residing on the Harris webserver. Purchaser must instruct their webmaster to contact Harris for the hyperlink specifications.

Discount Rate Changes: It is the Purchaser's responsibility to monitor changes in Purchaser's credit card transaction fees and to adjust their online convenience fees accordingly.

AGREEMENT TERMS AND CONDITIONS:

1. Definition:

a. Software Applications. "Software Applications" are the computer programs associated with the FlexiBill Resident Web Portal service. Included in these programs are all of the screens and reports that interact with the Purchaser's end Purchasers. It also includes all tools provided by Harris for the maintenance and configuration of the FlexiBill Resident Web Portal application regardless of whether the tools function over the internet or are installed on the Purchaser's local computer equipment.

2. Contract Term:

FlexiBill Resident Web Portal purchase requires an annual 12-month hosting fee commitment in the first year and for each subsequent annual renewal. The initial term of this Agreement shall commence on the month the hosting environment has been set-up and is available for the Purchaser to use and shall continue thereafter for 12-months. Harris will advise the Purchaser in writing when the hosting environment is available for the Purchaser to use. The Agreement may be renewed annually upon mutual agreement between the parties. Harris agrees to provide proposed renewal terms to Purchaser to initiate negotiation of the renewal terms no later than sixty (60) days prior to the date of expiration of the Agreement's then current term.

3. Order Processing:

Order will be processed with the return of signed Agreement and an initial payment of 50% of the total one-time setup fees as outlined above. Orders will not be processed until both of these two requirements are satisfied.

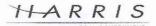
Payment terms:

Balance of setup fees shall be billed upon notification by Harris to the Purchaser that the hosting environment is ready and available for use and will be paid within forty-five (45) calendar days from receipt of said notification. The first month's web-application hosting fee shall be billed in advance upon delivery of hosting services and prorated to the end of the current month of delivery. Each subsequent monthly web-application hosting fee will be billed in advance on the first of each month and based upon the current total number of active billing accounts at the time of invoicing. eBill Notification fees will be billed on the first of the month following delivery and each month thereafter for the total number of eBill Notifications generated in the prior month. ePayment Merchant Account Fees will be billed subject to the terms and conditions as stated by Purchaser's Merchant Account Provider and Purchaser's Acquiring Banks.

State Taxes are applicable on prices listed. If the Purchaser is Tax Exempt, a Tax Exemption Certificate must be provided to Harris at the time of execution of the Agreement.

5. Maintenance and Support Fees (MSF):

Harris Computer Systems - Confidential March 10, 2014 Page 2 of 5 Contract# ARS-838



Maintenance and support fees (MSF) are included in the monthly web-application hosting fee and include all program updates, enhancements and general releases as well as access to the Harris support hot line while MSF are in effect. Lapses in monthly web application hosting fees will be monitored and will lead to denial of maintenance and support services. In the event of a lapse, including a partial lapse, Purchaser will be subject to reactivation fees not to exceed 40% of the lapsed monthly web application hosting fees. The maintenance and support services provided by the technical support staff are outlined in the Harris Software Support Agreement Standard Guidelines.

To ensure effective support Purchaser is required to establish and maintain a communication link between Purchaser and Harris. It is Purchaser's responsibility to ensure the connection is valid at Purchaser's location so that Harris can connect to Purchaser's site and resolve support issues. Current supported methods of connection are:

Webex Connection

6. Additional Customization(s):

The Purchaser and Harris have jointly reviewed the items listed in the FlexiBill Resident Web Portal application and have determined that all features are adequate except as noted in the CUSTOMIZATIONS section. Additional customization(s) or report modifications not identified in this Agreement will be quoted as requested and billed at the hourly rate of \$150.00. No additional customizations will be undertaken without the prior written agreement by both parties on cost, scope of functionality, and the impact on the project schedule.

7. Professional Services:

Additional professional services requested by Purchaser are available on-site or via the telephone. Telephone work is billed at \$150.00 per hour. On-site work is billed at \$950.00 per day plus travel, lodging and per diem expenses. Help line support does not include training. New employees must be trained by Purchaser or by making arrangements with Harris.

8. Travel and Lodging Expenses:

Travel and lodging expenses will be billed in conjunction with any services work performed at the Purchaser's offices by Harris personnel. Lodging expenses will include hotel expenses and will only be charged if an employee is required to spend the evening. Travel expenses may include airfare if the employee is required to travel by air to reach the Purchaser's offices. Travel may include the cost of a rental car. If an employee uses his/her personal vehicle, mileage will be charged at the currently published IRS reimbursement rate. When an employee is at or traveling to the Purchaser' offices, \$50 per day will be charged to cover meals and incidentals.

Harris will use its best efforts to minimize all travel and lodging expenses. Only actual travel and lodging expenses will be billed to the Purchaser. No additional travel beyond what is explicitly stated in this Agreement will be billed to the Purchaser unless agreed to in advance by both the Purchaser and Harris.

9. Grant of License

Harris hereby grants Purchaser a nontransferable, nonexclusive license under the terms of this Agreement to use the Software Applications on its equipment. Without limiting the generality of the foregoing:

- a) The Purchaser may not sublicense, rent, lease or assign the Software Applications.
- b) The Purchaser is expressly prohibited from reverse engineering, decompiling, or disassembling the Software Applications, from creating a derivative or modified copy of the Software Applications or from receiving or creating a copy, or copies, of the Software Applications.
- c) The Purchaser may not allow or assist a third party in accessing or using the Software Applications without the written consent of Harris.
- d) No license is given to Purchaser for the source code to the Software Applications and the Purchaser shall not take any actions that would cause the Software Applications to become subject to any open source or quasi-open source license agreement.
- e) Purchaser shall be wholly liable to Harris for any misuse of the Software Applications and these restrictions are absolute except as and only to the extent that this Agreement may expressly permit Purchaser to do otherwise.
- f) Harris reserves all rights, title and interest in and to the Software Applications not expressly granted herein and the license specifically excludes s all such reserved rights, title and interest.
- g) Purchaser shall maintain confidentiality of any registration information and data created or maintained in connection with its use and access of the Software Applications, including usernames and passwords.

Harris Computer Systems - Confidential March 10, 2014

Page 3 of 5 Contract# ARS-838

10. Derivation, Modification and Copyright:

The Purchaser agrees that it will not attempt to derive, or permit or help others to derive the source code relating to the Software Applications or attempt to otherwise convert or alter the Software Applications into human readable code. The Purchaser further agrees that it will not attempt to duplicate, or permit or help others to duplicate, the source code relating to the Software Applications.

11. Warranty Disclaimer:

Harris does not make, and hereby disclaims, any and all express and/or implied warranties regarding the services or any material provided by Harris to Purchaser pursuant to this agreement, including, but not limited to, warranties of merchantability, fitness for a particular purpose, and non-infringement, and warranties arising from a course of dealing, usage or trade practice. Further, Harris does not warrant that the Software Licenses will meet any exact user requirements, and that the Software Applications will operate error free or uninterrupted. In the event an error is discovered in one of the Software Applications currently covered by MSF, and the error is confirmed, Harris will make its best efforts to provide Purchaser with a correction at no additional cost to Purchaser.

Harris warrants that the services will be performed in a professional and diligent manner by personnel who are competent in performing their individual tasks. Harris shall have no liability hereunder if the Purchaser has modified the Software Applications in any manner without the prior written consent of Harris.

12. Limitations on Liability:

Purchaser agrees that Harris' liability hereunder for damages, regardless of the form of action, shall be limited to actual direct damagesand shall not exceed the fees hereunder paid by Purchaser to Harris for the then current twelve (12) month term. Purchaser further agrees that Harris will not be liable for any other damages including consequential, incidental, special, exemplary damages, lost profits, failure to realize anticipated savings, data loss, loss of goodwill, business opportunities or reputation, economic loss or for any claim or demand by any third party, except a claim for patent or copyright infringement with respect to Licensed Software Applications. The Purchaser acknowledges and agrees that this limitation of liability shall survive any termination of this Agreement.

13. Indemnity:

The Purchaser shall indemnify and save harmless Harris, its successors and assigns together with its officers, directors, employees, agents and those for whom it is in law responsible, only from and against any and all liabilities, damages, costs, expenses, causes of action, claims, suits, proceedings and judgments (collectively "Claims") which they may incur or suffer or be put to by reason of or in connection with or arising from any breach, violation or non-performance by the Purchaser of any obligation contained in this Agreement to be observed or performed by the Purchaser, or any wrongful act or negligence of the Purchaser or its agents or employees which relates to this Agreement, howsoever arising. The Purchaser acknowledges and agrees that this indemnity shall survive any termination of this Agreement.

14. Cancellation Policy:

In the event of cancellation of the Agreement by either party for any reason other than default by Harris, Purchaser agrees to pay for all Software Applications delivered, any Professional Services rendered and Travel and Lodging expenses incurred prior to the cancellation. Purchaser must provide written notification to Harris if it wishes to cancel the Agreement.

Cancellation of any on-site Services by Purchaser is allowed for any reason if done in writing more than fourteen (14) days in advance of such Services. Cancellation by Purchaser with fourteen (14) days or less of scheduled on-site Services will be billed at fifty percent (50%) of the on-site fee, plus any non-recoverable costs incurred by Harris due to advance scheduling of travel. Additionally, Purchaser hereby acknowledges that cancellation of on-site Services means that such on-site Services will be rescheduled as Harris' then current schedule permits. Harris is not responsible for any delay in Purchaser's project resulting from Purchaser's cancellation of consulting. If additional services are required because the Purchaser was not adequately prepared for the on-site services, Harris will provide a Change Order to the Purchaser for the additional services.

15. Acknowledge of Purchase:

By the signing of this Agreement in the space provided below, the parties acknowledge their acceptance of the purchase and agree with the terms of this sale as set forth above.

16. Governing Law; Venue

This Agreement shall be governed by the substantive and procedural laws of the State of New Jersey. Purchaser hereby agrees to submit to the exclusive jurisdiction of, and venue in, the courts in the State of New Jersey in any dispute arising out of or related to this agreement.

Harris Computer Systems - Confidential March 10, 2014 Page 4 of 5 Contract# ARS-838

17. Information, Data, Privacy and Confidential Information

Harris and Purchaser shall have joint responsibility for protecting the privacy of any personally identifiable information as required by federal, state, provincial, and local laws. Either party shall immediately notify the other in the event of any breach of its obligations.

Each Party (the "Receiving Party") shall: (i) maintain this Agreement and the Software Applications License, the existence and provisions hereof and thereof, all information received, directly or indirectly, from the other Party (the "Disclosing Party") pursuant to or for purposes of fulfilling its obligations under this Agreement, the Software Applications and the source and object codes therefor and the related documentation ("collectively the "Confidential Information") in strict confidence; and (ii) only disclose Confidential Information to those of its key employees and subcontractors, who have been pre-approved by Harris, who have a need to know the Confidential Information in order that the provisions of this Agreement might be carried out and who are bound by agreement or the terms of their employment to keep such information received upon terms no less stringent than this provision; and (iii) notify the other Party immediately upon discovering any breach of its obligations under this provision.

The Receiving Party shall protect the confidentiality of such Confidential Information to the same extent as it protects the confidentiality of its own confidential information and in no event shall that be less than reasonable and prudent standard of protection. The Receiving Party shall not in any manner disclose any Confidential Information except as expressly permitted by this Agreement. The Receiving Party shall return all Confidential Information received from the Disclosing Party and copies thereof to the Disclosing Party upon expiry or termination of this Agreement. The Receiving Party shall not use any Confidential Information of the Disclosing Party for any purpose other than fulfilling its obligations under this Agreement. Confidential Information shall not include information which the Receiving Party can demonstrate: (1) is previously known to or lawfully in the possession of the Receiving Party prior to disclosure by the Disclosing Party; (2) is independently known to, discovered by or developed by the Receiving Party without any reference to the Confidential Information; (3) is obtained by the Receiving Party from an arm's length person having a *bona fide* right to disclose same; (4) is or becomes public knowledge through no fault or omission of, or breach of this Agreement by, the Receiving Party or its representatives; or (5) is required to be disclosed pursuant to a judicial, administrative, regulatory or governmental order or other legal process.

18. Entire Agreement

This Agreement shall constitute the entire agreement between the parties hereto with respect to the matters covered herein. Any modification or waiver of this Agreement is effective only if it is in writing signed by an authorized representative of the party to be charged. Provisions of a Purchaser purchase order or similar document are not applicable if they conflict with or add to the terms of this Agreement.

19. Survival

Subject to the terms and conditions of this Agreement, all obligations of a party hereunder which, by their nature or by virtue of express provisions herein, require performance after the expiry or termination of this Agreement, including any obligations relating to monies owed and provisions relating to limitations on liability and actions, shall survive the expiry or termination of this Agreement.

Purchaser: Southeast Morris County	Municipal Utilities Authority, N.
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Fax signed quote to: 716-297-4499

Ву:	Date:	
Title:	_	
Purchaser's Project Leader:		Purchaser's Billing Department Information:
Contact Name:		Billing Address:
Contact Title:		
E-mail address:		Accounts Payable Contact:
Phone #:	<u></u>	E-mail address:
Fax#:		Phone & Fax #:

Proposal Prepared By: Andrew Shaw

Harris Computer Systems - Confidential March 10, 2014 Page 5 of 5 Contract# ARS-838



Software Solutions for the Public Sector

Purchase Agreement

Date: March 10, 2014 Prices effective 45 days from date of Agreement Contract# ARS-847

This understanding between **Southeast Morris County Municipal Utilities Authority** of 19 Saddle Road, Cedar Knolls NJ 07927 ("Purchaser") and **N. Harris Computer Corporation** of 2429 Military Road Suite 300, Niagara Falls, NY 14304 ("Harris") confirms the purchase of the following licensed software products and or services:

SOFTWARE LICENSES:	Software License Fee	Annual Maintenance & Support Fee ¹
 Pace Barcode FlexiBill subsystem for intelligent mailing-address postal bar coding of utility bills, past-due reminders, and shut-off notices, plus CASS certification of mailing addresses in FlexiBill Master File. (CASS cert fees are \$0.05/account, \$60 minimum fee, performed twice a year). Initial CASS certification performed with software implementation at no charge. <u>NOTE</u>: 3rd-party Postage \$aver application is not required for printing USPS mailing tray labels whereas Purchaser's outsourced bill printing service vendor will provide the required USPS mailing tray labels. 	\$ 525	included
Payment Arrangements FlexiBill subsystem for managing deferred payment	\$ 1,695	\$ 375
plans on delinquent accounts. Total Software Licenses:	\$ 2,220	\$ 375
PROFESSIONAL SERVICES:	Estimated C	Cost ²
Installation & Training: Software installation and setup of above software and 1 hour	\$ 450	
training on Payment Arrangements module. Performed remotely.		
Supplemental Professional Services:		
Fifteen (15) days of supplemental Harris Local Gov't professional services as defined in the Professional Services paragraph under "Agreement Terms and Conditions" below.	\$15,000	
Total Professional Services:	\$15,450	
Total Software Licenses & Professional Services: Annual Maintenance and Support ¹ :	\$17,670 \$375	

¹ Immediately thereafter the 1st Years Annual Maintenance Fee period, subsequent Annual Maintenance Fees will be calculated at the then current Harris rate

²All charges are exclusive of out of pocket expenses for services performed. Charges for actual and reasonable out-of-pocket expenses, including but not limited to travel and lodging expenses, will be billed monthly as accrued.

State Taxes are applicable on prices listed. If the Purchaser is Tax Exempt, a Tax Exemption Certificate must be provided with this signed Agreement in order to avoid taxable billings.

Harris Computer Systems – Confidential March 10, 2014

Page 1 of 6 Contract #: ARS-847

AGREEMENT TERMS AND CONDITIONS:

1. Definition

a. Software Applications. "Software Applications" are the computer programs explicitly listed above in the section titled "Software Products" and those indicated using initials by the Purchaser in the section titled "Software Options".

2. Payment Terms:

Order will be processed with the return of signed Agreement and an initial payment of 50% of the total Software Applications, professional services, hardware, and customizations as outlined above. Orders will not be processed until both of these two requirements are satisfied.

The remaining fees for the Software Applications shall be invoiced after delivery (CD-ROM or Electronic Transfer) to Purchaser and due forty-five (45) days from the receipt of invoice.

License Transfer Fees, if applicable, shall be invoiced at the start of the project and due in forty-five (45) days from receipt of invoice.

Professional Services and any applicable travel and lodging expenses, shall be billed monthly as the work is performed.

The 1st years Annual Maintenance and Support fee shall billed and due within sixty (60) days from the date of signing of the Agreement or the date which represents the completion of services, whichever is later. Subsequent Annual Maintenance Fees will be calculated annually at the then current Harris rate.

State Taxes are applicable on prices listed. If the Purchaser is Tax Exempt, a Tax Exemption Certificate must be provided with this signed Agreement.

3. Delivery Media Type: CD-ROM or Electronic Transfer

4. Delivery Schedule:

The parties will agree upon an appropriate training, project, and delivery schedule based on, among other things, the modules in respect of which training is required and the skills and availability of both the Purchaser and Harris staff members.

5. Professional Services:

Professional services include data conversion and customizations as follows:

(a) Data Conversion:

The success of a data conversion is based on the format and quality of the input data. Unless otherwise indicated, conversion is strictly limited to non-dollar amounts. A typical utility billing conversion includes information such as names, addresses, phone numbers, and services. Only information explicitly listed in this document will be converted. Initial cost estimates for conversion are included in system pricing proposals but these are only estimates until inspections or sample data can be examined to verify data formats and data integrity. Only then can an accurate conversion cost can be established. Any costs associated with obtaining the data from the existing vendor are the responsibility of the Purchaser. Sample data shall be provided in standard fixed length format with ASCII display characters only. Data must be on a media formats readable by Harris. File layouts must include:

* Record size	* Field length	* Field starting and ending points
* Field name	* Field type	* Data field description

Where ever possible, the data extraction shall be done twice. The first extraction is to test and create the conversion tools. The second extraction is done when the implementation is ready to go live.

In the event a data re-conversion is required, for whatever reason, Purchaser will be billed at the original rate quoted above in the Conversion section of the Agreement.

(b) Additional Customization(s):

The Purchaser and Harris have jointly reviewed the Software Applications and have determined that all items are adequate except as noted in the "CUSTOMIZATIONS" section. Additional customization(s) or report modifications not identified in this Agreement will be quoted as requested and billed at the hourly rate of \$150.00. Customizations and/or report modifications requested one year or more from the date of this Agreement will be billed at the then current Harris hourly rate. No additional customizations will be undertaken without prior agreement by both parties on cost, scope of functionality, and the impact on the project schedule. Ten percent of any fees associated with any customization services will automatically be added to the Purchaser's MSF.

Additional professional services requested by Purchaser in writing will be available on-site or via the telephone. Telephone work will be billed at \$150.00 per hour. On-site work will be billed at \$1000.00 per day plus travel, lodging and per diem expenses. Notwithstanding Harris Computer Systems – Confidential Page 2 of 6 March 10, 2014 Contract #: ARS-847 the foregoing, work performed one year or more from the date of this Agreement will be billed at the then current Harris rates. Help line support does not include training. New employees must be trained by Purchaser or by negotiating arrangements and associated fees with Harris. In the event, Purchaser wishes to schedule any professional services on a Saturday, there is a \$250 surcharge. Application consulting and setup services may include but are not limited to: software installation, configuration, data validation, system setup, system balancing, interface setup, interface testing, process training, application training and business requirements gathering.

6. Maintenance and Support Fees:

Maintenance and Support fees ("MSF") include all program updates, enhancements and general releases that Harris makes available to the Purchaser as part of its regular software maintenance program. MSF does not include fees for any third party licenses or Harris services that may be necessary to perform a third party license upgrade. MSF also includes access to the Harris support hot line.

As noted above, the initial MSF will be billed and due within sixty (60) days from the date of signing of the Agreement or the date which represents the Completion of Services, whichever is later.. Harris reserves the right to change the MSF from time to time.

Subsequent years MSF shall be rendered at the beginning of each year in which services are to be furnished. Lapses in annual MSF will be monitored and will lead to denial of support, upgrade privileges and suspension or termination of Licenses. In the event of a lapse, Purchaser will be subject to reactivation fees not to exceed 40% of the current annual MSF applied to each year of the lapse including partial year lapses plus the amount representing "the lapsed" MSF. The specific services provided by the technical support staff are outlined in the Harris Software Support Agreement Standard Guidelines.

7. Travel and Lodging Expenses:

Travel and lodging expenses will be billed in conjunction with any services work performed at the Purchaser's offices by Harris personnel. Lodging expenses will include hotel expenses and will only be charged if an employee is required to spend the evening. Travel expenses may include airfare if the employee is required to travel by air to reach the Purchaser's offices. Travel may include the cost of a rental car. If an employee uses his/her personal vehicle, mileage will be charged at the currently published IRS reimbursement rate. When an employee is at or traveling to the Purchaser's offices, fifty dollars (\$50) per day will be charged to cover meals and incidentals. If an employee must travel on Saturday, Sunday, or a holiday, or is at the purchaser's office on a holiday, one hundred dollars (\$100) per day will be charged to cover meals and incidentals.

Harris will use its best efforts to minimize all travel and lodging expenses. Only actual travel and lodging expenses will be billed to the Purchaser.

8. Grant of License

Harris hereby grants Purchaser a nontransferable, nonexclusive license under the terms of this Agreement to use the Software Applications on its equipment. Without limiting the generality of the foregoing:

- a) The Purchaser may not sublicense, rent, lease or assign the Software Applications.
- b) The Purchaser is expressly prohibited from reverse engineering, decompiling, or disassembling the Software Applications, from creating a derivative or modified copy of the Software Applications or from receiving or creating a copy, or copies, of the Software Applications.
- c) The Purchaser may not allow or assist a third party in accessing or using the Software Applications without the written consent of Harris.
- d) No license is given to Purchaser for the source code to the Software Applications and the Purchaser shall not take any actions that would cause the Software Applications to become subject to any open source or quasi-open source license agreement.
- e) Purchaser shall be wholly liable to Harris for any misuse of the Software Applications and these restrictions are absolute except as and only to the extent that this Agreement may expressly permit Purchaser to do otherwise.
- f) Harris reserves all rights, title and interest in and to the Software Applications not expressly granted herein and the license specifically excludes s all such reserved rights, title and interest.

Initial delivery of the Software Application shall be COTS ("Commercial off the shelf"). Purchaser is not relying upon any future product future product availability or functionality upon entering into the payment obligations under this Agreement

9. Performance by Purchaser

(a) Co-operation by Purchaser -- The Purchaser acknowledges that the success and timeliness of the implementation process shall require the active participation and collaboration of the Purchaser and its staff and agrees to act reasonably and co-operate fully with the Harris to achieve the Completion of Services.

(b) Required Programs. The Purchaser acknowledges that if the use of the Software Applications requires that the Purchaser obtain and install additional software programs, then the Purchaser agrees that the acquisition of the additional software programs shall be at its sole cost and that the cost thereof is not included in the fees herein. The Purchaser further acknowledges that the operation of the Software requires the Purchaser's hardware to be of sufficient quality, condition and repair, and the Purchaser agrees to maintain its hardware in the appropriate quality, condition and repair at its sole cost and expense, in order to facilitate the achievement of Completion of Services.

Harris Computer Systems – Confidential March 10, 2014

Page 3 of 6 Contract #: ARS-847 (c) Project Manager -- The Purchaser shall appoint a project manager who shall work closely with Harris Staff to facilitate the successful completion of the implementation process and who shall be responsible for supervising the staff of the Purchaser and their co-operation with and participation in such process.

10. Warranty Disclaimer

Harris does not make, and hereby disclaims, any and all express and/or implied warranties regarding the services or any material provided by Harris to Purchaser pursuant to this Agreement, including, but not limited to, warranties of merchantability, fitness for a particular purpose, and non-infringement, and warranties arising from a course of dealing, usage or trade practice. Further, Harris does not warrant that the Software Applications Licenses will meet any exact user requirements, and that the software will operate error free or uninterrupted. In the event an error is discovered in one of the Software Applications currently covered by MSF, and the error is confirmed, Harris will make its best efforts to provide Purchaser with a correction at no additional cost to Purchaser.

Harris warrants that the services will be performed in a professional and diligent manner by personnel who are competent in performing their individual tasks. Harris shall have no liability hereunder if the Purchaser has modified the Software Applications in any manner without the prior written consent of Harris.

It is acknowledged by the parties hereto that the Hardware provided by Harris to Purchaser pursuant to this Agreement was manufactured and delivered to Purchaser by a third party manufacturer and Harris is reselling it to Purchaser. As such, Purchaser makes no warranties, express or implied, with respect to the Hardware, including, without limitation, their merchantability or fitness for a particular purpose. Any warranty Purchaser has with respect to the Hardware shall be solely provided by the manufacturer(s)."

11. Limitations on Liability

Purchaser agrees that Harris' liability hereunder for damages, regardless of the form of action, shall be limited to actual direct damages and shall not exceed the fees paid hereunder by Purchaser to Harris during the then current twelve (12) month term of this Agreement. Purchaser further agrees that Harris will not be liable for any other damages including consequential, incidental, special, exemplary damages, lost profits, failure to realize anticipated savings, data loss, loss of goodwill, business opportunities or reputation, economic loss or for any claim or demand by any third party, except a claim for patent or copyright infringement with respect to Licensed Software Applications. The Purchaser acknowledges and agrees that this limitation of liability shall survive any termination of this Agreement.

12. Change Order Process

With respect to any proposed changes to the Services defined by this Agreement, the parties agree to cooperate in good faith to execute Change Orders in respect thereof, and will not unreasonably withhold approval of such proposed changes. If either party causes or requests a change in the allocation of the resources of Harris applied to a task, changes in completion schedules for individual tasks or for overall implementation, and changes in staffing that require Harris to provide additional work hours, Harris may propose a change to cover the additional work effort required of it. Approval of any such proposed changes will not be unreasonably withheld (it being acknowledged that any such material changes may require modifications to the consideration paid, and timelines governing, the Services), and any disputes regarding changes shall be handled initially by discussions between the parties which will be convened in good faith by the parties to resolve any such matters in dispute. Notwithstanding the foregoing, any Change Orders must be approved in writing by both Harris and the Purchaser. In the case of the Purchaser, any Change Orders must be approved in writing by the Board.

The following individuals are authorized to sign off on change orders on the Purchaser's behalf:

Name:	
rauno.	۰.

Name:

_____ Title: ______ Title: ______

re authorized to sign off on change orders on Harris's behalf:
Support Manager
Professional Services Manager
Vice President of Sales

13. Cancellation Policy

In the event of cancellation of the Agreement by either party for any reason, Purchaser agrees to pay for all Software Applications delivered, any Professional Services rendered and Travel and Lodging expenses incurred prior to the cancellation. Initial down payment of deposit is non-refundable. Purchaser must provide written notification to Harris if it wishes to cancel the Agreement.

Cancellation of any on-site Services by Purchaser is allowed for any reason if done in writing more than fourteen (14) days in advance of such Services. Cancellation by Purchaser with fourteen (14) days or less of scheduled on-site Services will be billed at fifty percent (50%) of the on-site fee, plus any non-recoverable costs incurred by Harris due to advance scheduling of travel. Additionally, Purchaser hereby acknowledges that cancellation of on-site Services means that such on-site Services will be rescheduled as Harris' then current Harris Computer Systems – Confidential March 10, 2014 Page 4 of 6 Contract #: ARS-847 schedule permits. Harris is not responsible for any delay in Purchaser's project resulting from Purchaser's cancellation of consulting. If additional services are required because the Purchaser was not adequately prepared for the on-site services, Harris will provide a Change Order to the Purchaser for the additional services.

14. Governing Law; Venue

This Agreement shall be governed by the substantive and procedural laws of the State of New Jersey. Purchaser hereby agrees to submit to the exclusive jurisdiction of, and venue in, the courts in the State of New Jersey in any dispute arising out of or related to this Agreement.

15. Renewal

The Agreement may be renewed annually upon mutual agreement between the parties. Harris agrees to provide proposed renewal terms to Purchaser to initiate negotiation of the renewal terms no later than sixty (60) days prior to the date of expiration of the Agreement's then current term.

16. Information, Data, Privacy and Confidential Information

Harris and Purchaser shall have joint responsibility for protecting the privacy of any personally identifiable information as required by federal, state, provincial, and local laws. Either party shall immediately notify the other in the event of any breach of its obligations.

Each Party (the "Receiving Party") shall: (i) maintain this Agreement and the Software Applications License, the existence and provisions hereof and thereof, all information received, directly or indirectly, from the other Party (the "Disclosing Party") pursuant to or for purposes of fulfilling its obligations under this Agreement, the Software Applications and the source and object codes therefor and the related documentation ("collectively the "Confidential Information") in strict confidence; and (ii) only disclose Confidential Information to those of its key employees and subcontractors, who have been pre-approved by Harris, who have a need to know the Confidential Information in order that the provisions of this Agreement might be carried out and who are bound by agreement or the terms of their employment to keep such information received upon terms no less stringent than this provision; and (iii) notify the other Party immediately upon discovering any breach of its obligations under this provision.

The Receiving Party shall protect the confidentiality of such Confidential Information to the same extent as it protects the confidentiality of its own confidential information and in no event shall that be less than reasonable and prudent standard of protection. The Receiving Party shall not in any manner disclose any Confidential Information except as expressly permitted by this Agreement. The Receiving Party shall return all Confidential Information received from the Disclosing Party and copies thereof to the Disclosing Party upon expiry or termination of this Agreement. The Receiving Party shall not use any Confidential Information of the Disclosing Party for any purpose other than fulfilling its obligations under this Agreement. Confidential Information shall not include information which the Receiving Party can demonstrate: (1) is previously known to or lawfully in the possession of the Receiving Party prior to disclosure by the Disclosing Party; (2) is independently known to, discovered by or developed by the Receiving Party without any reference to the Confidential Information; (3) is obtained by the Receiving Party from an arm's length person having a *bona fide* right to disclose same; (4) is or becomes public knowledge through no fault or omission of, or breach of this Agreement by, the Receiving Party or its representatives; or (5) is required to be disclosed pursuant to a judicial, administrative, regulatory or governmental order or other legal process.

17. Entire Agreement

This Agreement shall constitute the entire agreement between the parties hereto with respect to the matters covered herein. Any modification or waiver of this Agreement is effective only if it is in writing signed by an authorized representative of the party to be charged. Provisions of a Purchaser purchase order or similar document are not applicable if they conflict with or add to the terms of this Agreement.

Harris Computer Systems – Confidential March 10, 2014

Page 5 of 6 Contract #: ARS-847

18. Survival

Subject to the terms and conditions of this Agreement, all obligations of a party hereunder which, by their nature or by virtue of express provisions herein, require performance after the expiry or termination of this Agreement, including any obligations relating to monies owed and provisions relating to limitations on liability and actions, shall survive the expiry or termination of this Agreement.

Purchaser: Southeast Morris C	ounty Municipal Utilit	ies Authority, NJ	Please sign and fax to: 716-297-4499	
Ву:	Date:			
Title:				
Purchaser's Project Leader:		Purchaser's Acc	ounts Payable Department Information:	
Contact Name:		Billing Address:		
Contact Title:			· · · · · · · · · · · · · · · · · · ·	
E-mail address:		Accounts Payab	le Contact:	_
Phone #:		E-mail address:		
Fax#:	an ann an air ann an an an Annai	Phone & Fax #:		
		Alternate Contact		

Proposal Prepared By: Andrew Shaw

Phila Office: tel: 1-800-450-0288 x227 fax: 716-297-4499 PO Box 237, Gwynedd Valley PA 19437 www.harrislocalgov.com

Harris Computer Systems – Confidential March 10, 2014

Page 6 of 6 Contract #: ARS-847

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 agreements to be approved to Harris Computer Systems for licensed proprietary software products and services for its billing system exceeds \$17,500.

Janue A Congleton JANICE A. CONGLETON, Treasurer

TREASURER'S CERTIFICATION

I hereby certify funds for payment of purchase agreements with Harris Computer Systems for licensed proprietary software products and services for its billing system as follows:

- 1. In 2014, funds are available in the amount of \$26,134; and
- In 2015, funds will be available in the amount of \$8,711 subject to the approval of the 2015 Budget.

The total maximum amount of this contract will not exceed \$34,845. This item will be charged to Account No. C - Ol - OO - 400 - 706.

JANICE A. CONGLETON, Treasurer

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, March 13, 2014, at a meeting duly convened of said Authority.

<

SIDNEY D. WEISS, Assistant Secretary



Resolution No. 27-14

RESOLUTION APPROVING STATEMENT OF WORK WITH TELE-WORKS INCORPORATED

WHEREAS, the Authority currently offers the options for its customers to pay their bills using their VISA or MasterCard credit or debit cards through Heartland Payment Systems or using Automated Clearing House (ACH) payment services through Global Payments, Inc.; and

WHEREAS, Tele-Works Incorporated (TWI) offers similar payment processing services at a lower cost to the Authority; and

WHEREAS, the above services are set forth in a Statement of Work, a copy of which is annexed hereto and made part hereof (the "TWI Statement of Work"); and

WHEREAS, the Chief Financial Officer/Treasurer has recommended that the Authority avail itself of these services as more particularly set forth in the proposed TWI Statement of Work; and

WHEREAS, the estimated cost to the Authority is not expected to exceed \$17,500; and

WHEREAS, the Treasurer has certified that there are sufficient funds available in the 2014 Budget for the portion to be expended in 2014; portions to be expended in 2015 are subject to funds being available in the 2015 Budget; and

WHEREAS, execution of the TWI Statement of Work and the services described therein are determined to be in the best interest of the Authority and the Water System;

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

1. The proposed Statement of Work between the Authority and Tele-Works Incorporated annexed hereto be and the same is hereby approved.

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Edward A. Taratko, Jr. Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

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

Superintendent: Paul A. Kozakiewicz

2. The officers and staff of the Authority are hereby authorized and directed to execute and deliver such further documents and take such further action as shall be necessary or convenient to effectuate and implement the Statement of Work hereby approved and ratified.

ATTEST:

ale

SIDNEY D. WEISS, Assistant Secretary

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

William Conradi WILLIAM J. CONRADI, Chairman



SUMMATION360" a TWI innovation

STATEMENT OF WORK for a Summation360[™] Solution from TWI

(to be designated by TWI upon receipt of this document) SOW No. Project: TWI Payment Processing Services™ Date:

This Statement of Work (SOW) is made by and between Tele-Works Incorporated ("TWI"), a Virginia corporation, and ("Client" or "Agency"). This SOW and any other documents referenced herein constitute

Client:	Southeast Morris Countymun	Account Manager:	Meridith DeMoss
Contact:	Janue Congleton O	Phone:	(540) 953-2631, 426
phone:	973.326-06863		
DESCRI	PTION OF PRODUCTS AND SERVICES	in the state of the	

well as credit/debit card, including but not limited to VISA, MasterCard, and Discover. Specific terms and conditions for payment processing are defined in the Merchant Services Agreement which is completed as part of the implementation process as an addendum to this SOW. Key features provided by TWI Payment Processing Services include the following:

- Next-day funding on credit card and ACH payments in most cases
- Secure, encrypted bank card and ACH bank draft authorizations 0
- Detailed transaction reports and "virtual terminal" access to TWI Business View online portal
- Real-time payment authorization for credit card and ACH
- Different pricing models to accommodate Agency business requirements

TERMS AND CONDITIONS

Contract Commitment / Termination. This Agreement shall become effective on the date the Agreement is executed by the Client. Either party may terminate this Agreement at any time upon ninety (90) days prior written notice to the other party. In the event of such termination, Client's entire financial obligation to TWI shall be for then accrued payments due.

Pricing / Payment Model. NOTE: Client should indicate its billing frequency (e.g., monthly, bi-monthly, quarterly, etc.) and the number of accounts billed then select the desired pricing model and its Average Payment amount.

WEEK LY Billing Frequency 18,000 Number of Accounts

Absorption Model Pricing and Payment Terms

Select Client's Avg Payment	Avg Payment	Payment Method	Max Payment Amt	Cost/Payment
	0-\$100	Credit/Debit	\$250	\$2.25
		eCheck	No Max	\$1.00
	\$100.01-\$200	Credit/Debit	\$500	\$2.75
		eCheck	No Max	\$1.00
	\$200.01-\$300	Credit/Debit	\$750	\$3.25
		eCheck	No Max	\$1.00
		Credit/Debit	\$750	\$3.75
	\$300.01-\$400	eCheck	No Max	\$1.00

Convenience Fee Model Pricing and Payment Terms

Select Client's Avg Payment	Avg Payment	Payment Method	Max Payment Amt	Cost/Payment
	0-\$100	Credit / Debit / eCheck	\$250	\$2.50
	\$100.01-\$150	Credit / Debit / eCheck	\$400	\$3.25
	\$150.01-\$200	Credit / Debit / eCheck	\$500	\$3.75
	\$200.01-\$250	Credit / Debit / eCheck	\$600	\$4.25
	\$250.01-\$300	Credit / Debit / eCheck	\$750	\$4.95
	\$300.01-\$350	Credit / Debit / eCheck	\$750	\$5.50

Assumes the Convenience Fee charged by the Client does not exceed the fee charged for taking payments.

Initials MC

Payment Terms (apply to either model chosen above):

- \$20.00 account on file fee per month for each merchant account
- \$20.00 per credit card chargeback
- \$0.00 per returned check
- Assumes TWI will direct debit fees at the end of each month unless otherwise negotiated
- Assumes Client will work with TWI to comply with Visa Utility Rate guidelines
- Fee Adjustments: The credit card fee and/or eCheck fees set forth in this Agreement may, from time-to-time, be adjusted to reflect changes in TWI's cost of providing payment processing services under this Agreement. Such adjustments may include, but are not limited to: interchange increases/decreases, assessments or other fees and pass-through costs of the Card/ACH Associations/Brands, including, without limitation, Visa® U.S.A., MasterCard® International, Inc., and Discover®; the rate structure of TWI's ODFI (Originating Depository Financial Institution), the Sponsor Bank, or related credit card/ACH processor; PCI and other compliance fees; any fees related to TWI's cost of providing processing, (e.g. the Client's average payment amount, to the extent that it exceeds the average amount stated in this); and/or costs related to Client's desire for TWI to charge a convenience fee or other charge to its customers."

<u>Delivery of Services</u>. TWI shall provide its Products and Services as specified in this SOW to Client, subject to the terms and conditions set forth herein and in the SOW. Client understands that the timely completion of the project is contingent upon timely performance by Client of its obligations as described in this SOW and during project implementation. In the event that progress on the project is slowed or halted due to a delay by Client, project schedules including milestones and deadlines may be delayed at TWI discretion. TWI shall not be liable for any delays or failure to perform resulting from Client's failure to timely provide any information, content or other deliverables necessary to provide the Products and Services to Client; however, in the event a material error or deficiency is discovered in the products or services provided by TWI pursuant to this SOW, not caused or contributed to by Client, TWI will use commercially reasonable efforts to correct such error or deficiency at no additional cost to Client.

<u>Support for Hosted Subscriber Services</u>: During the Term, TWI shall be responsible for providing support to Agency with regard to the Hosted Subscriber Services according to TWI's prevailing Product & Services Support Policy. Agency shall be responsible for providing support to its end users with regard to the Hosted Subscriber Services. TWI reserves the right to discontinue provision of support and maintenance on Products and Services according to the termination clause in this Agreement.

<u>Client Responsibilities</u>: Client is responsible for assigning resources to the effort with TWI and ensuring they are generally available to interact with TWI project resources as necessary throughout the life of the project.

Lawful Purposes. Agency agrees that it will use TWI Products and Services only for lawful purposes and in accordance with this Agreement. Agency shall comply with all applicable laws and regulations when using the Products and Services, including without limitation, compliance with applicable international export and privacy laws, privacy policies of Agency and third parties and other laws regarding the transfer and/or transmission of data.

Force Majeure. Except for Agency's obligations to pay money, neither party shall be deemed to be in breach of this Agreement for any failure or delay in performance caused by reasons beyond its reasonable control, including but not limited to acts of God, earthquakes, strikes, war, crime, terrorism, shortages of materials, internet, power or telecommunications failures, or computer equipment or software problems not caused by the party's gross negligence.

DISCLAIMER. TELE-WORKS, INC. DOES NOT WARRANT THAT THE PRODUCTS AND SERVICES SHALL MEET ALL OF AGENCY'S REQUIREMENTS, OR THAT THE USE OF THE PRODUCTS AND SERVICES SHALL BE UNINTERRUPTED OR ERROR-FREE. PRODUCTS AND SERVICES ARE PROVIDED TO AGENCY ON AN "AS IS" BASIS. TELE-WORKS, INC. MAKES NO OTHER WARRANTY OF ANY KIND, WHETHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE RELATING TO THE PRODUCTS AND SERVICES OR ANY OTHER MATERIALS OR SERVICES FURNISHED OR PROVIDED TO AGENCY UNDER THIS AGREEMENT. TELE-WORKS, INC. SPECIFICALLY DISCLAIMS ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, QUIET ENJOYMENT AND NONINFRINGEMENT.

Page 2 of 3

Initials MC

Please return two signed copies of this agreement to TWI at the address below. We will return a countersigned original for your records.

Client Signature	Date	TWI Signature PO Box M Blacksburg, VA 24060
Contact Information fo	r Merchant "Boarding"	
	Contact Email Address	
	Phone Number	
	Address	

Page 3 of 3

Initials JAC_

Date

TREASURER'S CERTIFICATION

I hereby certify funds for payment to Tele-Works Incorporated for payment processing services, as more particularly set forth in the Statement of Work attached to Resolution No. 27-14, as follows:

- 1. In 2014, funds are available in the amount of \$11,700; and
- In 2015, funds will be available in the amount of \$3,900 subject to the approval of the 2015 Budget.

The total maximum amount of this contract will not exceed \$15,600. This item will be charged to Account No. 4-02 - 40 - 400 - 616.

Janue A Congleton JANICE A. CONGLETON, Treasurer

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, March 13, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary



Resolution No. 28-14

RESOLUTION AUTHORIZING CLOSED SESSION DISCUSSIONS

RESOLVED that discussion of:

- 1. Report of the Personnel Committee
 - a) IBT Local 469 Contract Negotiations
 - b) Compensation of management/staff employees and consultant

be held in closed session pursuant to subsections 4 and 8 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

DATED: March 13, 2014

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

William Conradi

WILLIAM J. CONRADI, Chairman

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Edward A. Taratko, Jr. **Morris Plains:** Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone 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, March 13, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

Southeast Morris County Municipal Utilities Authority 19 SADDLE ROAD • CEDAR KNOLLS, NEW JERSEY 07927 • TEL 973-326-6880 • FAX 973-326-9521



Resolution No. 29-14

RESOLUTION COMMENDING JAMES D. LENGYEL FOR SERVICE TO THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

WHEREAS, James D. Lengyel has served The Southeast Morris County Municipal Utilities Authority as Assistant Superintendent since May 1, 2003, and various increasingly responsible positions within the Authority since February 28, 1981; and

WHEREAS, James D. Lengyel has been a dedicated and loyal employee of the Authority for over thirty-three years; and

WHEREAS, James D. Lengyel is retiring as Assistant Superintendent of the Authority, effective April 1, 2014; and

WHEREAS, the Members of The Southeast Morris County Municipal Utilities Authority wish to extend their gratitude and appreciation to James D. Lengyel for his faithful and dedicated service to the Authority on behalf of the Members, staff and customers of the Authority.

NOW THEREFORE BE IT RESOLVED by the Members of The Southeast Morris County Municipal Utilities Authority that James D. Lengyel be and is hereby commended for his dedicated and faithful service as Assistant Superintendent of the Authority; and

BE IT FURTHER RESOLVED that this Resolution be spread on and become part of the official minutes of the Authority's Regular Meeting held on March 13, 2014; and that a copy of this Resolution be presented to James D. Lengyel as a memento of the Authority's gratitude and appreciation for his service to The Southeast Morris County Municipal Utilities Authority from February 28, 1981 through his retirement on April 1, 2014.

ATTEST:

SIDNEY D. WEISS, Assistant Secretary

DATED: March 13, 2014

Board Members

Morristown: Mary Dougherty Donald Kissil

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

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

Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

Superintendent: Paul A. Kozakiewicz

MUNICIPAL UTILITIES AUTHORITY

THE SOUTHEAST MORRIS COUNTY

William) (ouradi

WILLIAM J. CONRADI, Chairman

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, March 13, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

MEETING MINUTES

APRIL 24, 2014

The Board Meeting of The Southeast Morris County Municipal Utilities Authority (Authority) was held on Thursday, April 24, 2014, at 7:30 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 7:30PM 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 Conradi, Members Baldassari, Kissil, Schimpf, Carroll, and Taratko

ABSENT: Members Dougherty and Iannaccone

MOTION APPROVING MINUTES OF MARCH 13, 2014

Copies of the minutes of the meeting held on March 13, 2014, were distributed to the members prior to the meeting for review and comment. Member Carroll moved that the minutes be adopted as presented. Member Baldassari seconded the motion which was duly adopted by the following vote:

YEAS: Chairman Conradi, Members Kissil, Schimpf, and Taratko

NOES: None

RESOLUTION NO. 30-14

RESOLUTION APPROVING CLOSED MINUTES OF MARCH 13, 2014

"COPY ANNEXED"

Copies of the minutes of the meeting held on March 13, 2014 were distributed to the members prior to the meeting for review and comment. Member Mr. Carroll moved that the minutes be adopted as presented. Member Baldassari seconded the motion which was duly adopted by the following vote:

YEAS: Chairman Conradi, Members Baldassari, Carroll, Kissil, Dr. Schimpf, Taratko

NOES: None

<u>RESOLUTION – APRIL 2014 LIST OF BILLS</u>

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

RESOLUTION NO. 31-14

RESOLUTION AUTHORIZING PAYMENT OF LIST OF BILLS FOR APRIL 2014 "COPY ANNEXED"

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

YEAS: Chairman Conradi, Members Baldassari, Carroll, Kissil, Schimpf, Taratko

NOES: None

Mr. Taratko asked about the release of a dump truck and driver. Paul Kozakiewicz stated the truck broke down and the brakes failed. The Comcast bill was questioned and it is for Clyde Potts's internet connection for SCADA.

OTHER BUSINESS

A. Public Hearing

(See Attached Transcript)

B. Resolution Approving Adjustment of Connection Fee for 2014

Mr. Weiss read the resolution approving adjustment of Connection Fee.

RESOLUTION 32-14

RESOLUTION APPROVING ADJUSTMENT OF CONNECTION FEE

"COPY ANNEXED"

Member Taratko offered this resolution. It was seconded by Member Carroll.

YEAS: Chairman Conradi, Members Baldassari, Carroll, Kissil, Dr. Schimpf, Taratko

NOES: None

C. Report of the Finance Committee

Mr. Baldassari reported that the Finance Committee met last week to review the annual audit which was performed by Nisivoccia LLP. Mr. Baldassari was happy to report that there were no findings in the audit and there are no recommendations to the audit. The recommendation made last year has been carried out and completed. There were a couple of minor suggestions with regard to our inventorying of capital assets. They suggested that the moveable assets be tagged so that they are more readily identifiable. This is something we have been looking into and will be done when there is a suitable opportunity to do it. There was also a suggestion that when we make budget transfers from one category to another (we have typically made budget transfers and as long as the total budget has not exceeded what was authorized by the Board) it has just been done. The Board is advised from time to time depending on the magnitude of those transfers. The auditors advised that we inform the Board each time a transfer is made.

Mr. Baldassari stated that the Committee also met with the auditors in private with no members of management present. They indicated no difficulties in performing the audit and that they were very pleased with the cooperation they received from the staff. As a consequence, we have a very clean audit.

He also reported that it was disclosed that a member of the Nisivoccia firm is related by marriage to Mr. John Sandelli, an employee at SMCMUA. Mr. Sandelli took no part in preparing or reviewing the audit. It was the sense of the Committee and the General Counsel that there is no conflict arising from this relationship.

The Committee also addressed issue of purchases made through the local, State and Federal Coop Program. Those purchases have generally come before the Board; however, it seems to the Committee that it makes more sense that the purchases could be approved by the Executive Director as long as they do not exceed the threshold level of competitive bidding. The Committee agreed with the request of management that this is the way we should proceed.

The Committee also discussed retiree benefits for new employees. However, it felt this was more appropriate for the Personnel Committee.

D. Resolution Accepting 2013 Audit

Member Baldassari introduced the following resolution:

RESOLUTION 33-14

RESOLUTION ACCEPTING 2013 AUDIT

"COPY ANNEXED"

The Resolution was seconded by Mr. Taratko and approved by the following vote:

YEAS: Chairman Conradi, Members Baldassari, Carroll, Kissil, Dr. Schimpf, Taratko

NOES: None

E. Resolution Approving Cancelling Prepaid Expenses on Balance Sheet

Mr. Weiss explained that this expense has been carried on the books for many years and has not been able to be identified. The Treasurer has recommended that the expense be cancelled. Member Baldassari agreed that this expense which has been carried for years should be eliminated. Member Carroll offered the following Resolution:

RESOLUTION 34-14

RESOLUTION TO APPROVE CANCELLING PREPAID EXPENSES ON BALANCE SHEET

"COPY ANNEXED"

Member Baldassari seconded the Resolution which was approved by the following votes:

YEAS: Chairman Conradi, Members Baldassari, Carroll, Kissil, Dr. Schimpf, Taratko

NOES: None

F. Resolution Awarding Contract for Liquid Non-Hazardous Waste Removal

Member Carroll moved the following resolution:

RESOLUTION 35-14

RESOLUTION AWARDING CONTRACT FOR LIQUID NON-HAZARDOUS WASTE REMOVAL

"COPY ANNEXED"

Member Baldassari seconded the motion. Mr. Weis stated that the Treasurer has certified funds available. The Resolution was approved by the following vote:

YEAS: Chairman Conradi, Members Baldassari, Carroll, Kissil, Dr. Schimpf, Taratko

NOES: None

G. Resolution Authorizing Contract Extension for Fixed Radio Network Meter Transmission Units

The Superintendent has recommended this contract be extended for an additional term of one year. He has certified that the contractor has performed the work in an effective and efficient manner. Member Carroll offered the following resolution:

RESOLUTION 36-14

RESOLUTION AUTHORIZING CONTRACT EXTENSION FOR FIXED RADIO NETWORK METER TRANSMISSION UNITS

"COPY ANNEXED"

Member Baldassari seconded the motion. Member Taratko asked if the award was for the meters. Mr. Kozakiewicz explained that the award was for two radio transmitters that go with the meters. Mr. Weiss indicated that the Treasurer has certified funds are available. The Resolution was approved by the following vote:

YEAS: Chairman Conradi, Members Baldassari, Carroll, Kissil, Dr. Schimpf, Taratko

NOES: None

H. Resolution Authorizing Contract Extension for Laboratory Services for Potable Water Testing

Mr. Weiss explained that this is an extension of an existing contract that the Superintendent has recommended be extended for an additional year. He stated that the Superintendent has certified that the services are being performed in an effective and efficient manner. Mr. Weiss also indicated that the Treasurer has certified that funds are available for the portion of the award that is to be expended in 2014 in the 2014 budget. Member Carroll moved the following resolution:

RESOLUTION 37-14

RESOLUTION AUTHORIZING CONTRACT EXTENSION FOR LABORATORY SERVICES FOR POTABLE WATER TESTING

"COPY ANNEXED"

The motion was seconded by Member Kissel.

The Resolution was approved by the following vote:

YEAS: Chairman Conradi, Members Baldassari, Carroll, Kissil, Dr. Schimpf, Taratko

NOES: None

I-J. Resolution Authorizing Participation in the National Joint Powers Alliances Co-Op and Authorizing Agreement Thereunder with the Pitney Bowes Financial Services

The Treasurer/CFO explained that the Authority wishes to lease a postage meter from Pitney Bowes. Pitney Bowes has recommended that we join the National Joint Powers Alliance Co-Op, a national co-op that complies with New Jersey standards similar to the State and County co-ops that the Authority participates in. She stated that Pitney Bowes has a contract with the co-op that meets the New Jersey bidding requirement.

Mr. Taratko then offered the following resolution:

RESOLUTION 38-14

RESOLUTION TO APPROVE AUTHORIZING PARTICIPATION IN THE NJPA ALLIANCE CO-OP & AUTHORIZING AGREEMENT THEREUNDER WITH PITNEY BOWES FINANCIAL SERVICES

"COPY ANNEXED"

Member Carroll seconded the motion.

Mr. Weiss clarified that items I & J of the Agenda have been combined. He also indicated that the Treasurer has certified that funds are available for the portion to be expended in 2014 in the 2014 budget.

The Resolution was approved by the following vote:

YEAS: Chairman Conradi, Members Baldassari, Carroll, Kissil, Dr. Schimpf, Taratko

NOES: None

K. Resolution Ratifying Electric Generation Service Agreement with Tri-Eagle Energy, L.P.

Mr. Weiss asked Mr. Kozakiewicz to explain the background for this item. Mr. Kozakiewicz explained that the Authority has been a member of the New Jersey Sewerage and Municipal Utilities Authority Electric Supply Aggregation since 2005. The purpose of the Aggregation is to go out to bid as a group for electric generation and by participating in volume buying to get a better price. This award represents the current bid prices starting with meter readings in May.

Mr. Weiss stated that pursuant to the authority that has been vested in the Superintendent, Mr. Kozakiewicz did attend the meeting of the Aggregation to approve the award of the contract to Tri-Eagle Energy, L.P., the successful bidder. This resolution approves Mr. Kozakiewicz's participation as the Authority's representative in the Aggregation, approves and ratifies the

award letter he signed and approves and ratifies the Electric Generation Service Agreement with Tri-Eagle Energy L.P.

Member Taratko asked Member Baldassari whether he thought this was a good deal or not. Member Baldassari gave a detailed explanation of how the process works and concluded that, based upon his understanding, this participation should save the Authority money.

Member Taratko then offered the following resolution:

RESOLUTION 39-14

RESOLUTION RATIFYING ELECTRIC GENERATION SERVICE AGREEMENT WITH TRI-EAGLE ENERGY, L.P.

"COPY ANNEXED"

Member Baldassari seconded the motion. Mr. Weiss indicated that the Treasurer has certified that funds are available for the portion of the award that is to be expended in 2014 in the 2014 budget.

The Resolution was approved by the following vote:

YEAS: Chairman Conradi, Members Baldassari, Carroll, Kissil, Dr. Schimpf, Taratko

NOES: None

SUCH OTHER MATTERS TO LEGALLY COME BEFORE THE BOARD

Ms. Cummings advised that the Union will probably be meeting next week to discuss the latest contract. They will be getting back to us shortly. We hope to have this issue on the next Board meeting agenda for final ratification and approval.

Ms. Cummings also commented on the customer conversion project. We are at a critical point in the next 6 to 8 weeks. The next 2 weeks they will be wrapping up the fine details. The conversion is more complicated than anticipated but the team will pull it through. Nick Buono is working with Hewlett Packard and our new IT managed services firm over the next two weeks to convert to virtual servers that we purchased and also activate that support contract. They have been running mock conversions with our staff. They have 250 test cases to make sure the data is converted properly. On May 5 there is a second mock conversion data set. The month of May is very intense because this is the true functional testing of the conversion. We will be printing bills and going through reports. Final conversion cutover is June 2, 2014. This will be our first new billing cycle. We decided to conduct the bill folding, inserting, and mailing in-house. We purchased a machine for this and we will be testing it starting next week.

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 March 2014

- B. Superintendent March 2014
- C. Information Technology March 2014
- D. Customer Service and Billing March 2014
- E. Finance March 2014

PUBLIC DISCUSSION

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

ADJOURNMENT

There being no further business, Member Taratko moved that the meeting be adjourned and Member Baldassari seconded the motion. The meeting adjourned at 8:10PM.

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

lea 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 7, 2014.

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 7, 2014.

1 SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY 2 PUBLIC HEARING 3 DATE: APRIL 24, 2014 - 7:30 P.M. 4 IN THE MATTER OF THE PUBLIC HEARING 5 RE: CONNECTION FEE FOR 6 THE YEAR 2014 7 BEFORE: WILLIAM CONRADI - CHAIRMAN 8 ROBERT CARROLL - MEMBER EDWARD A. TARATKO, JR. - MEMBER DENNIS BALDASSARI - MEMBER 9 ADOLPH SCHIMPF - MEMBER DONALD KISSIL - MEMBER 10 ALSO PRESENT: 11 12 TERRY BOZZZA RECORDING SECRETARY 13 LAURA CUMMINGS, P.E. 14 EXECUTIVE DIRECTOR/CHIEF ENGINEER 15 JANICE CONGLETON CHIEF FINANCIAL OFFICER/TREASURER 16 PAUL KOZAKIEWICZ 17 SUPERINTENDENT 18 **APPEARANCES:** 19 SIDNEY D. WEISS, ESQ. 19 Saddle Road 20 Cedar Knolls, New Jersey 07927 Attorney for SMCMUA 21 22 J.H. BUEHRER & ASSOCIATES 23 1613 Beaver Dam Road 24 Point Pleasant, New Jersey 08742 (732) 295-1975

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		Page 2		April 24, 20 Page
1	INDEX			
2	WITNESS	EXAMINATION		done by Alexis Bozza dated March 7th, 2014 which
3	JANICE CONGLETON	EXAMINATION		more than twenty days prior to the date of this
		-		hearing, as required by law. It's been marked A-1
4	BY: MR. WEISS	5	4	for identification. And I'd ask that that be
5			5	accepted into evidence.
6			6	CHAIRMAN CONRADI: Accepted.
7	EXHIBITS		7	MR. WEISS: The statute also requires
8	EXHIBIT DESCRIPTION	IDENT.	8	that notice of the hearing be published in two
9	A-1 Certification of Service	3		newspapers. I have an affidavit from the Star
10	A-2 Affidavit of Publication			Ledger saying that notice of this hearing was
11	For the Star Ledger	3		published on March 11, 2014, which is more than
12	A-3 Affidavit of Publication For The Daily Record	3		twenty days prior to the date of this hearing.
13	A-4 Connection Fee Calculation	3		That's been marked A-2 for identification. I ask
14		5		that that be accepted into evidence.
15				
			15	CHAIRMAN CONRADI: Accepted.
16			16	MR. WEISS: And finally, an exhibit
17				that's been marked A-3 for identification.
18				Affidavit from The Daily Record indicating that
19				notice of the hearing was published on March 8th,
20			1	2014, also more than twenty days prior to the date
21				of this hearing. I ask that that be accepted as
22			22	A-3 in evidence.
23			23	CHAIRMAN CONRADI: Accepted.
24			24	MR. WEISS: Thank you, Mr. Chairman.
25			25	At this point I'd like to call Janice Congleton.
		Page 3		Page
1	(Whereupon Exhibit A-1		1	LANICE CONGLETON Sworn
1	(Whereupon Exhibit A-1, Certification of Service, is marked for		1	JANICE CONGLETON, Sworn. EXAMINATION BY MR WEISS:
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	Page 6		Page
1	connection fee for the Authority in conformity with	1	requirements of law?
2	the statutory requirements for the current year	2	A. Yes.
3	2014?	3	MR. WEISS: Mr. Chairman, that's the
4	A. Yes.	4	conclusion of Ms. Congleton's testimony. You can
5	Q. I'm going to show you a document	5	open it for questions from the Board or from
6	that's been marked A-4 for identification entitled	6	members of the public.
7	Connection Fee Calculation for 2014 and ask if you	7	CHAIRMAN CONRADI: Any comments from
8	can identify that?	8	the members of the Board?
9	A. Yes. That's the document I prepared.	9	MR. WEISS: Public? Seeing no public.
10	Q. Okay. And does that exhibit calculate	10	CHAIRMAN CONRADI: Seeing no public,
11	and recompute the connection fee based upon the	11	close the meeting.
12	statutory formula?	12	MR. WEISS: All right. There being no
13	A. Yes.	13	questions, that concludes the public hearing.
14	Q. And that calculation was made by you?	14	I think the next item on the agenda is
15	A. Yes.	15	the adoption of the resolution approving the
16	Q. Can you describe the methodology that	16	connection fee for 2014. I'd like to read that
17	you used to make your calculation for this year?	17	into the record.
18	A. Okay. According to statute I take	18	"Whereas, the Authority's enabling
19	the total of all the debt service and all the	19	legislation requires annual adjustment of the
20	interest that we have paid at the end of 2013, plus	20	connection fee permitted pursuant to NJSA
21	any capital expenditures from 2013 for the system	21	40:14B-21; and
22	development. And then this number is divided by	22	Whereas, the Authority published
23	the number of service units that we had at the end	23	notice of the proposed adjusted connection fee in
			nemet et me prepetta aujustes termitet ne
	of 2013.	24	the Daily Record on March 8, 2014 and in the Star
24	of 2013. Q. Now, based upon your calculation set Page 7	24 25	the Daily Record on March 8, 2014 and in the Star Ledger on March 11, 2014; and Page 9
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	Page 10
1	approve has been made and seconded, so we can take
2	a roll call.
3	CHAIRMAN CONRADI: Roll call, please.
4	MS. BOZZA: Mr. Baldassari?
5	MR. BALDASSARI: Yes.
6	MS. BOZZA: Mr. Carroll?
7	MR. CARROLL: Yes.
8	MS. BOZZA: Mr. Kissil?
9	MR. KISSIL: Yes.
10	MS. BOZZA: Dr. Schimpf?
11	MR. SCHIMPF: Yes.
12	MS. BOZZA: Mr. Taratko?
13	MR. TARATKO: Yes.
14	MS. BOZZA: Chairman Conradi?
15	CHAIRMAN CONRADI: Yes. Motion
16	carried.
17	(Whereupon the proceedings were
18	concluded at 7:43 p.m.)
19	
20	
21	
22	
23	
24	
25	
	1 7
	Page 11
1	Page 11 CERTIFICATE
1 2	
2	CERTIFICATE
2 3	C E R T I F I C A T E I, CHRISTINA RESTUCCIA, a Court Reporter
2 3 4	C E R T I F I C A T E I, CHRISTINA RESTUCCIA, a Court Reporter of the State of New Jersey, authorized to
2 3 4 5	C E R T I F I C A T E I, CHRISTINA RESTUCCIA, a Court Reporter of the State of New Jersey, authorized to administer oaths pursuant to R.S.41:2-2, do hereby
2 3 4 5 6	C E R T I F I C A T E I, CHRISTINA RESTUCCIA, a Court Reporter of the State of New Jersey, authorized to administer oaths pursuant to R.S.41:2-2, do hereby certify that prior to the commencement of the
2 3 4 5 6 7	C E R T I F I C A T E I, CHRISTINA RESTUCCIA, a Court Reporter of the State of New Jersey, authorized to administer oaths pursuant to R.S.41:2-2, do hereby certify that prior to the commencement of the examination, the witness JANICE CONGLETON was sworn
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2 3 4 5 6 7 8 9 10 11 12	C E R T I F I C A T E I, CHRISTINA RESTUCCIA, a Court Reporter of the State of New Jersey, authorized to administer oaths pursuant to R.S.41:2-2, do hereby certify that prior to the commencement of the examination, the witness JANICE CONGLETON was sworn by me to testify to the truth, the whole truth and nothing but the truth. I DO FURTHER CERTIFY that the foregoing is a true and accurate transcript of the testimony that was taken stenographically by and before me at
2 3 4 5 6 7 8 9 10 11 12 13	C E R T I F I C A T E I, CHRISTINA RESTUCCIA, a Court Reporter of the State of New Jersey, authorized to administer oaths pursuant to R.S.41:2-2, do hereby certify that prior to the commencement of the examination, the witness JANICE CONGLETON was sworn by me to testify to the truth, the whole truth and nothing but the truth. I DO FURTHER CERTIFY that the foregoing is a true and accurate transcript of the testimony that was taken stenographically by and before me at the time, place and on the date herein before set
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SEMORRIS CTY MUA

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orior (4)	8:12	6:19	-]
4:2,12,20;7:12	roll (2)	treasurer (2)	7	
proceedings (1)	10:2,3	5:9,11		
10:17	rounded (2)	twenty (3)	7:43 (1)	
proposed (5)	7:4,5	4:2,12,20	10:18	1



Resolution No. 30-14

RESOLUTION APPROVING CLOSED SESSION MINUTES

RESOLVED that the attached minutes of the Closed Session Meeting held on March 13, 2014, 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

DATED: April 24, 2014

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

William Conradi WILLIAM J CONRADI, Chairman

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Edward A. Taratko, Jr. **Morris Plains:** Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

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

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Thursday, April 24, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary



Resolution No. 31-14

RESOLUTION AUTHORIZING PAYMENT OF APRIL 2014 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\$	275,433.99
Total Operating Fund Checks and Wire Transfers\$	1,063,580.02
GENERAL FUND/SPECIAL ACCOUNT \$	108,883.15
TOTAL OF APRIL 2014 LIST OF BILLS \$	1,447,897.16

ATTEST:

SIDNEY D. WEISS, Assistant Secretary

DATED: April 24, 2014

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

am WILLIAM J. CONRADI, Chairman

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Edward A. Taratko, Jr. **Morris Plains:** Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

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

TREASURER'S CERTIFICATION

I hereby certify that there are sufficient funds available (\$ 1,447,897.16) for payment of the resolution entitled Resolution Authorizing Payment of April 2014 List of Bills.

JANICE A. CONGLETON, Treasurer

DATED: April 24, 2014

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Edward A. Taratko, Jr. Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

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

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Thursday, April 24, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary



Resolution No. 32-14

RESOLUTION APPROVING ADJUSTMENT OF CONNECTION FEE

WHEREAS, the Authority's enabling legislation requires annual adjustment of the connection fee permitted pursuant to N.J.S.A. 40:14B-21; and

WHEREAS, the Authority published notice of the proposed adjusted connection fee in the Daily Record on March 8, 2014 and in the Star Ledger on March 11, 2014; and

WHEREAS, notice of the proposed adjusted connection fee was served upon each municipality serviced by the Authority within the time permitted by law; and

WHEREAS, a public hearing on the proposed adjustment was held on April 24, 2014, as required by law; and

WHEREAS, the proposed adjusted connection fee complies with the provisions of N.J.S.A. 40:14B-21 and was recomputed as therein provided.

NOW THEREFORE BE IT RESOLVED by The Southeast Morris County Municipal Utilities Authority that the revised connection fee, as set forth in the revised schedule annexed hereto, be and is hereby approved effective for connection fees paid on and after April 24, 2014.

ATTEST:

SIDNEY D. WEISS, Assistant Secretary

DATED: April 24, 2014

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

William Conradi

Board Members

Morristown: Mary Dougherty Donald Kissil

Morris Township: Dennis Baldassari Edward A. Taratko, Jr. Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

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

EXHIBIT A

Schedule No. 13 (Revised) Effective April 24, 2014

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:

<u>Connection Fee</u> (Per Equivalent Dwelling Unit)

\$ 4,145.00

An equivalent dwelling unit is defined as usage of 197.504 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 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.

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Thursday, April 24, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary



Resolution No. 33-14

RESOLUTION ACCEPTING 2013 AUDIT

WHEREAS, N.J.S.A. 40A:5A-15 requires the governing body of every local Authority to have made an annual audit of its books, accounts and financial transactions; and

WHEREAS, the Annual Report of Audit for the year 2013 has been filed by a Certified Public Accountant with the Authority as per the requirements of N.J.S.A. 40A:5A-15, and a copy has been received by each member of the Authority; and

WHEREAS, the local Finance Board has promulgated a regulation requiring that the governing body of each Authority shall, by resolution, certify to the Local Finance Board of the State of New Jersey that all members of the governing body have reviewed, as a minimum, the sections of the annual audit entitled:

GENERAL COMMENTS

RECOMMENDATIONS

; and

WHEREAS, the Members of the Authority have personally reviewed as a minimum the Annual Report of the Audit, and specifically the sections of the Annual Audit entitled:

GENERAL COMMENTS

RECOMMENDATIONS

as evidenced by the group affidavit form of the Authority; and

WHEREAS, such resolution of certification shall be adopted by the Authority no later than forty-five days after the receipt of the annual audit, as per the regulations of the Local Finance Board; and

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Edward A. Taratko, Jr. Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

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

WHEREAS, all members of the Authority have received and have familiarized themselves with, at least, the minimum requirements of the Local Finance Board of the State of New Jersey, as stated aforesaid and have subscribed to the affidavit, as provided by the Local Finance Board; and

WHEREAS, failure to comply with the promulgations of the Local Finance Board of the State of New Jersey may subject the members of the governing body to the penalty provisions of R.S.52:27BB-52 – to wit:

R.S. 52:27BB-52 – "A local officer or member of a local governing body who, after a date fixed for compliance, fails or refuses to obey an order of the director (Director of Local Government Services), under the provisions of this Article, shall be guilty of a misdemeanor and, upon conviction, may be fined not more than one thousand dollars (\$1,000.00) or imprisoned for not more than one year, or both, in addition shall forfeit his office."

NOW THEREFORE BE IT RESOLVED that the Members of the Southeast Morris County Municipal Utilities Authority, hereby state that they have complied with the promulgation of the Local Finance Board of the State of New Jersey dated July 30, 1968 and do hereby submit a certified copy of this resolution and the required affidavit to said Board to show evidence of said compliance.

ATTEST:

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

SIDNEY D. WEISS, Assistant Secretary

DATED: April 24, 2014

William Comadi

WILLIAM CONRADI, Vice Chairman

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Edward A. Taratko, Jr.

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

Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Thursday, April 24, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary



Resolution No. 34-14

RESOLUTION TO APPROVE CANCELLING PREPAID EXPENSES ON THE BALANCE SHEET

WHEREAS, the Authority has a Balance Sheet line item for Prepaid Expenses in the amount of \$30,846; and

WHEREAS, the auditors have noted that this amount has been on the Balance Sheet for multiple years; and

WHEREAS, the Treasurer has not been able to identify what constitutes the \$30,846 balance; and

WHEREAS, the auditors and the Treasurer recommend that the \$30,846 balance be cancelled and the amount transferred to unrestricted net assets;

NOW THEREFORE, BE IT RESOLVED by the Southeast Morris County Municipal Utilities Authority that the Prepaid Expenses in the amount of \$30,846 appearing on the current year Balance Sheet be cancelled and the amount transferred to unrestricted net assets.

ATTEST:

SIDNEY D. WEISS, Assistant Secretary

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITES AUTHORITY

William Conradi WILLIAM J. CONRADI, Chairman

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Thursday, April 24, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary



Resolution No. 35-14

RESOLUTION AWARDING CONTRACT FOR LIQUID NON-HAZARDOUS WASTE REMOVAL

WHEREAS, the Authority has advertised and received bids for the project entitled Liquid Non-Hazardous Waste Removal on April 15, 2014; and

WHEREAS, RUSSELL REID WASTE HAULING AND DISPOSAL SERVICE CO., INC. has been determined to be the lowest qualified bidder in the total amount not to exceed \$47,970; and

WHEREAS, the Treasurer has certified that there are sufficient funds available in the 2014 Budget for the portion to be expended in 2014; portions to be expended in 2015 are subject to funds being available in the 2015 Budget; and

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

- 1. That a contract entitled Liquid Non-Hazardous Waste Removal be awarded to Russell Reid Waste Hauling and Disposal Service Co., Inc. in accordance with its bid submitted on April 15, 2014, in the amount not to exceed \$\$47,970.
- 2. That the appropriate officers of the Authority be and they are hereby authorized and directed to execute a contract with regard to said project on behalf of the Authority in the manner provided by law.
- 3. That the contract be limited to the maximum amount of bid and the term of one year and shall become effective on the date of signing the contract.

ATTEST:

SIDNEY D. WEISS, Assistant Secretary

DATED: April 24, 2014

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Edward A. Taratko, Jr.

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

Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

Superintendent: Paul A. Kozakiewicz

MUNICIPAL UTILITIES AUTHORITY William Comadi WILLIAM, CONRADI, Chairman

THE SOUTHEAST MORRIS COUNTY

TREASURER'S CERTIFICATION

I hereby certify funds for payment of a contract with RUSSELL REID WASTE HAULING AND DISPOSAL CO., INC. for Liquid Non-Hazardous Waste Removal units as follows:

- 1. In 2014, funds are available in the amount of \$27,903; and
- In 2015, funds will be available in the amount of \$19,987 subject to the approval of the 2015 Budget.

The total maximum amount of this contract will not exceed \$47,970. This item will be charged to Account No. 4-02-70-400-640.

JANICE A. CONGLETON, Treasurer

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Thursday, April 24, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

Southeast Morris County Municipal Utilities Authority 19 Saddle Road • Cedar Knolls, New Jersey 07927 • Tel 973-326-6880 • Fax 973-326-9521



Resolution No. 36-14

RESOLUTION AUTHORIZING CONTRACT EXTENSION FOR FIXED RADIO NETWORK METER TRANSMISSION UNITS

WHEREAS, the Authority had entered into a contract dated May 1, 2013, with KP Electronics, Inc., for Fixed Radio Network Meter Transmission Units which contract was duly awarded and approved by resolution dated April 18, 2013 (the "Contract"); and

WHEREAS, the Contract was for an initial term of one year with an option to renew by the Authority for one or two additional years under certain conditions as permitted by N.J.S.A. 40A:11-15 of the Local Public Contracts Law; and

WHEREAS, the Superintendent of the Authority has recommended that the Contract be extended for an additional period of one year; and

WHEREAS, the Members of the Authority hereby find, based upon memorandum of the Superintendent dated April 22, 2014, a copy of which is annexed hereto, that the services are being performed by KP Electronics, Inc., under the Contract in an effective and efficient manner; and

WHEREAS, the extension will be on the same terms and conditions, including price, as permitted pursuant to the Local Public Contracts Law (N.J.S.A. 40A:11-15), set forth in the existing Contract; and

WHEREAS, the total maximum cost to the Authority is \$466,000 for the one-year extension; and

WHEREAS, the Treasurer has certified that there are sufficient funds available in the 2014 Budget for the portion to be expended in 2014; portions to be expended in 2015 are subject to funds being available in the 2015 Budget; and

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

1. The term of the Contract dated May 1, 2013, between the Authority and KP Electronics, Inc., be and the same is hereby extended for a period of one year as

Board Members

Morristown: Mary Dougherty Donald Kissil **Morris Township:** Dennis Baldassari Edward A. Taratko, Jr. Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

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

- 1. The term of the Contract dated May 1, 2013, between the Authority and KP Electronics, Inc., be and the same is hereby extended for a period of one year as provided in the Contract and permitted by the Local Public Contracts Law, N.J.S.A. 40A:11-15;
- 2. The extension shall be on the same terms and conditions, including price, as permitted pursuant to the Local Public Contracts Law (N.J.S.A. 40A:11-15), set forth in the existing Contract, which Contract was awarded by the Authority by resolution duly adopted on April 18, 2013;
- 3. The Chairman or Vice Chairman and Secretary or Assistant Secretary be and they are hereby authorized and directed to execute and deliver the extension agreement or other document as may be required, and approved by the General Counsel, in order to effectuate the intent of this resolution.

ATTEST:

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

SIDNEY D. WEISS, Assistant Secretary

DATED: April 24, 2014

William Conradi WILLIAMJ. CONRADI, Chairman

TREASURER'S CERTIFICATION

I hereby certify funds for payment of a contract with <u>KP Electronics</u> for laboratory services for potable water testing as follows:

- 1. In 2014, funds are available in the amount of $\frac{310}{667}$; and
- 2. In 2015, funds will be available in the amount of \$ 155, 333 subject to the approval of the 2015 Budget.

The total maximum amount of this contract will not exceed $\frac{466,000}{200}$. This item will be charged to Account No. $\underline{C-61-00-500-377}$.

Janice A. Congleton JANICE A. CONGLETON, Treasurer

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Thursday, April 24, 2014, at a meeting duly convened of said Authority.

SHDNEY D. WEISS, Assistant Secretary



Resolution No. 37-14

RESOLUTION AUTHORIZING CONTRACT EXTENSION FOR LABORATORY SERVICES FOR POTABLE WATER TESTING WITH UL LLC

WHEREAS, the Authority had entered into a contract dated June 1, 2011, with UL LLC (the "Contractor"), for Laboratory Testing Services for Potable Water Testing, which contract was duly awarded and approved by resolution dated April 20, 2011 (the "Contract"); and

WHEREAS, the Contract was for an initial term of one year with an option to renew by the Authority for up to four additional years under certain conditions as permitted by N.J.S.A. 40A:11-4.2 of the Local Public Contracts Law; and

WHEREAS, a contract extension was authorized by resolution dated May 17, 2012 for a period of one year on the same terms and conditions, including price, set forth in the existing Contract; and

WHEREAS, the Superintendent of the Authority has recommended that the Contract be extended for an additional period of one year; and

WHEREAS, the Members of the Authority hereby find that the services are being performed by the Contractor under the Contract in an effective and efficient manner; and

WHEREAS, the extension will be on the same terms and conditions, including price, as set forth in the existing Contract; and

WHEREAS, the maximum cost to the Authority is \$49,479 covering a one year period; and

WHEREAS, the Treasurer has certified that there are sufficient funds available in the 2014 Budget for the portion to be expended in 2014; portions to be expended in 2015 are subject to funds being available in the 2015 Budget; and

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 Edward A. Taratko, Jr. Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

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

- 1. The term of the Contract dated June 1, 2011, between the Authority and UL LLC, be and the same is hereby extended for an additional period of one year as provided in the Contract and permitted by the Local Public Contracts Law, N.J.S.A. 40A:11-4.2;
- 2. The extension shall be on the same terms and conditions, including price, as set forth in the existing Contract, which Contract was awarded by the Authority by resolution duly adopted on April 20, 2011 and extended by resolutions duly adopted on May 17, 2012 and February 21, 2013;
- 3. The Chairman or Vice Chairman and Secretary or Assistant Secretary be and they are hereby authorized and directed to execute and deliver the extension agreement or other document as may be required, and approved by the General Counsel, in order to effectuate the intent of this resolution.

ATTEST:

SIDNEY D. WEISS, Assistant Secretary

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

William Conradi WILLIAM, CONRADI, Chairman

I hereby certify funds for payment of a contract with UL LLC for laboratory testing services for potable water testing as follows:

- 1. In 2014, funds are available in the amount of \$28,863; and
- In 2015, funds will be available in the amount of \$20,616 subject to the approval of the 2015 Budget.

The total maximum amount of this contract will not exceed \$49,479. This item will be charged to Account No. 4-02-70-400-644.

JANICE A. CONGLETON, Treasurer

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, April 24, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

DATED: April 24, 2014



RESOLUTION NO. 38-14

RESOLUTION AUTHORIZING PARTICIPATION IN THE NATIONAL JOINT POWERS ALLIANCE CO-OP AND AUTHORIZING AGREEMENT THEREUNDER WITH PITNEY BOWES FINANCIAL SERVICES

WHEREAS, The Authority is authorized by law to utilize national cooperative contracts as method of procurement; and

WHEREAS, National Joint Powers Alliance Co-Op (NJPA) is a national cooperative offering contracts for various goods and services; and

WHEREAS, the Treasurer/CFO has recommended that the Authority participate in the procurement contracts offered through NJPA; and

WHEREAS, NJPA has a contract with Pitney Bowes Financial Services (Pitney Bowes) for leasing postage meters and related service; and

WHREREAS, the cost to the Authority for leasing such services from Pitney Bowes through NJPA is \$262 per month as set forth in the proposed agreement annexed hereto and made part hereof;

WHEREAS, the Treasurer has certified that funds are available for the amount to be paid to Pitney Bowes (not to exceed \$2,100) in the Authority's 2014 operating budget and the amounts to be paid in any future years will be available subject to approval of the Budget for those years

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Edward A. Taratko, Jr. **Morris Plains:** Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

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

Superintendent: Paul A. Kozakiewicz

Authority as follows:

- 1. That the Authority's participation in the cooperative procurement program offered through NJPA Co-Op be and the same is hereby authorized and approved.
- 2. The proposed Agreement for the leasing of a postage meter and related services from Pitney Bowes through NJPA Co-Op be and is hereby approved.
- 3. The Executive Director/Chief Engineer or her designee be and they are hereby authorized to execute and deliver the proposed agreement with Pitney Bowes substantially in the form annexed hereto.

ATTEST:

SIDNEY D. WEISS, Assistant Secretary

DATED: April 24, 2014

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITES AUTHORITY

William & Comadi William J. Conradi, Chairman

Agreement Number

SOUTHEAST MOR	RIS COUNTY MUNI	C				
Full Legal Name of Custom	er		DBA Name of Customer	Tax ID # (FE	IN/TIN)	
19 SADDLE RD			CEDAR KNOLLS	NJ	07927-1901	
Billing Address: Street		and the second	City	State	Zíp+4	
				20730697	867	
Billing Contact Name		and the second se	Billing Contact Phone #	Billing CAN #		
19 SADDLE RD			CEDAR KNOLLS	NJ	07927-1901	
Installation Address (If different	rent from billing address) : S	Street	City	State	Zip+4	
				20730697	7867	
Installation Contact Name			Installation Contact Phone #	Installation C		
Fiscal Period (from - to) Your Business Nee	de recentration		Customer PO #	Delivery CAN		
Qty Business Solution Description Mail Stream Solution - 1 1 Connect+ 1000 Series 1 Connect+ Series Meter 1 160 LPM Feature 1 100 Dept Accounting 1 Black Graphics Upgrade 1 15 in. Display – High Res Apps Center 1 Connect+ Drop Stacker 1 pbSmartPostage Free Additional Items on following page			Check items to be included in customer's payment Service Level Agreement Tier 2 - Provides Standard SLA plus Training and printhead replacement Software Maintenance (additional terms apply) - Provides revision updates & fechnical as Soft-Guard® Subscription - Provides postal and carrier updates If you do not choose Soft-Guard protection with your lease, you will automatically receive a If you do not choose Soft-Guard protection with your lease, you will automatically receive a If PBI's current rates. IntelliLink® Subscription/ Metar Rental - Provides simplified billing and includes postage re () Value Based Services () Purchase Power® credit line Permit Mail Payment Service - Allows you to consolidate permit postage with metared post under one account. As a permit mail user, we need USPS forms 6001, 6002, and 6003, alo the Permit Follment form, to activate your Permit Mail Payment service.			
Your Payment Plan	La contra de la co					
Number Of Months	Monthly Amount	Billed Quarterly At*	() Required advance chec Tax Exempt#		d x (If applicable)	
	1		() Tax Exempt Certificate		. I Flunderenel	

Your Signature Below

Vour Duningen Information

Non-Appropriations. You warrart that you have funds available to pay all payments until the end of your current fiscal period, and shall use your best efforts to obtain funds to pay all payments in each subsequent fiscal period through the end of your Lease Term. If your appropriation request to your legislative body, or funding authority ("Governing Body") for funds to pay all payments in each terminate this Lease on the last day of the fiscal period for which funds have been appropriated, upon (i) submission of all charges and obligations under this Lease incurred through the end of the fiscal period for which funds have been appropriated, upon (ii) satisfaction of all charges and obligations under this Lease incurred through the end of the fiscal period for which funds have been appropriated, upon (ii) satisfaction of all charges and obligations under this Lease incurred through the end of the fiscal period for which funds have been appropriated, including the return of the Equipment at your expense.

By signing below, you agree to be bound by all the terms and conditions of this Agreement, including those located in the NJPA Contract Number 043012-PT, effective date July 11, 2012 which are available at www.pbcom/states/npa and are incorporated by reference. The lease will be binding on PBGFS only after PBGFS has completed its credit and documentation approval process and an authorized PBGFS employee signs below.

TORRICCOUNTY MUN THE SOUTHERS Connacti Connacti, Ch. By Date Customer Signature

4/2+

2014

See www.gb.com/states/ripa for additional terms and conditions

Print Name	Title	Email Address
Sales Information		
James F. Schwartz	001	
Account Rep Name	District Office	PBGFS Acceptance
Account Rep Name	District Once	PBGr5 Acceptance

Page 1

(C0127746.3)

PBGFS NJPA SLG LTOP Term Rental Agreement (Version 4/12)

92912 Pilney Bowes Inc. All rights reserved. Pilney Bowes Connect -, Solf-Guard, IntelliLink, and Purchase Power are registered trademarks owned by Pilney Bowes Inc.

Agreement Number

SOUTHEAST MORRIS COUNTY MUNIC				
Full Legal Name of Customer	DBA Name of Customer	Tax ID # (FEIN/TIN)		
19 SADDLE RD	CEDAR KNOLLS	NJ	07927-1901	
Billing Address: Street	City	State	Zip+4	
		20730697	7867	
Billing Contact Name	Billing Contact Phone #	Billing CAN #		
19 SADDLE RD	CEDAR KNOLLS	NJ	07927-1901	
Installation Address (If different from billing address) : Street	City	State	Zip+4	
		20730697	7867	
Installation Contact Name	Installation Contact Phone #	Installation C	AN #	
Fiscal Period (from - to)	Customer PO #	Delivery CAN	1#	
Your Business Needs 1 IntelliLink Subscription				

1 15lb Scale Platform/Stand

Your Business Information

(C0167746.3)

PBGFS NJPA SLG LTOP Term Rental Agreement (Version 4/12)

Form 8038-GC

(Rev. January 2012) Department of the Treasury Internal Revenue Service

Information Return for Small Tax-Exempt Governmental Bond Issues, Leases, and Installment Sales

Under Internal Revenue Code section 149(e)

OMB NO. 1545-0720

Internal Revenue S	Service	Caution: li the iss	sue price of the issue is \$100.000 or more, us	se Form 8038-0	G.		
Part I	Reportin	g Authority	Check Box if A	Amended Ret	urn		
	ST MORRIS C	OUNTY MUNIC		2. Issu	i r	tification number (El	N)
3. Number and 19 SADDLI		pox if mail is not delivered to str	eetaddress)		Rao	m/Suite	
	r post office, stat	te, and ZIP code		5. R	eport number (For	IRS Use Only)	
6. Name and tit	e of officer or oth	er employee of issuer or designal	ed contact person whom the IRS may call for more in	formation 7. T	elephone number	of officer or legal rep	resentative
Part II	Des	cription of Obligations	Check one: a single issue 🗵 or	a consolidat	ed return		
8a Issue prid	ce of obligation	on(s) (see instructions)			8a		A CONTRACTOR
b Issue da	te (single issu	ue) or calendar date (con 009) (see instructions)	solidated) Enter date in mm/dd/yyyy for	rmat			
9 Amount o	of the reporte	d obligation(s) on line 8a	that is:				
a Forlease	es for Vehicle	S			9a 9b		
b For lease	es for office e	quipment	*****				
c Forlease	es for real pro	perty	· · · · · · · · · · · · · · · · · · ·				
a Forlease	es for other (s						
e Forbank	loans for ver	nicles					
T For bank	loans for off	ice equipment					
g Forbank	loans for rea	al property					
j Represer	nting a loan fro	om the proceeds of anothe	r tax-exempt obligation (for example, bon	id bank)	9j		
k Other				• • • • • • • • • • • •	9k		l
11 If the issued at 12 Vendor's	uer has elect or bank's na	ed to pay a penalty in lieu	ection 265(b)(3)(B)(i)(III), (small issuer e u of arbitrage rebate, check this box (s 5 INC	ee instruction	s)		
Signature	and belief, th	ties of perjury. I declare that I h ey are true, correct, and comple return, to the person(s) that I ha	ave examined this return and accompanying sch ete. I further declare that I consent to the IRS's dis ve authorized above.	edules and state sclosure of the iss	ments, and to the suer's retum inform	best of my knowled nation, as necessary	ge to
Consent				A			
	Sign	nature of issuer's authorized rep	presentative Date	/ ·	Type or print nam	e and title	
Paid	1.	preparer's name	Preparer's signature	Date	Check [] if self-employed	PTIN	
Preparer's Use Only	Firm's name	a 🌶	•••• •••••••••••••••••••••••••••••••••		Firm's	sein 🕨	
	Firm's addr	ess 🕨		1	Phon	e no.	

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

What's New

The IRS has created a page on IRS.gov for information about the Form 8038 series and its instructions, at www.irs gov/form8038. Information about any future developments affecting the Form 8038 series (such as legislation enacted after we release it) will be posted on that page.

Purpose of Form

Form 8038-GC is used by the issuers of taxexempt governmental obligations to provide the IRS with the information required by section 149(e) and to monitor the requirements of sections 141 through 150.

Who Must File

Issuers of tax-exempt governmental obligations with issue prices of less than \$100,000 must file Form 8038-GC.

Issuers of a tax-exempt governmental obligation with an issue price of \$100,000 or more must file Form 8038-G, Information Return for Tax-Exempt Governmental Obligations.

Filing a separate return for a single issue. Issuers have the option to file a separate Form 8038-GC for any tax-exempt governmental obligation with an issue price of less than \$100,000.

An issuer of a tax-exempt bond used to finance construction expenditures must file a separate Form 8038-GC for each issue to give notice to the IRS that an election was made to pay a penalty in lieu of arbitrage rebate (see the line 11 instructions).

Filing a consolidated return for multiple issues. For all tax-exempt governmental obligations with issue prices of less than \$100,000 that are not reported on a separate Form &038-GC, an issuer must file a consolidated information return including all such issues issued within the calendar year.

Thus, an issuer may file a separate Form 8038-GC for each of a number of small issues and report the remainder of small issues issued during the calendar year on one consolidated Form 8038-GC. However, if the issue is a construction issue, a separate Form 8038-GC must be filed to give the IRS notice of the election to pay a penalty in lieu of arbitrage rebate.

Form 8038-GC (Rev. 1-2012)

When To File

To file a separate return for a single issue, file Form 8038-GC on or before the 15th day of the second calendar month after the close of the calendar quarter in which the issue is issued.

To file a consolidated return for multiple issues, file Form 8038-GC on or before February 15th of the calendar year following the year in which the issue is issued.

Late filing. An issuer may be granted an extension of time to file Form 8038-GC under section 3 of Rev. Proc. 2002-48, 2002-37 I.R.B. 531, if it is determined that the failure to file on time is not due to willful neglect. Type or print at the top of the form, "Request for Relief under section 3 of Rev. Proc. 2002-48." Attach to the Form 8038-GC a letter briefly stating why the form was not submitted to the IRS on time. Also indicate whether the obligation in question is under examination by the IRS. Do not submit copies of any bond documents, leases, or installment sale documents. See *Where To File* next.

Where To File

File Form 8038-GC, and any attachments, with the Department of the Treasury, Internal Revenue Service Center, Ogden, UT 84201.

Private delivery services. You can use certain private delivery services designated by the IRS to meet the "timely mailing as timely filing/paying" rule for tax returns and payments. These private delivery services include only the following:

· DHL Express (DHL): DHL Same Day Service.

 Federal Express (FedEx): FedEx Priority Overnight, FedEx Standard Overnight, FedEx 2Day, FedEx International Priority, and FedEx International First.

 United Parcel Service (UPS): UPS Next Day Air, UPS Next Day Air Saver, UPS 2nd Day Air, UPS 2nd Day Air A.M., UPS Workdwide Express Plus, and UPS Worldwide Express.

The private delivery service can tell you how to get written proof of the mailing date.

Other Forms That May Be Required

For rebating arbitrage (or paying a penalty in lieu of arbitrage rebate) to the Federal Government, use Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate. For private activity bonds, use Form 8038, Information Return for Tax-Exempt Private Activity Bond Issues.

For a tax-exempt governmental obligation with an issue price of \$100,000 or more, use Form 8038-G.

Rounding to Whole Dollars

You may show the money items on this return as whole-dollar amounts. To do so, drop any amount less than 50 cents and increase any amount from 50 to 99 cents to the next higher dollar.

Definitions

Obligations. This refers to a single taxexempt governmental obligation if Form 8038-GC is used for separate reporting or to multiple tax-exempt governmental obligations if the form is used for consolidated reporting.

Tax-exempt obligation. This is any obligation including a bond, installment purchase agreement, or financial lease, on which the interest is excluded from income under section 103.

Tax-exempt governmental obligation. A taxexempt obligation that is not a private activity bond (see below) is a tax-exempt governmental obligation. This includes a bond issued by a qualified volunteer fire department under section 150(e).

Private activity bond. This includes an obligation issued as part of an issue in which:

 More than 10% of the proceeds are to be used for any private activity business use, and

 More than 10% of the payment of principal or interest of the issue is either (a) secured by an interest in property to be used for a private business use (or payments for such property) or (b) to be derived from payments for property (or borrowed money) used for a private business use.

It also includes a bond, the proceeds of which (a) are to be used to make or finance loans (other than loans described in section 141(c)(2)) to persons other than governmental units and (b) exceeds the lesser of 5% of the proceeds or \$5 million.

Issue. Generally, obligations are treated as part of the same issue only if they are issued by the same issuer, on the same date, and as part of a single transaction, or a series of related transactions. However, obligations issued during the same calendar year (a) under a loan agreement under which amounts are to be advanced periodically (a "draw-down loan") or (b) with a term not exceeding 270 days, may be treated as part of the same issue if the obligations are equally and ratably secured under a single indenture or loan agreement and are issued under a common financing arrangement (for example, under the same official statement periodically updated to reflect changing factual circumstances). Also, for obligations issued under a draw-down loan that meets the requirements of the preceding sentence, obligations issued during different calendar years may be treated as part of the same issue if all of the amounts to be advanced under the draw-down loan are reasonably expected to be advanced within 3 years of the date of issue of the first obligation. Likewise, obligations (other than private activity bonds) issued under a single agreement that is in the form of a lease or installment sale may be treated as part of the same issue if all of the property covered by that agreement is reasonably expected to be delivered within 3 years of the date of Issue of the first obligation.

Arbitrage rebate. Generally, interest on a state or local bond is not tax-exempt unless the issuer of the bond rebates to the United States arbitrage profits earned from investing proceeds of the bond in higher yielding nonpurpose investments. See section 148(f).

Construction issue. This is an issue of taxexempt bonds that meets both of the following conditions: 1. At least 75% of the available construction proceeds of the issue are to be used for construction expenditures with respect to property to be owned by a governmental unit or a 501 (c)(3) organization, and

2. All of the bonds that are part of the issue are qualified 501(c)(3) bonds, bonds that are not private activity bonds, or private activity bonds issued to finance property to be owned by a governmental unit or a 501(c)(3) organization.

In lieu of rebating any arbitrage that may be owed to the United States, the issuer of a construction issue may make an irrevocable election to pay a penalty. The penalty is equal to 1-1/2% of the amount of construction proceeds that do not meet certain spending requirements. See section 148(f)(4)(C) and the Instructions for Form 8038-T.

Specific Instructions

In general, a Form 8038-GC must be completed on the basis of available information and reasonable expectations as of the date of issue. However, forms that are filed on a consolidated basis may be completed on the basis of information readily available to the issuer at the close of the calendar year to which the form relates, supplemented by estimates made in good faith.

Part I—Reporting Authority

Amended retum. An issuer may file an amended retum to change or add to the information reported on a previously filed return for the same date of issue. If you are filing to correct errors or change a previously filed return, check the "Amended Retum" box in the heading of the form.

The amended return must provide all the information reported on the original return, in addition to the new corrected information. Attach an explanation of the reason for the amended return and write across the top "Amended Return Explanation."

Line 1. The issuer's name is the name of the entity issuing the obligations, not the name of the entity receiving the benefit of the financing. In the case of a lease or installment sale, the issuer is the lessee or purchaser.

Line 2. An issuer that does not have an employer identification number (EIN) should apply for one on Form SS-4, Application for Employer Identification Number. You can get this form on the IRS website at IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676). You may receive an EIN by telephone by following the instructions for Form SS-4.

Lines 3 and 4. Enter the issuer's address or the address of the designated contact person listed on line 6. If the issuer wishes to use its own address and the issuer receives its mail in care of a third party authorized representative (such as an accountant or attorney), enter on the street address line "C/O" followed by the third party's name and street address or P.O. box, Include the suite, room, or other unit number after the street address. If the post office does not deliver mail to the street address and the issuer has a P.O. box, show the box number instead of the

Form 8038-GC (Rev. 1-2012)

street address. If a change in address occurs after the return is filed, use Form 8822, Change of Address, to notify the IRS of the new address.

Note. The address entered on lines 3 and 4 is the address the IRS will use for all written communications regarding the processing of this return, including any notices. By authorizing a person other than an authorized officer or other employee of the issuer to communicate with the IRS and whom the IRS may contact about this return, the issuer authorizes the IRS to communicate directly with the individual listed on line 6, whose address is entered on lines 3 and 4 and consents to disclose the issuer's return information to that individual, as necessary, to process this return.

Line 5. This line is for IRS use only. Do not make any entries in this box.

Part II—Description of Obligations

Check the appropriate box designating this as a return on a single issue basis or a consolidated return basis.

Line 8a. The issue price of obligations is generally determined under Regulations section 1.148-1(b). Thus, when issued for cash, the issue price is the price at which a substantial amount of the obligations are sold to the public. To determine the issue price of an obligation issued for property, see sections 1273 and 1274 and the related regulations.

Line 8b. For a single issue, enter the date of issue (for example, 03/15/2010 for a single issue issued on March 15, 2010), generally the date on which the issuer physically exchanges the bonds that are part of the issue for the underwriter's (or other purchaser's) funds; for a lease or installment sale, enter the date interest starts to accrue. For issues reported on a consolidated basis, enter the first day of the calendar year during which the obligations were issued (for example, for calendar year 2010, enter 01/01/2010).

Lines 9a through 9h. Complete this section if property other than cash is exchanged for the obligation, for example, acquiring a police car, a fire truck, or telephone equipment through a series of monthly payments. (This type of obligation is sometimes referred to as a "municipal lease.") Also complete this section if real property is directly acquired in exchange for an obligation to make periodic payments of interest and principal.

Do not complete lines 9a through 9d if the proceeds of an obligation are received in the form of cash even if the term "lease" is used in the title of the issue. For lines 9a through 9d, enter the amount on the appropriate line that represents a lease or installment purchase. For line 9d, enter the type of item that is leased. For lines 9e through 9h, enter the amount on the appropriate line that represents a bank loan. For line 9h, enter the type of bank loan. Lines 9i and 9j. For line 9i, enter the amount of the proceeds that will be used to pay principal, interest, or call premium on any other issue of bonds, including proceeds that will be used to fund an escrow account for this purpose. Several lines may apply to a particular obligation. For example, report on lines 9i and 9j obligations used to refund prior issues which represent loans from the proceeds of another tax-exempt obligation.

Line 9k. Enter on line 9k the amount on line 8a that does not represent an obligation described on lines 9a through 9j.

Line 10. Check this box if the issuer has designated any issue as a "small issuer exception" under section 265(b)(3)(B)(j)(III).

Line 11. Check this box if the issue is a construction issue and an irrevocable election to pay a penalty in lieu of arbitrage rebate has been made on or before the date the bonds were issued. The penalty is payable with a Form 8038-T for each 6-month period after the date the bonds are issued. Do not make any payment of penalty in lieu of rebate with Form 8038-GC. See Rev. Proc. 92-22, 1992-1 C.B. 736, for rules regarding the "election document."

Line 12. Enter the name of the vendor or bank who is a party to the installment purchase agreement, loan, or financial lease. If there are multiple vendors or banks, the issuer should attach a schedule.

Line 13. Enter the employer identification number of the vendor or bank who is a party to the installment purchase agreement, loan, or financial lease. If there are multiple vendors or banks, the issuer should attach a schedule.

Signature and Consent

An authorized representative of the issuer must sign Form 8038-GC and any applicable certification. Also print the name and title of the person signing Form 8038-GC. The authorized representative of the issuer signing this form must have the authority to consert to the disclosure of the issuer's return information, as necessary to process this return, to the person(s) that has been designated in this form.

Note. If the issuer authorizes in line 6 the IRS to communicate with a person other than an officer or other employee of the issuer, (such authorization shall include contact both in writing regardless of the address entered in lines 3 and 4, and by telephone) by signing this form, the issuer's authorized representative consents to the disclosure of the issuer's return information, as necessary to process this return, to such person.

Paid Preparer

If an authorized representative of the issuer filled in its return, the paid preparer's space should remain blank. Anyone who prepares the return but does not charge the organization should not sign the return. Certain others who prepare the return should not sign. For example, a regular, full-time employee of the issuer, such as a clerk, secretary, etc., should not sign.

Generally, anyone who is paid to prepare a return must sign it and fill in the other blanks in the *Paid Preparer Use Only* area of the return. A paid preparer cannot use a social security number in the *Paid Preparer Use Only* box. The paid preparer must use a preparer tax identification number (PTIN). If the paid preparer is self-employed, the preparer should enter his or her address in the box.

The paid preparer must:

 Sign the return in the space provided for the preparer's signature, and

Give a copy of the return to the issuer.

Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

Learning about the law or the form 4 hr., 46 min.

Preparing the form 2 hr., 22 min.

Copying, assembling, and sending the form to the IRS . 2 hr., 34 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:M:S, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send the form to this address. Instead, see

Where To File.

Agreement Number

	Business Info	rmation		un en esta de la company en esta de la company esta de la company esta de la company esta de la company esta d		
Full Leg	gal Name of Custome	er		DBA Name of Customer	Tax ID # (FEI	N/TIN)
19 S/	ADDLE RD			CEDAR KNOLLS	NJ	07927-1901
Billing Address: Street			City	State	Zip+4	
		*			20730697	867
Billing (Contact Name	an da galego yang manan di kana balan yang manan da katalan yang manan da katalan yang manan da katalan yang m		Billing Contact Phone #	Billing CAN #	H
19 S/	ADDLE RD			CEDAR KNOLLS	NJ	07927-1901
		ent from billing address) : S	Street	City	State	Zip+4
					20730697	867
Installa	tion Contact Name			Installation Contact Phone #	Installation C/	AN #
Fiscal F	Period (from - to)	u		Customer PO #	Delivery CAN	#
Your	Business Nee	ds personal and the second s				
Qty Business Solution Description Mail Stream Solution - 1 1 Connect+ 1000 Series 1 Connect+ Series Meter 1 160 LPM Feature 1 100 Dept Accounting 1 Black Graphics Upgrade 1 15 in. Display – High Res Apps Center 1 Connect+ Mono Printer 1 Connect+ Drop Stacker 1 pbSmartPostage Free Additional Items on following page		Check items to be included in customer's Service Level Agreement Tier 2 - Provides Standard SLA plus Train Software Maintenance (additional terms Soft-Guard® Subscription - Provides pos If you do not choose Soft-Guard protect at PBI's current rates. IntelliLink® Subscription/ Metar Rental - () Value Based Services () Purchase Power® credit line Permit Mail Payment Service - Allows yo under one account. As a permit mail user the Permit Enroltment form, to activate yo	ning and printhead replacement apply} - Provides revision upon stal and carrier updates an with your lease, you will au Provides zimplified billing and the consolidate permit postag , we need USPS forms 6001, aur Permit Mail Payment servit	dates & fochnical assistance Iomalically receive updates I includes postage resets Se with metered postage 6002, and 6003, along with		
	Payment Plan	Monthly Amount	Billed Quarterly At*	() Required advance cher	Construction of the constr	
First	48	\$261.95	\$785.85	Tax Exempt# () Tax Exempt Certificate	State Tax Attached	(If applicable)
•Does n	ot include any applicable	e laxes.		() Tax Exempt Certificate	Not Required	

Your Signature Below

REAR

Non-Appropriations. You warrant that you have funds available to pay all payments until the end of your ourrent fiscal period, and shall use your best efforts to obtain funds to pay all payments in each subsequent fiscal period through the end of your Lease Term. If your appropriation request to your legislative body, or funding authority ('Governing Body') for funds to pay the payments is derived, you may terrinate this Lease on the last day of the fiscal period for which funds have been appropriated, upon (i) submission of documentation reasonably satisfactory to us evidencing the Governing Body's denial of an appropriation sufficient to continue this Lease for the next succeeding fiscal period, and (iii) satisfaction of all charges and obligations under this Lease incurred through the end of the fiscal period for which funds have been appropriated, including the return of the Equipment at your expense.

By signing below, you agree to be bound by all the terms and conditions of this Agreement, including those located in the NJFA Contract Number 043012-FHT, effective date July 11, 2012 which are available at www.pbcom/states/npa and are incorporated by reference. The lease will be binding on PBCFS only after PBCFS has completed its credit and documentation approval process and an authorized PBCFS employee signs below.

County MUA Morris The eas Date Customer Signature 014 Print Name Title Email Address Sales Information No. 2017 Parts of States State to the termination of the James F. Schwartz 001 Account Rep Name District Office **PBGFS** Acceptance Page 1 See www.pb.com/states/ojpa for additional terms and conditions

(C0127746.3)

PBGFS NJPA SLG LTOP Term Rental Agreement (Version 4/12) 1/2012 Pilney Boves Inc. All rights reserved. Pitney Bowes Connect +, Soft-Guard, IntelliLink, and Purchase Power are registered vademarks owned by Pilney Bowes Inc.

1 1 1

Agreement Number

Full Legal Name of Customer	DBA Name of Customer	Tax ID # (FE	IN/TIN)
19 SADDLE RD	CEDAR KNOLLS	NJ	07927-1901
Billing Address: Street	City	State	Zip+4
		20730697	867
Billing Contact Name	Billing Contact Phone #	Billing CAN #	
19 SADDLE RD	CEDAR KNOLLS	NJ	07927-1901
Installation Address (If different from billing address) : Street	City	State	Zip+4
		20730697	867
Installation Contact Name	Installation Contact Phone #	Installation C	AN #
Fiscal Period (from - to)	Customer PO #	Delivery CAN	1#
Your Business Needs			

IntelliLink Subscription 1

15lb Scale Platform/Stand 1

Your Business Information

(C0187746.3)

Agreement Number

	Business Info	RIS COUNTY MUNI	С	Walkey Ber					
	gal Name of Custome			DB	A Name of Customer	Та	x ID # (FEIN/TI	N)	
	ADDLE RD				EDAR KNOLLS	N.		07927-1901	
	Address: Street			City			ate	Zip+4	
Sunard	Shinig Address. Silver					73069786			
ailling	Contact Name			Dilli	ng Contact Phone #		ling CAN #	1	
-									
	ADDLE RD		·····		EDAR KNOLLS	N		07927-1901	
nstall	ation Address (If differ	ent from billing address) : S	street	City	/	St	ate	Zip+4	
						20	073069786	7	
nstall	ation Contact Name			Inst	tallation Contact Phone #	Ins	stallation CAN #	1	
Fiscal	Period (from - to)			Cu	stomer PO #	De	livery CAN #		
You	Business Nee								
Qty 1	Mail Stream Solution - 1 Connect+ 1000 Series		X	Check Items to be included in customer's Service Lavel Agreement Tier 2 - Provides Standard SLA plus Trai		ead roplacement			
1	160 LPM Feature	;		Sottware Maintenance (additional terms apply) - Provides revision updates & lechnical assistance					
1	10 lb Interfaced								
1	100 Dept Accour		and the second se	X	If you do not choose Soft-Guard protection with your lease, you will automatically receive updates at PBI's current rates. X IntelliLink® Subscription/ Meter Rental - Provides simplified billing and includes postage resets				
1	Black Graphics L		and the second						
1		ligh Res Apps Center		- X					
1	Connect+ Mono				() Value Based Services () Purchase Power® credit line				
1	Connect+ Drop S	The second secon			Permit Mail Payment Service - Allows y	nu to possibilitat			
1	pbSmartPostage				under one account. As a permit mail use	r, we need USF	S forms 6001, 6002		
-		on following page			the Permit Enrollment form, to activate y	our Permit Mail	Payment service.		
(oui	Payment Plan	2730 Passadorus, San April Deserver a Tacia Para Bandar				al af C/			
	Payment Plan	Monthly Amount	Billed Quarterly At*		 Required advance che 	SCK OL \${) received		

Your Signature Below

Non-Appropriations. You warrant that you have funds available to pay all payments until the end of your current fiscal period, and shall use your best efforts to obtain funds to pay all payments in each subsequent fiscal period through the end of your Lease Term. If your appropriation request to your legislative body, or funding authority ("Governing Body") for funds to pay all payments in each terminate this Lease on the last day of the fiscal period for which funds have been appropriated, upon (i) submission of all charges and obligations under this Lease incurred through the end of the fiscal period for which funds have been appropriated, upon (ii) satisfaction of all charges and obligations under this Lease incurred through the end of the fiscal period for which funds have been appropriated, including the return of the Equipment at your expense.

By signing below, you agree to be bound by all the terms and conditions of this Agreement, including those located in the NJPA Contract Number 043012-PT, effective date July 11, 2012 which are available at www.pbcom/states/nipa and are incorporated by reference. The lease will be binding on PBGFS only after PBGFS has completed its credit and documentation approval process and an authorized PBGFS employee signs below.

THE	- sour HeAst	poppiccourry	
By	Will ram	Conradi	
Custom	er Signature (11)/16	6 Canadi, Ch.	Date

Sale?

4/2+/2014

See www.pb.com/states/ripa for additional terms and conditions

Account Rep Name	District Office	PBGFS Acceptance	
James F. Schwartz	001		
Sales Information			Salara)
Print Name	Title	Email Address	

Page 1

PBGFS NJPA SLG LTOP Term Rental Agreement (Version 4/12)

12812 Pilney Bowes Inc. All rights reserved. Pilney Bowes Connect +, Solt-Guard, IntelBLink, and Purchase Power are registered trademarks evened by Pilney Bowes Inc.

1 Agreement Number

Full Legal Name of Customer	DBA Name of Customer	Tax ID # (FE	IN/TIN)
19 SADDLE RD	CEDAR KNOLLS	NJ	07927-1901
Billing Address: Street	City	State	Zip+4
		20730697867	
Billing Contact Name	Billing Contact Phone #	Billing CAN #	ŧ
19 SADDLE RD	CEDAR KNOLLS	NJ	07927-1901
Installation Address (If different from billing address) : Street	City	State	Zip+4
		20730697	7867
Installation Contact Name	Installation Contact Phone #	Installation C	AN #
Fiscal Period (from - to)	Customer PO #	Delivery CAN	N#
Vour Business Needs			

1 15lb Scale Platform/Stand

1 et 1

(C0187746.3)

Form 8038-GC

(Rev. January 2012) Department of the Treasury

Internal Revenue Service

Informati	on Return	for Smal	I Tax-Exempt	
Governmental Bo	nd Issues	, Leases,	and Installment	Sales

OMB NO. 1545-0720

Caution: If the issue price of the issue is \$100,000 or more, use Form 8038-G.

Under Internal Revenue Code section 149(e)

Part I	Reporting Authority		Check Box if Am	ended Return			
Issuer's name						ication number (EIN	I)
	T MORRIS COUNTY MUNIC street (or P.O. box if mail is not delivered to stre	ot oddroce)		22 2	LL 33 L Room		
19 SADDLE	A CONTRACTOR OF A CONTRACTOR O	et address)			Room	Sulle	
City, town, or	post office, state, and ZIP code	• • • • • • • • • • • • • • • • • • • •		5. Report nu	mber (For II	RS Use Only)	
CEDAR KNO	DLLS.NJ 07927-1901						
Name and title	of officer or other employee of issuer or designate	d contact person whom the IRS	may call for more inform	nation 7. Telephon	e number of	officer or legal repr	esentative
Part II	Description of Obligations	Check one: a single	issue 🗵 or a c	onsolidated re	turn 🗆		
	e of obligation(s) (see instructions)				8a	12,573	60
	e (single issue) or calendar date (con						
(for exam	ple, 01/01/2009) (see instructions)			at			
Amount o	f the reported obligation(s) on line 8a	that is:					
	s for Vehicles				9a 9b	12 573	60
	s for office equipment				9D 9C	10 5 1 5	60
Forleases	s for real property				9d	14	
Forlease	s for other (see instructions) loans for vehicles	• • • • • • • • • • • • • • • • • • • •			9e		
	loans for office equipment				9f		
	loans for real property				9g		
For Bank	loans for other (see Instructions)				9h		
	efund prior issue(s)				9i		
	ing a loan from the proceeds of another		19 St.		9j		
COther					9k		
1 If the issu 2 Vendor's	er has designated any issue under se er has elected to pay a penalty in lieu or bank's name: PITNEY BOWES or bank's employer identification num	of arbitrage rebate, ch		instructions)			
ignature nd	Under penalties of perjury, I declare that I has and belief, they are true, correct, and comple process this return, to the person(s) that I hav	te. I further declare that I con	accompanying schedu sent to the IRS's disclo	les and statements, sure of the issuer's re	and to the b atum informa	best of my knowledg ation, as necessary	je to
onsent	Signature of issuer's authorized re	letra 4-	25-14	Ja	n print name	A Congle	ton
				P .,pe e		0	
aid 🔾	Print/Type preparer's name	Preparer's signature	Da	ate Chec if sel	k 🔲 f-employed	PTIN	
reparer's se Only	Firm's name	2			1	EIN	
	Firm's address				Phone	no	

General Instructions

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Purpose of Form

Form 8038-GC is used by the issuers of taxexempt governmental obligations to provide the IRS with the information required by section 149(e) and to monitor the requirements of sections 141 through 150.

Who Must File

Issuers of tax-exempt governmental obligations with issue prices of less than \$100,000 must file Form 8038-GC.

Issuers of a tax-exempt governmental obligation with an issue price of \$100,000 or more must file Form 8038-G, Information Return for Tax-Exempt Governmental Obligations.

Filing a separate return for a single issue. Issuers have the option to file a separate Form 8038-GC for any tax-exempt governmental obligation with an issue price of less than \$100,000.

An issuer of a tax-exempt bond used to finance construction expenditures must file a separate Form 8038-GC for each issue to give notice to the IRS that an election was made to pay a penalty in lieu of arbitrage rebate (see the line 11 instructions).

Filing a consolidated return for multiple issues. For all tax-exempt governmental obligations with issue prices of less than \$100,000 that are not reported on a separate Form 8038-GC, an issuer must file a consolidated information return including all such issues issued within the calendar year.

Thus, an issuer may file a separate Form 8038-GC for each of a number of small issues and report the remainder of small issues issued during the calendar year on one consolidated Form 8038-GC. However, if the issue is a construction issue, a separate Form 8038-GC must be filed to give the IRS notice of the election to pay a penalty in lieu of arbitrage rebate.

Form 8038-GC

(Rev. January 2012) Department of the Treasury

Information Return for Small Tax-Exempt Governmental Bond Issues, Leases, and Installment Sales

Under Internal Revenue Code section 149(e)

OMB NO. 1545-0720

Internal Revenue Servic	e	Caution: If the iss	ue price of the i	issue is \$	100.00	0 or m	ore, u	se Form 8	8038-0	Э.			
Part I	Reporting Authority Check Box if Amended Return						um		Þ	T			
1. Issuer's name	uer's name 2. Issuer's emp							er's emplo	oyer identific	ation number (El	N)		
SOUTHEAST	MORRIS CO	UNTY MUNIC								1			
3. Number and stre 19 SADDLE RI		ox if mail is not delivered to stre	etaddress)								Room/S	luite	
4. City, town, or pos	st office, state	e, and ZIP code			National Action				-		iber (For IRS	S Use Only)	
CEDAR KNOLLS.NJ 07927-1901						and and and							
6. Name and tile of	officer or othe	r employee of issuer or designal	ed contact person w	hom the IF	RS may	callfor	more ir	formation	7. T	elephone	number of o	fficer or legal rep	resentative
(Part II)	Desc	ription of Obligations	Check one:	asingl	e iss	ue 🗵	l or	a consc	olidat	ed retu	ırn 🗆	ener , , , , , , , , , , , , , , , , , , ,	
Re lasur price -	F ablineta										8a		1
		n(s) (see instructions)											
		e) or calendar date (con		er date li	n mm	/dd/yy	yy to	rmat					
		09) (see instructions)											
9 Amount of th	ie reported	d obligation(s) on line 8a	that is:								9a		1
a Forleases to	For leases for Vehicles								96				
b For leases for	For leases for office equipment												
	▷ For leases for real property								90				
d For leases for	or other (s	ee instructions)									9d		
e Forbankloa	e For bank loans for vehicles								9e				
f Forbank loa	f For bank loans for office equipment								9f				
g Forbank loa	ans for real	property									9g		
h For Bankloa	ans for oth	er (see Instructions)									9h		
	h For Bankloans for other (see Instructions)							9i					
j Representing a loan from the proceeds of another tax-exempt obligation (for example, bond bank)							9j						
											9k		
R Other													
10 If the issuer	has design	nated any issue under se	ection 265(b)	3)(B)(i)(II	I). (st	nall is	suer	exception	ns).	check th	nis box		
		d to pay a penalty in lieu											
		me: PITNEY BOWES											
		ployer identification num			1	9 5	0	5 0					
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1	Jnder penalti	es of perjury. I declare that I h	ave examined this	s return an	d acco	mpanyi	na sch	edulas and	d state	ments, ar	nd to the bes	st of my knowled	be
Signature la	nd belief, the	y are true, correct, and comple	eta. I further decla	re that 1 co	nsent t	o the IF	S's di	sclosure of	the is:	suer's retu	im informatio	on, as necessary	to
and F	rocess this re	aturn, to the person(s) that I have	ve authorized abo	ve,									
	A								A				
Consent	阁												
/ XI	/ Signa	ture of issuer's authorized rep	presentative	Dat	e				1	Type or p	crint name al	ndtitle	
	/.		1								<u></u>		
	Print/Type pr	eparer's name	Preparer's	signature				Date		Check		PTIN	
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Use Only	, and e hunde	P.									i uni s ci	Y	

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Firm's address

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What's New

The IRS has created a page on IRS.gov for information about the Form 8038 series and its Instructions, at www.irs.gov/form8038. Information about any future developments affecting the Form 8038 series (such as legislation enacted after we release it) will be posted on that page.

Purpose of Form

Form 8038-GC is used by the issuers of taxexempt governmental obligations to provide the IRS with the information required by section 149(e) and to monitor the requirements of sections 141 through 150.

Who Must File

Issuers of tax-exempt governmental obligations with issue prices of less than \$100,000 must file Form 8038-GC.

Issuers of a tax-exempt governmental obligation with an issue price of \$100,000 or more must file Form 8038-G, Information Return for Tax-Exempt Governmental Obligations.

Filing a separate return for a single issue. Issuers have the option to file a separate Form 8038-GC for any tax-exempt governmental obligation with an issue price of less than \$100,000.

An issuer of a tax-exempt bond used to finance construction expenditures must file a separate Form 8038-GC for each issue to give notice to the IRS that an election was made to pay a penalty in lieu of arbitrage rebate (see the line 11 instructions).

Phone no.

Filing a consolidated return for multiple issues. For all tax-exempt governmental obligations with issue prices of less than \$100,000 that are not reported on a separate Form &038-GC, an issuer must file a consolidated information return including all such issues issued within the calendar year.

Thus, an issuer may file a separate Form 8038-GC for each of a number of small issues and report the remainder of small issues issued during the calendar year on one consolidated Form 8038-GC. However, if the issue is a construction issue, a separate Form 8038-GC must be filed to give the IRS notice of the election to pay a penalty in lieu of arbitrage rebate.

Form 8038-GC (Rev. 1-2012)

When To File

To file a separate return for a single issue, file Form 8038-GC on or before the 15th day of the second calendar month after the close of the calendar quarter in which the issue is issued.

To file a consolidated return for multiple issues, file Form 8038-GC on or before February 15th of the calendar year following the year in which the issue is issued.

Late filing. An issuer may be granted an extension of time to file Form 8038-GC under section 3 of Rev. Proc. 2002-48, 2002-37 I.R.B. 531, if it is determined that the failure to file on time is not due to willful neglect. Type or print at the top of the form, "Request for Relief under section 3 of Rev. Proc. 2002-48." Attach to the Form 8038-GC a letter briefly stating why the form was not submitted to the IRS on time. Also indicate whether the obligation in question is under examination by the IRS. Do not submit copies of any bond documents, leases, or installment sale documents. See *Where To File* next.

Where To File

File Form 8038-GC, and any attachments, with the Department of the Treasury, Internal Revenue Service Center, Ogden, UT 84201.

Private delivery services. You can use certain private delivery services designated by the IRS to meet the "timely mailing as timely filing/paying" rule for tax returns and payments. These private delivery services include only the following:

· DHL Express (DHL): DHL Same Day Service.

• Federal Express (FedEx): FedEx Priority Overnight, FedEx Standard Overnight, FedEx 2Day, FedEx International Priority, and FedEx International First.

 United Parcel Service (UPS): UPS Next Day Air, UPS Next Day Air Saver, UPS 2nd Day Air, UPS 2nd Day Air A.M., UPS Worktwide Express Plus, and UPS Worldwide Express.

The private delivery service can tell you how to get written proof of the mailing date.

Other Forms That May Be Required

For rebating arbitrage (or paying a penalty in lieu of arbitrage rebate) to the Federal Government, use Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate. For private activity bonds, use Form 8038, Information Return for Tax-Exempt Private Activity Bond Issues.

For a tax-exempt governmental obligation with an issue price of \$100,000 or more, use Form 8038-G.

Rounding to Whole Dollars

You may show the money items on this return as whole-dollar amounts. To do so, drop any amount less than 50 cents and increase any amount from 50 to 99 cents to the next higher dollar.

Definitions

Obligations. This refers to a single taxexempt governmental obligation if Form 8038-GC is used for separate reporting or to multiple tax-exempt governmental obligations if the form is used for consolidated reporting.

Tax-exempt obligation. This is any obligation including a bond, installment purchase agreement, or financial lease, on which the interest is excluded from income under section 103.

Tax-exempt governmental obligation. A taxexempt obligation that is not a private activity bond (see below) is a tax-exempt governmental obligation. This includes a bond issued by a qualified volunteer fire department under section 150(e).

Private activity bond. This includes an obligation issued as part of an issue in which:

 More than 10% of the proceeds are to be used for any private activity business use, and

 More than 10% of the payment of principal or interest of the issue is either (a) secured by an interest in property to be used for a private business use (or payments for such property) or (b) to be derived from payments for property (or borrowed money) used for a private business use.

It also includes a bond, the proceeds of which (a) are to be used to make or finance loans (other than loans described in section 141(c)(2)) to persons other than governmental units and (b) exceeds the lesser of 5% of the proceeds or \$5 million.

Issue, Generally, obligations are treated as part of the same issue only if they are issued by the same issuer, on the same date, and as part of a single transaction, or a series of related transactions. However, obligations issued during the same calendar year (a) under a loan agreement under which amounts are to be advanced periodically (a "draw-down loan") or (b) with a term not exceeding 270 days, may be treated as part of the same issue if the obligations are equally and ratably secured under a single indenture or loan agreement and are issued under a common financing arrangement (for example, under the same official statement periodically updated to reflect changing factual circumstances). Also, for obligations issued under a draw-down loan that meets the requirements of the preceding sentence, obligations issued during different calendar years may be treated as part of the same issue if all of the amounts to be advanced under the draw-down loan are reasonably expected to be advanced within 3 years of the date of issue of the first obligation. Likewise, obligations (other than private activity bonds) issued under a single agreement that is in the form of a lease or installment sale may be treated as part of the same issue if all of the property covered by that agreement is reasonably expected to be delivered within 3 years of the date of issue of the first obligation.

Arbitrage rebate. Generally, interest on a state or local bond is not tax-exempt unless the issuer of the bond rebates to the United States arbitrage profits earned from investing proceeds of the bond in higher yielding nonpurpose investments. See section 148(f).

Construction issue. This is an issue of taxexempt bonds that meets both of the following conditions: 1. At least 75% of the available construction proceeds of the issue are to be used for construction expenditures with respect to property to be owned by a governmental unit or a 501 (c)(3) organization, and

2. All of the bonds that are part of the issue are qualified 501(c)(3) bonds, bonds that are not private activity bonds, or private activity bonds issued to finance property to be owned by a governmental unit or a 501(c)(3) organization.

In lieu of rebating any arbitrage that may be owed to the United States, the issuer of a construction issue may make an irrevocable election to pay a penalty. The penalty is equal to 1-1/2% of the amount of construction proceeds that do not meet certain spending requirements. See section 14B(f)(4)(C) and the Instructions for Form 8038-T.

Specific Instructions

In general, a Form 8038-GC must be completed on the basis of available information and reasonable expectations as of the date of issue. However, forms that are filed on a consolidated basis may be completed on the basis of information readily available to the issuer at the close of the calendar year to which the form relates, supplemented by estimates made in good faith.

Part I-Reporting Authority

Amended retum. An issuer may file an amended retum to change or add to the information reported on a previously filed return for the same date of issue. If you are filing to correct errors or change a previously filed return, check the "Amended Retum" box in the heading of the form.

The amended return must provide all the information reported on the original return, in addition to the new corrected information. Attach an explanation of the reason for the amended return and write across the top "Amended Return Explanation."

Line 1. The issuer's name is the name of the entity issuing the obligations, not the name of the entity receiving the benefit of the financing. In the case of a lease or installment sale, the issuer is the lessee or purchaser.

Line 2. An issuer that does not have an employer identification number (EIN) should apply for one on Form SS-4, Application for Employer Identification Number. You can get this form on the IRS website at IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676). You may receive an EIN by telephone by following the instructions for Form SS-4.

Lines 3 and 4. Enter the issuer's address or the address of the designated contact person listed on line 6. If the issuer wishes to use its own address and the issuer receives its mail in care of a third party authorized representative (such as an accountant or attorney), enter on the street address line "C/O" followed by the third party's name and street address or P.O. box. Include the suite, room, or other unit number after the street address. If the post office does not deliver mail to the street address and the issuer has a P.O. box, show the box number instead of the

Form 8038-GC (Rev. 1-2012)

street address. If a change in address occurs after the return is filed, use Form 8822, Change of Address, to notify the IRS of the new address.

Note. The address entered on lines 3 and 4 is the address the IRS will use for all written communications regarding the processing of this return, including any notices. By authorizing a person other than an authorized officer or other employee of the issuer to communicate with the IRS and whom the IRS may contact about this return, the issuer authorizes the IRS to communicate directly with the individual listed on line 6, whose address is entered on lines 3 and 4 and consents to disclose the issuer's return information to that individual, as necessary, to process this return.

Line 5. This line is for IRS use only. Do not make any entries in this box.

Part II-Description of Obligations

Check the appropriate box designating this as a return on a single issue basis or a consolidated return basis.

Line 8a. The issue price of obligations is generally determined under Regulations section 1.148-1(b). Thus, when issued for cash, the issue price is the price at which a substantial amount of the obligations are sold to the public. To determine the issue price of an obligation issued for property, see sections 1273 and 1274 and the related regulations.

Line 8b. For a single issue, enter the date of issue (for example, 03/15/2010 for a single issue issued on March 15, 2010), generally the date on which the issuer physically exchanges the bonds that are part of the issue for the underwriter's (or other purchaser's) funds; for a lease or installment sale, enter the date interest starts to accrue. For issues reported on a consolidated basis, enter the first day of the calendar year during which the obligations were issued (for example, for calendar year 2010, enter 01/01/2010).

Lines 9a through 9h. Complete this section if property other than cash is exchanged for the obligation, for example, acquiring a police car, a fire truck, or telephone equipment through a series of monthly payments. (This type of obligation is sometimes referred to as a "municipal lease.") Also complete this section if real property is directly acquired in exchange for an obligation to make periodic payments of interest and principal.

Do not complete lines 9a through 9d if the proceeds of an obligation are received in the form of cash even if the term "lease" is used in the title of the issue. For lines 9a through 9d, enter the amount on the appropriate line that represents a lease or installment purchase. For line 9d, enter the type of item that is leased. For lines 9e through 9h, enter the amount on the appropriate line that represents a bank loan. For line 9h, enter the type of bank loan. Lines 9i and 9j, For line G, enter the amount of the proceeds that will be used to pay principal, interest, or call premium on any other issue of bonds, including proceeds that will be used to fund an escrow account for this purpose. Several lines may apply to a particular obligation. For example, report on lines 9i and 9j obligations used to refund prior issues which represent loans from the proceeds of another tax-exempt obligation.

Line 9k. Enter on line 9k the amount on line 8a that does not represent an obligation described on lines 9a through 9j.

Line 10. Check this box if the issuer has designated any issue as a "small issuer exception" under section 265(b)(3)(B)(i)(III).

Line 11. Check this box if the issue is a construction issue and an irrevocable election to pay a penalty in lieu of arbitrage rebate has been made on or before the date the bonds were issued. The penalty is payable with a Form 8038-T for each 6-month period after the date the bonds are issued. Do not make any payment of penalty in lieu of rebate with Form 8038-GC. See Rev. Proc. 92-22, 1992-1 C.B. 736, for rules regarding the "election document."

Line 12. Enter the name of the vendor or bank who is a party to the installment purchase agreement, loan, or financial lease. If there are multiple vendors or banks, the issuer should attach a schedule.

Line 13. Enter the employer identification number of the vendor or bank who is a party to the installment purchase agreement, loan, or financial lease. If there are multiple vendors or banks, the issuer should attach a schedule.

Signature and Consent

An authorized representative of the issuer must sign Form 8038-GC and any applicable certification. Also print the name and title of the person signing Form 8038-GC. The authorized representative of the issuer signing this form must have the authority to consent to the disclosure of the issuer's return information, as necessary to process this return, to the person(s) that has been designated in this form.

Note. If the issuer authorizes in line 6 the IRS to communicate with a person other than an officer or other employee of the issuer, (such authorization shall include contact both in writing regardless of the address entered in lines 3 and 4, and by telephone) by signing this form, the issuer's authorized representative consents to the disclosure of the issuer's return information, as necessary to process this return, to such person.

Paid Preparer

If an authorized representative of the issuer filled in its return, the paid preparer's space should remain blark. Anyone who prepares the return but does not charge the organization should not sign the return. Certain others who prepare the return should not sign. For example, a regular, full-time employee of the issuer, such as a clerk, secretary, etc., should not sign.

Generally, anyone who is paid to prepare a return must sign it and fill in the other blanks in the *Paid Preparer Use Only* area of the return. A paid preparer cannot use a social security number in the *Paid Preparer Use Only* box. The paid preparer must use a preparer tax identification number (PTIN). If the paid preparer is self-employed, the preparer should enter his or her address in the box.

The paid preparer must:

 \cdot Sign the return in the space provided for the preparer's signature, and

· Give a copy of the return to the issuer.

Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

Learning about the

law or the form		•	4 hr.,	46 min.

Preparing the form 2 hr., 22 min.

Copying, assembling, and sending the form to the IRS . 2 hr., 34 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:M:S, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send the form to this address. Instead, see

Where To File.

TREASURER'S CERTIFICATION

I hereby certify funds for payment of a contract with Pitney Bowes Financial Services:

1. In 2014, funds are available in the amount of \$2,100; and

2. In 2015 and 2016, funds will be available in the amounts expended

in those years subject to the approval of the budget for such years.

This item will be charged to Account No. 4-02-12-400-604.

Janue A Congletor

JANICE A. CONGLETON, Treasurer

DATED:

April 24, 2014

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, April 24, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

DATED: April 24, 2014

Southeast Morris County Municipal Utilities Authority 19 Saddle Road • Cedar Knolls, New Jersey 07927 • Tel 973-326-6880 • Fax 973-326-9521



Resolution No. 39-14

RESOLUTION AUTHORIZING AND RATIFYING ELECTRIC GENERATION SERVICE AGREEMENT WITH TRI-EAGLE ENERGY, LP

WHEREAS, the Authority has participated in the formation and implementation of the New Jersey Sewerage and Municipal Utility Authority Electrical Supply Aggregation ("NJSMUAESA"), which is a consortium of New Jersey Sewerage and Municipal Utility Authorities formed for the purpose of soliciting and securing bids on an aggregated basis for electric generation service from licensed electric power suppliers pursuant to the provisions of the "Electric Discount and Energy Competition Act" (P.L. 1999, c.23, N.J.S.A. 48:3-49 *et. seq.*), and thereby and thereby enjoying the benefits of joint purchasing and bulk power purchasing discounts ; and

WHEREAS, the existing electric power supply contract between the Authority and PPL Energy Plus, awarded and entered as a result of a bid conducted by the NJSMUAESA in December 2011, will expire upon the meter read dates in May 2014 for each Authority electric account currently being served by PPL Energy Plus; and

WHEREAS, the NJSMUAESA issued a Request for Bids in March 2014 for the purpose of seeking bids for electric generation service from licensed electric power suppliers to replace the PPL-Energy Plus contract that is scheduled to expire in May 2014; and

WHEREAS, Bids were received and reviewed by NJSMUAESA on April 8, 2014;and.

WHEREAS, due to the fact that the electricity market is highly volatile and bid prices are not be guaranteed past 3:00 p.m. on the day that bids are accepted, the award or rejection of bid(s) had to be made on the Authority's behalf by its designated representative by no later than 3:00 p.m. on the bid day; and

WHEREAS, Paul Kozakiewicz, Superintendent, attended the bid opening as the Authority's Electric Energy representative to the NJSMUAESA; and

WHEREAS, the bid of TriEagle Energy was determined by NJSMUAESA to be lowest responsible bidder in accordance with its bid dated April 8, 2014; and

WHEREAS, Paul Kozakiewicz executed an award letter to an Electric Generation Supply Agreement with TriEagle Energy dated April 9, 2014 (for Bid Group 2 and Bid Group5) ("The Electric Generation Supply Agreement"), a copy of which is annexed to this Resolution; and

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Edward A. Taratko, Jr. Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

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

Superintendent: Paul A. Kozakiewicz



WHEREAS, The services under the Electric Generation Supply Agreement are to be provided to the Authority for a term of two years terminating upon the meter read dates in May 2016 for each Authority electric account at a total estimated cost to the Authority not to exceed Four Hundred Forty Eight Thousand Dollars (\$448,000.00) in 2014 and

WHEREAS, The Treasurer has certified funds are available for the amounts to be expended in 2014 in the Authority's 2014 budget and will be certified for amounts to be expended in 2015 and 2016 subject to approval of the budget for those years;

NOW, THEREFORE, BE IT RESOLVED that the authority of Paul Kozakiewicz to act as the Authority's representative to the NJSMUAESA in connection with the negotiation of a Electric Generation Supply Agreement be and the same is hereby authorized, ratified and approved.; and

BE IT FURTHER RESOLVED that the Agreement with TriEagle Energy and award letter dated April 9, 2014 approved by NJSMUAESA and executed by Paul Kozakiewicz on behalf of the Authority (copies of which are annexed hereto) be and the same are hereby ratified and approved; and

BE IT FURTHER RESOLVED that the Authority's Executive Director/Chief Engineer, Superintendent, Staff and consultants are hereby authorized and directed to take such further action and to do all other things necessary and convenient to implement the Authority's participation in the NJSMUAESA and the Agreement approved by this Resolution.

ATTEST:

SIDNEY D. WEISS, Assistant Secretary

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

WILLIAM J. CONRADI, Chairman

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Edward A. Taratko, Jr.

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

Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

Superintendent: Paul A. Kozakiewicz

TREASURER'S CERTIFICATION

I hereby certify funds for payment of a contract with Tri-Eagle Energy, L.P.

- In 2014, funds are available in the amount of \$ 446,000;
 and
- 2. In 2015 and 2016, funds will be available in the amounts expended

in those years subject to the approval of the budget for such years.

This item will be charged to Account No. 4-02-12-400-604.

Janue A Congleton

JANICE A. CONGLETON, Treasurer

DATED: April 24, 2014

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, April 24, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

DATED: April 24, 2014

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

MEETING MINUTES

MAY 15, 2014

The Board Meeting of The Southeast Morris County Municipal Utilities Authority (Authority) was held on Thursday, May 15, 2014, at 7:30 PM prevailing time in the Board room at the offices of the Authority at 19 Saddle Road, Cedar Knolls, New Jersey.

In the absence of Chairman Conradi, Vice Chairman Taratko called the meeting to order at 7:30PM 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: Vice Chairman Taratko, Members Baldassari, Kissil, Schimpf, Iannaccone, Dougherty

ABSENT: Chairman Conradi, Member Carroll

MOTION APPROVING MINUTES OF APRIL 24, 2014

Copies of the minutes of the meeting held on April 24, 2014, were distributed to the members prior to the meeting for review and comment. Mr. Weiss noted one amendment to the April 24, 2014 Minutes that Member Baldassari brought to his attention. On the motion approving the minutes of March 13, 2014, the names of Members Baldassari and Carroll are missing from the Members who voted in favor. Member Baldassari moved that the minutes be adopted as amended. Member Kissil seconded the motion which was duly adopted by the following vote:

YEAS: Vice Chairman Taratko; Members Baldassari, Kissil and Schimpf

ABSTAIN: Members Dougherty, Iannaccone

NOES: None

COMMUNICATIONS

Ms. Cummings informed the Board that Authority the Authority's Annual Drinking Water Report was delivered to the Members. She indicated that the Report indicates there are high sodium levels in water from Passaic Valley and some of our wells. She stated that this has been the subject of ongoing discussions with Councilman Frank Mangravite of Morris Plains and that while there is not much that can be done to correct high sodium levels, the Authority is making sure customers are aware of the situation. Ms. Cummings referred to the new sample bill form provided to the Members. The first bill that will be going out to customers will include an insert that alerts the customers to the changes which include new account numbers, a new mailing address for the remittance of mailed payments, an automatic banking function and other changes. Member Taratko asked whether bills mailed to the Authority's old address will be forwarded to the new address. Ms. Cummings stated that the old lock box will forward payments to the new lock box. Also, it was proposed that return envelopes be eliminated as many customers are transitioning to online bill pay. Concerns were expressed by Mr. Weiss and some Members about those customers who do not pay on line and rely upon return envelopes. Ms. Cummings stated she would look into and take care of this problem.

Ms. Cummings also stated that she would like to set up two sessions before the June19th Board meeting for whomever is interested. Nick Buono will walk one group through IT changes to the servers. Ms. Judy Burster will take another group and provide a demonstration of the bill insert machine and postage machines. The tours will begin at 6:30 P.M. Mr. Weiss pointed out that separate tours are necessary in order to avoid violation of the Open Public Meetings Act.

RESOLUTION - MAY 2014 LIST OF BILLS

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

RESOLUTION NO. 40-14

RESOLUTION AUTHORIZING PAYMENT OF LIST OF BILLS FOR MAY 2014 "COPY ANNEXED"

Mr. Taratko questioned Page 2 of the Financial Report Health Benefit payment and whether it was monthly. Ms. Congleton affirmed that it was a monthly expense of \$23,000.

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

- YEAS: Vice Chairman Taratko, Members Baldassari, Kissil, Schimpf, Iannaccone, Dougherty
- NOES: None

OTHER BUSINESS

A. Report of the Finance Committee

Mr. Baldassari delivered the Report of the Finance Committee of its meeting held on May 8, 2014, a copy of which is attached and made part of these minutes. Mr. Weiss elaborated on the

Rockaway request for water explaining that the motion to join the Authority and other parties in the pending lawsuit has been put on hold by the Court pending resolution of several other issues regarding the amount and allocation of water needed by Rockaway to serve the various parties. Ms. Cummings then elaborated on the dispute with Verizon advising that she filed an informal complaint with the Board of Public Utilities that resulted in a meeting with Verizon. Member Schimpf questioned the right and motives of Verizon in discontinuing services. Ms. Cummings reported she is coordinating with other AMR users (Ridgewood and Deptford) who are affected by Verizon's action.

B. Report of the Engineering Committee

Mr. Taratko delivered a report of the meeting of the Engineering Committee which was also held on May 8, 2014, a copy of which is annexed to and made part of these minutes. He noted that the first four items of the report are essentially the same as set forth in the Report of the Finance Committee. As to the last item pertaining to the Clyde Potts Water Treatment Plant, Mr. Taratko reported that staff was pursuing outside professional engineering support to resolve this problem.

C. Resolution Authorizing Execution of a Professional Service Contract for Professional Engineering Services Related to Water Supply Planning and Rate Related Matters

Ms. Cummings stated that she is proposing this resolution for professional engineering services to be provided by Howard Woods as outlined in the May 8, 2014 reports of the Finance and Engineering Committees. Ms. Cummings stated she is recommending awarding this contract to Howard Woods, Jr. and Associates, LLC who has considerable expertise and experience in water supply and rate making matters. Mr. Weiss stated that the contract is being awarded without public bidding pursuant to the exceptions set forth in the Local Public Contracts Law; that the Treasurer has certified that funds are available and that Mr. Woods has complied with the requirements of the New Jersey Pay-to-Play Law.

Member Dougherty then moved the following resolution:

RESOLUTION 41-14

RESOLUTION AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICE CONTRACT FOR PROFESSIONAL ENGINEERING SERVICES REALTED TO WATER SUPPLY PLANNING AND RATE RELATED MATTERS

"COPY ANNEXED"

The Resolution was seconded by Member Iannaccone and approved by the following vote:

- YEAS: Vice Chairman Taratko, Members Baldassari, Kissil, Schimpf, Iannaccone, Dougherty
- NOES: None

D. Resolution Authorizing Agreement with Allied Biological for Aquatic Vegetation Management at the Clyde Potts Reservoir

Ms. Cummings recommended that a contract for aquatic vegetation management at the Clyde Potts Reservoir be awarded to Allied Biological. She stated that we have worked with Allied Biological in the past. Mr. Weiss stated that the Treasurer has certified funds are available.

Member Dougherty then moved the following resolution:

RESOLUTION 42-14

RESOLUTION AUTHORIZING AGREEMENT WITH ALLIED BIOLOGICAL FOR AQUATIC VEGETATION MANAGEMENT AT THE CLYDE POTTS RESERVOIR

"COPY ANNEXED"

The Resolution was seconded by Member Baldassari and was approved by the following vote:

YEAS: Vice Chairman Taratko, Members Baldassari, Kissil, Schimpf, Iannaccone, Dougherty

NOES: None

E. Resolution Authorizing Executive Director to Execute Certain Contracts and Purchases for Goods and Services

Mr. Weiss stated that the Finance Committee had previously proposed that the Executive Director be authorized to approve and sign certain contracts procured through State approved cooperative purchasing plans that did not exceed the thresholds for public biding or Pay-to-Play regulations. He said that he and the Executive Director had questioned whether this should be limited to cooperative purchasing plans and suggested that the Members might want to have the authority extended to give the Executive Director the discretion to approve all purchases of goods and services that did not exceed a particular threshold. He said he had drafted such a resolution using the Pay-to-Play threshold of \$17,500. He said this suggested threshold was arbitrary and could be either higher or lower as the Board wished. Mr. Baldassari indicated that the \$17,500 threshold was reasonable and moved the following resolution:

RESOLUTION 43-14

RESOLUTION AUTHORIZING EXECUTIVE DIRECTOR TO EXECUTE CERTAIN CONTRACTS AND PURCHASES FOR GOODS AND SERVICES

"COPY ANNEXED"

Member Dougherty seconded the motion. Mr. Weiss stated that delegation of this authority was permitted by the Authority's by-laws. The Resolution was approved by the following vote:

- YEAS: Vice Chairman Taratko, Members Baldassari, Kissil, Schimpf, Iannaccone, Dougherty
- NOES: None
- F. Resolution Pertaining to the Application of Meijer Construction, Inc. for Approval of Service Connection Located Outside the District

The Superintendent stated that the Authority had received a request for a service connection in Harding Township at 2 Spring House Lane, which is outside the Authority's District. Mr. Kozakiewicz stated that the property has direct access to an existing eight inch diameter water main of the Authority located on Spring Valley Road. He stated that the requested service connection will not require any new main extension and will not have any adverse effect on the Authority's water system. Mr. Weiss explained that this resolution requests approval of the Authority's Creating Municipalities to the service connection outside the District as required by the Service Contract between the Authority and the Creating Municipalities. He also stated that if approval is granted, the customer should provide evidence that Harding Township approves the service.

Mr. Iannaccone moved the following resolution:

RESOLUTION 44-14

RESOLUTION PERTAINING TO THE APPLICATION OF MEIJER CONSTRUCTION, INC. FOR APPROVAL OF SERVICE CONNECTION LOCATED OUTSIDE THE DISTRICT

"COPY ANNEXED"

The Resolution was seconded by Ms. Dougherty. The Resolution was approved by the following vote:

YEAS: Vice Chairman Taratko, Members Baldassari, Kissil, Schimpf, Iannaccone, Dougherty

NOES: None

SUCH OTHER MATTERS TO LEGALLY COME BEFORE THE BOARD

Collective Negotiations Agreement: Ms. Cummings stated that she has been advised that the Union has ratified the contract and that a resolution approving the contract will be provided at the next Board meeting on June 19, 2014.

REPORTS

Copies of the following reports were distributed to the Members for review and comment and a discussion ensued as to several of the Reports.

- A. Executive Director/Chief Engineer April 2014
- B. Superintendent May 2014
- C. Information Technology May 2014
- D. Customer Service and Billing May 2014
- E. Finance May 2014

PUBLIC DISCUSSION

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

ADJOURNMENT

There being no further business, Member Baldassari moved that the meeting be adjourned and Member Dougherty seconded the motion. The meeting adjourned at 8:24 PM.

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

and the second designed to be a se 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 7, 2014.

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 7, 2014.



Resolution No. 40-14

RESOLUTION AUTHORIZING PAYMENT OF MAY 2014 LIST OF BILLS

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

OPERATING FUND

TOTAL OF MAY 2014 LIST OF BILLS \$	612,125.11
GENERAL FUND/SPECIAL ACCOUNT \$	47,501.92
Total Operating Fund Checks and Wire Transfers\$	81,518.47
Total Salary and Wages\$	307,433.29

TOTAL OF MAY 2014 LIST OF BILLS

ATTEST:

SIDNEY D. WEISS, Assistant Secretary

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

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EDWARD A. TARATKO, 9R., Vice Chairman

DATED: May 15, 2014

Board Members

Morristown: Mary Dougherty Donald Kissil

Morris Township: Dennis Baldassari Edward A. Taratko, Jr. **Morris Plains:** Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone 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 (\$ 612,125.11) for payment of the resolution entitled Resolution Authorizing Payment of May 2014 List of Bills.

Janice A. Congleton, Treasurer

DATED: May 15, 2014

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Edward A. Taratko, Jr. Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C, lannaccone 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, May 15, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

DATED: May 15, 2014

Southeast Morris County Municipal Utilities Authority 19 SADDLE ROAD • CEDAR KNOLLS, NEW JERSEY 07927 • TEL 973-326-6880 • FAX 973-326-9521



Resolution No. <u>41-14</u>

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

WHEREAS, the Authority has a need for professional engineering services related to water supply planning and rate related matters; and

WHEREAS, Howard J. Woods Jr. & Associates, L.L.C. has submitted a proposal dated May 8, 2014 for the providing of such services at an estimated maximum amount of \$20,000, 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:** Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone 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 May 8, 2014, a copy of which is annexed hereto as Exhibit "A" be and the same is hereby accepted and approved.
- 2. The Executive Director/Chief Engineer be and is hereby authorized and directed to accept and sign the proposal on behalf of the Authority.
- 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:

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

Edward A. Taratko, Jr., Vice Chairman

SIDNEY D. WEISS, Assistant Secretary

DATED: May 15, 2014

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 Howard J. Woods, Jr., & Associates, L.L.E. for non-exclusive professional consulting engineering services to assist it in fulfilling its statutory and contractual obligations exceeds \$17,500.

JANICE A. CONGLETON, Treasurer

Dated:

May 15, 2014

TREASURER'S CERTIFICATION

I hereby certify that there are sufficient funds available (\$20,000) 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.

4-02-10-400-609

JANICE A. CONGLETON, Treasurer

DATED: May 15, 2014

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Thursday, May 15, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

DATED: May 15, 2014

NOTICE OF AWARD OF PROFESSIONAL SERVICE CONTRACT

Public Notice is hereby given that on May 15, 2014, 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 precise nature, duration, specific services and the amounts to be charged are 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

Ca Tacathe EDWARD A. TARATKO, JR., Vice Chairman

DATED: May 15, 2014



Resolution No. <u>42-14</u>

RESOLUTION AUTHORIZING AGREEMENT WITH ALLIED BIOLOGICAL FOR AQUATIC VEGETATION MANAGEMENT AT THE CLYDE POTTS RESERVOIR

WHEREAS, the Authority has received a proposal dated January 15, 2014 and resubmitted March 25, 2014 from Allied Biological for aquatic vegetation management at the Clyde Potts Reservoir, and

WHEREAS, the total cost of the services to be provided under the proposal is estimated not to exceed the sum of \$9,770; and

WHEREAS, the cost is below the thresholds for public bidding under the Local Public Contracts Law and the New Jersey Pay-to-Play Law; and

WHEREAS, the Treasurer has certified funds are available.

NOW THEREFORE, be it resolved by the Southeast Morris County Municipal Utilities Authority as follows:

- 1. The proposal of Allied Biological dated January 15, 1014 and resubmitted March 25, 2014 be and the same is hereby approved.
- 2. The Executive Director be and is hereby authorized and directed to accept and sign the proposal on behalf of the Authority.

ATTEST:

SIDNEY D. WEISS, Assistant Secretary

DATED: May 15, 2014

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Edward A. Taratko, Jr. Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

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

Superintendent: Paul A. Kozakiewicz

MUNICIPAL UTILITIES AUTHORITY

THE SOUTHEAST MORRIS COUNTY

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Edward A. Taratko, Jr., Vice Chairman

TREASURER'S CERTIFICATION

I hereby certify that there are sufficient funds available (\$9,770.00) for payment of a professional service contract with Allied Biological for aquatic vegetation management at the Clyde Potts Reservoir. This item will be charged to Account No.

4-02-10-400-646

Janue A Congliton JANICE A. CONGLETON, Treasurer

DATED: May 15, 2014

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Thursday, May 15, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

DATED: May 15, 2014

Southeast Morris County Municipal Utilities Authority 19 SADDLE ROAD • CEDAR KNOLLS, NEW JERSEY 07927 • TEL 973-326-6880 • FAX 973-326-9521



RESOLUTION 43-14

RESOLUTION AUTHORIZING EXECUTIVE DIRECTOR TO EXECUTE CERTAIN CONTRACTS AND PURCHASES FOR GOODS AND SERVICES

WHEREAS, the Authority's by-laws permit the Members to authorize any officer, officers, agent or agents to execute contracts in the name of and on behalf of the Authority; and

WHEREAS, the Members have determined that it is appropriate to authorize the Executive Director/Chief Engineer to approve and execute certain contracts for the purchase of goods and/or services that do not exceed the sum of \$17,500; or which are procured pursuant to a fair and open process through co-operative purchasing programs approved by the State of New Jersey and do not exceed that amount.

NOW THEREFORE, Be it Resolved that the Executive Director/Chief Engineer be and is hereby authorized, in her discretion, to approve and execute contracts and purchase orders for goods and/or services, including purchases procured through co-operative purchasing programs approved by the State of New Jersey, that do not exceed an annual expenditure by the Authority of \$17,500; provided that the Treasurer shall first certify the availability of funds for such purchases as required by law.

Attest:

Sidney D. Weiss, Ass't Secretary

Dated: May 15, 2014

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Edward A. Taratko, Jr. Vice Chairman

Superintendent: Paul A. Kozakiewicz

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Edward A. Taratko, Jr. Morris Plains: Robert Carroll William Conradi

Hanover Township: Saverio C. lannaccone Adolf Schimpf

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

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I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Thursday, May 15, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

DATED: May 15, 2014

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Edward A. Taratko, Jr. Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

Superintendent: Paul A. Kozakiewicz

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



RESOLUTION NO. 44-14

RESOLUTION PERTAINING TO THE APPLICATION OF MEIJER CONSTRUCTION, INC. FOR APPROVAL OF A SERVICE CONNECTION LOCATED OUTSIDE THE DISTRICT

WHEREAS, The Southeast Morris County Municipal Utilities Authority has received a request from Meijer Construction, Inc. for a service connection outside the District in the Township of Harding, County of Morris, New Jersey; and

WHEREAS, the property to be served by the proposed connection is a single family residence which fronts on the system of the Authority and does not require the construction of any new main extension; and

WHEREAS, the proposed service connection requires the approval of the Authority's four creating municipalities; and

WHEREAS, the Authority has determined that the proposed service connection can be made without any adverse effect on the system and that no further extension of the system is foreseen as a result of providing service to this particular property.

NOW THEREFORE, BE IT RESOLVED by The Southeast Morris County Municipal Utilities Authority that the proper officials of the Authority be and are hereby authorized to make written requests to the Authority's four creating municipalities for approval of the proposed service connection requested by the applicant; said service connection to serve the premises known as 2 Spring House Lane, Harding, New Jersey and being known and designated as Lot 2 in Block 11.05 on the Township of Harding Tax Map; and be it further

RESOLVED that upon receipt of such approvals, the applicant shall be required to comply with all applicable rules and regulations of the Authority.

ATTEST:

SIDNEY D. WEISS, Assistant Secretary

SIDNET D. WEISS, Assistant Secreta

DATED: May 15, 2014

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Edward A. Taratko, Jr.

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

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

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Edward A. Taratko, Jr., Vice Chairman

Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

Superintendent: Paul A. Kozakiewicz

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Thursday, May 15, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

DATED: May 15, 2014

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

MEETING MINUTES

JUNE 19, 2014

The Regular Meeting of The Southeast Morris County Municipal Utilities Authority was held on Thursday, June 19, 2014, at 7:30PM 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 7:30PM 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 Conradi; Members Baldassari, Carroll, Dougherty, Iannaccone, Kissil and Taratko

ABSENT: Member Schimpf

MOTION APPROVING MINUTES OF MAY 15, 2014

Copies of the minutes of the meeting held on May 15, 2014, were distributed to the members prior to the meeting for review and comment. Member Dougherty moved that the minutes be adopted as presented. Member Baldassari seconded the motion which was duly adopted by the following vote:

- YEAS: Chairman Conradi; Members Baldassari, Carroll, Dougherty, Iannaccone, Kissil and Taratko
- NOES: None

RESOLUTION – APPROVAL OF JUNE LIST OF BILLS

Copies of the bill list for June 2014 were distributed to the members prior to the meeting for comment and approval. Member Carroll moved to approve the list of bills and offered the following resolution:

RESOLUTION NO. 45-14

RESOLUTION AUTHORIZING PAYMENT OF LIST OF BILLS FOR JUNE 2014

"COPY ANNEXED"

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

- YEAS: Chairman Conradi; Members Baldassari, Carroll, Dougherty, Iannaccone, Kissil and Taratko
- NOES: None

OTHER BUSINESS

A. Resolution to Approve and Ratify Contract between IBT Local 469 and SMCMUA

The Board reviewed a final draft of the Agreement between the Authority and International Brotherhood of Teamsters 469 to be effective retroactively to January 1, 2014 for a contract term of January 1, 2014 through December 31, 2015. Member Dougherty offered the following resolution:

RESOLUTION NO. 46-14

RESOLUTION TO APPROVE AND RATIFY CONTRACT BETWEEN INTERNATIONAL BROTHERHOOD OF TEAMSTERS LOCAL 469 AND THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

"COPY ANNEXED"

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

- YEAS: Chairman Conradi; Members Baldassari, Carroll, Dougherty, Iannaccone, Kissil and Taratko
- NOES: None
- B. Resolution Authorizing Salary Compensation for Management Employees for 2014

The Board reviewed a draft resolution authorizing salary increases for specific management employees and General Counsel for 2014. The Board discussed staff compensation in closed session on March 13, 2014. The Finance Committee recommended the authorization of the salary increases as outlined in the proposed resolution. Member Baldassari pointed out that the effective date of the increases is retroactive to January 1, 2014. Member Carroll offered the following resolution:

RESOLUTION NO. 47-14

RESOLUTION AUTHORIZING SALARY COMPENSATION FOR MANAGEMENT EMPLOYEES FOR 2014

"COPY ANNEXED"

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

- YEAS: Chairman Conradi; Members Baldassari, Carroll, Dougherty, Iannaccone, Kissil and Taratko
- NOES: None
- C. Resolution Authorizing Closed Session Discussion

Chairman Conradi stated that the following Agenda item may be held in closed session pursuant to the exceptions set forth in the Open Public Meetings Law:

1. Pending/anticipated litigation – Morris Commons v. Rockaway Township, et als.

The Chairman then moved the following resolution:

RESOLUTION NO. 48-14

RESOLUTION AUTHORIZING CLOSED SESSION DISCUSSION

"COPY ANNEXED"

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

YEAS: Chairman Conradi; Members Baldassari, Carroll, Dougherty, Iannaccone, Kissil and Taratko

NOES: None

[CLOSED SESSION MEETING FOLLOWED]

[RESUMPTION OF PUBLIC MEETING]

D. Report of the Finance Committee

Member Baldassari reported on the meeting of the Finance Committee held on June 10, 2014. Members of the Board, General Counsel and the Executive Director participated in the Finance Committee meeting.

The first item on the agenda was an existing civil action, "Morris Commons vs Rockaway", and the expected amended claim that would expand the list of defendants to include SMCMUA. In anticipation of the amended claim, Mr. Weiss and Ms. Cummings interviewed three law firms for the purpose of providing litigation support. Representatives from each of three firms were interviewed, where the firms represented included: Sills, Cummis and Gross; Day Pitney, LLP; and Murphy McKeon, PC. All three firms were qualified to represent the Authority. Murphy McKeon, PC was the recommended firm based on qualifications and overall cost.

The Committee also reviewed dental and vision plans. Ms. Congleton, Chief Financial Officer, provided a comparison of the plans for the Committee's review. After review and discussion, it was found that additional information was necessary. A revised summary memorandum is provided for review and action later in the meeting.

E. Resolution Authorizing Transfer of Funds between Budget Appropriations

The Executive Director/Chief Engineer and Chief Financial Officer/Treasurer have advised that there exists certain funds in the 2014 budget line items that will not be expended by year end. She has advised that additional unexpected costs for legal litigation services would over expend a 2014 budget line item. It has been requested that such balances be transferred from the Contingency Line Item in the Meters & Services Salary and Wage Line Item to the Administration Legal Services Line Item. Member Baldassari moved the following resolution:

RESOLUTION NO. 52-14

RESOLUTION AUTHORIZING TRANSFER OF FUNDS BETWEEN BUDGET APPROPRIATIONS

"COPY ANNEXED"

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

- YEAS: Chairman Conradi; Members Baldassari, Carroll, Dougherty, Iannaccone, Kissil and Taratko
- NOES: None
- F. Resolution Authorizing Execution of Professional Service Contract with Murphy McKeon, P.C., for Professional Legal Services

As reported by Member Baldassari, the Finance Committee met on June 10, 2014. The Authority has or may become a party defendant in a pending lawsuit entitled Morris Commons, LLP v. Rockaway Township, et als, (the "Morris Commons Litigation") and has a need for professional legal services consisting of litigation support to the Authority and the General Counsel. The law firm of Murphy McKeon, P.C., has submitted a proposal for such professional services dated June 16, 2014 (the "Proposal"). The cost of the services to the Authority, as set forth in the Proposal, is estimated not to exceed the total amount of \$57,500 (including disbursements) for the twelve month period following this award the contract, of which the amount payable in the current fiscal year of 2014 is estimated not to exceed \$32,500. This 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). The Treasurer determined and certified in writing that the value of the services will exceed \$17,500, the threshold for compliance with the provisions of the New Jersey Pay-to -Play Law, N.J.S.A. 19:44A-20.4, for contracts that are not awarded pursuant to a "fair and open" process. Murphy McKeon 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 Town of Morristown, Township of Morris, Township of Hanover and

the Borough of Morris Plains in the previous one year period and that the contract to be awarded would prohibit it from making any such reportable contributions during the term of the contract. The Treasurer has certified that funds are available in the amount of \$32,500 for the estimated not to exceed amounts to be paid during the current fiscal year in the Authority's 2014 Budget; and that the estimated not to exceed balance of \$25,000 to be paid in the following year will be certified subject to approval of the Authority's 2015 Budget. Member Baldassari then offered the following resolution:

RESOLUTION NO. 49-14

RESOLUTION AUTHORIZING EXECUTION OF PROFESSIONAL SERVICE CONTRACT WITH MURPHY MCKEON, P.C., FOR PROFESSIONAL LEGAS SERVICES

"COPY ANNEXED"

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

- YEAS: Chairman Conradi; Members Baldassari, Carroll, Dougherty, Iannaccone, Kissil and Taratko
- NOES: None
- G. Resolution Awarding Contract for Dental Insurance Coverage

The Board reviewed a memorandum from the Chief Financial Officer/Treasurer dated June 12, 2014, summarizing the quotes received from Willis of New Jersey for the dental insurance plans. Based upon the aforementioned memorandum, it was recommended that the Authority accept the proposed dental insurance submitted by Horizon for its Option Plan, Dental Choice and Total Choice an estimated cost to the Authority of \$27,299.00 for the 2014-2015 coverage year (based on current enrollment). This contract will reflect a cost savings to the Authority of approximately \$3,468. The recommended plan provides all of the dental care options as required by the Agreement between SMCMUA and Local 469. 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). Horizon is a state-regulated insurance company prohibited by law from making political contributions and thus not subject to the New Jersey Pay-to-Play law and regulations. Mr. Weiss stated that the Treasurer has certified that there are sufficient funds available in the 2014 Budget for the portion to be expended in 2014 (\$11,374.00); and that the portion to be expended in 2015 (\$15,925.00) will be available subject to approval of the 2015 Budget. Member Carroll offered the following resolution:

RESOLUTION NO. 50-14

RESOLUTION AWARDING CONTRACT FOR DENTAL INSURANCE COVERAGE

"COPY ANNEXED"

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

- YEAS: Chairman Conradi; Members Baldassari, Carroll, Dougherty, Iannaccone, Kissil and Taratko
- NOES: None
- H. Resolution Awarding Contract for Vision Insurance Coverage

The Board reviewed a memorandum from the Chief Financial Officer/Treasurer dated June 12, 2014, summarizing the quotes received for the vision insurance plans. It was recommended that the Board award a contract for the VSP Plus C Plan with a total annual cost of \$4,509, based on full enrollment. VSP is a state-regulated insurance company prohibited by law from making political contributions and thus not subject to the New Jersey Pay-to-Play law and regulations. Mr. Weiss stated that the Treasurer has certified that there are sufficient funds available in the 2014 Budget for the portion to be expended in 2014 (\$1,878.80); and that the portion to be expended in 2015 (\$2,630.32) will be available subject to approval of the 2015 Budget. It was added that, per the Agreement between SMCMUA and Local 469, fifty percent (50%) of the premium is to be paid by the enrolled employee. Member Dougherty offered the following resolution:

RESOLUTION NO. 51-14

RESOLUTION AWARDING CONTRACT FOR VISION INSURANCE COVERAGE

"COPY ANNEXED"

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

- YEAS: Chairman Conradi; Members Baldassari, Carroll, Dougherty, Iannaccone, Kissil and Taratko
- NOES: None

SUCH OTHER MATTERS TO LEGALLY COME BEFORE THE BOARD

1. Ms. Cummings stated that Judy Burster, Nick Quintavella and John Sandelli have announced their intentions to retire. She added that a meeting of the Personnel Committee is anticipated to discuss future personnel strategies.

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 Monthly Report May 2014
- B. Superintendent Monthly Report May 2014
- C. Information Technology Monthly Report May 2014

- D. Customer Service Monthly Report May 2014
- E. Financial Monthly Reports May 2014

PUBLIC DISCUSSION

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

ADJOURNMENT

There being no further business, Member Carroll moved that the meeting be adjourned. Member Dougherty seconded the motion. The meeting adjourned at 8:30PM.

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 7, 2014.

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 7, 2014.



Resolution No. 45-14

RESOLUTION AUTHORIZING PAYMENT OF JUNE 2014 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\$	262,253.19
Total Operating Fund Checks and Wire Transfers\$	653,659.58
GENERAL FUND/SPECIAL ACCOUNT \$	50,119.64
TOTAL OF JUNE 2014 LIST OF BILLS \$	1,166,032.41

ATTEST:

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

lang on WILLIAM J. CONRADI, Chairman

SIDNEY D. WEISS, Assistant Secretary

DATED: JUNE 19, 2014

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Edward A. Taratko, Jr. **Morris Plains:** Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone 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 (\$1,166,032.41) for payment of the resolution entitled Resolution Authorizing Payment of June 2014 List of Bills.

JANICE A. CONGLETON, Treasurer

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Thursday, June 19, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary



Resolution No. 46-14

TO APPROVE AND RATIFY CONTRACT BETWEEN INTERNATIONAL BROTHERHOOD OF TEAMSTERS LOCAL 469 AND THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

BE IT KNOWN AND IT IS HEREBY RESOLVED that the contract between the International Brotherhood of Teamsters Local 469 and The Southeast Morris County Municipal Utilities Authority effective January 1, 2014 and expiring December 31, 2015 is hereby approved and ratified.

BE IT FURTHER RESOLVED that the Executive Director is hereby authorized to implement the terms of the agreement in accordance with the provisions of the contract and to serve as the Authority's enforcement agent for all contract provisions.

ATTEST:

SIDNEY D. WEISS, Assistant Secretary

DATED: June 19, 2014

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

WILLIAM J. CONRADI, Chairman

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Edward A. Taratko, Jr. Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone 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 in the 2014 Budget for payment of the salary increases of 2% in 2014 as per the Agreement between The Southeast Morris County Municipal Utilities Authority and the International Brotherhood Teamsters, Local 469 dated June 19, 2014;

And I certify there will be sufficient funds available in the 2015 Budget as approved by the Board for the salary increase of 2% beginning January 2015 as per the Agreement.

The salary increases will be charged to various Salary and Wage accounts in the 2014 and 2015 Budget.

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JANICE A. CONGLETON, Treasurer

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Thursday, June 19, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

June 19, 2014 DATED:



Resolution No. 47-14

RESOLUTION APPROVING SALARY COMPENSATION FOR MANAGEMENT EMPLOYEES FOR 2014

WHEREAS, the Personnel Committee has reviewed the recommendations of the Executive Director, and the Policy of the Authority regarding salary increases for management personnel and the General Counsel; and

WHEREAS, the Personnel Committee has recommended to the Board of Members that the current salary ranges within the Policy are adequate; and

WHEREAS, the Personnel Committee has recommended salary increases for specific management employees and the General Counsel for 2014 as set forth in the Schedule annexed hereto as Exhibit "A"; and

WHEREAS, the Board of The Southeast Morris County Municipal Utilities Authority has reviewed the recommendations of the Personnel Committee with respect to the attached compensation plan for 2014;

NOW THEREFORE BE IT RESOLVED by The Southeast Morris County Municipal Utilities Authority that the following Compensation Plan annexed hereto as Exhibit "A" be and is hereby adopted and approved.

ATTEST:

SIDNEY D. WEISS, Assistant Secretary

DATED:

June 19, 2014

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

am WILLIAM J. CONRADI, Chairman

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Edward A. Taratko, Jr. Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

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

Superintendent: Paul A. Kozakiewicz

Exhibit "A"

COMPENSATION PLAN FOR MANAGEMENT EMPLOYEES

1. The following exempt and management positions are established:

Position	Position Classification
Payroll/Benefits Administrator	E-1
Administrative Assistant	M-1
Supervisor, Business Office	M-2
Supervisor, Meters and Services	M-2
Supervisor, Field Support and Construction	M-2
Supervisor, Transmission and Distribution	M-2
Supervisor, Treatment and Pumping	M-2
Water Quality/Regulatory Specialist	M-2
Manager, Information Technology & Systems Supp	port M-3
Assistant Superintendent	M-3
Information Technology Manager	M-3
Chief Financial Officer/Treasurer	M-4
Superintendent	M-4
Executive Director/Chief Engineer	M-5

2. The approved base salary ranges for the above-cited positions are as follows:

Minimum	<u>Maximum</u>
\$41,769	\$57,283
\$47,735	\$71,604
\$71,604	\$101,439
\$83,538	\$113,372
\$101,439	\$131,274
\$119,340	\$161,108
	\$41,769 \$47,735 \$71,604 \$83,538 \$101,439

- 3. The Executive Director shall maintain and periodically update job descriptions for each of the positions authorized above. Recommendations for changes in job titles and salary levels shall be reviewed and endorsed by the Personnel Committee subject to final approval of the Board.
- 4. The Executive Director shall prepare an annual performance evaluation for each management position. The Executive Director shall submit recommendations for management salary adjustments to the Personnel Committee before the end of each year. The Personnel Committee shall review the Executive Director's report and recommend a compensation package to the Board of Members for consideration not later than the Board's first meeting in December. The Board may, but shall not be obligated to, act on such recommendation.

5. The Personnel Committee shall review the minimum and maximum salary levels for each position at least every two years and may recommend changes based on market conditions, Consumer Price Index or other recognized index which accurately measures the cost of living or upon any other relevant economic and performance factors. The Board of Members shall consider changes in the minimum and maximum levels along with the compensation recommendations of the Personnel Committee.

2014 APPROVED SALARY CHANGES

Employee	2013 Salary	Rate	Amount	2014 Salary	Non- salary Bonus
Boudreau, John	\$ 87,197	2.00%	\$1,744	\$ 88,941	\$2,000
Bozza, Alexis	\$ 65,000	2.00%	\$1,300	\$ 66,300	
Buono, Nicholas	\$107,930	3.00%	\$3,238	\$111,168	\$3,000
Burster, Judy	\$ 78,085	4.00%	\$3,123	\$ 81,208	
Congleton, Janice	\$100,000	4.00%	\$4,000	\$104,000	
Crawford, Kenneth	\$ 86,000	3.00%	\$2,580	\$ 88,580	
Cummings, Laura	\$152,000	0.00%	-	\$152,000	\$5,000
Kozakiewicz, Paul ⁽¹⁾	\$130,700	-	\$ 574	\$131,274	
Lengyel, James	\$110,669	0.00%	-	\$110,669	
Quintavella, Nick	\$ 86,775	2.00%	\$1,736	\$ 88,511	
Sandelli, John	\$ 93,813	0.00%	-	\$ 93,813	
Saskowitz, Andrew	\$ 71,604	0.00%	-	\$ 71,604	X
Zimmermann, Geri	\$ 52,323	4.00%	\$2,093	\$ 54,416	
Weiss, Sid (General Counsel)	\$115,000	4.00%	\$4,600	\$119,600	\$5,000

⁽¹⁾ Add five (5) days Vacation

TREASURER'S CERTIFICATION

I hereby certify that there are sufficient funds available in the 2014 Budget for payment of the salary increases for non-union employees in the amounts as approved by the Board in the attached table.

The salary increases will be charged to various Salary and Wage accounts in the 2014 Budget.

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JANICE A. CONGLETON, Treasurer

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Thursday, June 19, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary



Resolution No. 48-14

RESOLUTION AUTHORIZING CLOSED SESSION DISCUSSIONS

RESOLVED that discussion of:

1. Pending/Anticipated litigation in the pending matter of Morris Commons, LLP v. Rockaway Township, et als;

be held in closed session pursuant to subsection 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

DATED: June 19, 2014

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

owadi WILLIAM J. CONRADI, Chairman

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Edward A. Taratko, Jr. **Morris Plains:** Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

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

Superintendent: Paul A. Kozakiewicz

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Thursday, June 19, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary



Resolution No. 49-14

RESOLUTION AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICE CONTRACT WITH MURPHY McKEON, P.C. FOR PROFESSIONAL LEGAL SERVICES

WHEREAS, the Authority has or may become a party defendant in a pending lawsuit entitled **Morris Commons, LLP v. Rockaway Township, et als,** (the "Morris Commons Litigation"); and

WHEREAS, the Authority has a need for professional legal services in connection with the Morris Commons Litigation consisting of litigation support to the Authority and the General Counsel; and

WHEREAS, the Executive Director and General Counsel met with representatives of several law firms on June 6, 2014, to discuss their representing the Authority in connection with the lawsuit and the terms and fees to be charged for such representation; and

WHEREAS, the Finance Committee met on June 10, 2014 to consider the qualifications, experience and fee proposals of said law firms; and has recommended that a professional service contract be awarded to the firm of Murphy McKeon, P.C; and

WHEREAS, the law firm of Murphy McKeon, P.C. has submitted a proposal for such professional services dated June 16, 2014, a copy of which in annexed as Exhibit "A" (the "Proposal"); and

WHEREAS, the cost of such services to the Authority, as set forth in the Proposal, is estimated not to exceed the total amount of \$57,500 (including disbursements) for the twelve month period following this award the contract, of which the amount payable in the current fiscal year of 2014 is estimated not to exceed \$32,500; 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

WHEREAS, the Treasurer has determined and certified in writing that the value of the services will exceed \$17,500, the threshold for compliance with the provisions of the New Jersey Pay-to -Play Law, N...J.S.A. 19:44A-20.4 ("Pay-to-Play Law"), for contracts that are not awarded pursuant to a "fair and open" process; and

WHEREAS, Murphy McKeon has completed and submitted Business Entity Disclosure Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Edward A. Taratko, Jr. Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

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

Superintendent: Paul A. Kozakiewicz

Certifications which certify that they have not made any reportable contributions to any political or candidate committee in the Town of Morristown, Township of Morris, Township of Hanover and the Borough of Morris Plains in the previous one year period and that the contract to be awarded by this Resolution will prohibit it from making any such reportable contributions during the term of the contract; and

WHEREAS, the Treasurer has certified that funds are available in the amount of \$32,500 for the estimated not to exceed amounts to be paid during the current fiscal year in the Authority's 2014 Budget; and that the estimated not to exceed balance of \$25,000 to be paid in the following year will be certified subject to approval of the Authority's 2015 Budget; and

WHEREAS, the Local Public Contracts Law requires that notice of the award of professional service contracts be printed once in a newspaper authorized by law to publish the Authority's legal advertisements;

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

- 1. The Proposal of Murphy McLeod dated June 16, 2014 and annexed hereto as Exhibit "A" be and the same is hereby approved.
- 2. The Chairman or Vice Chairman and Secretary or Assistant Secretary be and they are hereby authorized to accept the Proposal on the part of the Authority.
- 3. This award is made without competitive bidding as a "Professional Service Contract" because the services to be provided are professional legal services as therein defined; and
- 4. Copies of this Resolution are to be filed in the office of the Secretary of the Authority and in the respective offices of the Clerks of the Town of Morristown, the Township of Morris, the Township of Hanover and Borough of Morris Plains; and Notice of the award shall be printed once in the Daily Record in accordance with the provisions of the Local Public Contracts Law..

ATTEST:

SIDNEY D. WEISS, Assistant Secretary

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

William Conradi

WILLIAM CONRADI, Chairman

Dated: June 19, 2014

TREASURER'S CERTIFICATION

I hereby that the value of services to be provided in the annexed contract with Murphy McKeon, P.C. will exceed \$17,500, the threshold for compliance with the provisions of the New Jersey Pay to Play Law.

JANICE A. CONGLETON. T Treasurer

TREASURER'S CERTIFICATION

I hereby certify funds for payment of a contract with Murphy & McKeon, P.C. for professional legal services as follows:

1. In 2014, funds are available in the amount of \$32,500.00 and

2. In 2015, funds will be available in the amount of \$20,000.00 subject to the approval of the 2015 Budget.

The total maximum amount of this contract will not exceed \$57,500. This item will be charged to Account No. 4-02-10-400-602.

A Congleton

JANICE A. CONCLETON, Treasurer

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Thursday, June 19, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

NOTICE OF AWARD OF PROFESSIONAL SERVICE CONTRACT

Public Notice is hereby given that on June 19, 2014, The Southeast Morris County Municipal Utilities Authority adopted a resolution authorizing execution of Professional Service Contract with Murphy McKeon, P.C., for litigation support in connection with the matter of Morris Commons, L.L.C. v. Township of Rockaway, et als. 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 \$57,500, including disbursements, 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

WILLIAM J. CONRADI, Chairman



Resolution No. 50-14

RESOLUTION AUTHORIZING THE CONTRACT FOR DENTAL INSURANCE COVERAGE FOR 2014-2015

WHEREAS, there exists a need for the Authority's dental insurance coverage; and

WHEREAS, Willis of New Jersey, Inc. ("Willis"), the Authority's insurance consultant, has prepared a Summary of Rates for the period August 1, 2014 through July 31, 2015 (the "Willis Report"); and

WHEREAS, Willis has advised that it received competitive pricing proposals from multiple carriers (MetLife, OBM, Aetna, and Horizon) to provide coverage for the tiers of coverage desired by the Authority. The Willis Report, the rates and tiers of coverage are summarized in a memorandum from the Chief Financial Officer/Treasurer dated June 12, 2014, a copy of which is annexed as Exhibit "A"; and

WHEREAS, based upon the Willis Report, the Chief Financial Officer/Treasurer has recommended, in her aforementioned memorandum dated June 12, 2014, that the Authority accept the proposed dental insurance submitted by Horizon for its Option Plan, Dental Choice and Total Choice an estimated cost to the Authority of \$27,299.00 for the 2014-2015 coverage year (based on current enrollment); 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, Horizon is a state-regulated insurance company prohibited by law from making political contributions and thus not subject to the New Jersey Pay-to-Play law and regulations; and

WHEREAS, the Executive Director/Chief Engineer has, upon advice of counsel, certified that the award meets the statute and regulations governing the award of such contracts, a copy of which Certification is annexed as Exhibit "B"; and

WHEREAS, the Treasurer has certified that there are sufficient funds available in the 2014 Budget for the portion to be expended in 2014 (\$11,374.00); and that the portion to be expended in 2015 (\$15,925.00) will be available subject to approval of the 2015 Budget; and

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 proposal submitted by Horizon for dental insurance coverage be and the same is hereby approved and accepted at an estimated annual premium of \$27,299.00 of which the sum of \$11,374.00 will be payable in the year 2014 as has been certified by the Treasurer.
- 2. The Executive Director/Chief Engineer be and is hereby authorized to accept such changes in the estimated premium that do not exceed 10% of the estimated amount of \$27,299.00 without further approval by the Board.
- 3. The Chairman or Vice Chairman and Secretary or Assistant Secretary be and they are hereby authorized to execute and deliver a contract for such services with Horizon.
- 4. The above contract is being 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/Chief Engineer.
- 5. 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

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THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

Winn Conradi

WILLIAM CONRADI, Chairman



To: Board Members Laura Cummings, Executive Director/Chief Engineer

From: Janice Congleton, CFO/QPA/Treasurer

Date: June 12, 2014

Re: Dental Insurance: Coverage period August 1, 2014 to July 31, 2015

Table 1 summarizes the quotes received for the dental insurance plans. The new plan contracts are for one year term agreements for coverage periods between August 1, 2014 and July 31, 2015.

As shown in Table 1, the Horizon Dental Plan is the least cost option resulting in an estimated monthly cost of \$2,275 or a total estimated annual cost of \$27,299, where the new plan annual costs are \$3,468 less than the current plan. The recommended plan provides all options required as a result of the Union Contract negotiations, which also requires an employee contribution of \$6.00 per month with an annual deductible of \$100 per eligible full-time employee and eligible dependents.

Table 1

2014

Dental Plan Comparison Summary Coverage Period from August 1, 2014 to July 31, 2015

Description	Horizon Dental							OBM		MetLife		Aetna	
A STATISTICS	Option Plan			Dental Choice		Total Care		Preferred Speciality		Option 1		PPO Max 1500	
		3 % Increase		0% increase							4		
1. 2. 8. 18 1. 7. 1								Construction and					
Single		\$33.62		\$16.55		\$25.93		\$36.97		\$36.79		\$35.90	
2 Adults		\$69.75		\$36.02		\$57.34		\$69.47		\$77.60		\$71.20	
Family		\$110.93		\$55.70		\$91.74		\$79.68		\$79.13		\$85.80	
Parent & Child		\$69.75		\$36.02		\$57.34		\$113.91		\$127.78		\$121.10	
Employee Costs	\$50/\$150 Deductable			4	\$0 out of pocket \$50/\$150 Deductable		\$50/\$150 Deductable		\$50/\$150 Deductable				
for Services	-	+==,+100			Clinic Sites								
In Network													
Out of Network	\$5	\$50/\$150 Deductable		N/A		N/A							
Maximum per year		\$1,500 per person		son		N/A		\$1,500		\$2,000		\$1,500	
	#	Option Plan	#	Dental Choice	#	Total Care	#		#		#		
Single	5	\$168.10	3	\$49.65	9	\$233.37	17	\$628.49	17	\$625.43	17	\$610.30	
2 Adults	4	\$279.00	2	\$72.04	2	\$114.68	8	\$555.76	8	\$620.80	8	\$569.60	
Family	4	\$443.72	3	\$167.10	6	\$550.44	13	\$1,035.84	13	\$1,028.69	13	\$1,115.40	
Parent Child	2	\$139.50	0	\$0.00	1	\$57.34	3	\$341.73	3	\$383.34	3	\$363.30	
Monthly Subtotal		\$1,030.32		\$288.79		\$955.83		\$2,561.82		\$2,658.26		\$2,658.60	
Total Monthly Cost	\$2,274.94					\$2,561.82		\$2,658.26		\$2,658.60			
Total Annual Cost	\$27,299.28					\$30,741.84 \$31,899.12		\$31,903.20					
Cost difference from Horizon	\$0.00					-\$3,442.56		-\$4,599.84			-\$4,603.92		
Cost difference from Current Plan			-\$3	3,468.72				-\$26.16		\$1,131.12		\$1,135.20	

TO:	SMCMUA Board Members						
FROM:	Laura Cummings, P.E., Executive Director/Chief Engineer						
SUBJECT:	Dental Insurance Coverage						
DATE:	June 19, 2014						
This is to request your approval of the annexed resolution authorizing the contract insurance coverage to be executed as stated therein:							
	Carrier:	Horizon Option Plan, Dental Choice + Total Care Plan					
	<u>Cost</u> :	\$27,299.00 total for 2014-2015 (based on current enrollment) (\$11,925.00 for duration of 2014)					
	Period:	August 1, 2014 through July 31, 2015					

Purpose: Policies for employee dental insurance coverage

The contract for insurance coverage is requested to be authorized without competitive bids pursuant to Section 40A:11-5(m) of the Local Public Contracts Law as insurance coverage.

I do hereby certify as follows:

- 1. Competitive pricing proposals of rated of Employee Dental Insurance Coverage was submitted by the Authority's insurance consultant, Willis of New Jersey, Inc. ("Willis"), for the period of August 1, 2014 through July 31, 2015, which are summarized in the memo dated June 12, 2014 from the Chief Financial Officer.
- 2. The contract award can be made pursuant to the exception set forth in 40A:11-5(m) of the Local Public Contracts Law for insurance coverage and services.
- 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 the General Counsel and certify that the proposed renewal may be authorized 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 for payment of a contract with Horizon for dental insurance coverage as follows:

- 1. In 2014, funds are available in the amount of \$11,374.00; and
- In 2015, funds will be available in the amount of \$15,925.00 subject to the approval of the 2015 Budget.

The total maximum amount of this contract will not exceed \$27,299.00. This item will be charged to Account No. <u>4-02-20-400-605</u>.

JANICE A. CONGLETON, Treasurer

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Thursday, June 19, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

NOTICE OF AWARD OF CONTRACT FOR EXTRAORDINARY UNSPECIFIABLE SERVICE

Public Notice is hereby given that on June 19, 2014, 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 Horizon for dental insurance at an estimated cost of \$27,299 for the 2014-2015 coverage year (based on current enrollment), without competitive bidding as an extraordinary unspecifiable service. The precise nature, duration and specific services are more particularly set forth in a Resolution adopted on June 19, 2014, 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

WILLIAM J. CONRADI, Chairman



Resolution No. 51-14

RESOLUTION AUTHORIZING THE CONTRACT FOR VISION INSURANCE COVERAGE FOR 2014-2015

WHEREAS, there exists a need for the Authority's vision insurance coverage; and

WHEREAS, Willis of New Jersey, Inc. ("Willis"), the Authority's insurance consultant, has prepared a Summary of Rates for the period August 1, 2014 through July 31, 2015 (the "Willis Report"); and

WHEREAS, Willis has advised that it received competitive pricing proposals from multiple carriers (Block Vision, VSP, Horizon, and Met Life) to provide coverage for the tiers of coverage desired by the Authority. The Willis Report, the rates and tiers of coverage are summarized in a memorandum from the Chief Financial Officer/Treasurer dated June 12, 2014, a copy of which is annexed as Exhibit "A"; and

WHEREAS, based upon the Willis Report, the Chief Financial Officer/Treasurer has recommended, in her aforementioned memorandum dated July 11, 2013, that the Authority accept the proposed dental insurance submitted by VSP at an estimated cost to the Authority of \$2,254.56 per month and an estimated cost to the employees of \$2,254.56 for the 2014-2015 coverage year (based on current enrollment); 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, VSP is a state-regulated insurance company prohibited by law from making political contributions and thus not subject to the New Jersey Pay-to-Play law and regulations; and

WHEREAS, the Executive Director/Chief Engineer has, upon advice of counsel, certified that the award meets the statute and regulations governing the award of such contracts, a copy of which Certification is annexed as Exhibit "B"; and

WHEREAS, the Treasurer has certified that there are sufficient funds available in the 2014 Budget for the portion to be expended in 2014 (\$1,878.80); and that the portion to be expended in 2015 (\$2,630.32) will be available subject to approval of the 2015 Budget; and 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:

- That the proposal submitted by VSP for vision insurance coverage be and the same is hereby approved and accepted at an estimated annual premium of \$4,509.12 of which the sum of \$1,878.80 will be payable in the year 2014 as has been certified by the Treasurer.
- 2. The Executive Director/Chief Engineer be and is hereby authorized to accept such changes in the estimated premium that do not exceed 10% of the estimated amount of \$4,509.12 without further approval by the Board.
- 3. The Chairman or Vice Chairman and Secretary or Assistant Secretary be and they are hereby authorized to execute and deliver a contract for such services with VSP.
- 4. The above contract is being 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/Chief Engineer.
- 5. 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

DATED: June 19, 2014

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

Williams Comad

WILLIAM CONRADI, Chairman

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Thursday, June 19, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary



To: Board Members Laura Cummings, Executive Director/Chief Engineer

From: Janice Congleton, CFO/QPA/Treasurer

Date: June 12, 2014

Re: Vision Care Insurance: Coverage period August 1, 2014 to July 31, 2015

Table 1 summarizes the quotes received for the vision insurance plans. The new plan contracts are for one year term agreements for coverage periods between August 1, 2014 and July 31, 2015.

The VSP Plus C is the recommended vision plan resulting in a total estimated monthly cost of \$376 or a total annual cost of \$4,509 based on full enrollment. As a result of Union Contract negotiations, fifty percent of the vision insurance plan premium is paid by the Authority and 50% of the premium is paid by the eligible employee. The resulting estimated monthly cost to the Authority is \$188 for a total estimated annual cost of \$2,255. The VSP Plus C plan was chosen over other plans because it provides for less expensive eye exams and eye glasses/contacts through retail businesses, is accepted at a wide range of private optometrists and is similar in cost to both Options 3 and 4.

Table 1

2014 Vision Plan Comparison Summary Coverage Period from August 1, 2014 to July 31, 2015

Description	#	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6	
		Horizon	Horizon	Block Vision	VSP	Horizon	MetLife	
		Expanse Vista II	Panorarma IV	Platinum 100	Plus C	Contributory Vista 1	Opion 2 MI100A	
Single		\$4.42	\$5.39	\$5.72	\$6.38	\$6.32	\$8.53	
2 Adults		\$7.93	\$9.70	\$9.73	\$10.20	\$11.37	\$17.10	
Family		\$8.38	\$10.24	\$10.30	\$10.41	\$18.96	\$14.47	
Parent & Child		\$13.23	\$16.17	\$15.45	\$16.79	\$12.00	\$23.86	
Со-Рау		\$10 Exam & \$25 Eyewear	\$10 Exam & \$25 Eyewear	\$0 Exam & \$10 Eyewear	\$10 Exam & \$25 Eyewear	\$0 Exam & \$10 Eyewear	\$10 Exam & \$25 Eyewear	
Single	17	\$75.14	\$91.63	\$97.24	\$108.46	\$107.44	\$145.01	
2 Adults	8	\$63.44	\$77.60	\$77.84	\$81.60	\$90.96	\$136.80	
Family	13	\$108.94	\$133.12	\$133.90	\$135.33	\$246.48	\$188.11	
Parent Child	3	\$39.69	\$48.51	\$46.35	\$50.37	\$36.00	\$71.58	
Monthly Cost		\$287.21	\$350.86	\$355.33	\$375.76	\$480.88	\$541.50	
Total Annual Cost		\$3,446.52	\$4,210.32	\$4,263.96	\$4,509.12	\$5,770.56	\$6,498.00	
50% Employee Contribution		\$1,723.26	\$2,105.16	\$2,131.98	\$2,254.56	\$2,885.28	\$3,249.00	
50% SMCMUA Contribution		\$1,723.26	\$2,105.16	\$2,131.98	\$2,254.56	\$2,885.28	\$3,249.00	
Cost difference from VSP Plus C		-\$531.30	-\$149.40	-\$122.58	\$0.00	\$630.72	\$994.44	

TO: SMCMUA Board Members

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

SUBJECT: Vision Care Insurance Coverage

DATE: June 19, 2014

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

Carrier:	Vision Service Plan (VSP)
<u>Cost</u> :	\$4,509.12 total for 2014-2015 (based on current enrollment) (\$1,878.80 for duration of 2014) x 50% of this premium is paid by the employee
Period:	August 1, 2014 through July 31, 2015
Purpose:	Policies for employee dental insurance coverage

The contract for insurance coverage is requested to be authorized without competitive bids pursuant to Section 40A:11-5(m) of the Local Public Contracts Law as insurance coverage.

I do hereby certify as follows:

- Competitive pricing proposals of rated of Employee Vision Insurance Coverage was submitted by the Authority's insurance consultant, Willis of New Jersey, Inc. ("Willis"), for the period of August 1, 2014 through July 31, 2015, which are summarized in the attached table.
- 2. The contract award can be made pursuant to the exception set forth in 40A:11-5(m) of the Local Public Contracts Law for insurance coverage and services.
- 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 the General Counsel and certify that the proposed renewal may be authorized 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 for payment of a contract with Vision Service Plan (VSP) for dental insurance coverage as follows:

- In 2014, funds are available in the amount of \$1,878.80; and 1.
- 2. In 2015, funds will be available in the amount of \$2,630.32 subject to the approval of the 2015 Budget.

The total maximum amount of this contract will not exceed \$4,509.12. This item will be charged to Account No. 4-02-20-400-605.

Janue A Congleton JANICE A. CONGLETON, Treasurer

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Thursday, June 19, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

NOTICE OF AWARD OF CONTRACT FOR EXTRAORDINARY UNSPECIFIABLE SERVICE

Public Notice is hereby given that on June 19, 2014, 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 VSP for vision insurance at an estimated cost to the Authority of \$2,254.56 for the 2014-2015 coverage year (based on current enrollment), without competitive bidding as an extraordinary unspecifiable service. The precise nature, duration and specific services are more particularly set forth in a Resolution adopted on June 19, 2014, 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

WILLIAM J. CONRADI, Chairman

Resolution No. 52-14

RESOLUTION AUTHORIZING THE TRANSFER OF FUNDS BETWEEN BUDGET APPROPRIATIONS

WHEREAS, the Authority's Chief Financial Officer/Treasurer has advised that there exists certain funds in the 2014 budget line items which will not be expended by year end; and

WHEREAS, she has advised that additional unexpected costs for Legal Litigation Services for the authority would over expend a 2014 budget line item; and

WHEREAS, the Chief Financial Officer/Treasurer has requested that such balances be transferred from the Contingency Line Item and the Meters & Services Salary and Wage Line Item to the Administration Legal Services Line Item; 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 transfers within the 2014 Operating Budget totaling \$27,500 be made as follows:

\$12,500 from Meters and Services Salary and Wages to \$15,000 from Contingency to Administration: Legal Services Administration: Legal Services

AND BE IT FURTHER RESOLVED that the Chief Financial Officer/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:

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

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WILLIAM CONRADI, Chairman

SIDNEY D. WEISS, Assistant Secretary

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Thursday, June 19, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

MEETING MINUTES

JULY 17, 2014

The Regular Meeting of The Southeast Morris County Municipal Utilities Authority was held on Thursday, July 17, 2014, at 7:30PM 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 7:30PM 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 Conradi; Members Baldassari, Carroll, Iannaccone, Kissil, Schimpf and Taratko

ABSENT: Member Dougherty

MOTION APPROVING MINUTES OF JUNE 19, 2014

Copies of the minutes of the meeting held on June 19, 2014, were distributed to the members prior to the meeting for review and comment. Member Kissil moved that the minutes be adopted as presented. Member Schimpf abstained. Member Carroll seconded the motion which was duly adopted by the following vote:

YEAS: Chairman Conradi; Members Baldassari, Carroll, Iannaccone, Kissil and Taratko

NOES: None

ABSTAINS: Member Schimpf

RESOLUTION APPROVING CLOSED SESSION MINUTES OF JUNE 19, 2014

Copies of the closed session minutes of the meeting held on June 19, 2014 were distributed to the members prior to the meeting for review and comment. Member Carroll moved that the minutes be adopted as presented. Member Schimpf abstained. Member Taratko moved to approve the closed session minutes and offered the following resolution:

RESOLUTION NO. 53-14

RESOLUTION APPROVING CLOSED SESSION MINUTES OF JUNE 19, 2014

YEAS: Chairman Conradi; Members Baldassari, Carroll, Iannaccone, Kissil, Schimpf and Taratko

NOES: None

ABSTAINS: Member Schimpf

RESOLUTION – APPROVAL OF JULY LIST OF BILLS

Copies of the bill list for July 2014 were distributed to the members prior to the meeting for comment and approval. Member Carroll moved to approve the list of bills and offered the following resolution:

RESOLUTION NO. 54-14

RESOLUTION AUTHORIZING PAYMENT OF LIST OF BILLS FOR JULY 2014

"COPY ANNEXED"

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

- YEAS: Chairman Conradi; Members Baldassari, Carroll, Iannaccone, Kissil, Schimpf and Taratko
- NOES: None

OTHER BUSINESS

A. Report of the Personnel Committee

Ms. Cummings referred to the Report of the Personnel Committee for its meeting held on July 2, 2014. A revised organizational chart was reviewed and approved. The new organizational chart combines the Finance and Customer Service Departments and creates an Engineering Department branch under the Executive Director/Chief Engineer. The total number of positions has not increased. The new organizational chart takes into consideration the recent retirement announcements in Operations and Customer Service, provides a structure where entry level staff can move up through the organization and provides for future succession planning.

As approved at the February 25th Personnel Committee Meeting, the Senior Engineering position was advertised and a short list of candidates was identified. Initial offers of employment are being made to two candidates. Depending on who accepts or declines the Senior Engineering position, a different strategy may be necessary where staffing of the Engineering Department

may include a combination of senior or entry level engineers and/or engineering technology or engineering technician candidates.

The next position to be advertised will be that of an accountant to fill the role, based on credentials, of either the Supervisor of Finance, Manager of Finance or Assistant Director of Finance (note that these new titles represent "one" position with progressive qualifications). Staff level promotions will be made to fill the System Administrator positions.

B. Resolution to Renew with Statewide Insurance Fund

The Board reviewed a draft resolution where the Authority would renew its participation in the Statewide Insurance Fund, a joint insurance fund, as permitted by N.J.S.A. 40A:10-36, et seq., effective from January 1, 2014 terminating on January 1, 2017. Member Baldassari offered the following resolution:

RESOLUTION NO. 55-14

RESOLUTION TO JOIN (RENEW) THE STATEWIDE INSURANCE FUND

"COPY ANNEXED"

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

- YEAS: Chairman Conradi; Members Baldassari, Carroll, Iannaccone, Kissil, Schimpf and Taratko
- 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 Monthly Report June 2014
- B. Superintendent Monthly Report June 2014
- C. Information Technology Monthly Report June 2014
- D. Customer Service Monthly Report June 2014
- E. Financial Monthly Reports June 2014

PUBLIC DISCUSSION

Chairman Conradi stated the next portion of the meeting was set aside for public discussion. No one 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 Taratko seconded the motion. The meeting adjourned at 7:51PM.

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

SIDNEY D. WEISS Assistant Secretary



Resolution No. 53-14

RESOLUTION AUTHORIZING PAYMENT OF JULY 2014 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	\$	268,425.02
Total Operating Fund Checks and Wire Transfers	\$	580,639.62
GENERAL FUND/SPECIAL ACCOUNT	\$	244,154.09
TOTAL OF HU V 2014 LIST OF BULLS	¢	1 003 218 73

TOTAL OF JULY 2014 LIST OF BILLS

1,093,218.73

ATTEST:

SIDNEY D. WEISS, Assistant Secretary

Dated: July 17, 2014

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

omadi WILLIAM J. CONRADI, Chairman

Board Members

Morristown: Mary Dougherty Donald Kissil

Morris Township: Dennis Baldassari Edward A. Taratko, Jr. Morris Plains: **Robert Carroli** William Conradi

Hanover Township: Saverio C. lannaccone 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 (\$1,093,218.73) for payment of the resolution entitled Resolution Authorizing Payment of July 2014 List of Bills in the Authority's 2014 Operating Budget.

JANICE A. CONGLETØN, Treasurer

Dated: July 17, 2014

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Thursday, July 17, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

Dated: July 17, 2014



Resolution No. 54-14

RESOLUTION APPROVING CLOSED SESSION MINUTES

RESOLVED that the attached minutes of the Closed Session Meeting held on June 19, 2014, 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:

ece SIDNEY D. WEISS, Assistant Secretary

Dated: July 17, 2014

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

Villiam Comadi WILLIAM J. CONRADI, Chairman

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Edward A. Taratko, Jr. Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

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

Superintendent: Paul A. Kozakiewicz

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Thursday, July 17, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

Dated: July 17, 2014



Resolution No. 55-14

RESOLUTION TO JOIN (RENEW) THE STATEWIDE INSURANCE FUND

WHEREAS, a number of local units have joined together to form the Statewide Insurance Fund ("FUND"), a joint insurance fund, as permitted by N.J.S.A. 40A:10-36, et seq.; and

WHEREAS, the statutes and regulations governing the creation and operation of joint insurance funds contain elaborate restrictions and safeguards concerning the safe and efficient administration of such funds; and

WHEREAS, The Southeast Morris County Municipal Utilities Authority ("LOCAL UNIT") has determined that membership in the FUND is in the best interest of the LOCAL UNIT.

WHEREAS, the LOCAL UNIT agrees to be a member of the FUND for a period of three (3) years, effective from January 1, 2014 terminating on January 1, 2017 at 12:01 a.m. standard time; and

WHEREAS, the LOCAL UNIT has never defaulted on claims, if self-insured, and has not been canceled for non-payment of insurance premiums for two (2) years prior to the date of this Resolution.

NOW, THEREFORE, BE IT RESOLVED that the LOCAL UNIT does hereby agree to join the Statewide Insurance Fund; and

BE IT FURTHER RESOLVED that the LOCAL UNIT will be afforded the following coverage(s) as marked "Yes":

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Edward A. Taratko, Jr. Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

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

Superintendent: Paul A. Kozakiewicz

	YES	NO
Workers' Compensation and Employers' Liability Self-Insured	X	
Package Program (Property, Crime-Faithful Performance and Fidelity, Inland Marine, Boiler and Machinery, Comprehensive General Liability,		v
Auto Liability and Auto Physical Damages and Professional Liability)		X
Excess Insurance		X

BE IT FURTHER RESOLVED that Laura Cummings is hereby appointed as the LOCAL UNIT's Fund Commissioner and is authorized to execute the application for membership and the accompanying certification on behalf of the LOCAL UNIT; and

BE IT FURTHER RESOLVED that the LOCAL UNIT's Fund Commissioner is authorized and directed to execute the Indemnity and Trust Agreement and such other documents signifying the membership in the FUND as required by the FUND's Bylaws and to deliver same to the Administrator of the FUND with the express reservation that said documents shall become effective only upon the LOCAL UNIT's admissions to the FUND following approval of the FUND by the New Jersey Department of Banking and Insurance.

ATTEST:

SIDNEY D. WEISS, Assistant Secretary

Dated: July 17, 2014

This Resolution agreed to the 17th day of July, 2014, by a vote of:

7 Affirmative _____ Abstain _____ Negative _____ Absent

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

William Conradi. WILLIAM J. CONRADI, Chairman

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Thursday, July 17, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

Dated: July 17, 2014

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

MEETING MINUTES

AUGUST 21, 2014

The Regular Meeting of The Southeast Morris County Municipal Utilities Authority was held on Thursday, August 21, 2014, at 7:30PM 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 7:30PM and requested a moment of silence in remembrance of Board Member Edward A. Taratko, Jr. The Chairman then 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 Conradi; Members Baldassari, Carroll, Dougherty, Iannaccone, Kissil and Schimpf

ABSENT: None

MOTION APPROVING MINUTES OF JULY 17, 2014

Copies of the minutes of the meeting held on July 17, 2014, were distributed to the members prior to the meeting for review and comment. Member Carroll moved that the minutes be adopted as presented. Member Dougherty abstained. Member Baldassari seconded the motion which was duly adopted by the following vote:

YEAS: Chairman Conradi; Members Baldassari, Carroll, Iannaccone, Kissil, and Schimpf

NOES: None

ABSTAINS: Member Dougherty

RESOLUTION – APPROVAL OF AUGUST LIST OF BILLS

Copies of the bill list for August 2014 were distributed to the members prior to the meeting for comment and approval. Member Baldassari moved to approve the list of bills and offered the following resolution:

RESOLUTION NO. 56-14

RESOLUTION AUTHORIZING PAYMENT OF LIST OF BILLS FOR AUGUST 2014

"COPY ANNEXED"

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

- YEAS: Chairman Conradi; Members Baldassari, Carroll, Dougherty, Iannaccone, Kissil and Schimpf
- NOES: None

OTHER BUSINESS

A. Resolution Authorizing Contract Extension for Water Treatment Chemicals with Miracle Chemical Company

The Authority had entered into a contract dated October 1, 2013, with Miracle Chemical Company ("Miracle"), for water treatment chemicals (Sodium Hypochlorite and Sodium Bisulfite), which was duly awarded and approved by resolution dated September 19, 2013 (the "Contract"). The Contract was for an initial term of one year with an option to renew by the Authority for one or two additional years under certain conditions as permitted by N.J.S.A. 40A:11-15 of the Local Public Contracts Law. The Board reviewed a memorandum from the Superintendent dated August 8, 2014 recommending that the Contract be extended for a period of one year; said extension would be on the same terms and conditions, including price, set forth in the existing Contract. The maximum cost to the Authority is \$71,456.25 for this extension and the Treasurer has certified that there are sufficient funds available in the 2014 Budget for the portion to be expended in 2014; portions to be expended in 2015 are subject to funds being available in the 2015 Budget. The Members of the Authority found that the services are being performed by Miracle under the Contract in an effective and efficient manner. Member Baldassari offered the following resolution:

RESOLUTION NO. 57-14

RESOLUTION AUTHORIZING CONTRACT EXTENSION FOR WATER TREATMENT CHEMICALS WITH MIRACLE CHEMICAL COMPANY

"COPY ANNEXED"

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

- YEAS: Chairman Conradi; Members Baldassari, Carroll, Dougherty, Iannaccone, Kissil and Schimpf
- NOES: None
- B. Resolution Authorizing Contract Extension for Water Treatment Chemicals with George S. Coyne Chemical Company, Inc.

The Authority had entered into a contract dated October 1, 2013, with George S. Coyne Chemical Company, Inc. ("Coyne"), for water treatment chemicals (Calcium Hypochlorite and Liquid Citric Acid), which was duly awarded and approved by resolution dated September 19,

2013 (the "Contract"). The Contract was for an initial term of one year with an option to renew by the Authority for one or two additional years under certain conditions as permitted by N.J.S.A. 40A:11-15 of the Local Public Contracts Law. The Board reviewed a memorandum from the Superintendent dated August 19, 2014 recommending that the Contract be extended for a period of one year; said extension would be on the same terms and conditions, including price, set forth in the existing Contract. The maximum cost to the Authority is \$21,885.50 for this extension and the Treasurer has certified that there are sufficient funds available in the 2014 Budget for the portion to be expended in 2014; portions to be expended in 2015 are subject to funds being available in the 2015 Budget. The Members of the Authority found that the services are being performed by Coyne under the Contract in an effective and efficient manner. Member Baldassari offered the following resolution:

RESOLUTION NO. 58-14

RESOLUTION AUTHORIZING CONTRACT EXTENSION FOR WATER TREATMENT CHEMICALS WITH MIRACLE CHEMICAL COMPANY

"COPY ANNEXED"

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

- YEAS: Chairman Conradi; Members Baldassari, Carroll, Dougherty, Iannaccone, Kissil and Schimpf
- NOES: None
- C. Resolution Commending John Sandelli for Service to the Authority

The Board wished to extend its gratitude and appreciation to John Sandelli, the Authority's Meter and Services Supervisor, upon his retirement and to commend him for his dedicated and faithful service to the Authority for over thirty-three years. Member Dougherty offered the following resolution:

RESOLUTION NO. 59-14

RESOLUTION COMMENDING JOHN SANDELLI FOR SERVICE TO THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

"COPY ANNEXED"

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

- YEAS: Chairman Conradi; Members Baldassari, Carroll, Dougherty, Iannaccone, Kissil and Schimpf
- NOES: None

D. Resolution Commending Nicholas Quintavella for Service to the Authority

The Board wished to extend its gratitude and appreciation to Nicholas Quintavella, the Authority's Field Support and Construction Supervisor, upon his retirement and to commend him for his dedicated and faithful service to the Authority for over twenty-six years. Member Dougherty offered the following resolution:

RESOLUTION NO. 60-14

RESOLUTION COMMENDING NICHOLAS QUINTAVELLA FOR SERVICE TO THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

"COPY ANNEXED"

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

- YEAS: Chairman Conradi; Members Baldassari, Carroll, Dougherty, Iannaccone, Kissil and Schimpf
- NOES: None
- E. Resolution Commending Judy Burster for Service to the Authority

The Board wished to extend its gratitude and appreciation to Judy Burster, the Authority's Business Office Supervisor, upon her retirement and to commend her for her dedicated and faithful service to the Authority for over twenty-two years. Member Dougherty offered the following resolution:

RESOLUTION NO. 61-14

RESOLUTION COMMENDING JUDY BURSTER FOR SERVICE TO THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

"COPY ANNEXED"

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

- YEAS: Chairman Conradi; Members Baldassari, Carroll, Dougherty, Iannaccone, Kissil and Schimpf
- NOES: None

SUCH OTHER MATTERS TO LEGALLY COME BEFORE THE BOARD

1. Ms. Cummings invited the Board to a retirement barbecue being held on August 27, 2014 for the three retirees, John Sandelli, Nick Quintavella and Judy Burster at the Authority's headquarters.

- 2. Member Iannaccone inquired about whether or not the Authority reviews its properties' tax assessments. Mr. Weiss stated that the Authority generally reviewed tax bills annually and retained Integra Realty Resources (Krauser and Cirz) in 2009 to perform real estate appraisals and evaluation of all assessments of its lands situated within and without its District. That review resulted in several reductions following tax appeals or negotiations with assessors. Mr. Weiss stated that he would provide Member Iannaccone with a copy of the report and the resulting tax reductions.
- 3. Ms. Cummings discussed dedicating the Jockey Hollow Booster Station to longtime Board Member, Edward A. Taratko, Jr. The Board unanimously agreed the dedication would be appropriate.
- 4. Member Kissil inquired about the transportation of fracking material from Pennsylvania to New Jersey. Ms. Cummings stated that she would provide information on the water industry's position on that topic.

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 Monthly Report July 2014
- B. Superintendent Monthly Report July 2014
- C. Information Technology Monthly Report July 2014
- D. Customer Service Monthly Report July 2014
- E. Financial Monthly Reports July 2014

PUBLIC DISCUSSION

Chairman Conradi stated the next portion of the meeting was set aside for public discussion. No one 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 Carroll seconded the motion. The meeting adjourned at 8:05PM.

> 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 7, 2014.

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 7, 2014.



Resolution No. 56-14

RESOLUTION AUTHORIZING PAYMENT OF AUGUST 2014 LIST OF BILLS

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

OPERATING FUND

TOTAL OF AUGUST 2014 LIST OF BILLS	\$ 885,498.68
GENERAL FUND/SPECIAL ACCOUNT	\$ 107,661.67
Total Operating Fund Checks and Wire Transfers	\$ 495,846.18
Total Salary and Wages	\$ 281,990.83

ATTEST:

SIDNEY D. WEISS, Assistant Secretary

Dated: August 21, 2014

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

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WILLIAM J. CONRADI, Chairman

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Edward A. Taratko, Jr. Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone 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 (\$885,498.68) for payment of the resolution entitled Resolution Authorizing Payment of August 2014 List of Bills in the Authority's 2014 Operating Budget.

Janue A Congliton JANICE A. CONGLETON, Treasurer

Dated: August 21, 2014

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Thursday, August 21, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

Dated: August 21, 2014



Resolution No. 57-14

RESOLUTION AUTHORIZING A CONTRACT EXTENSION WITH MIRACLE CHEMICAL COMPANY FOR WATER TREATMENT CHEMICALS

WHEREAS, the Authority has entered into a contract dated October 1, 2013, with Miracle Chemical Company (the "Contractor"), for water treatment chemicals (Sodium Hypochlorite and Sodium Bisulfite), which was duly awarded and approved by resolution dated September 19, 2013 (the "Contract"); and

WHEREAS, the Contract was for an initial term of one year with an option to renew by the Authority for one or two additional years under certain conditions as permitted by N.J.S.A. 40A:11-15 of the Local Public Contracts Law; and

WHEREAS, the Superintendent of the Authority has recommended that the Contract be extended for a period of one year; and

WHEREAS, the Members of the Authority hereby find that the services are being performed by the Contractor under the Contract in an effective and efficient manner; and

WHEREAS, the extension will be on the same terms and conditions, including price, set forth in the existing Contract; and

WHEREAS, the maximum cost to the Authority is \$71,456.25 for this extension; and

WHEREAS, the Treasurer has certified that there are sufficient funds available in the 2014 Budget for the portion to be expended in 2014; portions to be expended in 2015 are subject to funds being available in the 2015 Budget.

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

 The term of the Contract dated October 1, 2013, between the Authority and Miracle Chemical Company, be and the same is hereby extended for a period of one year at a contract price of \$71,456.25 per year as provided in the Contract and permitted by the Local Public Contracts Law (N.J.S.A. 40A:11-15);

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Morris Plains: Dennis BaldassariRobert Carroll Edward A. Taratko, Jr.William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

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

Superintendent: Paul A. Kozakiewicz

- 2. The extension shall be on the same terms and conditions, including price, set forth in the original Contract dated October 1, 2013, which Contract was awarded by the Authority by resolution duly adopted on September 19, 2013;
- 3. The Chairman or Vice Chairman and Secretary or Assistant Secretary be and they are hereby authorized and directed to execute and deliver an extension agreement or other document as may be required, and approved by the General Counsel, in order to effectuate the intent of this resolution.

ATTEST:

SIDNEY D. WEISS, Assistant Secretary

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

WILLIAM J. CONRADI, Chairman

DATED: August 21, 2014

TREASURER'S CERTIFICATION

I hereby certify funds for payment of a contract with Miracle Chemical Company for water treatment chemicals (Sodium Hypochlorite and Sodium Bisulfite) as follows:

- 1. In 2014, funds are available in the amount of \$11,910.00; and
- In 2015, funds will be available in the amount of \$59,546.25 subject to the approval of the 2015 Budget.

The total maximum amount of this contract will not exceed \$71,456.25. This item will be charged to Account No. 4 - 02 - 75 - 400 - 637.

JANICE A. CONGLETON, Treasurer

DATED: August 21, 2014

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Thursday, August 21, 2014, at a meeting duly convened of said Authority.

Ne

SIDNEY D. WEISS, Assistant Secretary

Dated: August 21, 2014



Resolution No. 58-14

RESOLUTION AUTHORIZING A CONTRACT EXTENSION WITH GEORGE S. COYNE CHEMICAL COMPANY, INC. FOR WATER TREATMENT CHEMICALS

WHEREAS, the Authority has entered into a contract dated October 1, 2013, with George S. Coyne Chemical Company, Inc. (the "Contractor"), for water treatment chemicals (Calcium Hypochlorite and Citric Acid), which was duly awarded and approved by resolution dated September 19, 2013 (the "Contract"); and

WHEREAS, the Contract was for an initial term of one year with an option to renew by the Authority for one or two additional years under certain conditions as permitted by N.J.S.A. 40A:11-15 of the Local Public Contracts Law; and

WHEREAS, the Superintendent of the Authority has recommended that the Contract be extended for a period of one year; and

WHEREAS, the Members of the Authority hereby find that the services are being performed by the Contractor under the Contract in an effective and efficient manner; and

WHEREAS, the extension will be on the same terms and conditions, including price, set forth in the existing Contract; and

WHEREAS, the maximum cost to the Authority is \$21,885.50 for this extension; and

WHEREAS, the Treasurer has certified that there are sufficient funds available in the 2014 Budget for the portion to be expended in 2014; portions to be expended in 2015 are subject to funds being available in the 2015 Budget.

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

1. The term of the Contract dated October 1, 2013, between the Authority and George S. Coyne Chemical Company, Inc., be and the same is hereby extended for a period of one year at a contract price of \$21,885.50 per year as provided in the Contract and permitted by the Local Public Contracts Law (N.J.S.A. 40A:11-15);

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Morris Plains: Dennis BaldassariRobert Carroll Edward A. Taratko, Jr.William Conradi

Hanover Township: Saverio C. lannaccone Adolf Schimpf

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

Superintendent: Paul A. Kozakiewicz

- 2. The extension shall be on the same terms and conditions, including price, set forth in the original Contract dated October 1, 2013, which Contract was awarded by the Authority by resolution duly adopted on September 19, 2013;
- 3. The Chairman or Vice Chairman and Secretary or Assistant Secretary be and they are hereby authorized and directed to execute and deliver an extension agreement or other document as may be required, and approved by the General Counsel, in order to effectuate the intent of this resolution.

ATTEST:

SIDNEY D. WEISS, Assistant Secretary

DATED: August 21, 2014

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

idliam WILLIAM J. CONRADI, Chairman

TREASURER'S CERTIFICATION

I hereby certify funds for payment of a contract with George S. Coyne Chemical Company, Inc., for water treatment chemicals (Calcium Hypochlorite and Citric Acid) as follows:

- 1. In 2014, funds are available in the amount of \$3,648.00; and
- In 2015, funds will be available in the amount of \$18,237.50 subject to the approval of the 2015 Budget.

The total maximum amount of this contract will not exceed \$21,885.50. This item will be charged to Account No. 4-02-70-400-637.

JANICE A. CONGLETON, Treasurer

DATED: August 21, 2014

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Thursday, August 21, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

Dated: August 21, 2014



Resolution No. 59-14

RESOLUTION COMMENDING JOHN SANDELLI FOR SERVICE TO THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

WHEREAS, John Sandelli has served The Southeast Morris County Municipal Utilities Authority as Meters and Services Supervisor since December 17, 1999, and various increasingly responsible positions within the Authority since March 2, 1981; and

WHEREAS, John Sandelli has been a dedicated and loyal employee of the Authority for over thirty-three years; and

WHEREAS, John Sandelli is retiring as Meters and Services Supervisor of the Authority, effective September 1, 2014; and

WHEREAS, the Members of The Southeast Morris County Municipal Utilities Authority wish to extend their gratitude and appreciation to John Sandelli for his faithful and dedicated service to the Authority on behalf of the Members, staff and customers of the Authority.

NOW THEREFORE BE IT RESOLVED by the Members of The Southeast Morris County Municipal Utilities Authority that John Sandelli be and is hereby commended for his dedicated and faithful service as Meters and Services Supervisor of the Authority; and

BE IT FURTHER RESOLVED that this Resolution be spread on and become part of the official minutes of the Authority's Regular Meeting held on August 21, 2014; and that a copy of this Resolution be presented to John Sandelli as a memento of the Authority's gratitude and appreciation for his service to The Southeast Morris County Municipal Utilities Authority from March 2, 1981 through his retirement on September 1, 2014.

ATTEST:

SIDNEY D. WEISS, Assistant Secretary

DATED: August 21, 2014

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Edward A. Taratko, Jr. Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

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

Superintendent: Paul A. Kozakiewicz

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

WILLIAM J. CONRADI, Chairman

onradi William

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Thursday, August 21, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

Dated: August 21, 2014



Resolution No. 60-14

RESOLUTION COMMENDING NICHOLAS QUINTAVELLA FOR SERVICE TO THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

WHEREAS, Nicholas Quintavella has served The Southeast Morris County Municipal Utilities Authority as Field Support and Construction Supervisor since May 1, 2003, and various increasingly responsible positions within the Authority since October 19, 1987; and

WHEREAS, Nicholas Quintavella has been a dedicated and loyal employee of the Authority for over twenty-six years; and

WHEREAS, Nicholas Quintavella is retiring as Field Support and Construction Supervisor of the Authority, effective September 1, 2014; and

WHEREAS, the Members of The Southeast Morris County Municipal Utilities Authority wish to extend their gratitude and appreciation to Nicholas Quintavella for his faithful and dedicated service to the Authority on behalf of the Members, staff and customers of the Authority.

NOW THEREFORE BE IT RESOLVED by the Members of The Southeast Morris County Municipal Utilities Authority that Nicholas Quintavella be and is hereby commended for his dedicated and faithful service as Field Support and Construction Supervisor of the Authority; and

BE IT FURTHER RESOLVED that this Resolution be spread on and become part of the official minutes of the Authority's Regular Meeting held on August 21, 2014; and that a copy of this Resolution be presented to Nicholas Quintavella as a memento of the Authority's gratitude and appreciation for his service to The Southeast Morris County Municipal Utilities Authority from October 19, 1987 through his retirement on September 1, 2014.

ATTEST:

SIDNEY D. WEISS, Assistant Secretary

DATED: August 21, 2014

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Edward A. Taratko, Jr. Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

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

Superintendent: Paul A. Kozakiewicz

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

onsade WILLIAM J. CONRADI, Chairman

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Thursday, August 21, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

Dated: August 21, 2014



Resolution No. 61-14

RESOLUTION COMMENDING JUDY BURSTER FOR SERVICE TO THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

WHEREAS, Judy Burster has served The Southeast Morris County Municipal Utilities Authority as Business Office Supervisor since June 1, 2011, and various increasingly responsible positions within the Authority since January 6, 1992; and

WHEREAS, Judy Burster has been a dedicated and loyal employee of the Authority for over twenty-two years; and

WHEREAS, Judy Burster is retiring as Business Office Supervisor of the Authority, effective September 1, 2014; and

WHEREAS, the Members of The Southeast Morris County Municipal Utilities Authority wish to extend their gratitude and appreciation to Judy Burster for her faithful and dedicated service to the Authority on behalf of the Members, staff and customers of the Authority.

NOW THEREFORE BE IT RESOLVED by the Members of The Southeast Morris County Municipal Utilities Authority that Judy Burster be and is hereby commended for her dedicated and faithful service as Business Office Supervisor of the Authority; and

BE IT FURTHER RESOLVED that this Resolution be spread on and become part of the official minutes of the Authority's Regular Meeting held on August 21, 2014; and that a copy of this Resolution be presented to Judy Burster as a memento of the Authority's gratitude and appreciation for her service to The Southeast Morris County Municipal Utilities Authority from January 6, 1992 through her retirement on September 1, 2014.

ATTEST:

SIDNEY D. WEISS, Assistant Secretary

DATED: August 21, 2014

Board Members

Morristown: Mary Dougherty Donald Kissil **Morris Township:** Dennis Baldassari Edward A. Taratko, Jr. Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

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

Superintendent: Paul A. Kozakiewicz

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

onradi WILLIAM J. CONRADI, Chairman

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Thursday, August 21, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

Dated: August 21, 2014

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

MEETING MINUTES

SEPTEMBER 18, 2014

The Regular Meeting of The Southeast Morris County Municipal Utilities Authority was held on Thursday, September 18, 2014, at 7:30PM 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 7:30PM 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 Conradi; Members Baldassari, Carroll, Iannaccone, Kissil and Schimpf

ABSENT: Member Dougherty

MOTION APPROVING MINUTES OF AUGUST 21, 2014

Copies of the minutes of the meeting held on August 21, 2014, were distributed to the members prior to the meeting for review and comment. Member Carroll moved that the minutes be adopted as presented. Member Baldassari seconded the motion which was duly adopted by the following vote:

YEAS: Chairman Conradi; Members Baldassari, Carroll, Iannaccone, Kissil, and Schimpf

NOES: None

RESOLUTION – APPROVAL OF SEPTEMBER LIST OF BILLS

Copies of the bill list for September 2014 were distributed to the members prior to the meeting for comment and approval. Member Carroll moved to approve the list of bills and offered the following resolution:

RESOLUTION NO. 62-14

RESOLUTION AUTHORIZING PAYMENT OF LIST OF BILLS FOR SEPTEMBER 2014

"COPY ANNEXED"

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

- YEAS: Chairman Conradi; Members Baldassari, Carroll, Iannaccone, Kissil and Schimpf
- NOES: None

OTHER BUSINESS

A. Resolution Authorizing Contract Extension for Water Treatment Chemicals with Calgon Carbon Corporation

The Authority had entered into a contract dated October 1, 2013, with Calgon Carbon Corporation ("Calgon"), for water treatment chemicals (Granular Activated Carbon), which was duly awarded and approved by resolution dated September 19, 2013 (the "Contract"). The Contract was for an initial term of one year with an option to renew by the Authority for one or two additional years under certain conditions as permitted by N.J.S.A. 40A:11-15 of the Local Public Contracts Law. The Board reviewed a memorandum from the Superintendent dated September 3, 2014 recommending that the Contract be extended for a period of one year; said extension would be on the same terms and conditions, including price, set forth in the existing Contract. The maximum cost to the Authority is \$70,000.00 for this extension and the Treasurer has certified that there are sufficient funds available in the 2014 Budget for the portion to be expended in 2014; portions to be expended in 2015 are subject to funds being available in the 2015 Budget. The Members of the Authority found that the services are being performed by Calgon under the Contract in an effective and efficient manner. Member Schimpf offered the following resolution:

RESOLUTION NO. 63-14

RESOLUTION AUTHORIZING CONTRACT EXTENSION FOR WATER TREATMENT CHEMICALS WITH CALGON CARBON CORPORATION

"COPY ANNEXED"

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

- YEAS: Chairman Conradi; Members Baldassari, Carroll, Iannaccone, Kissil and Schimpf
- NOES: None
- B. Resolution Authorizing Contract Extension for Water Treatment Chemicals with Shannon Chemical Corporation

The Authority had entered into a contract dated October 1, 2013, with Shannon Chemical Corporation ("Shannon"), for water treatment chemicals (Phosphate Compounds), which was duly awarded and approved by resolution dated September 19, 2013 (the "Contract"). The Contract was for an initial term of one year with an option to renew by the Authority for one or two additional years under certain conditions as permitted by N.J.S.A. 40A:11-15 of the Local Public Contracts Law. The Board reviewed a memorandum from the Superintendent dated August 26, 2014 recommending that the Contract be extended for a period of one year; said extension would be on the same terms and conditions, including price, set forth in the existing Contract. The maximum cost to the Authority is \$14,630.40 for this extension and the Treasurer has certified that there are sufficient funds available in the 2014 Budget for the portion to be expended in 2014; portions to be expended in 2015 are subject to funds being available in the 2015 Budget. The Members of the Authority found that the services are being performed by Shannon under the Contract in an effective and efficient manner. Member Carroll offered the following resolution:

RESOLUTION NO. 64-14

RESOLUTION AUTHORIZING CONTRACT EXTENSION FOR WATER TREATMENT CHEMICALS WITH SHANNON CHEMICAL CORPORATION

"COPY ANNEXED"

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

- YEAS: Chairman Conradi; Members Baldassari, Carroll, Iannaccone, Kissil and Schimpf
- NOES: None
- C. Resolution Awarding a Contract for Maintenance, Servicing and Repair of HVAC Systems

The Board reviewed a memorandum from the Superintendent dated September 9, 2014, recommending award of a contract for maintenance, servicing and repair of the Authority's HVAC systems to Core Mechanical, Inc., based upon their low bid submitted on September 9, 2014. Four companies obtained bid specifications where three submitted bids. The maximum cost to the Authority is \$53,950.00 for this contract and the Treasurer has certified that there are sufficient funds available in the 2014 Budget for the portion to be expended in 2014; portions to be expended in 2015 are subject to funds being available in the 2015 Budget. Member Carroll offered the following resolution:

RESOLUTION NO. 65-14

RESOLUTION AWARDING A CONTRACT FOR MAINTENANCE, SERVICING AND REPAIR OF HVAC SYSTEMS

"COPY ANNEXED"

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

- YEAS: Chairman Conradi; Members Baldassari, Carroll, Iannaccone, Kissil and Schimpf
- NOES: None
- D. Report of the Finance Committee

The Finance Committee met on September 11, 2014. Ms. Cummings reported on the meeting as follows:

A general overview of the planned 2015 Operating and 2015 through 2019 Capital Budgets was provided and reviewed. The Committee requested that the staff conduct further refinement of the capital improvement plan to achieve more consistent year-to-year expenditures where possible and

also requested a further review and reduction in expenditures for the 2015 Operating Budget. The revised budgets will be presented at the October Finance Committee meeting.

Howard Woods provided an overview of current consumption trends and the subsequent projected impact on revenue and future rates. Current projected annual decreases in consumption correlate to a loss in revenue on the order of about \$117,000 per year where an annual rate increase of about 1% would be required to offset this loss in revenue. The observed decrease in consumption is based on data for the period of 2009 through mid-2014 and correlates to an industry wide trend and is attributed to the installation of more water efficient fixtures. The actual annual decrease may be partially offset by new connections to the system.

Mr. Woods also provided a review of the Authority's current water supply allocation and the 2009 through mid-2014 service area average and peak day demands demonstrating a surplus in supply. Additional areas of lost revenue include a high unaccounted for water percentage of 19% where this value should be improved to a target of about 10%. Staff plan to fully implement the AWWA program to improve the unaccounted for, or lost revenue, water; where some components of this program have already been implemented.

Mr. Woods provided a review of rate increases that would be necessary to support the draft budgets presented. The Members requested further refinement of the budgets and the rate increase projections to be discussed at the next Finance Committee meeting.

The Committee requested a meeting with the Mayors and Business Administrators of each Creating Municipality where Mr. Woods can present the initial findings of the Business Plan.

E. Report of the Engineering Committee

The Engineering Committee met on September 11, 2014. Ms. Cummings reported on the meeting as follows:

The Committee reviewed a proposal submitted by CH2M HILL for Professional Engineering Services related to the Clyde Potts Water Treatment Plant. The Committee concurred on award of this project for required support related to the membrane treatment process for an amount not-to-exceed \$19,800 and for the development of a concept study for chlorine contactor improvements for an amount not-to-exceed \$26,800.

The Committee reviewed proposals submitted for Professional Engineering Services for Clyde Potts Formal Dam Inspection: The Committee concurred on award of this project to Civil Dynamics for an amount not-to-exceed \$17,740.

A general overview of the planned capital improvements for the time period between 2015 through 2019 was discussed. The Committee requested that the staff conduct further refinement of the capital improvement plan to attain more consistent year-to-year expenditures where possible. The revised program will be presented at the October Engineering Committee meeting.

Mr. Woods provided an overview of current consumption trends and the subsequent projected impact on revenue and future rates. Current projected annual decreases in consumption correlate to a loss in revenue on the order of about \$117,000 per year where an annual rate increase of about 1% would be required to offset this loss in revenue. The observed decrease in consumption is based on data for the period of 2009 through mid-2014 and correlates to an industry-wide trend and is attributed to the installation of more water efficient fixtures. The actual annual decrease may be partially offset by new connections to the system.

Mr. Woods also provided a review of the Authority's current water supply allocation and the 2009 through mid-2014 service area average and peak day demands demonstrating a surplus in supply. Additional areas of lost revenue include a high unaccounted for water percentage of 19% where this value should be improved to a target of about 10%. Staff plan to fully implement the AWWA program to improve the unaccounted for, or lost revenue, water; where some components of this program have already been implemented.

F. Resolution Awarding a Professional Service Contract for Engineering Services Related to the Clyde Potts Water Treatment Plant

The Board reviewed a memorandum from the Executive Director/Chief Engineer dated September 9, 2014 recommending award of a professional service contract to CH2M HILL for engineering services related to the Clyde Potts Water Treatment Plant. This contract was also recommended for award by the Engineering Committee. Member Iannaccone offered the following resolution:

RESOLUTION NO. 66-14

RESOLUTION AWARDING A PROFESSIONAL SERVICE CONTRACT FOR ENGINEERING SERVICES RELATED TO THE CLYDE POTTS WATER TREATMENT PLANT

"COPY ANNEXED"

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

- YEAS: Chairman Conradi; Members Baldassari, Carroll, Iannaccone, Kissil and Schimpf
- NOES: None
- G. Resolution Awarding a Professional Service Contract for Engineering Services Related to a Formal Inspection of the Clyde Potts Dam

The Board reviewed a memorandum from the Executive Director/Chief Engineer dated September 9, 2014 recommending award of a professional service contract to Civil Dynamics for engineering services related to a formal inspection of the Clyde Potts Dam. This contract was also recommended for award by the Engineering Committee. Member Iannaccone offered the following resolution:

RESOLUTION NO. 66-14

RESOLUTION AWARDING A PROFESSIONAL SERVICE CONTRACT FOR ENGINEERING SERVICES RELATED TO THE CLYDE POTTS WATER TREATMENT PLANT

"COPY ANNEXED"

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

- YEAS: Chairman Conradi; Members Baldassari, Carroll, Iannaccone, Kissil and Schimpf
- NOES: None
- H. Report of the Personnel Committee

The Personnel Committee met on September 11, 2014. Ms. Cummings reported on the meeting as follows:

A revised organizational chart was presented and discussed. The new structure differs slightly from that presented in February and is designed to fill voids left by recent retirements and resignations and to further strengthen succession planning. Employee retention strategies for critical functional areas requiring licensure were also discussed. Current recruiting efforts are focused on three (3) positions including the Supervisor of Finance, Engineer and Program Coordinator Supervisor. Additional staff will be recruited over the 12 to 18 months to staff planned positions for an engineering technician, IT Assistant and an account clerk/account representative.

Promotions and salary recommendations were also discussed for certain staff.

SUCH OTHER MATTERS TO LEGALLY COME BEFORE THE BOARD

1. The Chairman appointed the following members to these Committees:

FINANCE COMMITTEE: Dennis Baldassari, Chairman Adolf Schimpf Mary Dougherty

PERSONNEL COMMITTEE: Robert Carroll, Chairman Dennis Baldassari Mary Dougherty

ENGINEERING COMMITTEE: Saverio Iannaccone, Chairman Donald Kissil Adolf Schimpf

2. Mr. Weiss stated that he spoke with the Administrator for the Township of Morris who indicated that the Township anticipates to have its appointment to the Authority's Board of Members prior to the Authority's next Board Meeting scheduled for October 16, 2014.

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 Monthly Report August 2014
- B. Superintendent Monthly Report August 2014
- C. Information Technology Monthly Report August 2014
- D. Financial Monthly Reports August 2014

PUBLIC DISCUSSION

Chairman Conradi stated the next portion of the meeting was set aside for public discussion. No one 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 Carroll seconded the motion. The meeting adjourned at 7:59PM.

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

200 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 7, 2014.

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 7, 2014.



Resolution No. 62-14

RESOLUTION AUTHORIZING PAYMENT OF SEPTEMBER 2014 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	\$	268,587.12
Total Operating Fund Checks and Wire Transfers	\$	557,705.90
GENERAL FUND/SPECIAL ACCOUNT	<u>\$</u>	193,701.58
TOTAL OF SEPTEMBER 2014 LIST OF BILLS	\$	751,407.58

ATTEST:

SIDNEY D. WEISS, Assistant Secretary

Dated: September 18, 2014

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

WILLIAM J. CONRADI, Chairman

Board Members

Morristown: Mary Dougherty Donald Kissil

Morris Township: Dennis Baldassari Edward A. Taratko, Jr. **Morris Plains: Robert Carroll** William Conradi Hanover Township: Saverio C. lannaccone 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 (\$751,407.58) for payment of the resolution entitled Resolution Authorizing Payment of September 2014 List of Bills in the Authority's 2014 Operating Budget.

JANICE A. CONGLETON, Treasurer

Dated: September 18, 2014

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Thursday, September 18, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

Dated: September 18, 2014

Southeast Morris County Municipal Utilities Authority 19 Saddle Road • Cedar Knolls, New Jersey 07927 • Tel 973-326-6880 • Fax 973-326-9521



Resolution No. 63-14

RESOLUTION AUTHORIZING A CONTRACT EXTENSION WITH CALGON CARBON FOR WATER TREATMENT CHEMICALS

WHEREAS, the Authority has entered into a contract dated October 1, 2013, with Calgon Carbon (the "Contractor"), for water treatment chemicals (Granular Activated Carbon), which was duly awarded and approved by resolution dated September 19, 2013 (the "Contract"); and

WHEREAS, the Contract was for an initial term of one year with an option to renew by the Authority for one or two additional years under certain conditions as permitted by N.J.S.A. 40A:11-15 of the Local Public Contracts Law; and

WHEREAS, the Superintendent of the Authority has recommended that the Contract be extended for a period of one year; and

WHEREAS, the Members of the Authority hereby find that the services are being performed by the Contractor under the Contract in an effective and efficient manner; and

WHEREAS, the extension will be on the same terms and conditions, including price, set forth in the existing Contract; and

WHEREAS, the maximum cost to the Authority is \$70,000.00 for this extension; and

WHEREAS, the Treasurer has certified that there are sufficient funds available in the 2014 Budget for the portion to be expended in 2014; portions to be expended in 2015 are subject to funds being available in the 2015 Budget.

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

1. The term of the Contract dated October 1, 2013, between the Authority and Calgon Carbon, be and the same is hereby extended for a period of one year at a contract price of \$70,000.00 per year as provided in the Contract and permitted by the Local Public Contracts Law (N.J.S.A. 40A:11-15);

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Morris Plains: Dennis BaldassariRobert Carroll Edward A. Taratko, Jr.William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

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

Superintendent: Paul A. Kozakiewicz

- 2. The extension shall be on the same terms and conditions, including price, set forth in the original Contract dated October 1, 2013, which Contract was awarded by the Authority by resolution duly adopted on September 19, 2013;
- 3. The Chairman or Vice Chairman and Secretary or Assistant Secretary be and they are hereby authorized and directed to execute and deliver an extension agreement or other document as may be required, and approved by the General Counsel, in order to effectuate the intent of this resolution.

ATTEST:

SIDNEY D. WEISS, Assistant Secretary

MUNICIPAL UTILITIES AUTHORITY

THE SOUTHEAST MORRIS COUNTY

WILLIAM J. CONRADI, Chairman

DATED: September 18, 2014

TREASURER'S CERTIFICATION

I hereby certify funds for payment of a contract with Calgon Carbon for water treatment chemicals (Granular Activated Carbon) as follows:

1. In 2014, funds are available in the amount of \$17,500; and

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 In 2015, funds will be available in the amount of \$52,500 subject to the approval of the 2015 Budget.

The total maximum amount of this contract will not exceed \$70,000. This item will be charged to Account No. 4 - 02 - 70 - 400 - 637.

ANICE A. CONGLETON, Treasurer

DATED: September 18, 2014

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Thursday, September 18, 2014, at a meeting duly convened of said Authority.

SIĐNEY D. WEISS, Assistant Secretary

Dated: September 18, 2014

Southeast Morris County Municipal Utilities Authority 19 Saddle Road • Cedar Knolls, New Jersey 07927 • Tel 973-326-6880 • Fax 973-326-9521



Resolution No. 64-14

RESOLUTION AUTHORIZING A CONTRACT EXTENSION WITH SHANNON CHEMICAL CORPORATION FOR WATER TREATMENT CHEMICALS

WHEREAS, the Authority has entered into a contract dated October 1, 2013, with Shannon Chemical Corporation (the "Contractor"), for water treatment chemicals (Phosphate Compounds), which was duly awarded and approved by resolution dated September 19, 2013 (the "Contract"); and

WHEREAS, the Contract was for an initial term of one year with an option to renew by the Authority for one or two additional years under certain conditions as permitted by N.J.S.A. 40A:11-15 of the Local Public Contracts Law; and

WHEREAS, the Superintendent of the Authority has recommended that the Contract be extended for a period of one year; and

WHEREAS, the Members of the Authority hereby find that the services are being performed by the Contractor under the Contract in an effective and efficient manner; and

WHEREAS, the extension will be on the same terms and conditions, including price, set forth in the existing Contract; and

WHEREAS, the maximum cost to the Authority is \$14,630.40 for this extension; and

WHEREAS, the Treasurer has certified that there are sufficient funds available in the 2014 Budget for the portion to be expended in 2014; portions to be expended in 2015 are subject to funds being available in the 2015 Budget.

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

1. The term of the Contract dated October 1, 2013, between the Authority and Shannon Chemical Corporation, be and the same is hereby extended for a period of one year at a contract price of \$14,630.40 per year as provided in the Contract and permitted by the Local Public Contracts Law (N.J.S.A. 40A:11-15);

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Morris Plains: Dennis BaldassariRobert Carroll Edward A. Taratko, Jr.William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

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

Superintendent: Paul A. Kozakiewicz

- 2. The extension shall be on the same terms and conditions, including price, set forth in the original Contract dated October 1, 2013, which Contract was awarded by the Authority by resolution duly adopted on September 19, 2013;
- 3. The Chairman or Vice Chairman and Secretary or Assistant Secretary be and they are hereby authorized and directed to execute and deliver an extension agreement or other document as may be required, and approved by the General Counsel, in order to effectuate the intent of this resolution.

ATTEST:

CIDYEND WEIGH

SIDNEY D. WEISS, Assistant Secretary

DATED: Sep

September 18, 2014

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

WILLIAM J. CONRADI, Chairman

TREASURER'S CERTIFICATION

I hereby certify funds for payment of a contract with Shannon Chemical Corporation for water treatment chemicals (Phosphate Compounds) as follows:

- 1. In 2014, funds are available in the amount of \$3,657.60; and
- In 2015, funds will be available in the amount of \$10,972.80 subject to the approval of the 2015 Budget.

The total maximum amount of this contract will not exceed \$14,630.40. This item will be charged to Account No. 4-02-70-400-637.

Janue A Congliton JANICE A. CONGLETON, Treasurer

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, September 18, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

Dated: September 18, 2014



Resolution No. 65-14

RESOLUTION AWARDING CONTRACT FOR MAINTENANCE, SERVICING AND REPAIR OF HVAC SYSTEM

WHEREAS, the Authority has advertised and received bids for the contract entitled Maintenance, Servicing and Repair of HVAC System on September 9, 2014; and

WHEREAS, Core Mechanical, Inc., of Pennsauken, New Jersey, has been determined to be the lowest qualified bidder in the total amount of \$53,950; covering a one year period with options for renewal after the first year as permitted by the Local Public Contracts Law; and

WHEREAS, the Treasurer has certified that there are sufficient funds available in the 2014 Budget for the portion to be expended in 2014; portions to be expended in 2015 are subject to funds being available in the 2015 Budget; and

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

- 1. That a contract entitled Maintenance, Servicing and Repair of HVAC System be awarded to Core Mechanical, Inc., in accordance with its bid submitted on September 9, 2014, in the amount not to exceed \$53,950.
- 2. That the appropriate officers of the Authority be and they are hereby authorized and directed to execute a contract with regard to said contract on behalf of the Authority in the manner provided by law.
- 3. That the contract be limited to the maximum amount of bid and the term of one year and shall become effective on the date of signing the contract.

ATTEST:

CIDNEY D. WEICO Assistant Countries

SIDNEY D. WEISS, Assistant Secretary

DATED: September 18, 2014

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Edward A. Taratko, Jr.

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

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

10m WILLIAM J. CONRADI, Chairman

Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

Superintendent: Paul A. Kozakiewicz

TREASURER'S CERTIFICATION

I hereby certify funds for payment of a contract with Core Mechanical, Inc., for Maintenance, Servicing and Repair of HVAC System as follows:

- 1. In 2014, funds are available in the amount of \$13,487.50; and
- In 2015, funds will be available in the amount of \$40,462.50 subject to the approval of the 2015 Budget.

The total maximum amount of this contract will not exceed \$53,950. This item will be charged to Account No. 4-02-70-400-64(

Janue A. Congliton. JANICE A. CONGLETON, Treasurer

<u>CERTIFICATION</u>

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Thursday, September 18, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

Dated: September 18, 2014

Southeast Morris County Municipal Utilities Authority 19 Saddle Road • Cedar Knolls, New Jersey 07927 • Tel 973-326-6880 • Fax 973-326-9521



Resolution No. 66-14

RESOLUTION AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICE CONTRACT FOR ENGINEERING SERVICES RELATED TO THE CLYDE POTTS WATER TREATMENT PLANT

WHEREAS, the Authority has a need for professional engineering services related to the Clyde Potts Water Treatment Plant; and

WHEREAS, CH2M HILL has submitted a proposal dated June 25, 2014 for the providing of such services for the lump sum fee of \$46,600, 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, CH2M HILL 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: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone 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 the proposal of CH2M HILL dated June 25, 2014, a copy of which is annexed hereto as Exhibit "A" be and the same is hereby accepted and approved.
- 2. The Executive Director/Chief Engineer be and is hereby authorized and directed to accept and sign the proposal on behalf of the Authority.
- 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

DATED: September 18, 2014

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

WILLIAM J. CONRADI, Chairman

Exhibit "A"



CH2M HILL 119 Cherry Hill Road Suite 300 Parsippany, NJ 07054 Tel 973.316.3555 Fax 973.334.5847

June 25, 2014

Laura Cummings, P.E. Executive Director/Chief Engineer Southeast Morris County Municipal Utilities Authority 19 Saddle Road Cedar Knolls, New Jersey 07927

Subject: Proposal for Professional Engineering Services for Clyde Potts Water Treatment Plant

Dear Ms. Cummings:

CH2M HILL is pleased to submit our proposal to provide engineering services at the Clyde Potts Water Treatment Plant. Our team is comprised of individuals with particular skills in membranes, computational fluid dynamics and regulatory compliance. We understand the critical nature of both tasks within the project in terms of maintaining excellent water quality and providing regulatory compliance.

We are poised to begin work on this project and anticipate completion of the project within 8 weeks after notice to proceed. We are very excited about this opportunity to work with Southeast Morris County Municipal Utilities Authority on this very important project.

Please contact me at 973-316-3555 or via email if you require any additional information.

Sincerely,

CH2M HILL Engineers, Inc.

Kussel In

Russell Ford, PhD, PE, BCEE Vice President and Global Service Leader – Drinking Water and Reuse

Price Proposal

CH2M HILL is proposing to conduct the study identified in our proposal for the lump sum identified in Table 1.

Table 1: Cost/Fee Proposal

	Hours	Labor (\$)	Expenses (\$)	Totals (\$)
Task 1 - Membrane Technical Support	114	\$18,800	\$1,000	\$19,800
Task 2 - Concept Study for Chlorine Contactor Improvements	158	\$26,600	\$200	\$26,800
Totals	264	\$45,400	\$1,200	\$46,600

A summary of key assumptions include:

Membrane Evaluation

- One site visit to review operational issues
- One review meeting to review findings
- 8 hours of time to review bids for conformity to specification

Chlorine Contactor Improvements

- Evaluation of materials of construction for baffle configurations
- Development of recommended baffle configuration
- CFD model runs conducted at high flow and low flow conditions on recommended baffle configuration. It is anticipated that 3 to 4 runs overall runs will need to be completed to develop the analysis.

We present Table 2 as proposed rates for the personnel that will work on this project. These rates will be used if the scope of the project is modified by the Authority.

Role	Average Hourly Rate
Principal-in-Charge	\$290
Senior Project Manager	\$190 - \$230
Project Manager	\$140 - \$200
Senior Technologist	\$170 - \$230
Senior Engineer/Scientist	\$150 - \$190
Project Engineer/Scientist	\$120 - \$160
Engineer/Scientist	\$100 - \$140
Junior Engineer/Scientist	\$80 - \$105
Estimating	\$110 - \$160
Senior CADD Technician	\$110 - \$140

SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY - PROFESSIONAL ENGINEERING SERVICES FOR CLYDE POTTS WATER TREATMENT PLANT

Role	Average Hourly Rate
CADD Technician	\$85 - \$115
Construction Manager	\$150 - \$200
Resident Engineer	\$125 - \$185
Senior Construction Inspector	\$140 - \$170
Construction Inspector	\$120 - \$150
Junior Construction Inspector	\$100 - \$125
Office/Clerical	\$75 - \$85

Direct Expenses are defined to include those necessary costs and charges incurred for the project with no markup including, but not limited to: (1) the direct costs of transportation, meals, lodging, mail, shipping, equipment, and supplies; (2) CH2M HILL's current standard rate charges for direct use of CH2M HILL's vehicles, laboratory test and analysis, printing and reproduction services, and certain field equipment.

2

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 CH2M HILL for professional engineering services associated with the Clyde Potts Water Treatment Plant exceeds \$17,500.

Jame & longleton JANICE A. CONGLETON, Treasurer

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY TREASURER'S CERTIFICATION

I hereby certify that funds are available in the 2014 Budget for payment of a professional service contract with CH2M HILL for professional engineering services related to the Clyde Potts Water Treatment Plant.

The total maximum amount of this contract will not exceed \$46,600. This item will be charged to Account No. $\bigcirc - \bigcirc 2 - \bigcirc 0 - 5 \odot 0 - 339$.

Janue A Congliton JANICE A. CONGLETON, Treasurer

<u>CERTIFICATION</u>

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Thursday, September 18, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

Dated: September 18, 2014

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY NOTICE OF AWARD OF PROFESSIONAL SERVICE CONTRACT

Public Notice is hereby given that on September 18, 2014, The Southeast Morris County Municipal Utilities Authority adopted a Resolution authorizing execution of Professional Service Contract with CH2M HILL for professional engineering services related to the Clyde Potts Water Treatment Plant for the lump sum fee of \$46,600; 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

WILLIAM J. CONRADI, Chairman



Resolution No. 67-14

RESOLUTION AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICE CONTRACT FOR ENGINEERING SERVICES RELATED TO A FORMAL INSPECTION OF THE CLYDE POTTS DAM

WHEREAS, the Authority has a need for professional engineering services related to a formal inspection of the Clyde Potts Dam; and

WHEREAS, Civil Dynamics, Inc., has submitted a proposal for the performance of such work dated September 2, 2014, a copy of which is annexed hereto as Exhibit "A" (the "Proposal"); and

WHEREAS, the services to be provided are set forth in Task 1 of the Proposal; and

WHEREAS, Task 1 is to be performed for the lump sum fee of \$17,740 as set forth in the Proposal; 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, Civil Dynamics, Inc., 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; and

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Edward A. Taratko, Jr.

Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone 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 the proposal of Civil Dynamics, Inc., dated September 2, 2014, a copy of which is annexed hereto as Exhibit "A" be and the same is hereby accepted and approved.
- 2. The Executive Director/Chief Engineer be and is hereby authorized and directed to accept and sign the proposal on behalf of the Authority.
- 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:

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

SIDNEY D. WEISS, Assistant Secretary

DATED: September 18, 2014

William Conradi WILLIAM J. CONRADI, Chairman CIVIL COUNAMICS, inc.

Exhibit "A"

CIVIL ENGINEERING & LAND SURVEYING

109A County Rie. 515, P.O. Box 760, Stockholm, N.J. 07460-0760 Phone (973) 697-3496 Fax (973) 697-1678

September 2, 2014

Ms. Alexis Bozza Southeast Morris County Municipal Utilities Authority 19 Saddle Road Cedar Knolls, NJ 07927

RE: Submittal of Proposal Formal Inspection of Clyde Potts Reservoir Dam

Dear Ms. Bozza:

Civil Dynamics, Inc. is pleased to submit one unbound copy and six bound copies of our proposal to conduct a Formal Inspection of Clyde Potts Reservoir Dam for the Southeast Morris County Municipal Utilities Authority.

Civil Dynamics, Inc. has been providing dam engineering services since 1986. We are currently providing similar services for some of the largest dams in New Jersey (Charlotteburg Reservoir Dam, Oak Ridge Reservoir Dam, Clinton Reservoir Dam, Canistear Reservoir Dam, Boonton Dam, Parsippany Dike, Split Rock Dam).

Because of this experience and our experience with over 150 other dams, Civil Dynamics is well-qualified to assist the Authority in the safe operation of their dam.

Thank you and please contact me at (973) 697-3496 with any questions.

Sincerely, Civil Dynamics, Inc.

Christopher S. Adams, P.E. President

Cover Letter

Section 2 Project Approach, Scope of Work and Schedule

Section 3 Qualifications and Relevant Experience

- Table of Dam Experience
- References
- Project Abstracts

Section 4 Project Team

- Resumes

Section 5 Proposed Fee

- Fee Schedules

Appendix A - Administrative Information and Documents

(Civil Dynamics, Inc. and Atlantic Engineering, LLC)

- Affirmative Action
- NJ Business Registration Certificate
- Business Entity Disclosure Certifications

1.1 General

Civil Dynamics, Inc. is pleased to submit this proposal to provide professional engineering services to the Southeast Morris County Municipal Utilities Authority (SMCMUA or Authority) for the 2014 Formal Inspection of the Clyde Potts Reservoir Dam.

Our understanding of the project requirements are based on the following:

- The Authority's Request for Proposal dated July 22, 2014.
- Information presented at the pre-proposal meeting held on August 6, 2014.
- Additional information and responses to questions transmitted via email on August 6, 2014.
- Civil Dynamics' experience with over 150 dam inspections, including dozens of Formal Dam Inspections in New Jersey.

1.2 Proposal Organization

Section 2 of this proposal presents our project approach, scope of work and schedule.

Section 3 and 4 document our experience and technical competence to perform the proposed work. Project abstracts, references and resumes are included.

Sections 5 presents our proposed fee. This section also discusses the Authority's contract.

Appendix A includes the required administrative information in accordance with the Request for Proposals.

The Southeast Morris County Municipal Utilities Authority was created for the purpose of acquiring, operating, maintaining and improving the water supply system within its district and developing a comprehensive district-wide system with the construction of additional facilities required to meet present needs and future demands for water. The Authority is Morris County's largest water purveyor as it currently provides high quality drinking water to about 100,000 people in various townships.

The Authority owns and operates the Clyde Potts Reservoir Dam located at Cold Hill Road and Woodland Road in Mendham Township. The reservoir is a key component of the Authority's water supply system.

The Clyde Potts Reservoir Dam is classified as a Class I, Large High Hazard Dam. The Dam was originally constructed circa 1929 and 1932 and modified in 1989. The Dam impounds the waters of Harmony Brook to create Clyde Potts Reservoir which is approximately 56 acres at the normal pool elevation. The Dam is a concrete core earth fill embankment dam that is approximately 1,460 feet long, including the spillway, with a maximum height of approximately 70 feet.

2.1 **PROJECT APPROACH**

The objectives of a Formal Inspection as defined by the New Jersey Dam Safety Standards (N.J.A.C. 7:20) include the following:

- a) Identify conditions that may adversely affect the safety and functionality of a dam and its appurtenant structures;
- b) Identify the extent of deterioration as a basis for long term planning, periodic maintenance or immediate repair;
- c) Evaluate conformity with current design and construction practices;
- d) Determine the appropriateness of the existing hazard classifications; and
- e) Recommend subsequent investigations or corrective measures, where appropriate.

Civil Dynamics' approach to conducting the inspections will be to utilize personnel who have significant experience in the field of dam engineering in general, and specific experience conducting Formal Inspections.

Christopher S. Adams, President of Civil Dynamics, will lead the inspection team. Mr. Adams is a NJ registered professional engineer with extensive large, high hazard dam engineering experience. Mr. Adams is qualified to inspect "Large" dams in New Jersey per the NJ Dam Safety Standards. As detailed in Section 4, Mr. Adams has conducted inspections and assessments of numerous other local large water supply dams. He conducted several Regular and Formal Inspections of the City of Newark's Pequannock Watershed Dams, Jersey City's Boonton Reservoir and Split Rock Reservoir Dams and New Jersey Water Supply Authority's Manasquan Water Supply System Dams. In 2012, Civil

Dynamics submitted the 2012 Formal Inspection Summary Report to the New Jersey Water Supply Authority for review and the Project Manager wrote "*this report is one of the best I've seen.*"

We intend to utilize a staff engineer with significant dam safety engineering experience during the inspections and for the report preparations. Refer to Section 4 for brief biodescriptions and detailed resumes of our key project team members.

We would request that the Authority provide the appropriate personnel to accompany us on our inspections to provide access to the dam, to exercise gates and valves where appropriate and to answer questions related to the operation and maintenance/repair of the dam.

During our field inspections, we intend to observe the physical conditions of the existing instrumentation (seepage weirs, piezometers, observation wells and survey monuments). Our inspection team, with assistance from the Authority will collect one round of new instrumentation readings (i.e. flow measurements, piezometric readings, and groundwater levels) at the dam. We will review the historic instrumentation data provided by the Authority and compare it to the new data collected during our inspection.

Prior to submission to the Authority, the Formal Inspection report will be peer reviewed internally within Civil Dynamics. This peer review provides an independent review of the final work product and based on our experience, our peer review process increases the quality our work and provides added value for our clients.

2.2 SCOPE OF WORK

2.2.1 Task 1 – Formal Dam Inspection

Civil Dynamics will conduct a Formal Dam Inspection of the Clyde Potts Reservoir Dam in accordance with the New Jersey Dam Safety Standards and the most recent "Guidelines for Inspection of Existing Dams" dated January 2008.

The Formal Dam Inspection will include the following tasks.

Visual Inspection

Civil Dynamics will conduct a visual inspection of the dam, spillway and appurtenant structures, in accordance with standard procedures. The inspection will be performed in the company of one or more Authority personnel as well as representatives of the Bureau of Dam Safety and Flood Control of the NJDEP.

The inspections will include witnessing and evaluating the operation of all valves, gates, and other mechanical equipment by Authority personnel.

We will obtain digital photographs of the facilities during the inspection to document the overall appearance of the facilities as well as specific areas or details referred to in the report. Photographs selected for inclusion in the report will be numbered and a caption will be provided to describe the photograph. We will include sufficient photographs to document the key conditions.

Underwater Inspection

As indicated in the RFP, the Formal Inspection will include an underwater inspection of the upstream slope of the dam and the submerged portions of the intake structure.

Atlantic Engineering, LLC will conduct the underwater inspection. Civil Dynamics has worked with Atlantic Engineering on other dams. Atlantic Engineering will provide a 3man dive crew supervised by Bryan J. Juncosa, P.E., Vice President. Please note that water flow at the intake structure must be controlled by the Authority to allow the diver safe work around and within the intake structure.

Atlantic Engineering will perform a visual inspection of the accessible areas of the upstream face of the dam, spillway and intake structure. The inspection will include documentation of defects with photos, notes and sketches. Since visibility underwater is limited to an arm's length only, the actual inspection of the upstream slope will consist of the diver swimming across the upstream slope at three different elevations in the direction of the dam axis. The diver will be looking for sloughing, sinkholes, and/or displace earthfill or stones. One day is planned for the upstream slope inspection.

The inspection of the concrete intake structure will include inspection of the three sluice gates and their operating stems. One day is planned for the intake structure inspection. No testing will be performed by the diver.

The results of the underwater inspection will be summarized in a report including summary of findings, inspection tables, sketches, and digital photos. This report will be included in the Formal Inspection Report for the dam.

Data Review and Compilation

Prior to performing the visual inspection, we will review the most recent Regular and/or Formal Inspection reports and/or construction completion reports and as-built drawings. These will be reviewed prior to the inspection so we can focus on any specific problem areas identified in the reports and to document the current status of those areas.

Analysis of Instrumentation and Other Performance Data

A review will be made of the available data from instrumentation such as wells, piezometers, seepage measurement weirs, and reservoir level monitors.

Our primary focus will be to identify any trends or unusual patterns in the data that may be indicative of either a condition of potential instability or a problem in the functionality of a particular instrument, or instruments.

Evaluation of the Safety and Integrity of the Dams

Our approach for this task will be to verify that the results of any previous stability analyses, if available, can still be applied to the present facilities. This is a typical approach taken for Formal Inspections.

In verifying the continued appropriateness of the previous analyses, we will do the following:

- Verify that the previous assumptions for the locations of the phreatic surface are consistent with the present locations as determined from the piezometric instrumentation or visual observations.
- Verify that the previous assumptions for reservoir normal operating levels are consistent with the present levels.
- Verify that no new construction has been performed which would result in additional loading on the structure not previously taken into consideration.
- Verify that the previous assumptions for material unit weights and strength parameters are still appropriate.
- Verify that the previous analyses meet current design criteria and guidelines.

If any of these conditions indicate that the previous analyses are not appropriate, we will provide recommendations for new analyses, as appropriate. As indicated above, this task does not include any new stability analyses.

Evaluation of the Reservoir Hydrology and Hydraulics

Similar to the above task, the existing hydrologic and hydraulic modeling will be reviewed to determine if it is appropriate for current conditions. Specifically, our approach for this task will be to summarize the previous studies and assess the spillway capacity and lowlevel drain capacity based on the previous studies. Similar tot eh evaluation of stability, we will determine if the previous analysis meets current design criteria and guidelines. No new analyses are included.

Evaluation of the Operation and Maintenance (O&M) Plan

The January 2008 Guidelines for Inspection of Existing Dams require an evaluation of the approved O&M Plan and a determination of the Plan's adequacy. Civil Dynamics will review the latest O&M Plan.

Evaluation of the Emergency Action Plan (EAP)

The January 2008 Guidelines for Inspection of Existing Dams also require an evaluation of the approved EAP and a determination of the Plan's adequacy. Civil Dynamics will review the latest EAP.

Formal Inspection Reports

We will prepare a Formal Inspection Report in accordance with the requirements of the latest Guidelines by the Bureau of Dam Safety and Flood Control.

The latest Guidelines, dated January 2008, include a requirement to provide a completed New Jersey Dam Safety Compliance Schedule Form. It is important to note that Civil Dynamics will work closely with Authority personnel to develop the Compliance Schedule, because this schedule will be used by the Bureau to track the progress of all future work on the dam.

The Formal Inspection Report will include the following:

- 1. A summary of the results of our visual inspection. This portion of the report will reference specific photographs taken during the inspection to document key features and provide historical continuity with previous inspections.
- 2. A summary of the results of the available monitoring instrument data. This will include identification of any trends or unusual behavior. Tables or graphical plots will be employed to help illustrate trends, if appropriate.
- 3. The results of the dam stability and hydrologic and hydraulic evaluations including:
 - a) A brief summary of the chronology of events to date related to dam safety and rehabilitation work.
 - b) Discussion and conclusions regarding the continued appropriateness of the previous analyses with regard to current physical conditions, recent monitoring data and current design criteria and guidelines.
- 4. Conclusions and recommendations for any short-term or long-term maintenance/ remedial activities or investigations, including a recommended timetable for completion.
- 5. A review of the O&M Plan, as required by the new Guidelines.
- 6. A review of the EAP, as required by the new Guidelines.
- 7. A draft New Jersey Dam Safety Compliance Schedule Form, as required by the new Guidelines.

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- 8. A set of Appendices to include:
 - a) Visual Inspection Checklists for the dam
 - b) Color photographs of the dam taken during the inspection
 - c) Summaries of performance data, where available.

We will provide the Authority with an electronic copy and three (3) hard copies of the draft report for review.

Upon receiving any comments, we will finalize the report and provide the Authority with an electronic copy, one unbound hard copy and four (4) bound hard copies of the final report.

2.2.2 Task 2 – Stability Analysis

If the Formal Inspection identifies the need to conduct updated stability analysis or if no previous stability analyses exist, Civil Dynamics will conduct stability analysis of the earth dam and gravity spillway structure in accordance with current practices.

Earth Dam

We will perform a slope stability analyses of the existing earth dam for the cases identified in the U.S. Army Corps of Engineers manual "Stability of Earth and Rock Fill Dams, EM-1110-2-1902." The following cases will be evaluated:

- Sudden drawdown from maximum pool,
- Steady seepage with maximum normal pool,
- Steady seepage with surcharge pool, and
- Earthquake conditions.

We will perform a finite element scepage analysis to estimate the location of the phreatic surface within the dam. The calculated location of the phreatic surface will be compared with the available water level (and pore pressure) data from the existing instrumentation to calibrate the model and also to evaluate the reliability of the instrumentation data. The shear strength values required for the slope stability analysis will be estimated from the available subsurface information. If no subsurface information is available, we will conduct the analysis using assumed soils parameters. The results of the analysis will identify which parameters are critical to the results. A determination can then be made if it is necessary to refine the critical parameter with a field investigation program.

Concrete Gravity Spillway

We will perform a simple two-dimensional gravity dam stability analysis of the concrete spillway section for failure against sliding and overturning. We will evaluate the usual (normal), unusual (flood) and extreme (seismic) loading conditions including the flood levels and tailwater elevations. We assume that the pond and tailwater elevations under various loading conditions are available for our use.

Summary Report

We will prepare a summary report describing the method of analysis; soil parameters and water levels used; and the results of the slope stability and seepage analyses.

We will provide the Authority with an electronic copy and three (3) hard copies of the draft Stability Report for review.

Upon receiving any comments, we will finalize the report and provide the Authority with an electronic copy, one unbound hard copy and four (4) bound hard copies of the final report.

2.3 PROPOSED SCHEDULE

We are prepared to begin work on this project immediately.

2.3.1 Task 1 – Formal Dam Inspection

The Visual Inspection of the dam will be scheduled subject to the availability of the Authority and the Bureau of Dam Safety and Flood Control.

Civil Dynamics is committed to completing and providing the Authority with a draft copy of the Formal Inspection Report within 30 days of conducting the visual inspection. The final report will be completed within 7 days of receiving any comments from the Authority.

2.3.2 Task 2 – Stability Analysis

The stability analysis will be completed within two months of the determination for the need for the analysis. The draft Summary Report will be submitted to the Authority within three months.

5.1 **PROPOSED FEE**

Civil Dynamics proposes to provide the scope of work for the two tasks defined above on a lump sum basis in accordance with the following schedule.

Task	Labor Hours	Labor Cost	Expenses	Total
Task 1: Formal Dam Inspection	64 hours	\$7,840	\$500	\$8,340
plus, Subcontracted Underwater Inspection (2 days)			\$9,400	\$9,400
Task 2: Stability Analysis, incl. report	76 hours	\$7,920	\$500	\$8,420

The cost of the Underwater Inspection is based on two days of diving work. If additional time is requested or required to investigate an underwater issue, additional days of diving would be at a daily cost of \$3,600.

Work will be billed on a monthly basis according to work completed.

5.2 FEE SCHEDULES

The 2014 Fee Schedule for Civil Dynamics, Inc. is attached.

A Fee Schedule for Atlantic Engineering, LLC is also attached.

5.3 EXCEPTIONS TO CONTRACT

Regarding the Authority's standard Contract, we request that the Authority consider changing the indemnification clause (Article 5) to a negligence-based standard.

We also request that a Standard of Care clause be added. Otherwise, Civil Dynamics is prepared to execute such a contract. CIVIL C DYNAMICS, inc.

CIVIL ENGINEERING & LAND SURVEYING

109A County Rte. 515, P.O. Box 760, Stockholm, N.J. 07460-0760 Phone (973) 697-3496 Fax (973) 697-1678

2014 FEE SCHEDULE

PROFESSIONAL ENGINEERING & LAND SURVEYING HOURLY RATES

<u>Title</u>	Rate per Hour (\$
Principal (Legal Support)	235.00
Principal	185.00
Principal Engineer	135.00
Senior Project Engineer	130.00
Project Surveyor	125.00
Project Engineer	120.00
Principal Designer	120.00
Assistant Project Engineer	105.00
Staff Engineer	90.00
Construction Inspector/Field Personnel	90.00
CADD Designer	90.00
Clerical/Administrative	75.00
Survey Crew (two person plus equipment)	220.00

EXPENSES:

Reimbursable expenses shall be billed at cost. Mileage shall be billed at the Federal rate.

S/CivilDynamics/2014FeeSchedule



INSPECT TO PROTECT Kinnelon, NJ | 973-838-3100

September 2, 2014

Re: U/W Inspection of Clyde Potts Dam Hourly Rates 2014

We are pleased to submit this proposal to provide underwater services for Clyde Pott's Dam. The following are our loaded hourly rates for the proposed work labor classification:

Labor Classification		Hourly Rate	
1.	Dive Supervisor/PE	\$185	
2.	Diver	\$145	
3.	Tender	\$120	
4.	Senior Engineer PE	\$120	
5.	Engineer/ CADD	\$110	
	Technician	\$75	

A (3) man dive crew is based on a daily rate of \$3,600.

If you have any questions or require further information, please contact me. We look forward to working with you on any project.

Sincerely,

roza

Bryan J. Juncosa, PE

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 amount of the contract to be awarded to Civil Dynamics, Inc., for professional engineering services associated with the Clyde Potts Water Treatment Plant exceeds \$17,500.

Mice A. Congleton JANICE A. CONGLETON, Treasurer

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY TREASURER'S CERTIFICATION

I hereby certify that funds are available in the 2014 Budget for payment of a professional service contract with Civil Dynamics, Inc., for professional engineering services related to a formal inspection of the Clyde Potts Dam.

The total maximum amount of this contract will not exceed \$17,740. This item will be charged to Account No. 4-62-10-400-610.

JANICE A. CONGLETON, Treasurer

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, September 18, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

Dated: September 18, 2014

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY NOTICE OF AWARD OF PROFESSIONAL SERVICE CONTRACT

Public Notice is hereby given that on September 18, 2014, The Southeast Morris County Municipal Utilities Authority adopted a Resolution authorizing execution of Professional Service Contract with Civil Dynamics, Inc., for professional engineering services related to a formal inspection of the Clyde Potts for the lump sum fee of \$17,740; 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

WILLIAM J. CONRADI, Chairman

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

MEETING MINUTES

OCTOBER 16, 2014

The Regular Meeting of The Southeast Morris County Municipal Utilities Authority was held on Thursday, October 16, 2014, at 7:30PM 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 7:30PM 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 Conradi; Members Baldassari, Carroll, Kissil and Schimpf

ABSENT: Members Dougherty and Iannaccone

MOTION APPROVING MINUTES OF SEPTEMBER 18, 2014

Copies of the minutes of the meeting held on September 18, 2014, were distributed to the members prior to the meeting for review and comment. Member Carroll moved that the minutes be adopted as presented. Member Baldassari seconded the motion which was duly adopted by the following vote:

YEAS: Chairman Conradi; Members Baldassari, Carroll, Kissil and Schimpf

NOES: None

RESOLUTION – APPROVAL OF OCTOBER LIST OF BILLS

Copies of the bill list for October 2014 were distributed to the members prior to the meeting for comment and approval. Member Carroll moved to approve the list of bills and offered the following resolution:

RESOLUTION NO. 68-14

RESOLUTION AUTHORIZING PAYMENT OF LIST OF BILLS FOR OCTOBER 2014

"COPY ANNEXED"

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

YEAS: Chairman Conradi; Members Baldassari, Carroll, Kissil and Schimpf

NOES: None

OTHER BUSINESS

A. Report of the Engineering Committee

Ms. Cummings reported that the Engineering Committee met on October 7, 2014. In addition to the Members of the Engineering Committee, the Board Chairman, Executive Director/Chief Engineer, Superintendent, Director of Finance, General Counsel and Howard Woods were in attendance. A general overview of the planned capital improvements for the time period of 2015 through 2019 was discussed. The Engineering Committee previously requested that the staff conduct a further refinement of the capital improvement plan to attain more consistent year-to-year expenditures where possible. The revised program was presented where the target investments between 2015 and 2018 are between \$3.1 million to \$3.5 million per year. The investments increase by about \$1 million in years 2019 and 2020 due to extensive upgrade projects for two pump stations.

B. Report of the Finance Committee

Member Baldassari reported that the Finance Committee met on October 7, 2014. In addition to the Members of the Finance Committee, the Board Chairman, Executive Director/Chief Engineer, Superintendent, Director of Finance, General Counsel and Howard Woods were in attendance. During the first portion of the meeting, a general overview of the planned 2015 Operating and 2015 through 2019 Capital Budgets was provided. The Finance Committee had previously requested that the staff conduct a further refinement of the capital improvement plan to attain more consistent year-to-year expenditures where possible and also requested a further review and reduction in expenditures for the 2015 Operating Budget. The revised budgets were presented and further reductions, in the amount of \$200,000, were agreed to and made to the 2015 Operating Budget.

Also discussed was a proposed rate increase for 2015 of 6% which would provide cash funding of capital improvements and the maintenance of a 12.5% cash flow reserve fund for management of daily operating expenses. Without any anticipated connection fee revenue over the next five (5) years, additional rate adjustments on the order of 4 to 6 percent may be anticipated to be made on an annual basis. Authority staff will focus efforts on reducing costs such as targeting the reduction of the lost revenue water that is estimated to be on the order of 1 MGD.

For the second portion of the Finance Committee meeting, personnel from the Creating Municipalities were invited to discuss the Morris Commons litigation, of which Dave Ruitenberg of Murphy & McKeon was also in attendance. Also discussed was the Authority's potential rate increases and future projections.

C. Resolution Cancelling Capital Budget Amounts and Transferring Balance to Unrestricted Net Assets

The Board reviewed a memorandum from the Director of Finance dated October 10, 2014 recommending the Authority cancel several of the 2014 Capital Budget Items that will not be used in 2014, and to transfer those unused funds to Unrestricted Net Assets for the 2015 Capital Projects. Member Baldassari offered the following resolution:

RESOLUTION NO. 69-14

RESOLUTION CANCELLING CAPITAL BUDGET AMOUNTS AND TRANSFERRING BALANCE TO UNRESTRICTED NET ASSETS

"COPY ANNEXED"

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

YEAS: Chairman Conradi; Members Baldassari, Carroll, Kissil and Schimpf

NOES: None

D. Resolution Introducing Budget for 2015

After discussions following the report of the Finance Committee, Member Baldassari offered the following resolution:

RESOLUTION NO. 70-14

RESOLUTION INTRODUCING BUDGET FOR 2015

"COPY ANNEXED"

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

YEAS: Chairman Conradi; Members Baldassari, Carroll, Kissil and Schimpf

NOES: None

E. Resolution Pertaining to the Application of Harding Holdings, L.L.C., for Approval of a Service Connection located Outside the District

The Board reviewed an application from Harding Holdings, L.L.C., for water service outside the Authority's District. The proposed service is intended to supply water to four single family residences located at 679 Mt. Kemble Avenue in Harding Township, designated as Block 27, Lots 2, 2.01, 2.02 and 2.03, on the municipal tax map. The property in question fronts on the Authority's system and no "new extension" (as defined in the Service Contract between the Authority and its creating municipalities dated January 20, 1977) will be required. Residences on Lots 2 and 2.03 are existing and will be remodeled and residences on Lots 2.01 and 2.02 are new construction. The Executive Director/Chief Engineer has reviewed the request and is of the opinion that the connection can be made without any adverse effect on the water system or customers within the District. Since the proposed service connection is intended to serve property Outside the District of the Authority, consents of the Creating Municipalities are required in accordance with said Service Contract. If all consents are received and the application for water service is approved, the customer will be required to comply with all applicable rules and regulations of the Authority including the payment of all applicable service

charges and connection fees; and all applicable requirements of the Township of Harding. Member Baldassari offered the following resolution:

RESOLUTION NO. 71-14

RESOLUTION PERTAINING TO THE APPLICATION OF HARDING HOLDINGS, L.L.C., FOR APPROVAL OF A SERVICE CONNECTION LOCATED OUTSIDE THE DISTRICT

"COPY ANNEXED"

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

YEAS: Chairman Conradi; Members Baldassari, Carroll, Kissil and Schimpf

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 Monthly Report September 2014
- B. Superintendent Monthly Report September 2014
- C. Information Technology Monthly Report September 2014
- D. Financial Monthly Reports September 2014

PUBLIC DISCUSSION

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

ADJOURNMENT

There being no further business, Member Carroll moved that the meeting be adjourned. Member Baldassari seconded the motion. The meeting adjourned at 7:56PM.

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

SIDNEY D. WEISS Assistant Secretary



Resolution No. 68-14

RESOLUTION AUTHORIZING PAYMENT OF OCTOBER 2014 LIST OF BILLS

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

OPERATING FUND

Total Operating Fund Checks and Wire Transfers	\$	604,262.22
GENERAL FUND/SPECIAL ACCOUNT	<u>\$</u>	64,617.96
TOTAL OF OCTOBER 2014 LIST OF BILLS	\$	1,051,089.58

ATTEST:

SIDNEY D. WEISS, Assistant Secretary

Dated: October 16, 2014

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

am our WILLIAM J CONRADI, Chairman

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Edward A. Taratko, Jr. Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone 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 (\$1,051,089.58) for payment of the resolution entitled Resolution Authorizing Payment of October 2014 List of Bills in the Authority's 2014 Operating Budget.

Janue A' Congliton JANICE A. CONGLETON, Treasurer

Dated: October 16, 2014

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, October 16, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

Dated: October 16, 2014



Resolution No. 69-14

RESOLUTION CANCELLING CAPITAL BUDGET AMOUNTS AND TRANSFERRING BALANCE TO UNRESTRICTED NET ASSETS

WHEREAS, the Authority's Director of Finance/Treasurer has advised that there exists certain funds budgeted for capital improvements which are being cancelled or deferred; and

WHEREAS, such funds and the capital improvements being cancelled or deferred are more particularly described and set forth in Exhibit A, attached hereto and made hereof; and

WHEREAS, the Director of Finance/Treasurer has requested that such balances be cancelled and transferred to unrestricted net assets; and

WHEREAS, it appears that such cancellations and 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 capital fund balances totaling \$1,540,580, as more particularly described and set forth in Exhibit A annexed hereto, be cancelled and transferred to unrestricted net assets for use in funding the 2015 Capital Budget as recommended by the Director of Finance/Treasurer;

AND BE IT FURTHER RESOLVED that the Director 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

DATED: October 16, 2014

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

William Conradi

WILLIAM J. CONRADI, Chairman

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Edward A. Taratko, Jr. Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

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

Superintendent: Paul A. Kozakiewicz

Exhibit A



Southeast Morris County Municipal Utilities Authority 19 SADDLE ROAD • CEDAR KNOLLS, NEW JERSEY 07927 • TEL 973-326-6880 • FAX 973-326-9521

MEMORANDUM

To: Laura Cummings, Executive Director/Chief Engineer

From: Janice Congleton, Director of Finance/Treasurer

Date: October 10, 2014

Re: Capital Budget Cancellations and Transfer

As per our discussion, as part of the year end process, I recommend that we cancel several of the 2014 Capital Budget items that will not be necessary for the current year and transfer the unused funds to unrestricted net assets for 2015 capital projects.

2014 Engineering: Water Mains	\$ 10,000
2014 Engineering: Treatment Upgrades	\$ 10,000
2014 Main Relocation	\$ 50,000
2014 Storage Tank Rehab. & Inspection	\$1,448,020
2014 Tractor	\$ 22,560
Total Cancelled	\$1,540,580

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, October 16, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

Dated: October 16, 2014

2015 APPROVAL CERTIFICATION

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

AUTHORITY BUDGET

FISCAL YEAR: FROM JANUARY 1, 2015 TO DECEMBER 31, 2015

It is hereby certified that the Authority Budget, including all schedules appended hereto, are a true copy of the Annual Budget and Capital Budget/Program approved by resolution by the governing body of <u>The Southeast Morris County Municipal Utilities Authority</u>, at an open public meeting held pursuant to <u>N.J.A.C. 5:31-2.3</u>, on the <u>16th</u> day of <u>October</u>, <u>2014</u>.

It is further certified that the recorded vote appearing in the resolution represents not less than a majority of the full membership of the governing body thereof.

Officer's Signature:		-	
Name:	Sidney D. Weiss, E	Esq.	
Title:	Assistant Secretary	ŕ	
Address:	19 Saddle Road Cedar Knolls, NJ 07927		
Phone Number:	973-326-7234	Fax Number:	973-356-9521
E-mail address	sdweiss@smcmua.		710 000 7021

2015 AUTHORITY BUDGET RESOLUTION

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

FISCAL YEAR: FROM JANUARY 1, 2015 TO DECEMBER 31, 2015

WHEREAS, the Annual Budget and Capital Budget for <u>The Southeast Morris County Municipal Utilities Authority</u> for the fiscal year beginning, <u>January 1, 2015</u> and ending, <u>December 31, 2015</u> has been presented before the governing body of <u>The Southeast Morris County Municipal Utilities Authority</u> at its open public meeting of <u>October 16, 2014</u>; and

WHEREAS, the Annual Budget as introduced reflects Total Revenues of $\frac{13,998,930.00}{12,998,930.00}$, Total Appropriations, including any Accumulated Deficit if any, of $\frac{14,486,013.38}{14,486,013.38}$ and Total Unrestricted Net Position utilized of $\frac{487,083.38}{12,998,930.00}$, and

WHEREAS, the Capital Budget as introduced reflects Total Capital Appropriations of 3,095,000.00 and Total Unrestricted Net Position planned to be utilized as funding thereof, of 3,095,000.00; and

WHEREAS, the schedule of rates, fees and other charges in effect will produce sufficient revenues, together with all other anticipated revenues to satisfy all obligations to the holders of bonds of the Authority, to meet operating expenses, capital outlays, debt service requirements, and to provide for such reserves, all as may be required by law, regulation or terms of contracts and agreements; and

WHEREAS, the Capital Budget/Program, pursuant to N.J.A.C. 5:31-2, does not confer any authorization to raise or expend funds; rather it is a document to be used as part of the said Authority's planning and management objectives. Specific authorization to expend funds for the purposes described in this section of the budget, must be granted elsewhere; by bond resolution, by a project financing agreement, by resolution appropriating funds from the Renewal and Replacement Reserve or other means provided by law.

NOW, THEREFORE BE IT RESOLVED, by the governing body of <u>The Southeast Morris County Municipal Utilities</u> <u>Authority</u>, at an open public meeting held on <u>October 16, 2014</u> that the Annual Budget, including all related schedules, and the Capital Budget/Program of <u>The Southeast Morris County Municipal Utilities Authority</u> for the fiscal year beginning, <u>January 1, 2015</u> and ending, <u>December 31, 2015</u> is hereby approved; and

BE IT FURTHER RESOLVED, that the anticipated revenues as reflected in the Annual Budget are of sufficient amount to meet all proposed expenditures/expenses and all covenants, terms and provisions as stipulated in the said Authority's outstanding debt obligations, capital lease arrangements, service contracts, and other pledged agreements; and

BE IT FURTHER RESOLVED, that the governing body of <u>The Southeast Morris County Municipal Utilities Authority</u> will consider the Annual Budget and Capital Budget/Program for adoption on <u>December 18, 2014</u>.

(Assistant Secretar	ry's Signature)			er 16, 2014 Date)
Governing Body Member:		Record	ded Vote	
	Aye	Nay	Abstain	Absent
Baldassari, Dennis	X	171		
Carroll, Robert	Х			
Conradi, William	Х			
Dougherty, Mary				Х
Iannaccone, Saverio				х
Kissil, Donald	Х			
Schimpf, Adolf	Х			



Resolution No. 71-14

RESOLUTION PERTAINING TO THE APPLICATION OF HARDING HOLDINGS, L.L.C., FOR APPROVAL OF A SERVICE CONNECTION LOCATED OUTSIDE THE DISTRICT

WHEREAS, The Southeast Morris County Municipal Utilities Authority has received a request from Harding Holdings, L.L.C., for a service connection outside the District in the Township of Harding, County of Morris, New Jersey; and

WHEREAS, the subdivided property to be served by the proposed connection is four single family residences which front on the system of the Authority and does not require the construction of any new main extension other than a small branch for a proposed fire hydrant; and

WHEREAS, the proposed service connection requires the approval of the Authority's four creating municipalities; and

WHEREAS, the Authority has determined that the proposed service connection can be made without any adverse effect on the system and that no further extension of the system is foreseen as a result of providing service to this particular property.

NOW THEREFORE, BE IT RESOLVED by The Southeast Morris County Municipal Utilities Authority that the proper officials of the Authority be and are hereby authorized to make written requests to the Authority's four creating municipalities for approval of the proposed service connection requested by the applicant; said service connection to serve the premises known as 679 Mt. Kemble Avenue, Harding Township, New Jersey and being known and designated as Lots 2, 2.01, 2.02 and 2.03 in Block 20 on the Township of Harding Tax Map; and be it further

RESOLVED that upon such approvals, the applicant shall be required to comply with all applicable rules and regulations of the Authority, and all applicable requirements of the Township of Harding.

ATTEST:

SIDNEY D. WEISS, Assistant Secretary

Dated: October 16, 2014

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Edward A. Taratko, Jr. THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

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WILLIAM J. CONRADI, Chairman

Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone 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, October 16, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

Dated: October 16, 2014

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

MEETING MINUTES

NOVEMBER 13, 2014

The Regular Meeting of The Southeast Morris County Municipal Utilities Authority was held on Thursday, November 13, 2014, at 7:30PM 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 7:30PM and read the attached statement of Public Notice (Sunshine Law) and caused same to be entered into the minutes of the meeting.

OATH OF OFFICE FOR APPOINTED MEMBER JOHNSON

Mr. Weiss administered the oath of office to Alan Johnson who had been appointed to the Authority's Board of Members.

ROLL CALL

PRESENT: Chairman Conradi; Members Baldassari, Carroll, Dougherty, Iannaccone, Johnson, Kissil and Schimpf *

ABSENT: None

* Participated in meeting via telephone and acknowledged that he could hear the Chairman and other participants.

ELECTION OF VICE CHAIRMAN

Member Kissil nominated Dennis Baldassari for the office of Vice Chairman. Member Iannaccone seconded the nomination. Member Baldassari was unanimously elected.

MOTION APPROVING MINUTES OF OCTOBER 16, 2014

Copies of the minutes of the meeting held on October 16, 2014, were distributed to the members prior to the meeting for review and comment. Member Baldassari moved that the minutes be adopted as presented. Member Iannaccone seconded the motion which was duly adopted by the following vote:

- YEAS: Chairman Conradi; Members Baldassari, Carroll, Iannaccone, Kissil and Schimpf
- NOES: None

ABSTAINS: Members Dougherty and Johnson



Resolution No. 74-14

RESOLUTION APPROVING AND RATIFYING APPLICATION AND AGREEMENT FOR WATER MAIN EXTENTION OF STONINGTON CAPITAL LLC (VAN BEUREN ESTATES LLC)

WHEREAS, The Southeast Morris County Municipal Utilities Authority received an application dated October 30, 2014, for a water main extension for a development to be known as Van Beuren Estates LLC on Van Beuren Road in Morris Township, New Jersey, a copy of which application is annexed hereto (the "Application"); and

WHEREAS, the Executive Director/Chief Engineer approved the Application after polling the Members on November 7, 2014; and

WHEREAS, pursuant to such approval, the parties have entered into a Main Extension Agreement (the "Agreement"), a copy of which is also annexed hereto;

WHEREAS, the Members wish to formally approve and ratify the Application approved by the Executive Director/Chief Engineer and the Agreement as set forth above;

NOW THEREFORE BE IT RESOLVED, by The Southeast Morris County Municipal Utilities Authority, that the annexed Application for Water Main Extension and Main Extension Agreement be and are hereby ratified and approved subject to all of the terms and conditions therein set forth.

ATTEST:

SIDNEY D. WEISS, Assistant Secretary

Dated: November 13, 2014

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

onade

WILLIAM J. CONRADI, Chairman

Board Members

Morristown: Mary Dougherty Donald Kissil

Morris Township: Dennis Baldassari Alan Johnson

Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

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

Superintendent: Paul A. Kozakiewicz

Southeast Morris County Municipal Utilities Authority 19 SADDLE ROAD · CEDAR KNOLLS, NEW JERSEY 07927 · TEL 973/326-6880 · FAX 973/326-9521 · WWW.SMCMUA.ORG



APPLICATION FOR WATER MAIN EXTENSION

(All information must by typed or printed clearly.)

AP	PLICATION FEE:	WAIVED	CONTRACT NO.
PR			(\$478.95 plus \$3.61 per foot of water main extension) urred relating to application. See Paragraph 4.)
то	TAL APPLICATION FEE A	ND PRELIMINARY DEP	OSIT: WAIVED
	GINEER'S ESTIMATED CO		
NA	ME IN WHICH CONTRACT	IS TO BE WRITTEN:	Stonington Capital LLC (APPLICANT)
	DRESS PO Box 247, New	intertop C	TEL. NO. 973-769-5979
PL	AN NAME: Van Beuren E	states LLC	
PL/	AN PREPARER: Richard	B. Schommer, Jr.	
PL/	AN DATE: 02/28/2014		
DE	VELOPMENT KNOWN AS:	Van Beuren Estates	
			ALLED 26 Van Beuren Road
MU	NICIPALITY: Morris Tow	nship	
TO	TAL LENGTH IN FEET OF	MAIN TO BE INSTALLE	584 (Andrea Way) + 905 (Van Beuren)
1.	An Agreement between th made part of this Application		JA will be required. A sample agreement is attached and
2.	phase(s) or stage(s) for w	hich approval is currently supplemental contract. A	cted in phases or stages, the contract shall cover only the sought. Subsequent phases or stages will require further pplicant shall specify the particular phase(s) or stage(s) for lication:

Number of phases for which approval is currently sought: 1 of 1

3. This Application shall be deemed withdrawn in the event an Agreement between Applicant and SMCMUA is not signed by applicant within 30 days after approval of SMCMUA.

1

Number of phases in Development:

- 4. The preliminary deposit is \$478.95 plus \$3.61 per foot of water main extension. The preliminary deposit specified in this application is only an estimate of the cost to SMCMUA of processing the application. The SMCMUA may require, in its discretion, an additional cash deposit to cover the actual cost incurred or to be incurred in connection with the application. The unused portion of the amount deposited, if any, will be refunded to Applicant after "As-Built" Plans are submitted to SMCMUA and all other requirements of the contract are satisfied.
- 5. If the main is to be installed in whole or in part outside the District of the SMCMUA (i.e. outside the territorial limits of the Town of Morristown, the Townships of Morris and Hanover and the Borough of Morris Plains, hereinafter "the creating municipalities"), this application may require the approval of the creating municipalities and the Morris County Municipal Utilities Authority. In such event, Applicant hereby authorizes the SMCMUA to apply for such approvals as may be required and Applicant shall be responsible for all costs associated therewith, for which cost the SMCMUA may require a deposit or other security. Nothing herein shall require or obligate the SMCMUA to apply for or pursue any such approvals, nor shall the SMCMUA be responsible for the failure or inability to secure same.

Applicant's Signature

0-30-1 Date

Print Name

Attach:

- State Road Permit Fee Estimate, if applicable
- Fire Department Approval

Note: Additional fees and costs will be required, along with the submittal of separate applications for connections, taps, wet cuts, cut-in connections and branch lines, service taps, etc.

MAIN EXTENSION AGREEMENT

BY AND BETWEEN:

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

and

STONINGTON CAPITAL LLC

THIS AGREEMENT made this 7th day of November, 2014 between:

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY, a body corporate and politic of the State of New Jersey, having its principal office at 19 Saddle Road, Cedar Knolls, New Jersey 07927, herein designated as the "Authority"; and

STONINGTON CAPITAL LLC, PO Box 247, New Vernon, New Jersey 07976, herein designated as the "Developer" or "Contractor".

WITNESSETH:

WHEREAS, an application has been filed with the Authority for water service and main extension, included as Attachment A, to a development in the <u>Township of Morris</u>, known as <u>Van Beuren Estates</u>, Block <u>7602</u>, Lot <u>1</u>, known as (the "Development"), all as shown on a certain map or plan entitled <u>Preliminary Major Subdivision of Block 7602 - Lot 1</u>, prepared by <u>Schommer Engineering, Inc.</u>, and dated <u>February 28, 2014</u>, (the "Plan"), included as Attachment B; and

WHEREAS, the Authority has approved said application and the Plan subject to the terms and conditions hereinafter set forth;

NOW THEREFORE, in consideration of the premises and the covenants hereinafter contained, the parties hereto agree as follows:

 The Authority agrees to supply water service to the Development upon the terms and conditions set forth herein.

2. Water service shall be provided to the Development in accordance with the Plan. In the event the Development is to be constructed in two or more stages or phases, it is understood that this Agreement covers only phase or stage <u>1</u> and approval is accordingly limited to the phase(s) or stage(s) specified herein. Developer will be required to make application and enter into new or supplemental main extension agreements for each future phase or stage of the Development. Neither Developer nor any other party shall regard the approval of any phase or stage as an indication that any future phase or stage will be approved by the Authority. Any material change in the Plan or any change in the streets, roads or public or private utilities shown on the Plan shall be promptly submitted to the Authority for review and the Authority may revoke or modify its approval of the Plan based upon such change. Failure to advise the Authority of any such change shall constitute a breach of this Agreement and shall automatically revoke the Authority's approval of the Application and Plan. No construction shall proceed with respect to any modified plan prior to the express written approval of the Authority.

3. Water service will not normally be provided until the entire Development shown on the Plan approved by the Authority is completed. In exceptional cases of extreme hardship, extenuating circumstances or other good cause, the Authority may consider supplying water service to completed portions of a Development provided that such service can be provided without any adverse effect on the Authority's system or other users thereof. Where water service is provided to less than all of the Development, the Developer may be required to provide a cash deposit or bond to be fixed by the Authority in its sole discretion. Any performance bond required pursuant to this Agreement shall be with a surety company and in a form acceptable to the Authority and its legal counsel. 4. A. The Developer shall at its own expense furnish and install all water mains and necessary appurtenances ("Water Facilities") at the locations and in the manner shown on the Plan. All Water Facilities shall comply with the current specifications and details adopted as "standard" by the Authority ("Specifications"), included as Attachment C. The Developer agrees that, in order to ensure performance and compatibility with the Authority's Water System, all hydrants, valves, equipment, fittings and appurtenances shall be supplied by manufacturers approved in advance by the Authority.

B. Once service is provided to any portion of the Development, the Developer shall not be excused from its obligation to furnish and install the Water Facilities to the entire Development by reason of abandonment or other failure to complete the Development or any future stages thereof. The Authority reserves the right to (i) require the Developer to complete installation of the Water Facilities at Developer's expense and (ii) apply any cash deposit, enforce any performance bond or institute legal proceedings in connection with any failure to complete such installation notwithstanding the Developer's subsequent abandonment or failure to complete the Development for any reason.

5. All water mains shall be installed a minimum of four feet (4') below the grade of the existing road or the proposed road plus pipe diameter unless otherwise shown on the Plan approved by the Authority. If at any time prior to acceptance by the appropriate municipal or State entity or agency having jurisdiction, the grade of the road is changed so that there is less than three and one half feet ($3 \frac{1}{2}$) or more than five feet (5') ground cover over any main, the Developer shall at its own cost and expense lower or raise said main to a minimum of four feet (4') of cover below the finished road grade.

6. The Developer shall be responsible for maintaining each and every valve box at proper road grade until the final grade is established or until the building to which the water extension is connected is occupied, whichever date is later. 7. The Developer shall perform all excavating and back-filling at its sole cost and expense. The installation of all Water Facilities shall be performed in the manner prescribed by the Authority and in strict accordance with the Plan and Specifications. All work performed by the Developer shall be performed in the presence of an inspector assigned by the Authority and paid for by the Developer.

8. The Developer shall notify the Authority at least five (5) working days in advance of the installation of any of the Water Facilities. The Developer shall not permit any Water Facilities to be installed unless an inspector from the Authority is present.

9. If the Water Facilities are to be installed in a State Highway, the Authority shall obtain the necessary road opening permits from the New Jersey Department of Transportation at the Developer's expense. The Developer shall post a cash deposit in an amount to be determined by the Authority to ensure compliance with this Paragraph and the requirements of any governmental entity having jurisdiction. If the Water Facilities are to be installed in a county, municipal or private road, the Developer shall obtain all necessary road opening permits at its own expense and shall submit copies of all such permits to the Authority before beginning work. The Developer shall be responsible for excavation and maintenance of all road openings, restoration of the road and final pavement.

10. The Developer shall file separate applications with the Authority for all wet taps, cut-in connections and branch lines to new or existing mains and shall pay for the cost of such taps in accordance with the applicable schedule of service charges of the Authority. All such taps and connections shall be made by the Authority at the expense of the Developer, but the Developer shall perform all excavating and back-filling and shall furnish and install all tapping sleeves, valves, and valve boxes at its expense.

11. If hydrants are to be installed at any point along the proposed main, Developer agrees to obtain from the Fire Department, in the municipality involved, written approval of the exact locations of the proposed hydrants so that "tees" will be installed at proper locations as

the main is installed in order to avoid future cut-ins. Developer agrees to purchase and install hydrants to meet specification of the Authority and any other governmental entity or agency having jurisdiction. A copy of the written approval shall be provided to the Authority.

12. Developer shall convey such easements and rights of way for the Water Facilities as may reasonably be required by the Authority. Such easements and rights of way shall be in recordable form and shall be prepared or approved by counsel to the Authority at Developer's expense. No construction shall commence until all required easements and rights of way are executed and delivered to the Authority.

13. All Water Facilities installed by the Developer shall, upon installation and acceptance by the Authority, become the sole and exclusive property of the Authority and shall become a part of its water supply system under its exclusive control, ownership and operation. Acceptance by the Authority shall mean the date, following final inspection and written approval of all Water Facilities to be constructed pursuant to the Plan, that the facilities are placed into service as part of the Authority's water system. Developer shall execute and deliver to the Authority such deeds of conveyance and bills of sale for the Water Facilities as may be requested by the Authority; but ownership shall vest in the Authority upon acceptance (as herein defined) notwithstanding that such conveyances have not been finalized.

14. Leakage, disinfection and bacteriological tests of all new mains and services shall be conducted under the direction of and in the manner prescribed by the Authority as set forth in the Specifications. All costs in connection with such tests shall be borne by the Developer. No Water Facilities shall be accepted by the Authority prior to the satisfactory completion and approval of all such tests.

15. All construction and work to be performed by the Developer under this Agreement shall be commenced within one (1) year of the date hereof and completed within twelve (12) months from the date of commencement, provided that the Developer shall be entitled to reasonable extensions for commencement or completion of the work coincident with the time periods set forth in any applicable State law or municipal ordinance. Failure to commence or complete the work within the time specified shall cause this Agreement to terminate at the option of the Authority but without prejudice to Developer's right to reapply for water service with respect to the Development subsequent to such termination.

16. Upon completion of all work to be performed by the Developer and acceptance of the Water Facilities by the Authority, the Developer shall furnish a maintenance bond, to guaranty and secure the performance of any repairs or corrective work for a period of one (1) year from the date of acceptance. The amount of the maintenance bond shall be fixed by the Authority based upon the cost of the construction and other relevant factors and shall be provided by a surety company and on a form satisfactory to the Authority and its legal counsel.

17. The Authority shall have the right to refuse to supply water until the Developer submits satisfactory written proof of payment of all bills, expenses and liabilities incurred in the installation of all Water Facilities and appurtenances required by this Agreement.

18. The Authority also shall have the right to refuse to supply water until all requirements of this Agreement and the rules and regulations of the Authority are fully satisfied and all metered and non-metered charges for water service are paid.

19. Before any permanent service taps are made or curb boxes are set by the Authority, the Developer shall file with the Authority a separate application therefore and shall pay for the cost of such taps in accordance with the applicable schedule of service charges of the Authority. No service tap shall be made or curb box set by the Authority until the curb has been completely constructed by the Developer.

20. In the event of default by the Developer, the Authority shall have such remedies as may be provided herein or as may be otherwise provided in law or at equity. Nothing herein shall preclude the Authority from completing the work upon default by the Developer where necessary to protect the public health, safety and welfare in which event Developer shall be responsible for the full cost of such completion incurred or paid by the Authority; provided the Authority shall have no obligation to complete such work as permitted by this Section.

21. A. The Developer shall pay a connection fee ("Connection Fee") representing its fair contribution to the cost of the Authority's Water System as permitted by N.J.S.A. 40:14B-21. The Connection Fee shall be in accordance with the applicable rate schedule of the Authority in effect at the time of the particular connection(s) and shall be in addition to the actual cost of physical connection or tapping fee charged to customers connecting to the Water System. The Authority shall not be obligated to provide water service to any unit within the Development until the applicable tapping fees and connection fees are paid in full.

B. Developer shall also reimburse the Authority for all legal and engineering costs and other out-of-pocket expenses incurred by the Authority in connection with its application including the expense of reviewing the Plan, preparing this Agreement and such other services as shall be rendered in connection with the application, this Agreement or enforcement of the Authority's rights and privileges hereunder. The Developer shall promptly pay all statements for amounts to be reimbursed pursuant to this paragraph and shall post cash deposits as may be required, from time to time, by the Authority. All amounts so paid or deposited are to be considered estimates and shall be increased or decreased at the reasonably exercised discretion of the Authority, its counsel or consulting engineer from time to time so as to provide sufficient funds to complete the work. In the event there shall be any surplus after completion and acceptance by the Authority of the work covered by the deposit, such surplus shall be promptly returned to the Developer.

22. The Developer agrees to indemnify, protect and save harmless the Authority, its appointed officials, officers, employees and agents, from any and all costs, expenses, liability, losses, claims, suits and proceedings of whatsoever nature arising out of the work to be performed by Developer, its agents, servants, employees, representatives, contractors and

subcontractors. Developer shall carry and maintain, during the term of this Agreement and until all work hereunder is fully completed, Commercial General Liability insurance naming the Authority as additional insured with carriers rated A-VII or better by A.M. Best in at least the amounts set forth below; said insurance to be primary and non-contributory with any Authority insurance:

- \$1,000,000 Each Occurrence (Bodily Injury and Property Damage)
- \$2,000,000 General Aggregate
- The Policy(ies) for such insurance shall also include \$2,000,000
 Product/Completion Operations Aggregate coverage, naming the Authority as additional insured, for two years after acceptance of the work by the Authority.

Contractual Liability that will respond to the above Indemnification clause shall be included in the policy. The General Aggregate Limit shall apply separately to the work. As an alternative, the Developer may provide Commercial General Liability Insurance with no General Aggregate.

The Developer shall provide and/or require the insurance carrier to provide the Authority with not less than t thirty (30) days written notice of any cancellation, non-renewal or material change in coverage and not less than ten (10) days written notice of any non-payment of premium. Prior to any work being commenced, Developer shall provide the Authority with certificate(s) of insurance. Developer shall require any subcontractors to comply with the insurance requirements included in this Agreement.

23. Prior to the final release of the cash deposit or other security required by this Agreement and as a condition of the Authority's acceptance of the Water Facilities installed hereunder, the Developer shall submit "As-Built" plans prepared by and certified by a licensed New Jersey professional engineer and land surveyor, which plans shall be subject to the

approval by the Authority's engineer and which shall show the location of the Water Facilities installed by the Developer.

24. The Developer understands that SMCMUA does not guaranty the supply of any uniform quality or quantity of water or to maintain any fixed pressure for fire protection or any other purpose. Developer agrees that SMCMUA will not be responsible or liable for any loss or damage sustained as a result of service interruption or irregularity due to accident, breakdown, emergency or from other causes beyond the control of the Authority and hereby releases the Authority from any such liability.

25. The Developer shall comply with all applicable rules and regulations of the Authority and all laws, ordinances, rules, regulations and orders of any other governmental agency or entity having jurisdiction.

26. In the event of a sale or transfer of the Development to another party, Developer agrees that it will secure from its successor in title or interest a written undertaking whereby such successor agrees to assume and fully perform all of the obligations of this Agreement. Developer agrees to promptly advise the Authority in writing of any such sale or transfer provided that this provision shall not apply to a sale or transfer to an individual lot purchaser.

27. Developer shall be responsible for assuring that all agents, servants, employees, contractors and subcontractors involved in the construction of the Development shall fully comply with all provisions of this Agreement.

28. This Agreement shall be binding upon the Developer, its successors or assigns, notwithstanding the fact that the Development may be sold or transferred to another party. This Agreement shall be governed by the laws of the State of New Jersey. Any proceeding to interpret or enforce this Agreement shall be brought and maintained in the appropriate courts of the State of New Jersey, venued in Morris County.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the day and year first written above.

WITNESS OR ATTEST:

Sidney D. Weiss, Assistant Secretary

M.G.r. Gatan Print Name and Title

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY illiam ad By:

William J. Conradi, Chairman

STONINGTON CAPITAL LLC By: Print Name and Title

Attachment A: Application

Attachment B: Plan

Attachment C: Specifications



Southeast Morris County Municipal Utilities Authority 19 Saddle Road - Cedar KNolls, New Jersey 07927 · Tel 973/326-6880 · Fax 973/326-9521 · WWW.SMCMUA.ORG

APPLICATION FOR WATER MAIN EXTENSION

(All information must by typed or printed clearly.)

APPLICATION FEE: WAIVED CONTRACT NO.			
PF	CELIMINARY DEPOSIT:	WAIVED ering, legal, etc., costs ir	(\$478.95 plus \$3.61 per foot of water main extension) neurred relating to application. See Paragraph 4.)
TC	OTAL APPLICATION FEE	AND PRELIMINARY DE	POSIT: WAIVED
EN	NGINEER'S ESTIMATED C	OST OF WATER MAIN	\$ \$50,000
NA	AME IN WHICH CONTRAC	T IS TO BE WRITTEN:	Stonington Capital LLC (APPLICANT)
AD	DRESS PO Box 247, N	ew Vernon, New Jersey	TEL. NO. 973-769-5979
PL	AN NAME: Van Beuren	Estates LLC	
PL	AN PREPARER: Richard	d B. Schommer, Jr.	
	AN DATE: 02/28/2014		
DE	EVELOPMENT KNOWN AS	S: Van Beuren Estates	3
ST	REET OR STREETS WHE	RE MAIN IS TO BE INS	TALLED 26 Van Beuren Road
M	UNICIPALITY: Morris Tov	vnship	
TC	TAL LENGTH IN FEET OF	MAIN TO BE INSTALL	ED 584 (Andrea Way) + 905 (Van Beuren)
1.	An Agreement between made part of this Applicat		MUA will be required. A sample agreement is attached and
2.	phase(s) or stage(s) for v	which approval is curren supplemental contract.	ructed in phases or stages, the contract shall cover only the tly sought. Subsequent phases or stages will require further Applicant shall specify the particular phase(s) or stage(s) for oplication:
	Number of phases in Dev	elopment: 1	
	Number of phases for wh	ich approval is currently	sought: 1 of 1

3. This Application shall be deemed withdrawn in the event an Agreement between Applicant and SMCMUA is not signed by applicant within 30 days after approval of SMCMUA.

- 4. The preliminary deposit is \$478.95 plus \$3.61 per foot of water main extension. The preliminary deposit specified in this application is only an estimate of the cost to SMCMUA of processing the application. The SMCMUA may require, in its discretion, an additional cash deposit to cover the actual cost incurred or to be incurred in connection with the application. The unused portion of the amount deposited, if any, will be refunded to Applicant after "As-Built" Plans are submitted to SMCMUA and all other requirements of the contract are satisfied.
- 5. If the main is to be installed in whole or in part outside the District of the SMCMUA (i.e. outside the territorial limits of the Town of Morristown, the Townships of Morris and Hanover and the Borough of Morris Plains, hereinafter "the creating municipalities"), this application may require the approval of the creating municipalities and the Morris County Municipal Utilities Authority. In such event, Applicant hereby authorizes the SMCMUA to apply for such approvals as may be required and Applicant shall be responsible for all costs associated therewith, for which cost the SMCMUA may require a deposit or other security. Nothing herein shall require or obligate the SMCMUA to apply for or pursue any such approvals, nor shall the SMCMUA be responsible for the failure or inability to secure same.

Applicant's Signature Print Name

0-30-14 Date

Attach:

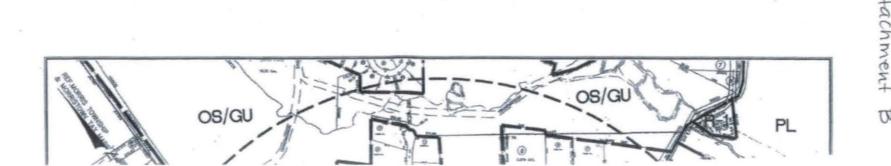
- State Road Permit Fee Estimate, if applicable

- Fire Department Approval

Note: Additional fees and costs will be required, along with the submittal of separate applications for connections, taps, wet cuts, cut-in connections and branch lines, service taps, etc.

PRELIMINARY MAJOR SUBDIVISION Of BLOCK 7602 - LOT 1

TAX MAP SHEET NO. 76 26 VAN BEUREN ROAD TOWNSHIP OF MORRIS MORRIS COUNTY, NEW JERSEY



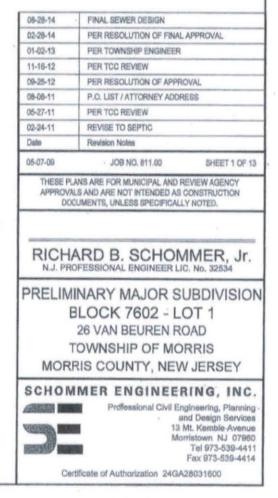
	TITLE		
	TITLE SHEET		
	AREA MAP & PROPERTY OWNERS LIST SURVEY & PRELIMINARY MAJOR SUBDIVISION PLAN SITE LAYOUT PLAN GRADING PLAN UTILITY PLAN ROADWAY PROFILE		
	ROADWAY CROSS SECTIONS		
	TREE REMOVAL & REPLACEMENT PLAN		
	SOIL EROSION & SEDIMENT CONTROL PLAN		
1	VAN BEUREN ROAD WATER LINE EXTENSION PLAN		
13	CONSTRUCTION DETAILS		

OWNER/APPLICANT

VAN BEUREN ESTATES, LLC P.O. BOX 247 NEW VERNON, NJ 07976

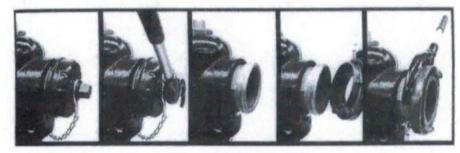
ATTORNEY

DAVID C. SCALERA, ESQ. -McELROY, DEUTSCH, MULVANEY 1300 MT. KEMBLE AVENUE BOX 2075 MORRISTOWN, N.J. 07962-2075



Water Line Specifications

- All pipe shall be Class 52 Ductile Iron (Push on Joint) or as noted on contract drawings and specifications.
- 2. All fittings will be M. J. cement lined (compact fitting)
- Megalug series 1100 (EBAA Iron) will be used on all fittings and appurtenances. Stainless steel rods with mechanical joint retainers may be required at the Authority's discretion.
- All gate valves will be manufactured as per Mueller Co./US Pipe. (Open clock-wise direction, Resilient wedge)
- Tapping sleeve and valves are to be mechanical joint fitting, manufactured as per Mueller Co./US Pipe. Stainless steel sleeves will not be permitted unless authorized by the Authority.
- 6. Hydrants will be manufactured as per Mueller Co.
 - Super Centurion 250 3-way, model A-423
 - Two 2-1/2" Hose Nozzles- N.S.T.
 - Steamer Nozzle- 5" Storz
 - Open counter clock direction
 - Red body White bonnet and caps
 - · 1-1/8 " Pentagon cap nuts and operating nut
- 7. No pipe will be installed without an inspector from the Authority present at the job site.
- 8. All piping will be disinfected, flushed and sampled according to AWWA specifications. To remove heavily chlorinated water, the contractor may (1) seek permission from the local sewer Authority to discharge the chlorinated water into a sanitary sewer manhole, (2) neutralize the chlorinated water with an approved neutralizing agent before it is discharged, (3) remove the chlorinated water from the site to an approved disposal facility. The removal and disposal of chlorinated water shall be at the contractor's expense.
- 9. All piping will be hydrostatically tested at 1-1/2 times the existing static pressure.
- 10. All corporation stops and curb stops are to be **COMPRESSION type**, **FULL PORT**, manufactured by Mueller Co.
- 11. All valves are to be operated by Authority personnel only.
- 12. Curb boxes are to be two- piece, 2-1/2 " shaft-screw type (Buffalo box).
- 13. Valve boxes are to be two- piece with the word WATER on top of lid.
- 14. Only manufactured products of the United States shall be permitted.



THREAD-ON **НРНАТМ** ADAPTERS

- 1. Remove threaded cap using HHSW-100 (Harrington Hydrant Spanner Wrench).
- 2. Remove any debris from the end of the brass male nozzle.
- 3. Thread the HPHATM clockwise onto the male nozzle until the gasket meets the nozzle face.
- 4. Tighten the HPHATM onto the nozzle using HHSW-100 to ensure that a tight seal is achieved.
- 5. Insert the (2) two setscrews in the HPHATM into the nozzle using a 5/32" allen wrench.
- 6. Fully engage the Storz cap in a clockwise direction using HHSW-100.

ALLATIONS









- 1. Remove threaded cap using HHSW-100 (Harrington Hydrant Spanner Wrench).
- 2. Remove 1/4" setscrew* using 1/4" allen wrench.
- 3. Remove threaded nozzle using HHSW-100. (Remove debris and possibly replace O-ring).
- 4. Install HIHS[™] nozzle counterclockwise using HHSW-100.
- 5. Install 1/4" setscrew using 1/4" allen wrench.
- 6. Fully engage the Storz cap in a clockwise direction using HHSW-100.

Note: Setscrew sizes will vary between hydrant models on the HIHSTM nozzles.











Southeast Morris County Municipal Utilities Authority

Fire Hydrant Specification

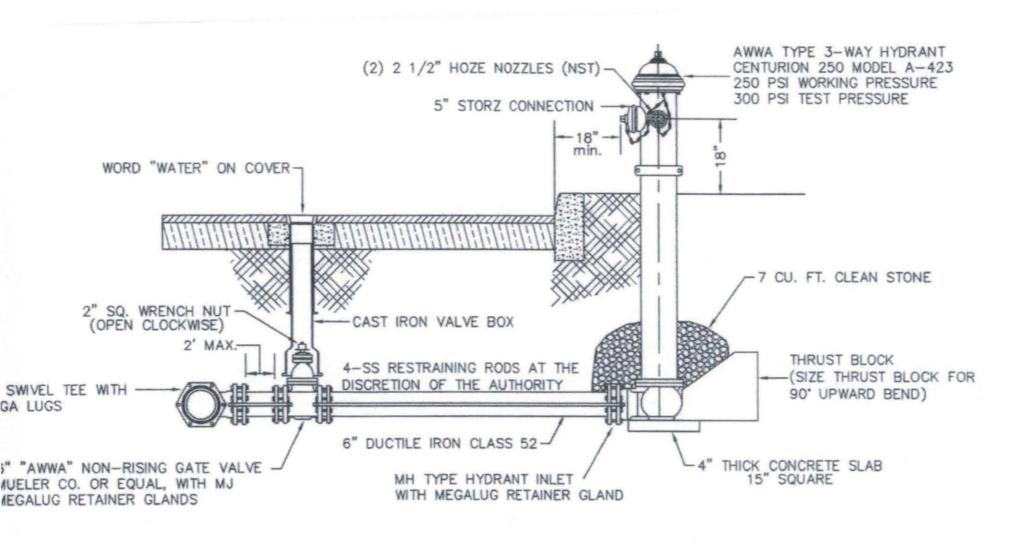
Fire hydrants purchased or installed shall meet or exceed all applicable requirements and tests of the latest revisions of ANSI/AWWA Standard C502. Fire hydrants shall meet all test requirements and be listed by Underwriters Laboratories Inc. Fire hydrants shall meet all test requirements and have full approval of Factory Mutual. In addition, fire hydrants shall meet the following requirements:

- 1. Fire hydrants shall be rated for a working pressure of 250 Psig. (1725 kPa).
- Fire hydrants shall be of the compression type, opening against the pressure and closing with the pressure. They shall have a 5-1/4" main valve opening and a minimum inside lower/upper barrel diameter (I.D.) of 7" to assure maximum flow performance. Pressure loss at 1,000 GPM shall not exceed 2.50 psi through a 4.5" pumper nozzle.
- 3. Fire hydrants shall be painted red, with white bonnet and caps. They shall be three-way in design, having one 5" Storz pumper nozzle and two 2-1/2" NST hose nozzles. Nozzles shall thread counterclockwise into hydrant barrel utilizing o-ring seals. The 5" Storz pumper nozzle shall be integral to the hydrant and installed at the fire hydrant manufacturing facility. The Storz shall meet or exceed AWWA C502, NFPA-1963 and must be UL Certified and FM Approved for use on the fire hydrant. The Storz nozzle must be installed on the flre hydrant when conducting the production hydrostatic test. For strength and reliability, the Storz nozzle, including face seal and locking ring must be machined from a single manganese bronze casting. Two piece Storz nozzles are not acceptable. The Storz cap shall be the locking design and manufactured from an anodized 6061-T6 aluminum casting. The center cap elastomeric face seal shall be NSF61 compliant and meets ASTM D395, Method B for compression set. The cap shall be attached to the hydrant with a vinyl coated cable.
- 4. The bonnet assembly shall provide an oil reservoir and lubrication system that automatically circulates lubricant to all stem threads and bearing surfaces each time the hydrant is operated. This lubrication system shall be sealed from the waterway and any external contaminants by use of o-ring seals. An anti-friction washer shall be in place above the thrust collar to further minimize operating torque. The oil reservoir shall be factory filled with a low viscosity, FDA approved, non-toxic oil lubricant which will remain fluid through a temperature range of -60° F. to +150° F.
- 5. The operating nut shall be a one piece design, manufactured of ASTM B-584 bronze. It shall have a 1 1/8" pentagon shaped nut. The operating nut shall be affixed to the bonnet by means of an ASTM B584 bronze hold down nut. The hold down nut shall be threaded into the bonnet in such a manner as to prevent accidental disengagement during the opening cycle of the hydrant. The use of set screws as a means of retention is unacceptable. A resilient weather seal shall be incorporated into the hold down nut, for the purpose of protecting the operating mechanism from the elements.
- The opening direction shall be left. An arrow shall be cast on the bonnet flange to indicate the specified opening direction. The bonnet shall be attached to the upper barrel by not less than eight bolts and nuts and sealed by an o-ring.

- 7. Hydrants shall be a "traffic-model" having upper and lower barrels joined at the ground line by a separate and breakable "swivel" flange providing 360° rotation of upper barrel for proper nozzle facing. This flange shall employ not less than eight bolts. The safety flange segments shall be located under the upper barrel flange to prevent the segments from falling into the lower barrel when the hydrant is struck. The pressure seal between the barrels shall be an "O" ring. The proper ground line shall be cast clearly on the lower barrel and shall provide not less than 18" of clearance from the centerline of the lowest nozzle to the ground.
- 8. The operating stem shall consist of two pieces, not less than 1 1/4" diameter (excluding threaded or machined areas) and shall be connected by a stainless steel safety coupling. The safety coupling shall have an integral internal stop to prevent the coupling from sliding down into the lower barrel when the hydrant is struck. Screws, pins, bolts, or fasteners used in conjunction with the stem couplings shall also be stainless steel. The top of the lower stem shall be recessed 2" below the face of the safety flange to prevent water hammer in the event of a "drive over" where a vehicle tire might accidentally depress the main valve.
- The lower barrel shall be an integrally cast unit using gray iron ASTM A536, Grade B. The use of threaded on or mechanically attached flanges is deemed unacceptable. The hydrant bury depth shall be clearly marked on the hydrant lower barrel.
- 10. Composition of the main valve shall be a molded rubber having a durometer hardness of 95 +/- 5 and shall be reversible in design so either side can be used. This will provide a spare in place. Plastic (polyurethane) main valves are unacceptable. The main valve shall have a cross section not less than 1".
- 11. The upper valve plate, seat ring and drain ring must be ASTM B-584 bronze and work in conjunction to form an all bronze drain way. A minimum of two (2) internal and two (2) external drain openings are required. These drain openings shall work with (2) two drain valves which drain the barrel when the hydrant is closed and seal shut when the hydrant is opened. These drain valves shall be an integral part of the one piece bronze upper valve plate. They shall operate without the use of springs, toggles, tubes, levers or other intricate synchronizing mechanisms. Seat rings shall be o-ring pressure sealed, and shall have two (2) lugs, on top, which are sufficient for seat wrench engagement.
- 12. The hydrant shall have a 6", ductile iron, mechanical joint shoe. A minimum of six bolts and nuts are required to fasten the shoe to the lower barrel.
- 13. The interior of the shoe including the lower valve plate and stem cap nut shall have a protective coating that meets the requirements of AWWA C-550. A stem cap nut shall be utilized, and must be locked in place by a stainless steel lock washer or similar non-corrosive device that will prevent the cap nut from backing-off during normal use.
- 14. Hydrants shall be warranted by the manufacturer against defects in materials or workmanship for a period often years (10) from the date of manufacture. The manufacturing facility for the hydrant must have current ISO certification.
- 15. Hydrants shall be made in the U.S.A. The hydrant manufacturer shall certify that all castings including the bonnet, upper barrel, lower barrel and shoe are made in the U.S.A.

16. Hydrants shall be the Mueller A-423 Super Centurion 250 Fire Hydrant or approved equal.

Failure to comply with any of these above requirements is sufficient cause for rejection of proposed hydrants. The Southeast Morris County Municipal Utilities Authority reserves the right to accept only those materials which are in full compliance with these specifications and deemed most advantageous to its interests.





Notes:

1.CAP NUTS AND OPERATING NUT ARE TO BE 1-1/8" PENTAGON.

2. COUNTER CLOCK OPERATING DIRECTION.

3. RED BODY WHITE BONNET AND CAPS.

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, November 13, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

Dated: November 13, 2014

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

MEETING MINUTES

DECEMBER 18, 2014

The Regular Meeting of The Southeast Morris County Municipal Utilities Authority was held on Thursday, December 18, 2014, at 7:30PM 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 7:30PM 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 Conradi; Members Baldassari, Carroll, Dougherty, Iannaccone, Johnson and Kissil
- ABSENT: Member Schimpf

MOTION APPROVING MINUTES OF NOVEMBER 13, 2014

Copies of the minutes of the meeting held on November 13, 2014, were distributed to the members prior to the meeting for review and comment. Member Dougherty moved that the minutes be adopted as presented. Member Carroll seconded the motion which was duly adopted by the following vote:

- YEAS: Chairman Conradi; Members Baldassari, Carroll, Dougherty, Iannaccone, Johnson and Kissil
- NOES: None

COMMUNICATIONS

- December 2, 2014 Copy of letter from Passaic Valley Water Commission regarding its Resolution Urging Collective Action with Respect to its Finished Water Reservoirs.
- December 11, 2014 Copy of letters to Creating Municipalities regarding proposed rate adjustment for 2015.

RESOLUTION – APPROVAL OF DECEMBER LIST OF BILLS

Copies of the bill list for December 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. 75-14

RESOLUTION AUTHORIZING PAYMENT OF LIST OF BILLS FOR DECEMBER 2014

"COPY ANNEXED"

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

- YEAS: Chairman Conradi; Members Baldassari, Carroll, Dougherty, Iannaccone, Johnson and Kissil
- NOES: None

PUBLIC DISCUSSION

Mr. Weiss stated that the next item on the agenda was the Public Rate Hearing. However, two customers were present at the meeting to contest a water bill. Since no other members of the public were present in reference to the notice served with respect to the rate increase, the Board's policy has been with respect to its customers, to give them the courtesy to appear at the beginning of the meeting rather than waiting for the Public Portion normally held at the end of the meeting. If the Board is amenable to doing so, Mr. Weiss asked that Mr. and Mrs. Mastellone who were present to contest a water bill be heard. Member lannaccone moved to defer the rate hearing and open this portion of the meeting to the public with the rate hearing to immediately follow. Member Dougherty seconded the motion which was duly adopted by the following vote:

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

NOES: None

Mr. and Mrs. Michael Mastellone purchased 50 Perry Street in Hanover Township in November of 2013 through a Sheriff's sale. At the time of purchase, there was a lien for the last bill to the property for approximately \$40 that Mr. and Mrs. Mastellone paid; which did not include a final read of the property thereby the large usage was unable to be disclosed. Mr. and Mrs. Mastellone had spent the last year renovating the home. When in the process of selling the property, Mr. and Mrs. Mastellone's Title Company suggested they call the Authority for a final meter reading. Expecting a zero balance as the water had been shut off during the entirety of their ownership, Mr. and Mrs. Mastellone were informed of an outstanding water bill in the amount of \$4,301.52. In order to sell the property, Mr. and Mrs. Mastellone were forced to pay the outstanding amount, and did so in protest.

The Authority was notified in 2010 of water leaking from 50 Perry Street. At the time, the property was vacant and the Authority shut off the water at the curb. Due to the water being shut off at the curb, the property being vacant where the telephone service had been shut off

and the Authority was unable to obtain a radio read or a physical meter read, this account was in a "no bill" status.

Due to the unique and extreme circumstance surrounding the charges, Mr. and Mrs. Mastellone requested that the outstanding charges be waived. They do not feel they should be responsible for the outstanding charges of the previous owner as they had no means of knowing about the charges. They reiterated that no notice of the water bill was disclosed at the time of purchase and no lien had been filed.

Member Dougherty requested documentation from Mr. and Mrs. Mastellone so that the Authority could review and verify their allegations. Mr. Weiss requested a copy of the purchase deed confirming that Mr. and Mrs. Mastellone were not the owners of 50 Perry Street prior to November 2013.

Member Baldassari suggested the Authority obtain the verifying documentation from Mr. and Mrs. Mastellone before making any decision regarding the disputed charges.

No other members of the public were present. The Chairman then closed the public portion of the meeting.

RESUMPTION OF MEETING

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, 2015

After discussions following the public rate hearing, Member Baldassari offered the following resolution:

RESOLUTION NO. 76-14

RESOLUTION AUTHORIZING RATE ADJUSTMENT TO BE EFFECTIVE JANUARY 1, 2015

"COPY ANNEXED"

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

- YEAS: Chairman Conradi; Members Baldassari, Carroll, Dougherty, Iannaccone, Johnson and Kissil
- NOES: None
- C. Resolution Cancelling the Transfer of a Capital Budget Amount to Unrestricted Net Assets

The Board reviewed a memorandum from the Director of Finance dated November 21, 2014. Per the memorandum, due to the water main break at Hendricks Drive and Mountain Road in Hanover Township caused by Cablevision and due to the increased cost of a water main moved by the County of Morris for a bridge replacement, it is necessary to reinstate in part the 2014 Capital Budget Item 2014 Water Main Rehabilitation and Replacement in the amount of \$54,000. This amount will be transferred from Unrestricted Net Assets back to the Capital Budget Line. Member Iannaccone offered the following resolution:

RESOLUTION NO. 77-14

RESOLUTION CANCELLING THE TRANSFER OF A CAPITAL BUDGET AMOUNT TO UNRESTRICTED NET ASSETS

"COPY ANNEXED"

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

- YEAS: Chairman Conradi; Members Baldassari, Carroll, Dougherty, Iannaccone, Johnson and Kissil
- NOES: None
- D. Resolution Authorizing the Transfer of Funds between Budget Appropriations

The Board reviewed a memorandum from the Director of Finance dated December 9, 2014, where she advised that there exists certain funds in the 2014 budget line items which will be remaining at year end and that there are certain budget line items in the 2014 budget that require additional funding prior to the year end. The Director of Finance requested that such balances, totaling \$169,700, be transferred from the various budget line items with balances to those requiring additional funds to balance. Member Dougherty offered the following resolution:

RESOLUTION NO. 78-14

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 Conradi; Members Baldassari, Carroll, Dougherty, Iannaccone, Johnson and Kissil
- NOES: None
- E. Resolution Authorizing General Fund Transfer

The Board reviewed a memorandum from the Director of Finance dated December 10, 2014. The 2010 Bond Resolution states that when the amount on deposit in the Operating Fund, Bond Service Fund and Bond Reserve Funds equals or exceeds the requirements for the current year, monies can be transferred into the General Fund that is free and clear of any lien or pledge created by said resolution, to be used for any lawful purpose of the Authority. It was determined that a not-to-exceed amount of funds would be available to be transferred to the General Fund on December 31, 2014. Therefore, it was recommended that the Board authorize and direct the Authority to withdraw a maximum of \$3,100,000 from its General Fund and transfer such amount to its Cash Management Special Fund. After discussions, Member Baldassari offered the following resolution:

RESOLUTION NO. 79-14

RESOLUTION AUTHORIZING GENERAL FUND TRANSFER

"COPY ANNEXED"

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

- YEAS: Chairman Conradi; Members Baldassari, Carroll, Dougherty, Iannaccone, Johnson and Kissil
- NOES: None
- F. Resolution Adopting Budget for 2015

Ms. Cummings recalled that the Budget was introduced to the Board at its October 16, 2014 meeting. She reported that the Authority had received word from the Division of Local Government Services that the Budget had been approved. Member Baldassari offered the following resolution:

RESOLUTION NO. 80-14

RESOLUTION ADOPTING BUDGET FOR 2015

"COPY ANNEXED"

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

- YEAS: Chairman Conradi; Members Baldassari, Carroll, Dougherty, Iannaccone, Johnson and Kissil
- NOES: None
- G. Presentation Robert English of Willis New Jersey, Inc.

The Chairman introduced the Authority's insurance consultant Mr. Robert English of Willis of New Jersey, Inc. Mr. English referred the Board to the insurance renewal proposal prepared by him dated December 12, 2014 which shows the comparisons of policy premiums of the renewal quotations received for 2015. He stated that he had met with Laura Cummings and Janice Congleton to review the Authority's overall insurance needs for 2015. Mr. English reported that after marketing the Authority's insurance needs, favorable quotations were submitted by American Alternative Insurance Company and Zurich at a maximum cost to the Authority of \$126,618.40 for package, automobile, public official liability and excess liability (which was \$9,805.04 less than the same coverage in 2014); The Hartford at a maximum cost to the Authority of \$20,125.00 for temporary disability; and Statewide Insurance Fund at a maximum cost to the Authority of \$138,988.00 for workers compensation.

H. Resolution Awarding Contract for Insurance Coverage

After discussions following the presentation made by Mr. English, Member lannaccone offered the following resolution:

RESOLUTION NO. 81-14

RESOLUTION AWARDING CONTRACT FOR INSURANCE COVERAGE

"COPY ANNEXED"

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

- YEAS: Chairman Conradi; Members Baldassari, Carroll, Dougherty, Iannaccone, Johnson and Kissil
- NOES: None

I. Resolution Appointing Risk Management Consultant

Mr. English stated that the Bylaws of the Statewide Insurance Fund require the Authority as a member to appoint a Risk Management Consultant. The Board reviewed the draft resolution and agreement which would appoint Robert English of Willis of New Jersey, Inc., as its local Risk Management Consultant. Member Kissil offered the following resolution:

RESOLUTION NO. 82-14

RESOLUTION APPOINTING RISK MANAGEMENT CONSULTANT

"COPY ANNEXED"

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

- YEAS: Chairman Conradi; Members Baldassari, Carroll, Dougherty, Iannaccone, Johnson and Kissil
- NOES: None
- J. Resolution Appointing Fund Commissioner

Mr. English stated that the Bylaws of the Statewide Insurance Fund also require the Authority as a member to appoint a Fund Commissioner. The Board reviewed a draft resolution which would appoint Laura Cummings as its Fund Commissioner. Member Baldassari offered the following resolution:

RESOLUTION NO. 83-14

RESOLUTION APPOINTING FUND COMMISSIONER

"COPY ANNEXED"

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

- YEAS: Chairman Conradi; Members Baldassari, Carroll, Dougherty, Iannaccone, Johnson and Kissil
- NOES: None
- Resolution Awarding a Contract for Water Storage Tank Painting and Rehabilitation Inspection Services (Contract No. C-201404)

The Authority had advertised and solicited bids for the project entitled Water Storage Tank Painting and Rehabilitation Inspection Services (Contract No. C-201404) on December 16, 2014.

The Board reviewed a memorandum dated December 17, 2014 from the Senior Civil Engineer outlining the three bids received for the project. Mumford-Bjorkman Associates, Inc., has been determined to be the lowest qualified bidder in the total not to exceed amount of \$111,275. Member Dougherty offered the following resolution:

RESOLUTION NO. 84-14

RESOLUTION AWARDING CONTRACT FOR WATER STORAGE TANK PAINTING AND REHABILITATION INSPECTION SERVICES (CONTRACT NO. C-201404)

"COPY ANNEXED"

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

- YEAS: Chairman Conradi; Members Baldassari, Carroll, Dougherty, Iannaccone, Johnson and Kissil
- NOES: None
- L. Resolution Authorizing Execution of a Professional Service Contract for Nonexclusive 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 November 24, 2014 for the providing of such services commencing January 1, 2015 and terminating December 31, 2015 at an estimated maximum amount of \$36,000. The Board reviewed a memorandum from the Executive Director/Chief Engineer dated December 16, 2014 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. Member lannaccone offered the following resolution:

RESOLUTION NO. 85-14

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 Conradi; Members Baldassari, Carroll, Dougherty, Iannaccone, Johnson and Kissil
- NOES: None
- M. Resolution Appointing Public Agency Compliance Officer for 2015

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 lannaccone offered the following resolution:

RESOLUTION NO. 86-14

RESOLUTION APPOINTING PUBLIC AGENCY COMPLIANCE OFFICER FOR 2015

"COPY ANNEXED"

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

- YEAS: Chairman Conradi; Members Baldassari, Carroll, Dougherty, Iannaccone, Johnson and Kissil
- NOES: None

SUCH OTHER MATTERS TO LEGALLY COME BEFORE THE BOARD

1. Member Baldassari requested that the bill dispute issue of Mr. and Mrs. Mastellone be revisited. He added that he felt that not all pertinent facts were known prior to the meeting. The Board discussed looking into avoiding similar situations in the future. Member Baldassari stated that, given the circumstances, the Authority did not attempt to perfect the lien. He added that if Mr. and Mrs. Mastellone provide adequate proof to the Authority's legal counsel that the date of their acquisition of 50 Perry Street was in November 2013; that he was inclined to suggest the Board forgive the bill. The Board agreed with Member Baldassari's recommendation.

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 Monthly Report November 2014
- B. Superintendent Monthly Report November 2014
- C. Information Technology Monthly Report November 2014
- D. Finance Department Monthly Reports November 2014

ADJOURNMENT

There being no further business, Member Baldassari moved that the meeting be adjourned. Member Carroll seconded the motion. The meeting adjourned at 9:12PM.

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 7, 2014.

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 7, 2014.

1	SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY
2	PUBLIC HEARING
з	
4	DATE: DECEMBER 18, 2014 - 7:30 P.M.
5	IN THE MATTER OF
6	THE PUBLIC HEARING
7	RE: 2015 RATE REVISIONS
. 8	
	BEFORE: WILLIAM CONRADI, CHAIRMAN
9	DENNIS BALDASSARI, VICE CHAIRMAN SAVERIO C. IANNACCONE, SECRETARY
10	ROBERT CARROLL, MEMBER
	MARY DOUGHERTY, MEMBER
11	
12	ALAN JOHNSON, MEMBER
13	ALSO PRESENT:
14	JANICE CONGLETON, DIRECTOR OF FINANCE/TREASURER
15	
16	LAURA CUMMINGS, P.E., EXECUTIVE DIRECTOR/CHIEF ENGINEER
17	PAUL KOZAKIEWICZ, SUPERINTENDENT
18	APPEARANCES:
19	SIDNEY D. WEISS, ESQ. 19 Saddle Road
20	Cedar Knolls, New Jersey 07927 Attorney for SMCMUA
21	Accorney for SMCMOA
22	
23	
24	J.H. BUEHRER & ASSOCIATES 2295 Big Enough Way
25	Toms River, NJ 08755 (732) 557-4755

	Page 2		Page 4
1	INDEX	1	here contesting a water bill that we hear them now
2	WITNESS DIRECT	2	
3	JANICE CONGLETON	3	
4	BY: MR. WEISS 6	4	MR. BALDASSARI: So moved.
5		5	MS. DOUGHERTY: Second.
6		6	(The Board hears other matters.)
7		7	CHAIRMAN CONRADI: Public rate hearing.
8		8	MR. WEISS: Mr. Chairman, this is the notice
9	EXHIBITS	9	
10	NUMBER DESCRIPTION I.D. EVID.		rates.
11	A-1 Certification of Service 3 5		
12	A-2 Affidavit of Publication 3 5 Daily Record	11	For the record, my name is Sidney D. Weiss. I'm general counsel to the authority.
13	A-3 Affidavit of Publication 3 5		-
14	Star-Ledger	13	I have some preliminary items that I would
	A-4 Rules and Regulations 3		like to introduce into evidence. The authority statute
15	A-5 Report on 2015 Rate Adjustment 3 18		requires that notice of this hearing be provided to the
16	A-6 Revised Rate Scheduled 3 18		clerks of municipalities and served by the authority.
17		17	I have here an exhibit marked A-1 for
18		18	identification by Alexis Bozza certifying that she, in
19		19	fact, complied with that provision and served copies of
20		20	this notice on November 17th, 2014, which is marked 20
21		21	days prior to the date of this hearing as required by
22		22	
23		23	
24		24	Would you accept that in evidence?
25		25	CHAIRMAN CONRADI: I accept it in evidence.
	Page 3		Page 5
	(A-1, Certification of Service, marked for	1	(A-1, Certification of Service, received in
1	identification.)	2	
3	(A-2, Affidavit of Publication, Daily Record,	3	MR. WEISS: The statute also requires that
4	marked for identification.)	-	the notice be published in two newspapers circulated in
5	(A-3, Affidavit of Publication, Star-Ledger,		the county and I have here an affidavit of publication
		-	the county and I have here an arridavit of publication
0	marked for identification)	6	for the Morris Daily Record It's been marked A-2 for
	marked for identification.)		for the Morris Daily Record. It's been marked A-2 for identification certifying that notice was published on
7	(A-4, Rules and Regulations, marked for	7	identification certifying that notice was published on
7 8	(A-4, Rules and Regulations, marked for identification.)	7 8	identification certifying that notice was published on November 20th, 2014, also more than 20 days prior to
7 8 9	(A-4, Rules and Regulations, marked for identification.) (A-5, Report on 2015 Rate Adjustment, marked	7 8 9	identification certifying that notice was published on November 20th, 2014, also more than 20 days prior to the date of this hearing. I ask that this be accepted
7 8 9 10	(A-4, Rules and Regulations, marked for identification.) (A-5, Report on 2015 Rate Adjustment, marked for identification.)	7 8 9 10	identification certifying that notice was published on November 20th, 2014, also more than 20 days prior to the date of this hearing. I ask that this be accepted as A-2 in evidence.
7 8 9 10 11	(A-4, Rules and Regulations, marked for identification.) (A-5, Report on 2015 Rate Adjustment, marked for identification.) (A-6, Revised Rate Scheduled, marked for	7 8 9 10 11	identification certifying that notice was published on November 20th, 2014, also more than 20 days prior to the date of this hearing. I ask that this be accepted as A-2 in evidence. THE COURT: Accepted.
7 8 9 10 11 12	(A-4, Rules and Regulations, marked for identification.) (A-5, Report on 2015 Rate Adjustment, marked for identification.) (A-6, Revised Rate Scheduled, marked for identification.)	7 8 9 10 11 12	identification certifying that notice was published on November 20th, 2014, also more than 20 days prior to the date of this hearing. I ask that this be accepted as A-2 in evidence. THE COURT: Accepted. (A-2, Affidavit of Publication, Daily Record,
7 8 9 10 11 12 13	(A-4, Rules and Regulations, marked for identification.) (A-5, Report on 2015 Rate Adjustment, marked for identification.) (A-6, Revised Rate Scheduled, marked for identification.) CHAIRMAN CONRADI: Okay. First item under	7 8 9 10 11 12 13	identification certifying that notice was published on November 20th, 2014, also more than 20 days prior to the date of this hearing. I ask that this be accepted as A-2 in evidence. THE COURT: Accepted. (A-2, Affidavit of Publication, Daily Record, received in evidence.)
7 8 9 10 11 12 13 14	(A-4, Rules and Regulations, marked for identification.) (A-5, Report on 2015 Rate Adjustment, marked for identification.) (A-6, Revised Rate Scheduled, marked for identification.) CHAIRMAN CONRADI: Okay. First item under business is a public rate hearing.	7 8 9 10 11 12 13 14	identification certifying that notice was published on November 20th, 2014, also more than 20 days prior to the date of this hearing. I ask that this be accepted as A-2 in evidence. THE COURT: Accepted. (A-2, Affidavit of Publication, Daily Record, received in evidence.) MR. WEISS: And, finally, I have an exhibit
7 8 9 10 11 12 13 14 15	(A-4, Rules and Regulations, marked for identification.) (A-5, Report on 2015 Rate Adjustment, marked for identification.) (A-6, Revised Rate Scheduled, marked for identification.) CHAIRMAN CONRADI: Okay. First item under business is a public rate hearing. MR. WEISS: Mr. Chairman, the next item on	7 8 9 10 11 12 13 14 15	identification certifying that notice was published on November 20th, 2014, also more than 20 days prior to the date of this hearing. I ask that this be accepted as A-2 in evidence. THE COURT: Accepted. (A-2, Affidavit of Publication, Daily Record, received in evidence.) MR. WEISS: And, finally, I have an exhibit from the Star-Ledger also indicating that has been
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			December 18, 20
	Page 6		Page
1	our witness.	1	authority.
2	JANICE CONGLETON, Director of	2	
3	Finance/Treasurer, having been duly sworn by the	3	
	Notary, testified as follows:		
	DIRECT EXAMINATION BY MR. WEISS:	4	
		5	8
6	Q. Janice, everybody knows you here.	6	
7	Would you just state your name for the	7	F
8	record, please?	8	
9	A: Janice Congleton.	9	Q. What is the master plan and when was it mos
10	Q. And what is your current position with the	10	recently adopted or updated?
11	Southeast Morris County Municipal Utilities Authority?	11	A. The master plan is basically the capital
12	A. I'm the Director of Finance and Treasurer.	12	improvement program for the authority. The most recen
13	Q. And how long have you served in that	13	formal update for the master plan was in 2012.
14	capacity?	14	
	A. Two and a half years.	15	that's been marked A-4 for identification entitled
16	Q. Can you briefly state your educational	16	rules and regulations for water service.
	background and your professional qualifications in the		
17		17	
18	area of municipal finance, including any licenses and	18	what's commonly known as the authority's tariff?
19	certificates that you hold?		A. Yes.
	A. I have a BA from Montclair State College and I	20	Q. And does that set forth all the rules and
21	took the certification classes through Rutgers. I have	21	regulations of the authority, as well as the rate
22	my CFO license and my QPA license and served as a	22	
23	financial officer for the Township of Mine Hill for	23	A. Yes.
24	five years and the Township of Pequannock for two	24	Q. And you're familiar with that document?
25	years.	25	A. Yes.
	Page 7		Page S
1	Q. What are your principal duties and	1	Q. Now, are you also familiar with the enabling
2	responsibilities as director of finance/treasurer?		
2	responsibilities as director of finance/treasurer?	2	legislation and statutes of the authority as set forth
3	A. I oversee all aspects of the authority's financial	2 3	legislation and statutes of the authority as set forth in N.J.S.A. 40:14B-1 et seq.
3 4	A. I oversee all aspects of the authority's financial assets, including budget preparation, financial	2 3 4	legislation and statutes of the authority as set forth in N.J.S.A. 40:14B-1 et seq. A. Yes.
3 4 5	A. I oversee all aspects of the authority's financial assets, including budget preparation, financial reporting, payroll, accounts payable, accounts	2 3 4 5	legislation and statutes of the authority as set forth in N.J.S.A. 40:14B-1 et seq. A. Yes. Q. Does the statute have any provisions
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3 4 5 6 7	 A. I oversee all aspects of the authority's financial assets, including budget preparation, financial reporting, payroll, accounts payable, accounts receivable, billing, and day-to-day purchasing. Q. And in that capacity are you familiar with 	2 3 4 5 6 7	legislation and statutes of the authority as set forth in N.J.S.A. 40:14B-1 et seq.A. Yes.Q. Does the statute have any provisions regarding the revenue requirements to be maintained by the authority?
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3 4 5 6 7 8 9 10 11 23 4 5 6 7 8 9 10 11 23 4 5 6 7 8 9 10 11 23 4 5 6 7 8 9 10 11 25 6 7 8 9 10 11 25 6 7 8 9 10 11 12 10 12 10 10 10 10 10 10 10 10 10 10 10 10 10	 A. I oversee all aspects of the authority's financial assets, including budget preparation, financial reporting, payroll, accounts payable, accounts receivable, billing, and day-to-day purchasing. Q. And in that capacity are you familiar with the operations, income, expenses, and revenue requirements of the authority? A. Yes. Q. Are you also familiar with the authority's bond resolution and the authority's obligation under that resolution? A. Yes. Q. Does the bond resolution contain any covenants and requirements with regard to the rates and service charges to be imposed and maintained by the authority? A. Yes. Q. Can you explain what they are? 	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	 legislation and statutes of the authority as set forth in N.J.S.A. 40:14B-1 et seq. A. Yes. Q. Does the statute have any provisions regarding the revenue requirements to be maintained by the authority? A. Yes. Q. Can you explain those? A. It allows changes to service charges for rates as necessary to pay the expenses of the operation and maintenance of the utility system, including reserves insurance, replacements, extensions, interest and principal on any bonds and reserves and to maintair reserves as required or deemed necessary by the authority. Q. Now, the authority has a service contract with its four municipalities? A. Yes. Q. You're familiar with that service contract?
3 4 5 6 7 8 9 10 11 12 13 14 15 16 12 13 14 15 16 10 11 12 13 14 15 16 10 11 12 14 15 16 10 10 10 10 10 10 10 10 10 10	 A. I oversee all aspects of the authority's financial assets, including budget preparation, financial reporting, payroll, accounts payable, accounts receivable, billing, and day-to-day purchasing. Q. And in that capacity are you familiar with the operations, income, expenses, and revenue requirements of the authority? A. Yes. Q. Are you also familiar with the authority's bond resolution and the authority's obligation under that resolution? A. Yes. Q. Does the bond resolution contain any covenants and requirements with regard to the rates and service charges to be imposed and maintained by the authority? A. Yes. Q. Can you explain what they are? A. The bond resolution states that in the fiscal year 	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	 legislation and statutes of the authority as set forth in N.J.S.A. 40:14B-1 et seq. A. Yes. Q. Does the statute have any provisions regarding the revenue requirements to be maintained by the authority? A. Yes. Q. Can you explain those? A. It allows changes to service charges for rates as necessary to pay the expenses of the operation and maintenance of the utility system, including reserves insurance, replacements, extensions, interest and principal on any bonds and reserves and to maintair reserves as required or deemed necessary by the authority. Q. Now, the authority has a service contract with its four municipalities? A. Yes. Q. You're familiar with that service contract? A. Yes.
3 4 5 6 7 8 9 10 11 23 4 5 6 7 8 9 10 11 23 4 5 6 7 8 9 10 11 23 4 5 6 7 8 9 10 11 2 10 10 10 10 10 10 10 10 10 10 10 10 10	 A. I oversee all aspects of the authority's financial assets, including budget preparation, financial reporting, payroll, accounts payable, accounts receivable, billing, and day-to-day purchasing. Q. And in that capacity are you familiar with the operations, income, expenses, and revenue requirements of the authority? A. Yes. Q. Are you also familiar with the authority's bond resolution and the authority's obligation under that resolution? A. Yes. Q. Does the bond resolution contain any covenants and requirements with regard to the rates and service charges to be imposed and maintained by the authority? A. Yes. Q. Can you explain what they are? A. The bond resolution states that in the fiscal year the authority shall pay operating expenses, maintain 	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	 legislation and statutes of the authority as set forth in N.J.S.A. 40:14B-1 et seq. A. Yes. Q. Does the statute have any provisions regarding the revenue requirements to be maintained by the authority? A. Yes. Q. Can you explain those? A. It allows changes to service charges for rates as necessary to pay the expenses of the operation and maintenance of the utility system, including reserves insurance, replacements, extensions, interest and principal on any bonds and reserves and to maintair reserves as required or deemed necessary by the authority. Q. Now, the authority has a service contract with its four municipalities? A. Yes. Q. You're familiar with that service contract? A. Yes. Q. Does that have any provisions requiring the
3 4 5 6 7 8 9 0 1 2 3 4 .5 6 7 8 9 0 1 2 3 4 .5 6 7 8 9 0 1 2 3 4 .5 6 7 8 9 0 1 2 3 4 .5 6 7 8 9 0 1 2 3 4 5 1 2 3 4 5 1 2 3 4 5 1 2 3 4 5 1 2 3 4 5 1 2 3 4 5 1 2 3 4 5 1 2 3 5 1 2 3 1 2 3 5 1 2 3 2 3	 A. I oversee all aspects of the authority's financial assets, including budget preparation, financial reporting, payroll, accounts payable, accounts receivable, billing, and day-to-day purchasing. Q. And in that capacity are you familiar with the operations, income, expenses, and revenue requirements of the authority? A. Yes. Q. Are you also familiar with the authority's bond resolution and the authority's obligation under that resolution? A. Yes. Q. Does the bond resolution contain any covenants and requirements with regard to the rates and service charges to be imposed and maintained by the authority? A. Yes. Q. Can you explain what they are? A. The bond resolution states that in the fiscal year the authority shall pay operating expenses, maintain the bond reserve requirements, provide for the payment 	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	 legislation and statutes of the authority as set forth in N.J.S.A. 40:14B-1 et seq. A. Yes. Q. Does the statute have any provisions regarding the revenue requirements to be maintained by the authority? A. Yes. Q. Can you explain those? A. It allows changes to service charges for rates as necessary to pay the expenses of the operation and maintenance of the utility system, including reserves insurance, replacements, extensions, interest and principal on any bonds and reserves and to maintair reserves as required or deemed necessary by the authority. Q. Now, the authority has a service contract with its four municipalities? A. Yes. Q. You're familiar with that service contract? A. Yes. Q. Does that have any provisions requiring the rates to be maintained by the authority?
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(2) Pages 6 - 9

December 18, 2014

			Detember 18, 201-
	Page 10		Page 12
1	A. Section 301 requires that rates be sufficient to	1	A. The first slide talks about required rate
2		2	adjustment. This is discussing it will be effective
3		3	January 1st, 2015. The number is suggesting a
4		4	6 percent rate adjustment is required. We have a
5		5	decrease in revenues, increase in operating costs, and
6		6	we would like to maintain the cash pay-as-you-go
7	resolutions and the authority's enabling legislation.	7	program. And this would be equivalent to a monthly
8		8	increase of approximately \$1.95 for the average
9		9	residential use.
10	agreement, have you conducted an investigation as to	10	MR. WEISS: Can everybody see that? Do we
11	the adequacy of the authority's rates to meet those	11	need to lower the lights?
12	obligations?	12	MS. DOUGHERTY: It's the monthly increase.
13		13	MS. CONGLETON: Yeah, that's monthly.
14	Q. What did that investigation consist of?	14	MR. IANNACCONE: Now you can't read it.
15	A. I, along with Laura Cummings and Superintendent	15	MS. CONGLETON: My notes.
16	Paul Kozakiewicz and other staff, did a review of our	16	MS. CUMMINGS: Lights on or off?
17	budgets, contracts, and expenditures for 2014 and for	17	MR. IANNACCONE: You can leave the lights on.
18	prior years.	18	MR. KOZAKIEWICZ: How is that?
19	Q. Is that conducted primarily under your	19	MR. WEISS: That's great. The operations guy
20	supervision direct supervision?	20	comes through.
21	A. Yes.	21	MR. KISSIL: Do we need to hire an
22	Q. And who are the people, just for the record	22	electrician?
23	again, what were their positions of the people who	23	A. This is a comparison of the operating budgets for
24	worked with you on this report?	24	the last three years. 2015 operating budget is only
25		25	1.1 percent higher than the 2013 budget. And this is a
	Page 11		Page 13
1	Kozakiewicz is our Superintendent; Howard Woods is our	1	breakdown of the costs of the operating budget. The
2	consulting rate specialist; and then other supervisors	2	operating expenses which include electricity, purchase
3	within the authority.	3	of water, insurance costs, etcetera, etcetera, is
4	Q. Have you prepared a report setting forth your	4	50 percent of the budget, salaries and wages is
5	findings in that investigation?	5	25 percent of the budget, debt service is 8 percent of
6	A. Yes.	6	the budget, and depreciation and amortization is 17
7	Q. Okay. I'm going show you a copy of the	7	percent of the budget.
8	report that's been marked A-5 for identification if I	8	The overall increase of the operating expenses as
9	can find that.	9	shown here is \$335,000. This includes a reduction in
10	This is the one that's marked, Sal.	10	billing costs because we've taken the billing in half
11	Is this the report that you prepared?	11	and it increases in electrical and mechanical
12	A. Yes.	12	maintenance services; street repairs and soil removal
13	Q. And have you prepared also a PowerPoint	13	are up; information technology has gone up; bulk water
14	presentation that incorporates the provision of this	14	purchases is higher, mostly due from increase in rates
15	report?	15	from the Passaic Valley Water Commission; and then we
16	A. Yes, we have.	16	have extra legal fees coming from the Morris Commons
17	Q. And the schedules in this report are	17	litigation.
18	identical to the ones that you're going to be	18	Other expenses include a reduction in salaries and
19	testifying to in your presentation?	19	wages for \$46,000 and this reduction includes \$90,000,
20	A. Yes.	20	an increase for the retiree medical benefits. The
21	Q. And have copies of this report been	21	reason that we are having the reductions in salaries
22	distributed to members of board?	22	and wages mostly has to do with our retiree of our
23	A. Yes.	23	management staff recently and the replacement staff is
24	Q. Would you please proceed with your	24	costing us less money and we do have some attrition.
25	presentation?	25	The debt service for 2015 principal and interest
	N"		

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	Page 14	T	Page 16
1	1 / / / / / / / / / / / / / / / / / / /	1	,,
2	the second s	2	
3	I see a s	3	8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8
4	This is our projected revenue. The total budget	4	Hopefully it will be completed this year. And we're
5	is anticipated to be \$14,486,000. The revenue is	5	doing a master plan for information technology and
6	projected and this includes the 6 percent	6	we're doing some facility improvements. The total is
7	increase to be \$13,998,000. The difference is the	7	\$3,095,000, and it's funded by money that we have in
8	\$487,000 listed below and that difference would come	8	our surplus at this time. So it's totally cash funded.
9	from our unrestricted net assets which is also known as	9	
10	surplus.	10	
11	As you can see with the graph on the side, we're	11	annual charge and it's a comparison. So if you look at
12	having \$117,000 loss in revenue strictly coming from	12	the yellow bar, that is our Southeast Morris County
13	decrease in consumption from customers due to water	13	MUA's 2014 rates for 7,500 gallons a month usage for
	saving devices. We're potentially losing one of our		the year as compared to the other utilities.
14		14	
15	large commercial customers this year. And we have	15	The 2015 rates with a 6 percent increase is the
16	estimated that connection fees for 2015 will be zero	16	orange bar. And as you can see the comparison with the
17	because connection fees are very unpredictable and with	17	other utilities even though their rates have not been
18	construction and all of the legal things that they have	18	recorded as going up, it still keeps us in the lower
19	to go through with the towns, we're not sure what's	19	bracket so we're about 70 percent lower than everybody
20	going to happen.	20	else.
21	Q. Before let's go back to that slide again.	21	MS. DOUGHERTY: That's a nice chart.
22	Does the exhibit also show the forecast for	22	Thank you.
23	the future? Can you describe that just briefly?	23	A. There's basically a \$24 yearly difference in the
24	A. It shows you that there's a continuous	24	amount that our residential consumers would need to
25	Q. How is that shown on the chart?	25	pay. And Howard Woods was a great help in this chart.
	Page 15		Page 17
1	A. With the red line. And in the future you see it's	1	Q. So again by way of summary, what is the
2	going to be each year it will go down another	2	overall effect of the proposed adjustments?
3	\$117,000 at equivalent rates.	3	A. The proposed adjustment represent an
4	MR. KISSIL: That is projected. Correct?	4	across-the-board increase of 6 percent over the
5	MS. CONGLETON: Yes, projected.	5	existing rates.
6	BY MR. WEISS:	6	Q. Are there any exceptions in the rates that
	Q. Okay.	7	are not included in that 6 percent increase?
7	A. We did a rate analysis. This is work with Laura	6	A. Yes.
			Q. What are they?
9	Cummings and Howard Woods. We looked at the recent	9	
10	financial analysis of our budget, our revenues, and our		A. Connection fees are calculated as the statutory
11	expenses, and we determined that we needed a 6 percent	11	formulas and they are not subject to the 6 percent
12	increase.	12	adjustment.
13	Q. Go on. Sorry.	13	Q. That will be done at some later date?
14	A. The 6 percent rate adjustment would equal the	14	A. Yes, that will be done at some other date.
15	\$.48 million coming out of our unrestricted net assets	15	Q. And all other rates are being increased by
16	to balance the budget. But if we had no rate increase,	16	6 percent?
17	it would be \$1.4 million amount set to come out of our	17	A. Yes.
18	surplus and that would impact our capital improvement	18	Q. Now, have you prepared proposed rate
19	plan for the next several years and our ability to	19	schedules that set forth the proposed new rates?
20	maintain our system.	20	A. Yes.
21	Q. Is your opinion that taking the .48 million	21	Q. I show you an exhibit that's been marked A-6
22	out will not adversely impact?	22	for identification and ask whether those are the
23	A. No, it will not.	23	proposed new rates that you are proposing for the
24	Q. Okay, thank you.	24	6 percent increase?
1.11		1000	A. Yes.
25	A. This is our capital improvement program for 2015.	25	A. 105.

(4) Pages 14 - 17

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	D 10		
	Page 18		Page 20
1	MR. WEISS: All right. Mr. Chairman, at this	1	MS. CONGLETON: Going forward after this year
2	time I would like to introduce A-5 which was the report	2	if it levels off, it would alleviate the problem of
3	that Ms. Congleton has testified to that has been	3	having a due rate increase every year or every other
4	marked for A-5 for identification. I would like to	4	year. So that's something we analyze every year
5	introduce it into evidence as Exhibit A-5.	5	towards the end of the year when we see what our budget
6	THE COURT: Accepted.	6	revenues are coming in at.
7	(A-5, Report on 2015 Rate Adjustment,	7	MR. JOHNSON: So if indeed the metered sales
8	received in evidence.)	8	follow the red line trend that you have forecasted
9	MR. WEISS: And also the proposed new rates	9	there, would it be fair to say you would envision a
10	marked A-6 for identification and I would like to have	10	further rate increase?
11	that introduced as A-6 in evidence.	11	MS. CONGLETON: It's hard to say for sure at
12	THE COURT: Accepted.	12	this point because we're hoping to get some new revenue
13	(A-6, Revised Rate Scheduled, received in	13	coming in from projects that are going on in various
14	evidence.)	14	communities. We have some connection fees in the works
15	BY MR. WEISS:	15	at this point for a few smaller projects and we have a
16	Q. Janice, based upon your investigation and the	16	large one in the works, but they are having some
17	report that you've just testified to, are the	17	problems with the municipality as to what they want
18	authority's current rates adequate to meet its revenue	18	them to use the land for.
19	requirements, capital improvement program, and other	19	So because we estimated zero connection fees,
20	obligations in the future?	20	any connection fees that do come in in the course of
	A. No.	21	next year will help offset the need for any kind of
22	Q. Are the new proposed rates in Exhibit A-6	22	rate increase. We'll use that to help fund our capital
23	adequate to meet those requirements?	23	projects.
	A. Yes.	24	MR. JOHNSON: I would just like to say for
25	Q. Are they fair and reasonable to all classes	25	the record I think it would be prudent to plan on the
			• •
	Page 19		Page 21
1	of customers?	1	red line and if it, in fact, does level off.
2	A. Yes.	2	MS. CONGLETON: Right. And that's what we
3	Q. And what is the proposed effective date of	3	have been doing. Yes.
4	the new rates?	4	MR. JOHNSON: Thank you.
5	A. For all bills rendered after January 1st of 2015.	5	MS. CONGLETON: And our five-year projections
6	MR. WEISS: I have no further questions.	6	when we did our analysis of the budget and the
7	Janice is available to answer any questions	7	projected revenues using this trend, we did our
8	from the board or the public, which I don't see any.	8	five-year revenue projections based upon this.
9	MR. JOHNSON: Referring back to your graph	9	MR. JOHNSON: Thank you.
10	with the forecast metered sales. You know, it's always	10	MS. CONGLETON: You are welcome.
11	hard to make projections off of graphs such as this.	11	MR. KISSIL: One question. You have
12	But one might look at that graph and suggest or see a	12	indicated that the 487,000 in change coming from
13	fact sort of a step-drop in meter sales that may, in	13	surplus is not going to impact our surplus that we
14	fact, be cycling over the last three or four periods	14	have.
15	and might actually be levelling off as opposed to	15	Can you give me a sense of what surplus is?
16	continuing to decline as shown in your graph.	16	MS. CONGLETON: Well, surplus is what we use
17	MR. WEISS: Can you hear all that?	17	to fund our capital program and at this point because
18	THE COURT REPORTER: Yes.	18	we've been very careful and very fiscally prudent, we
19	MR. WEISS: Because I can't.	19	have enough cash in that fund to fund this year's
20	MR. JOHNSON: If, in fact, the metered sales	20	capital project and part of next year's capital project
21	were to sort of level off at the roughly 3 million	21	and then we will count on having surplus come in next
22	level, how might that impact	22	year as well to fund the next year's projects.
23	MS. CONGLETON: The rate increase?	23	MR. KISSIL: Is there a percentage of that
24	MR. JOHNSON: the rate increase going	24	487 versus the total amount? Are we talking 50, 60,
25	forward?	25	100, 80 percent surplus?
			F

	Page 22		Page 24
1	MS. CONGLETON: Of the 400 how much of the	1	the authority's rules and regulations for water
2	surplus, it's probably one-tenth.	2	service; and
3	MR. KISSIL: So we have ten times more money	3	WHEREAS, the proposed revised rates are
4	than that in surplus available to us.	4	required to generate sufficient revenues for the
5	MS. CONGLETON: Yes.	5	authority to meet its expenses and debt service as
6	MR. KISSIL: Thank you so much.	6	required by law and by the terms of its bond
7	MS. CONGLETON: You're welcome.	7	resolution; and
8	MS. DOUGHERTY: Thank you, Janice. First of	8	WHEREAS, the authority is required by law to
9	all, it's excellent.	9	hold a public hearing on the aforesaid rate revisions;
10	The annual decrease in consumption due to	10	and
11	loss of commercial?	11	WHEREAS, the notice of a public hearing and
12	MS. CONGLETON: Yes.	12	revised schedules of service charges were published in
13	MS. DOUGHERTY: Honeywell.	13	the Star-Ledger and Daily Record on November 20th,
14	MS. CONGLETON: Honeywell. Wait. Colgate.	14	2014, as required by law; and
15	MS. DOUGHERTY: Colgate, Mennen.	15	WHEREAS, notice of the proposed revised
16	Have we looked at and kind of the loss of	16	service charges were served upon the municipal clerks
17	Honeywell.	17	of each municipality serviced by the authority within
18	MS. CONGLETON: Honeywell is moving. They	18	the time permitted by the law; and
19	are taking over part of the Johnson and Johnson	19	WHEREAS, a public hearing on the proposed
20	building.	20	revised schedule of service charges was held by the
21	MS. DOUGHERTY: Okay. Good.	21	authority on December 18th, 2014, as required by law;
22	MR. WEISS: They're moving to Morris Plains.	22	and
23	MS. CUMMINGS: And there's also a	23	WHEREAS, extensive testimony was presented in
24	redevelopment plan for their property, some in Morris	24	support of the proposed revised rates and opportunity
25	Township.	25	was provided to the public to question witnesses and
	Page 23		Page 25
	*		1 390 20
1		1	
1	MS. DOUGHERTY: And other projects going on	1	comment thereon; and
2	MS. DOUGHERTY: And other projects going on in Morristown so we should be in pretty good shape.	2	comment thereon; and WHEREAS, the proposed rate revisions are
2 3	MS. DOUGHERTY: And other projects going on in Morristown so we should be in pretty good shape. MR. WEISS: But we can't count on them.	2 3	comment thereon; and WHEREAS, the proposed rate revisions are found to be just and reasonable and reasonably
2 3 4	MS. DOUGHERTY: And other projects going on in Morristown so we should be in pretty good shape. MR. WEISS: But we can't count on them. MS. CUMMINGS: And the connection with	2 3 4	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
2 3 4 5	MS. DOUGHERTY: And other projects going on in Morristown so we should be in pretty good shape. MR. WEISS: But we can't count on them. MS. CUMMINGS: And the connection with running water through the meter.	2 3 4 5	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
2 3 4 5 6	MS. DOUGHERTY: And other projects going on in Morristown so we should be in pretty good shape. MR. WEISS: But we can't count on them. MS. CUMMINGS: And the connection with running water through the meter. MS. DOUGHERTY: Thank you.	2 3 4 5 6	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 interests of the water system and the public
2 3 4 5 6 7	MS. DOUGHERTY: And other projects going on in Morristown so we should be in pretty good shape. MR. WEISS: But we can't count on them. MS. CUMMINGS: And the connection with running water through the meter. MS. DOUGHERTY: Thank you. CHAIRMAN CONRADI: Any other questions from	2 3 4 5 6 7	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 interests of the water system and the public interest to adopt the proposed revised schedules of
2 3 4 5 6 7 8	MS. DOUGHERTY: And other projects going on in Morristown so we should be in pretty good shape. MR. WEISS: But we can't count on them. MS. CUMMINGS: And the connection with running water through the meter. MS. DOUGHERTY: Thank you. CHAIRMAN CONRADI: Any other questions from the board?	2 3 4 5 6	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 interests of the water system and the public interest to adopt the proposed revised schedules of service charges.
2 3 4 5 6 7 8 9	MS. DOUGHERTY: And other projects going on in Morristown so we should be in pretty good shape. MR. WEISS: But we can't count on them. MS. CUMMINGS: And the connection with running water through the meter. MS. DOUGHERTY: Thank you. CHAIRMAN CONRADI: Any other questions from the board? MR. IANNACCONE: I move to close the meeting.	2 3 4 5 6 7 8 9	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 interests of the water system and the public interest to adopt the proposed revised schedules of service charges. NOW, THEREFORE, BE IT RESOLVED by the
2 3 4 5 6 7 8 9 10	MS. DOUGHERTY: And other projects going on in Morristown so we should be in pretty good shape. MR. WEISS: But we can't count on them. MS. CUMMINGS: And the connection with running water through the meter. MS. DOUGHERTY: Thank you. CHAIRMAN CONRADI: Any other questions from the board? MR. IANNACCONE: I move to close the meeting. MS. DOUGHERTY: Second.	2 3 4 5 6 7 8	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 interests of the water system and the public interest to adopt the proposed revised schedules of service charges.
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2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	MS. DOUGHERTY: And other projects going on in Morristown so we should be in pretty good shape. MR. WEISS: But we can't count on them. MS. CUMMINGS: And the connection with running water through the meter. MS. DOUGHERTY: Thank you. CHAIRMAN CONRADI: Any other questions from the board? MR. IANNACCONE: I move to close the meeting. MS. DOUGHERTY: Second. CHAIRMAN CONRADI: All in favor? (All voted aye in favor of motion.) CHAIRMAN CONRADI: Opposed? Motion carried. (A discussion is held off the record.) CHAIRMAN CONRADI: The next item is a resolution authorizing rate adjustment to be effective January 1, 2015.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	 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 interests of the water system and the public interest to adopt the proposed revised schedules of service charges. NOW, THEREFORE, BE IT RESOLVED by the Southeast Morris County Municipal Utilities Authority as follows: The revised schedules of service charges set forth in Exhibit A annexed hereto be and are hereby approved and adopted. The revised schedules of service charges shall be effective for bills rendered on and after January 1st, 2015.
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2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	MS. DOUGHERTY: And other projects going on in Morristown so we should be in pretty good shape. MR. WEISS: But we can't count on them. MS. CUMMINGS: And the connection with running water through the meter. MS. DOUGHERTY: Thank you. CHAIRMAN CONRADI: Any other questions from the board? MR. IANNACCONE: I move to close the meeting. MS. DOUGHERTY: Second. CHAIRMAN CONRADI: All in favor? (All voted aye in favor of motion.) CHAIRMAN CONRADI: Opposed? Motion carried. (A discussion is held off the record.) CHAIRMAN CONRADI: The next item is a resolution authorizing rate adjustment to be effective January 1, 2015. MR. WEISS: Mr. Chairman, I have a resolution approving revised schedules for service charges which I	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	 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 interests of the water system and the public interest to adopt the proposed revised schedules of service charges. NOW, THEREFORE, BE IT RESOLVED by the Southeast Morris County Municipal Utilities Authority as follows: The revised schedules of service charges set forth in Exhibit A annexed hereto be and are hereby approved and adopted. The revised schedules of service charges shall be effective for bills rendered on and after January 1st, 2015. MR. IANNACCONE: So moved. MR. BALDASSARI: Second. MR. WEISS: Thank you.
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	MS. DOUGHERTY: And other projects going on in Morristown so we should be in pretty good shape. MR. WEISS: But we can't count on them. MS. CUMMINGS: And the connection with running water through the meter. MS. DOUGHERTY: Thank you. CHAIRMAN CONRADI: Any other questions from the board? MR. IANNACCONE: I move to close the meeting. MS. DOUGHERTY: Second. CHAIRMAN CONRADI: All in favor? (All voted aye in favor of motion.) CHAIRMAN CONRADI: Opposed? Motion carried. (A discussion is held off the record.) CHAIRMAN CONRADI: The next item is a resolution authorizing rate adjustment to be effective January 1, 2015. MR. WEISS: Mr. Chairman, I have a resolution approving revised schedules for service charges which I will read into the record.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	 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 interests of the water system and the public interest to adopt the proposed revised schedules of service charges. NOW, THEREFORE, BE IT RESOLVED by the Southeast Morris County Municipal Utilities Authority as follows: The revised schedules of service charges set forth in Exhibit A annexed hereto be and are hereby approved and adopted. The revised schedules of service charges shall be effective for bills rendered on and after January 1st, 2015. MR. IANNACCONE: So moved. MR. BALDASSARI: Second. MR. WEISS: Thank you. CHAIRMAN CONRADI: Any questions?
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2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	MS. DOUGHERTY: And other projects going on in Morristown so we should be in pretty good shape. MR. WEISS: But we can't count on them. MS. CUMMINGS: And the connection with running water through the meter. MS. DOUGHERTY: Thank you. CHAIRMAN CONRADI: Any other questions from the board? MR. IANNACCONE: I move to close the meeting. MS. DOUGHERTY: Second. CHAIRMAN CONRADI: All in favor? (All voted aye in favor of motion.) CHAIRMAN CONRADI: Opposed? Motion carried. (A discussion is held off the record.) CHAIRMAN CONRADI: The next item is a resolution authorizing rate adjustment to be effective January 1, 2015. MR. WEISS: Mr. Chairman, I have a resolution approving revised schedules for service charges which I will read into the record. WHEREAS, the authority's Executive Director/Chief Engineer and Director of	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	 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 interests of the water system and the public interest to adopt the proposed revised schedules of service charges. NOW, THEREFORE, BE IT RESOLVED by the Southeast Morris County Municipal Utilities Authority as follows: The revised schedules of service charges set forth in Exhibit A annexed hereto be and are hereby approved and adopted. The revised schedules of service charges shall be effective for bills rendered on and after January 1st, 2015. MR. IANNACCONE: So moved. MR. BALDASSARI: Second. MR. WEISS: Thank you. CHAIRMAN CONRADI: Any questions? MR. WEISS: Good job, Janice. (All voted in favor of resolution.)

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12 CERTIFICATE 3 4 I, Lorin Thompson, a Notary Public and 5 Shorthand Reporter of the State of New Jersey, do 6 hereby certify as follows: 7 I DO FURTHER CERTIFY that the foregoing is a 8 true and accurate transcript of the testimony as taken 9 stenographically by and before me at the time, place 10 and on the date hereinbefore set forth. 11 I DO FURTHER CERTIFY that I am neither a 12 relative nor employee nor attorney nor counsel of any 13 of the parties to this action, and that I am neither a 14 relative nor employee of such attorney or counsel, and 15 that I am not financially interested in the action. 16 17 18 19 mpoor 20 Notary Public of the State of New Jersey My commission expires July 26, 2016 21 22 Dated: December 18, 2014 23 24 25

December 18, 2014

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3:18;4:16,19;6:13,	statutory (2)	25:9	Valley (1)	21:19,20,22
22;24:16	7:25;17:10	thereon (1)	13:15	yellow (1)
		25:1	various (1)	16:12
ervice (20)	step-drop (1)			10.12
3:1;5:1;7:17;8:16;	19:13	though (1)	20:13	7
9:10,17,20;10:9;13:5,	still (1)	16:17	versus (1)	Z
25;14:2;23:20;24:2,5,	16:18	three (2)	21:24	
12,16,20;25:8,12,15	street (1)	12:24;19:14	voted (2)	zero (2)
erviced (1)	13:12	times (1)	23:12;25:23	14:16;20:19
24:17	strictly (1)	22:3		
ervices (1)	14:12	took (1)	W	1
13:12	study (1)	6:21		-
			wages (3)	1 (2)
et (5)	23:24	total (3)		1 (2)
8:20;9:2;15:17;	subject (1)	14:4;16:6;21:24	13:4,19,22	23:18;25:12
17:19;25:13	17:11	totally (1)	Wait (1)	1.1 (1)
etting (1)	sufficient (2)	16:8	22:14	12:25
11:4	10:1;24:4	towards (1)	water (13)	100 (1)
	suggest (1)	20:5	3:17;4:1;8:16;10:3,	21:25
everal (1)	19:12	Town (1)	5;13:3,13,15;14:13;	17 (1)
			WILWING LUILUIL TILUI	/ /
15:19				
15:19 shall (3)	suggesting (1)	10:4	16:10;23:5;24:1;25:6	13:6
several (1) 15:19 shall (3) 7:22;8:2;25:16 shape (1)				

JH Buehrer & Associates

18th (1) 24:21		
1st (4)	7	
12:3;14:1;19:5; 25:17	7,500 (1) 16:13	
2	70 (1) 16:19	
2 (1) 25:15	8	
20 (3)	8 (1)	
4:20;5:8,17 2012 (1)	13:5 8:27 (1)	
8:13 2013 (1)	25:24	
12:25	80 (1) 21:25	
2014 (6) 4:20;5:8;10:17;		
16:13;24:14,21 2015 (11)		
3:9;12:3,24;13:25; 14:16;15:25;16:15;		
18:7;19:5;23:18;25:17		
2016 (1) 14:2		
20th (3) 5:8,17;24:13		
25 (1)		
13:5	-	
3	-	
3 (1) 19:21		
301 (1) 10:1		
	-	
4	-	
40:14B-1 (1) 9:3		
400 (1) 22:1		
48 (1)		
15:21 487 (1)		
21:24 487,000 (1)		
21:12		
5		
50 (2) 13:4;21:24		
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6		

Southeast Morris County Municipal Utilities Authority 19 Saddle Road • Cedar Knolls, New Jersey 07927 • Tel 973-326-6880 • Fax 973-326-9521



Resolution No. 75-14

RESOLUTION AUTHORIZING PAYMENT OF DECEMBER 2014 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	\$	409,443.75
Total Operating Fund Checks and Wire Transfers	\$	397,177.00
GENERAL FUND/SPECIAL ACCOUNT	<u>\$</u>	256,929.00
TOTAL OF DECEMBER 2014 LIST OF BILLS	\$	1,063,549.75

ATTEST:

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

William omach WILLIAM J. CONRADI, Chairman

SIDNEY D. WEISS, Assistant Secretary

Dated: December 18, 2014

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Edward A. Taratko, Jr.

ari Robert Carroll tko, Jr. William Conradi

Morris Plains:

Hanover Township: Saverio C. lannaccone 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 (\$1,063,549.75) for payment of the resolution entitled Resolution Authorizing Payment of December 2014 List of Bills in the Authority's 2014 Operating Budget.

Jonus Congleton JANICE A. CONGLETON, Treasurer

Dated: December 18, 2014

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 18, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

Dated: December 18, 2014



Resolution No. 76-14

RESOLUTION APPROVING REVISED SCHEDULES OF SERVICE CHARGES

WHEREAS, the Authority's Executive Director/Chief Engineer and Director 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 meets its expenses and debt service as required by law and by the terms of its bond resolutions; 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 Star Ledger and the Daily Record on November 20, 2014, 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 18, 2014, 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: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone 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 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, 2015.

ATTEST:

SIDNEY D. WEISS, Assistant Secretary

DATED: December 18, 2014

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

William Conradi WILLIAM & CONRADI, Chairman

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)

Quantity Used Quarterly

"Lifeline" Rate Conservation Rate High Usage Rate Incentive Rate 0-10 11-30 31-90 91 & Over RATE (per 100 Cubic Feet)

\$ 2.540
\$ 2.792
\$4.187
\$ 5.584

REGULAR INDUSTRIAL AND COMMERCIAL RATE (BILLED QUARTERLY)

\$4.187 per 100 Cubic Feet

LARGE INDUSTRIAL AND COMMERCIAL RATE (BILLED MONTHLY)

\$4.187 per 100 Cubic Feet

NOTE: One consumption unit = 100 cubit 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.

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.

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)

Meter Size	Charges
5/8 Inch 3/4 Inch 1 Inch 1 1/2 Inch 2 Inch 3 Inch 4 Inch 6 Inch 8 Inch	\$ 19.13 \$ 23.45 \$ 38.41 \$ 58.85 \$ 82.82 \$ 138.02 \$ 213.73 \$ 400.70 \$ 622.79
10 Inch	\$ 879.90

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

Meter Size	Charges
5/8 Inch 3/4 Inch 1 Inch 1 1/2 Inch 2 Inch 3 Inch 4 Inch 6 Inch 8 Inch	\$ 6.39 \$ 7.81 \$ 22.81 \$ 29.63 \$ 37.63 \$ 55.95 \$ 81.25 \$ 143.58 \$ 217.61
10 Inch	\$ 303.32

SCHEDULE NO. 3 PRIVATE FIRE PROTECTION

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

Size of Service	Charges per Quarter
2 Inch	\$ 69.88
3 Inch	\$ 92.80
4 Inch	\$ 138.66
6 Inch	\$ 229.28
8 Inch	\$ 384.31
10 Inch	\$ 549.18

SCHEDULE NO. 4 PRIVATE FIRE PROTECTION SERVICE (HYDRANTS)

Applicable within and outside the District for Private Fire Protection.

Private Fire Hydrants	Charges per Quarter
4 Inch	\$ 60.05
4 1/4 – 4 1/2 Inches	\$ 75.33
5+ Inches	\$ 89.53

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

SCHEDULE NO. 5 NON-METERED SERVICE

Applicable to the entire territory service by the Authority.

RATE

Annual Charge \$ 84.07 (outdoor drinking fountain)

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	\$ 38.21
Meters larger than 1 Inch	\$ 62.23

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

Meters up to and including 1 Inch	\$ 38.21
Meters larger than 1 Inch	\$ 62.23

TAPPING FEES

	NEW	<u>RENEWAL</u>
5/8 x 3/4 Inch	\$ 544.81	\$ 408.33
3/4 Inch	\$ 603.77	\$ 467.29
1 Inch	\$ 873.44	\$ 611.41
1 1/2 Inch	\$ 931.31	\$ 679.10
2 Inch	\$ 1,337.46	\$ 1,065.60

WET CUT FEES

Sizes	Charges
4 Inch	\$ 467.29
6 Inch	\$ 532.80
8 Inch	\$ 577.56
10 Inch	\$ 736.97

OTHER SERVICES

	9	Charges
Pumping Out Meter Pit	\$	76.43
Annual Backflow/Detector Check	\$	76.43
Locate and Clean Curb Box per Hour*	\$	38.21

*One hour minimum.

LABOR AND MATERIALS

Walking

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

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. \$2.25

MISCELLANEOUS APPLICATION FEES

<u>TY</u>	<u>PE (</u>	DF APPLICATION	FEES*		
A.		rvice Connection Outside District ccludes new Main Extensions)			
	1.	Residential (per connection/unit)		\$	31.66
	2.	Commercial or Industrial (single unit and accessory use)		\$	319.90
	3.	Industrial Park or Commercial Complex		\$	785.00
В.	For	w Main Extension Outside District purpose of providing service solely to sons or property within District			
	1.	Residential		\$	165.95
	2.	Commercial or Industrial		\$	319.90
C.		Other New Main Extension Outside			
	1.	Residential Development (per connection/unit)	(Min.	\$ fee \$	31.66 3977.16)
	2.	Commercial or Industrial (single use and accessory use including fire service)		\$ 2	2,121.37
	3.	Industrial Park or Commercial Complex (two or more units) (per connection/unit)		\$ 1	,829.91

*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.

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 \$532.80

Deposit: \$507.69 plus \$3.83 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.

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 \$32.75 plus any penalties the Authority may incur from its bank handling the uncollectible check.

SCHEDULE NO. 10 SCHEDULE OF DEPOSITS

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- Omit -

SCHEDULE NO. 11 HYDRANT PERMIT FEES

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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	\$ 168.14
(deposit refunded when returned)	

Monthly Charge for Unmetered Water (payable in advance) \$108.09

SCHEDULE NO. 12 WATER SEARCH SERVICE CHARGE

Requests by customers or other authorized persons for searches for liens and/or unpaid service charges shall be subject to an administrative service charge as follows:

Each premise for which a search is requested

\$ 16.38

Each request must be in writing and accompanied by payment in full of the applicable charge.

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) \$3,984.00

An equivalent dwelling unit is defined as usage of 192.942 gallons per pay.

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.

SCHEDULE NO. 14 IRRIGATION SERVICE

Flat Rate per 100 cubic feet	\$ 5.62
Seasonal on/off; drain meter charge	\$ 114.64

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 18, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

Dated: December 18, 2014

Southeast Morris County Municipal Utilities Authority 19 Saddle Road • Cedar Knolls, New Jersey 07927 • Tel 973-326-6880 • Fax 973-326-9521



Resolution No. 77-14

RESOLUTION CANCELLING THE TRANSFER OF A CAPITAL BUDGET AMOUNT TO UNRESTRICTED NET ASSETS

WHEREAS, by resolution adopted on October 16, 2014, the Authority transferred certain balances in the amount of \$1,540,580.00 from the Capital Budget to Unrestricted Net Assets; and

WHEREAS, such funds and the capital improvements are necessary to be reinstated as part of the Authority's 2014 Capital Budget; and

WHEREAS, the Director of Finance/Treasurer has recommended and requested that some balances that were transferred be cancelled and returned to the Capital Budget from unrestricted net assets; and

WHEREAS, it appears that such cancellations and 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 capital fund balances totaling \$54,000 transferred to unrestricted net assets be returned to the 2014 Capital Budget item Water Main Rehabilitation and Replacement for use in funding a water main repair and part water main relocation as recommended by the Director of Finance/Treasurer;

AND BE IT FURTHER RESOLVED that the Director 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:

222

SIDNEY D. WEISS, Assistant Secretary

DATED:

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Alan Johnson Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

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

Superintendent: Paul A. Kozakiewicz

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

WILLIAM J. CONRADI, Chairman

William Conradi

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 18, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

Dated: December 18, 2014

Southeast Morris County Municipal Utilities Authority 19 SADDLE ROAD • CEDAR KNOLLS, NEW JERSEY 07927 • TEL 973-326-6880 • FAX 973-326-9521



Resolution No. 78-14

RESOLUTION AUTHORIZING THE TRANSFER OF FUNDS BETWEEN BUDGET APPROPRIATIONS

WHEREAS, the Authority's Director of Finance/Treasurer has advised that there exists certain funds in the 2014 budget line items which will be remaining at year end; and

WHEREAS, there are certain budget line items in the 2014 budget that require additional funding prior to the year end; and

WHEREAS, the Director 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 2014 Operating Budget totaling \$169,700 are hereby approved:

Budget Transfers for 2014

Budget Line Item	Title	Amount
Transfer To:		
02-12-400-501	IT Salary & Wages	\$ 7,500.00
02-30-400-501	Finance Salary & Wages	\$ 10,000.00
02-40-400-501	Customer Service Salary & Wages	\$ 1,000.00
02-40-400-502	Customer Service Overtime	\$ 16,000.00
02-50-400-501	Operations Salary & Wages	\$ 36,200.00
02-50-400-621	Operations - Water Purchased	\$ 70,000.00
02-60-400-692	Transmissions & Distribution - Street Repair/Spoils Removal	\$ 15,000.00
02-75-400-601	Water Quality - Contract Analytical and Sampling	\$ 10,000.00
02-75-400-501	Water Quality Salary & Wages	\$ 4,000.00
	Total	\$169,700.00

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Alan Johnson Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

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

Superintendent: Paul A. Kozakiewicz

Transfer From:			
02-60-400-501	Transmission & Distribution Salary & Wages		\$ 40,000.00
02-70-400-501	Treatment & Pumping Salary & Wages		\$112,000.00
02-40-400-617	Customer Service - Collection Billing Service		\$ 17,700.00
		Total	\$169,700.00

AND BE IT FURTHER RESOLVED that the Director 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

MUNICIPAL UTILITIES AUTHORITY

THE SOUTHEAST MORRIS COUNTY

William Conradi WILLIAM J. CONRADI, Chairman

DATED: December 18, 2014

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 18, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

Dated: December 18, 2014

Southeast Morris County Municipal Utilities Authority 19 SADDLE ROAD • CEDAR KNOLLS, NEW JERSEY 07927 • TEL 973-326-6880 • FAX 973-326-9521



Resolution No. 79-14

RESOLUTION AUTHORIZING THE TRANSFER OF GENERAL FUND MONIES TO SPECIAL FUND TD BANK ACCOUNT NO. 0021186622

WHEREAS, The Southeast Morris County Municipal Utilities Authority has determined that certain amounts in the General Fund established under the Authority's 2010 Bond Resolution ("2010 Bond Resolution") amounting to a maximum of \$3,100,000 are in excess of amounts reasonably required, in the opinion of the Authority, to be reserved pursuant to the 2010 Bond Resolution and for any current or anticipated necessary construction of the water system;

WHEREAS, Section 509 (2) of the 2010 Bond Resolution authorizes the Authority to direct the Trustee to withdraw and pay out such amount from the General Fund free and clear of any lien or pledge created by the said resolution, to be used for any lawful purpose of the Authority.

NOW THEREFORE BE IT RESOLVED by The Southeast Morris County Municipal Utilities Authority that, pursuant to Section 509 (2) of the 2010 Bond Resolution, the TD Bank, Trustee is hereby authorized and directed to withdraw a maximum of \$3,100,000 from the Revenue Trust Fund Account, TD Bank Services #81-0512-01-2 Corporate Trust, Cherry Hill, New Jersey and transfer such amount to The Southeast Morris County Municipal Utilities General Fund Account No. 0021186622, TD Bank, Cherry Hill, New Jersey. The exact amount will be determined on or before December 31, 2014 by the Executive Director and Treasurer and approved by the Chairman.

ATTEST:

SIDNEY D. WEISS, Assistant Secretary

DATED: December 18, 2014

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

William Conrach

WILLIAM J. CONRADI, Chairman

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Alan Johnson Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone 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 18, 2014, at a meeting duly convened of said Authority.

SHDNEY D. WEISS, Assistant Secretary

Dated: December 18, 2014

2015 ADOPTION CERTIFICATION

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

AUTHORITY BUDGET

FISCAL YEAR: FROM JANUARY 1, 2015 TO DECEMBER 31, 2015

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 <u>The Southeast Morris County Municipal Utilities</u> Authority, pursuant to N.J.A.C. 5:31-2.3, on the <u>18th</u> day of <u>December</u>, <u>2014</u>.

and the second se				
(Assistant Secretary's Signature)				
Sidney D. Weiss				
(Print Name)				
(i (int i (unit))				
Assistant Socratary				
Assistant Secretary				
(Title)				
19 Saddle Road				
(Address)				
Coder Knelle, New Jorgey 07007				
Cedar Knolls, New Jersey 07927				
(City, State, Zip Code)				
973-326-7234	973-326-9521			
(Phone Number)	(Fax Number)			
	(1			
sdweiss@smcmua.org				
(City, State, Zip Code)				

Resolution No. <u>80-14</u>

2015 ADOPTED BUDGET RESOLUTION

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

AUTHORITY BUDGET

FISCAL YEAR: FROM JANUARY 1, 2015 TO DECEMBER 31, 2015

WHEREAS, the Annual Budget and Capital Budget/Program for <u>The Southeast Morris County Municipal</u> <u>Utilities</u> Authority for the fiscal year beginning <u>January 1, 2015</u> and ending, <u>December 31, 2015</u> has been presented for adoption before the governing body of <u>The Southeast Morris County Municipal Utilities</u> Authority at its open public meeting of <u>December 18, 2014</u>; 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 \$13,998,930.00, Total Appropriations, including any Accumulated Deficit, if any, of \$14,486,013.38 and Total Unreserved Retained Earnings utilized of \$487,083.38; and

WHEREAS, the Capital Budget as presented for adoption reflects Total Capital Appropriations of 3,095,000.00 and Total Unreserved Retained Earnings planned to be utilized of 3,095,000.00; and

NOW, THEREFORE BE IT RESOLVED, by the governing body of <u>The Southeast Morris County Municipal</u> <u>Utilities</u> Authority, at an open public meeting held on <u>December 18, 2014</u> that the Annual Budget and Capital Budget/Program of <u>The Southeast Morris County Municipal Utilities</u> Authority for the fiscal year beginning, <u>January 1, 2015</u> and ending, <u>December 31, 2015</u>, 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 18, 2014 (Date)		
Governing Body Member:		Recorded Vote		
-	Aye	Nay	Abstain	Absent
Baldassari, Dennis	X	·		
Carroll, Robert	Х			
Conradi, William	Х			
Dougherty, Mary	Х			
lannaccone, Saverio	Х			
Johnson, Alan	Х			
Kissil, Donald	Х			
Schimpf, Adolf				Х

Southeast Morris County Municipal Utilities Authority 19 SADDLE ROAD • CEDAR KNOLLS, NEW JERSEY 07927 • TEL 973-326-6880 • FAX 973-326-9521



Resolution No. 81-14

RESOLUTION AWARDING CONTRACTS FOR INSURANCE COVERAGE FOR 2015

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 12, 2014, to be effective January 1, 2015, and submitted to the Members prior to this meeting; and

WHEREAS, Willis has advised that formal insurance proposals were submitted by American Alternative Insurance Company and Zurich Insurance Group at a maximum cost to the Authority of \$126,618.40 for package (property, crime, equipment breakdown, inland marine, general liability and automobile), public official liability and excess liability; The Hartford at a maximum cost to the Authority of \$20,125.00 for temporary disability benefit; and Statewide Insurance Fund at a maximum cost to the Authority of \$138,988.00 for workers compensation (collectively the "Proposals"); 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 Proposals 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, 2015; 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

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Alan Johnson Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

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

Superintendent: Paul A. Kozakiewicz

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 2015 budget; and

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 Insurance Company for package (property, crime, equipment breakdown, inland marine, general liability and automobile), public official liability and excess liability at an annual premium of \$136,242.24; and
 - b. The Hartford for temporary disability benefit at an annual premium of \$20,125.00; and
 - c. Statewide Insurance Fund for workers compensation at an annual premium of \$133,131.00.
- 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, 2015 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

William Conracli WILLIAM J. CONRADI, Chairman

DATED: December 18, 2014

EXHIBIT "A"



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 18, 2014

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

<u>Firm</u>: Willis of New Jersey, Inc. (Insurance Agent)

- Carriers: See attached resolution
- Cost: Not to exceed \$289,498.24 total
- Period: January 1, 2015 through December 31, 2015
- <u>Purpose</u>: Insurance policies covering property including package (property, crime, equipment breakdown, inland marine, general liability and automobile), public official liability, excess liability, temporary disability benefit 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 12, 2014, which was provided to the Members and will be presented at the December 18, 2014 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 18, 2014 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

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 Proposals for 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 for the one year period commencing on January 1, 2015 exceeds \$17,500.

Janice A. Congleton

Treasurer

Dated: December 18, 2014

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Edward A. Taratko, Jr. Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

Executive Director/Chief Engineer: Laura Cummings, P.E.Superintendent: Paul A. Kozakiewicz

TREASURER'S CERTIFICATION

I hereby certify funds are available in the amount of \$289,498.24, 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, temporary disability benefit and workers compensation for 2015. This item will be charged to Account No. 02 - 92 - 492 - 650.

JANICE A. CONGLETON, Treasurer

DATED: December 18, 2014

NOTICE OF AWARD OF CONTRACT FOR EXTRAORDINARY UNSPECIFIABLE SERVICE

Public Notice is hereby given that on December 18, 2014, 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 Statewide Insurance Fund (workers compensation); American Alternative Insurance Company and Zurich Insurance Group (property, crime, equipment breakdown, inland marine, general liability, automobile, public official liability and excess liability), Public Officials Liability and umbrella); and The Hartford (temporary disability benefit), without competitive bidding as an extraordinary unspecifiable service. The contract is for insurance coverage for a period of one year commencing on January 1, 2015 at a cost to the Authority not to exceed \$289,498.24, as more particularly set forth in a Resolution adopted on December 18, 2014, 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

WILLIAM J. CONRADI, Chairman

WILLIAW J. CONKADI, Chair

DATED: December 18, 2014

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 18, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

Dated: December 18, 2014

Southeast Morris County Municipal Utilities Authority 19 SADDLE ROAD • CEDAR KNOLLS, NEW JERSEY 07927 • TEL 973-326-6880 • FAX 973-326-9521



Resolution No. 82-14

RESOLUTION APPOINTING RISK MANAGEMENT CONSULTANT

WHEREAS, The Southeast Morris County Municipal Utilities Authority has joined or is about to join the Statewide Insurance Fund (hereinafter "Fund"), a joint insurance fund as defined in N.J.S.A. 40A:10-36 et seq.; and

WHEREAS, the Bylaws of the Fund require participating members to appoint a Risk Management Consultant, as those positions are defined in the Bylaws, if requested to do so by the Fund; and

WHEREAS, The Southeast Morris County Municipal Utilities Authority has complied with relevant law with regard to the appointment of a Risk Management Consultant; and

WHEREAS, the Fund has requested its members to appoint individuals or entities to that position; and

NOW, THEREFORE, BE IT RESOLVED by the governing body of The Southeast Morris County Municipal Utilities Authority, in the County of Morris, State of New Jersey, as follows:

- 1. The Southeast Morris County Municipal Utilities Authority hereby appoints Robert English as its local Risk Management Consultant; and
- 2. The Chairman or Vice Chairman and Secretary or Assistant Secretary and Risk Management Consultant are hereby authorized to execute the Risk Management Consultant's Agreement for the year 2015 in the form attached hereto.

By:

ATTEST:

SIDNEY D. WEISS, Assistant Secretary

DATED: December 18, 2014

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Alan Johnson Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

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

Superintendent: Paul A. Kozakiewicz

William Conradi

WILLIAM J. CONRADI, Chairman

THE SOUTHEAST MORRIS COUNTY

2015 FUND YEAR STATEWIDE INSURANCE FUND

RISK MANAGEMENT CONSULTANT'S AGREEMENT

THIS AGREEMENT entered into this 18th day of December, 2014, among the Statewide Insurance Fund ("FUND"), a joint insurance fund of the State of New Jersey, The Southeast Morris County Municipal Utilities Authority ("MEMBER") and Robert English ("CONSULTANT") through a fair and open process, pursuant to N.J.S.A. 19:44A-20.4.

WHEREAS, the CONSULTANT has offered to the MEMBER professional risk management consulting services as required by the Bylaws of the FUND; and

WHEREAS, the CONSULTANT has advised the FUND that he/she is familiar with the terms, conditions and operations of the FUND; and

WHEREAS, the MEMBER desires these professional services from the CONSULTANT; and

WHEREAS, the MEMBER has complied with relevant law in regard to the appointment of a Risk Management Consultant; and

WHEREAS, the Bylaws of the FUND require that members engage a CONSULTANT and that the CONSULTANT comply with certain requirements set forth therein.

NOW, THEREFORE, the parties in consideration of the mutual promises and covenants set forth herein, agree as follows:

- 1. For and in consideration of the amount stated hereinafter, the CONSULTANT shall:
 - (a) assist in evaluating the MEMBER'S exposures and advise on matters relating to the Member's operation and coverage.
 - (b) explain to the MEMBER, or its representatives, the various coverages available from the FUND.
 - (c) explain to the MEMBER, or its representatives, the terms of the member's commitment and obligations to the FUND.
 - (d) explain to the MEMBER, or its representatives the operation of the FUND.

- (e) prepare applications, statements of values, etc., on behalf of the MEMBER, if required by the FUND.
- (f) review the MEMBER'S assessment and assist in the preparation of the MEMBER'S insurance budget.
- (g) review losses and engineering reports and provide assistance to the MEMBER'S safety committee, if required.
- (h) assist in the claims settlement process, if required, by MEMBER or FUND.
- (i) attend the majority of meetings of the Fund Commissioners or Executive Committee, if requested, and perform such other services as required by the MEMBER or the FUND.
- (j) comply with the obligations imposed upon Risk Managers in the FUND's Bylaws.
- (k) act in good faith and fair dealing to the FUND.
- (I) perform other duties for the FUND as may be required from time to time by the FUND.
- 2. In exchange for the above services, the CONSULTANT shall be compensated in the following manner:
 - (a) The CONSULTANT shall be paid by the FUND, on behalf of the MEMBER, a fee as compensation for services rendered. Said fee, an apportionment of the MEMBER's assessment: 6% of workers' compensation (excluding any fees, PLIGA, and loss ratio apportionment); 7.5% of all lines assessment (excluding any fees, PLIGA, and loss ratio apportionment); and 10% of Selective umbrella assessment (excluding fees, PLIGA and administrative expenses).
 - (b) The CONSULTANT shall be entitled to compensation for services provided during any calendar year only if the CONSULTANT has been appointed and holds the position of Risk Management Consultant, as of January 31 of the said calendar year for counties and municipalities holding general elections and July 30 for municipalities holding regular elections.
 - (c) For any insurance coverages authorized by the MEMBER to be placed outside the FUND, the CONSULTANT shall receive as compensation the normal brokerage commissions paid by the insurance company. The premiums for said policies shall not be added to the FUND's assessment in computing the fee set forth in 2(a).

- (d) If the MEMBER shall require of the CONSULTANT extra services other than those outlined above, the CONSULTANT shall be paid by the MEMBER a fee at a rate to be negotiated by the parties.
- 3. In exchange for the above services, the CONSULTANT shall be compensated in the term of this Agreement shall be from **January 1, 2015** to **January 1, 2016**. However, this Agreement may be terminated by either party at any time by mailing to the other thirty (30) days written notice, certified mail return receipt.
- 4. The CONSULTANT shall comply with all laws applicable to producers who provide insurance products to public entities and shall comply with all applicable statutes and regulations relating to joint insurance funds.
- 5. The CONSULTANT agrees to comply with all affirmative action laws applicable in accordance with Exhibit A and to submit all necessary documentation establishing compliance within seven (7) days of this Agreement.

ATTEST:

Member Representative

ATTEST:

Risk Management Consultant Corporate

Officer

ATTEST:

Statewide Insurance Fund Chairperson

I, Sidney D. Weiss, Assistant Secretary to The Southeast Morris County Municipal Utilities Authority does hereby certify the foregoing to be a true and correct copy of a Resolution adopted by the Members on December 18, 2014.

SIDNEY D. WEISS, Assistant Secretary

Witness my hand and seal of the State of New Jersey this 18th day of December, 2014.

Alexis K. Bozza

Notary Public of New Jersey My Commission Expires: 03/21/2016

Southeast Morris County Municipal Utilities Authority 19 SADDLE ROAD • CEDAR KNOLLS, NEW JERSEY 07927 • TEL 973-326-6880 • FAX 973-326-9521



Resolution No. 83-14

RESOLUTION APPOINTING FUND COMMISSIONER

WHEREAS, The Southeast Morris County Municipal Utilities Authority is a member of the Statewide Insurance Fund (hereinafter "Fund"), a joint insurance fund as defined in N.J.S.A. 40A:10-36 et seq.; and

WHEREAS, the Bylaws of the Fund require participating members to appoint a Fund Commissioner, as those positions are defined in the Bylaws, if requested to do so by the Fund; and

WHEREAS, the Fund has requested its members to appoint individuals or entities to that position; and

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

The Southeast Morris County Municipal Utilities Authority hereby appoints 1. Laura Cummings as its Fund Commissioner; and

BE IT FURTHER RESOLVED that The Southeast Morris County Municipal Utilities Authority's Fund Commissioner is authorized and directed to execute all such documents as required by the Fund.

ATTEST:

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

SIDNEY D. WEISS, Assistant Secretary

By: ram Conradi WILLIAM J. CONRADI, Chairman

This Resolution agreed to the 18th day of December, 2014 by a vote of:

Affirmative Φ Abstain Φ

Negative Absent

Board Members

Morristown: Mary Dougherty Donald Kissil

Morris Township: Dennis Baldassari Alan Johnson

Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

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

Superintendent: Paul A. Kozakiewicz

I, Sidney D. Weiss, Assistant Secretary to The Southeast Morris County Municipal Utilities Authority does hereby certify the foregoing to be a true and correct copy of a Resolution adopted by the Members on December 18, 2014.

SIDNEY D. WEISS, Assistant Secretary

C

Witness my hand and seal of the State of New Jersey this 18th day of December, 2014.

Alexis K. Bozza Notary Public of New Jersey My Commission Expires: 03/21/2016

Southeast Morris County Municipal Utilities Authority 19 SADDLE ROAD • CEDAR KNOLLS, NEW JERSEY 07927 • TEL 973-326-6880 • FAX 973-326-9521



Resolution No. 84-14

RESOLUTION AWARDING CONTRACT FOR WATER STORAGE TANK PAINTING AND REHABILITATION INSPECTION SERVICES (CONTRACT NO. C-201404)

WHEREAS the Authority has advertised and solicited bids for the project entitled Water Storage Tank Painting and Rehabilitation Inspection Services (Contract No. C-201404) on December 16, 2014; and

WHEREAS, three bids were received by the seven companies who obtained bid packages; and

WHEREAS, Mumford-Bjorkman Associates, Inc., has been determined to be the lowest qualified bidder in the total not to exceed amount of \$111,275; and

WHEREAS, funds are available in the 2015 Budget for this award and have been certified by the Treasurer of the Authority;

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

- 1. That a contract for Water Storage Tank Painting and Rehabilitation Inspection Services (Contract No. C-201404) be awarded to Mumford-Bjorkman Associates, Inc., in accordance with its bid submitted on December 16, 2014, in the not to exceed amount of \$111,275.
- 2. That the appropriate officers of the Authority be and they are hereby authorized and directed to execute a contract with regard to said project on behalf of the Authority in the manner provided by law.

ATTEST:

SIDNEY D. WEISS, Assistant Secretary

DATED: December 18, 2014

Board Members

Morristown: Mary Dougherty **Donald Kissil**

Morris Township: Dennis Baldassari Alan Johnson

Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

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

Superintendent: Paul A. Kozakiewicz

Lam burada WILLIAM J. CONRADI, Chairman

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

TREASURER'S CERTIFICATION

I hereby certify the availability of funds in the 2015 Budget for payment of a contract with Mumford-Bjorkman Associates, Inc., for Water Storage Tank Painting and Rehabilitation Inspection Services (Contract No. C-201404). The total maximum amount of this contract will not exceed \$111,275. This item will be charged to Account No. 02 - 500 - 346.

Janue A Congleton JANICE A. CONGLETON, Treasurer

DATED: December 18, 2014

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 18, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

Dated: December 18, 2014



Resolution No. 85-14

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 Authority has a need for non-exclusive professional consulting engineering services related to water supply planning and rate related matters commencing January 1, 2015; and

WHEREAS, Howard J. Woods Jr. & Associates, L.L.C. has submitted a proposal dated November 24, 2014 for the providing of such services commencing January 1, 2015 and terminating December 31, 2105 at an estimated maximum amount of \$36,000, 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: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone 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 November 24, 2014, a copy of which is annexed hereto as Exhibit "A" be and the same is hereby accepted and approved effective January 1, 2015 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, 2015 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:

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

SIDNEY D. WEISS, Assistant Secretary

DATED: December 18, 2014

<u>William</u> (<u>busa</u> di WILLIAM J. CONRADI, Chairman

EXHIBIT "A"

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

November 24, 2014

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 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 during 2014 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 2015 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

During 2014, 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.

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 Rockaway while generating a utilization

> 138 Liberty Drive, Newtown, Pennsylvania 18940-1111 Phone: 215-579-9912 Fax: 215-504-4595 http://www.howardwoods.com

fee for The Southeast Morris County Municipal Utilities Authority ("SMCMUA"). Preliminary discussions with Wharton on this matter also suggest an opportunity to make the existing supply arrangement more permanent, guaranteeing a long-term source of sale for resale revenues 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. In addition to your internal supplies, you also purchase water directly from MCMUA and from Passaic Valley Water Commission through an assignment of rights under a long-term water supply agreement between Passaic Valley Water Commission and New Jersey American Water Company. 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.

A number of communities near your service District have experienced regulatory shortfalls in water capacity. According to NJDEP records, your system has a modest surplus in peak capacity and allocation rights. Shortfalls in neighboring areas have resulted in litigation among and between land developers and water suppliers. Some of these cases have involved scarce resource claims and some have been driven to litigation by developers seeking to use COAH to drive resource allocation decisions, such as the Morris Commons LLC v. Rockaway case that you have been brought into.

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.

<u>Proposal</u>

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. We are also prepared to continue to assist you in any litigation that may result from the ongoing Morris Commons LLC v. Rockaway Township matter, if necessary.

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 2015, we understand that you would like our support in addressing several issues including but not limited to:

1. <u>Completion of a long-term water demand forecast incorporating land</u> <u>development information provided by your District municipalities.</u> The current SMCMUA water demand forecast does not fully reflect the impact of conservation on water needs requirements. In addition, an updated forecast is needed to better reflect current District municipality development plans. Having an updated forecast will better position SMCMUA to respond to economic development needs within and outside the District;

- 2. Evaluate regional water supply planning opportunities. In the Morris Commons matter, we identified an opportunity to generate additional water sales outside of the District. Greater regional level planning of this nature is likely to produce other opportunities for SMCMUA and we are prepared to assist you in discussions with neighboring systems to advance SMCMUA's role in regional water supply;
- 3. <u>Strengthen your revenue budgeting procedures to take full advantage of your new customer accounting and billing systems.</u> 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;</u>
- 4. Provide support to your staff in implementing the current AWWA water loss control and water accounting methods. Historical water production records show a continuing level of non-revenue water that can be improved. You have already set a goal for SMCMUA to make significant reductions in non-revenue water. Implementing the current AWWA recommended procedures will allow you to realize this goal and we can provide that technical support to your staff to make this happen;
- 5. <u>Support your effort to ensure that SMCMUA compensation strategies are competitive.</u> The labor market for experience water supply professionals, especially those with various State operating licenses, is very competitive. You have begun a review of your compensation programs and we can assist you by providing current information on New Jersey utilities competing for the same labor talent needed by SMCMUA; and
- 6. <u>Review emergency response plans approach to drought and severe rainfall events.</u> 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.

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 2015. 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 SMCMUA 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 2015, the cost of our assistance will not exceed \$36,000. 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 we 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 Communities served by these systems include Pittsburgh, the United States. 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. 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 \$160 per hour (one hundred sixty 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, 2015 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.

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

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.

Sincerely yours,

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

Ms. Laure Cummings, P.E. Re: Planning Services

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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

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Summary of Work Plan Tasks and Costs

Professional Engineering Services for Water Supply Planning and Rate Related Matters

Task Designation	Estimated Hours	Estimated Consulting Fees	Estimated Expenses	Total Estimated Cost
Review Existing Studies and Available Data	60	\$9,600	\$0	\$9,600
Perform Evaluations and Studies	118	\$18,880	\$420	\$19,300
Attendance at Meetings	<u>40</u>	<u>\$6,400</u>	<u>\$700</u>	<u>\$7,100</u>
TOTAL	<u>218</u>	<u>\$34,880</u>	<u>\$1,120</u>	<u>\$36,000</u>

TREASURER'S CERTIFICATION

I hereby certify that there are sufficient funds available (\$36,000) 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.

Janue A Congleton JANICE A. CONGLETON, Treasurer

DATED: December 18, 2014

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.

JANICE A. CONGLETON, Treasurer

DATED: December 18, 2014

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 18, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

DATED: December 18, 2014

NOTICE OF AWARD OF PROFESSIONAL SERVICE CONTRACT

Public Notice is hereby given that on May 15, 2014, 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 \$36,000 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

William Conradi WILLIAM J CONRADI, Chairman

DATED: December 18, 2014

Southeast Morris County Municipal Utilities Authority 19 SADDLE ROAD • CEDAR KNOLLS, NEW JERSEY 07927 • TEL 973-326-6880 • FAX 973-326-9521



Resolution No. 86-14

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 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 2015 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

DATED: December 18, 2014

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

William Conradi

WILLIAM J. CONRADI, Chairman

Board Members

Morristown: Mary Dougherty Donald Kissil Morris Township: Dennis Baldassari Alan Johnson Morris Plains: Robert Carroll William Conradi Hanover Township: Saverio C. lannaccone Adolf Schimpf

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

Superintendent: Paul A. Kozakiewicz

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 18, 2014, at a meeting duly convened of said Authority.

SIDNEY D. WEISS, Assistant Secretary

Dated: December 18, 2014