

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

MEETING MINUTES

FEBRUARY 16, 2017

The Regular Meeting of The Southeast Morris County Municipal Utilities Authority (the "Authority") was held on Thursday, February 16, 2017, at 7:00 PM prevailing time in the Board Room at the offices of the Authority at 19 Saddle Road, Cedar Knolls, New Jersey.

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

ROLL CALL

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

ABSENT: Member Dougherty

* Members participated in the meeting via telephone and acknowledged that they could hear the Chairman and other participants.

MOTION APPROVING MINUTES OF FEBRUARY 1, 2017

Copies of the minutes of the meeting held on February 1, 2017, were distributed to the members prior to the meeting for review and comment. Member Rotando moved that the minutes be adopted. Member Conradi seconded the motion which was duly adopted by the following vote:

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

NOES: None

RESOLUTION – APPROVAL OF SECOND FEBRUARY 2017 LIST OF BILLS

Copies of the second bill list for February 2017 were distributed to the members prior to the meeting for comment and approval. Member Conradi moved to approve the list of bills and offered the following resolution:

RESOLUTION NO. 15-17

RESOLUTION AUTHORIZING PAYMENT OF SECOND LIST OF BILLS FOR FEBRUARY 2017

"COPY ANNEXED"

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

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

NOES: None

OTHER BUSINESS

A. Resolution Authorizing the Transfer of Funds between 2016 Budget Appropriations

The Board reviewed a memorandum from the Manager of Finance dated February 13, 2017, where he advised that there exists certain funds in the 2016 budget line items which will be remaining at year end and that there are certain budget line items in the 2016 budget that require additional funding prior to the year end. Per suggestion by the Authority's Auditors that it authorize and obtain Board approval for budget transfers among its internal appropriation line items to cover actual expenditures, the Manager of Finance requested that such balances, totaling \$16,500.00, be transferred from the various budget line items with balances to those requiring additional funds to balance. Member Rotando offered the following resolution:

RESOLUTION NO. 16-17

RESOLUTION AUTHORIZING THE TRANSFER OF FUNDS BETWEEN 2016 BUDGET APPROPRIATIONS

"COPY ANNEXED"

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

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

NOES: None

B. Resolution Authorizing the Transfer of Funds between 2017 Budget Appropriations

The Board reviewed a memorandum from the Manager of Finance dated February 13, 2017, where he advised that analyses of the 2017 budget resulted in the need to transfer funds. Per suggestion by the Authority's Auditors that he authorize and obtain Board approval for budget transfers among its internal appropriation line items to cover actual expenditures, the Manager of Finance requested that such balances, totaling \$5,750.00, be transferred from the various budget line items with balances to those requiring additional funds to balance. Member Baldassari offered the following resolution:

RESOLUTION NO. 17-17

RESOLUTION AUTHORIZING THE TRANSFER OF FUNDS BETWEEN 2017 BUDGET APPROPRIATIONS

"COPY ANNEXED"

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

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

NOES: None

C. Resolution Approving Main Extension Agreement and Easement with Hovnanian at Morris Township II, LLC (Honeywell Residential Development)

The Authority had received an application for water service from Hovnanian at Morris Twp. II, L.L.C. ("Hovnanian") for a residential development at 101 Columbia Road in Morris Township, New Jersey (the "Development"). Mr. Weiss recalled that, by resolution duly adopted on July 21, 2016, the Authority approved certain credits to the Connection Fee for the Development. He added that, by action taken on August 25, 2016, the Authority adopted a motion approving the application for water service to the Development. Mr. Weiss reported that the Authority and Hovnanian have agreed to a plan for extension of a water main to the development to be provided at the expense of Hovnanian. He continued that the Authority has required, and Hovnanian has agreed to grant to the Authority, a continuous and perpetual easement through, over, upon, under, in, across and along the Development for the Authority's water mains and appurtenant facilities serving the Development. Mr. Weiss stated that he and the Superintendent have approved the forms of Water Main Extension Agreement and Water Main Easement. Member Johnson asked why Honeywell was listed as one of the Grantees of the Easement. Mr. Weiss said that he believed Honeywell was retaining a portion of the property but would verify before the easement was signed by the Authority. Member Baldassari offered the following resolution:

RESOLUTION NO. 18-17

RESOLUTION AUTHORIZING THE TRANSFER OF FUNDS BETWEEN 2017 BUDGET APPROPRIATIONS

"COPY ANNEXED"

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

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

NOES: None

D. Resolution Authorizing Closed Session Discussion

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

1. Proposed agreement and pending/anticipated litigation with XYZ; and
2. IBT Local 469 Contract Negotiations

The Chairman then moved the following resolution:

RESOLUTION NO. 19-17

RESOLUTION AUTHORIZING CLOSED SESSION DISCUSSIONS

“COPY ANNEXED”

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

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

NOES: None

[CLOSED SESSION MEETING FOLLOWED]

[RESUMPTION OF PUBLIC MEETING]

- E. Resolution Authorizing Executive Director to Execute Certain Contracts and Purchases for Goods and Services; and Certain Other Agreements Approved by the Chairman

Mr. Weiss recalled that 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. The Board reviewed a draft resolution where the Members have determined that it is appropriate to authorize the Executive Director/Chief Engineer, in her discretion, to approve and execute contracts and purchase orders for goods and/or services, including purchases procured through cooperative purchasing programs approved by the State of New Jersey, that do not exceed an annual expenditure by the Authority of \$17,500; and other agreements or obligations approved by the Chairman which do not exceed a total value or expense to the Authority of \$25,000, the execution of any such agreements by the Executive Director/Chief Engineer to be conclusive proof of such approval by the Chairman; provided that the Treasurer shall first certify the availability of funds for such agreements as required by law. Mr. Weiss stated that the Resolution would supplement and supersede a prior resolution dated May 15, 2014 entitled "Resolution Authorizing Executive Director to Execute Certain Contracts and Purchases for Good and Services". Member Baldassari offered the following resolution:

RESOLUTION NO. 20-17

RESOLUTION AUTHORIZING EXECUTIVE DIRECTOR TO EXECUTE CERTAIN CONTRACTS AND PURCHASES FOR GOODS AND SERVICES; AND CERTAIN OTHER AGREEMENTS APPROVED BY THE CHAIRMAN

“COPY ANNEXED”

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

YEAS: Chairman Kissil; Members Baldassari, Conradi, Iannaccone, Johnson, Rotando 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 – January 2017
- B. Superintendent – January 2017
- C. Information Technology – January 2017
- D. Finance – January 2017

PUBLIC DISCUSSION

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

ADJOURNMENT

There being no further business, Member Baldassari moved that the meeting be adjourned. Member Johnson seconded the motion. The meeting adjourned at 7:55 PM.

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. 15-17

RESOLUTION AUTHORIZING PAYMENT OF SECOND FEBRUARY 2017 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 \$ 130,680.43

Total Operating Fund Checks and Wire Transfers \$ 228,225.72

GENERAL FUND/SPECIAL ACCOUNT \$ 60,078.10

TOTAL OF SECOND FEBRUARY 2017 LIST OF BILLS \$ 418,984.25

ATTEST:

SIDNEY D. WEISS, Assistant Secretary

THE SOUTHEAST MORRIS COUNTY
MUNICIPAL UTILITIES AUTHORITY

DONALD KISSIL, Chairman

Dated: February 16, 2017

Board Members

Morristown:

Mary Dougherty
Donald Kissil

Morris Township:

Dennis Baldassari
Alan Johnson

Morris Plains:

William Conradi
Ralph Rotando

Hanover Township:


Saverio C. Iannaccone
Adolf Schimpf

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

Superintendent: Paul A. Kozakiewicz

TREASURER'S CERTIFICATION

I hereby certify that there are sufficient funds available (\$418,984.25) for payment of the resolution entitled Resolution Authorizing Payment of Second February 2017 List of Bills in the Authority's 2017 Operating Budget.



CHARLES MAGGIO, Treasurer

Dated: February 16, 2017

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, February 16, 2017, at a meeting duly convened of said Authority.



SIDNEY D. WEISS, Assistant Secretary

Dated: February 16, 2017



Southeast Morris County Municipal Utilities Authority

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

Resolution No. 16-17

RESOLUTION AUTHORIZING THE TRANSFER OF FUNDS BETWEEN 2016 BUDGET APPROPRIATIONS

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

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

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

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

NOW THEREFORE, BE IT RESOLVED by The Southeast Morris County Municipal Utilities Authority that the following transfers within the 2016 Operating Budget totaling \$16,500 are hereby approved:

Budget Transfers for 2016 Budget

| <u>Budget Line Item</u> | <u>Title</u> | <u>Amount</u> |
|-------------------------|------------------------------------|--------------------|
| Transfer To: | | |
| 02-70-400-640 | TREAT: Liquid Waste Removal | 7,500.00 |
| 02-50-400-622 | OPER: Energy Costs | 7,000.00 |
| 02-60-400-629 | TRANS: Vehicle & Equip – Maint | 2,000.00 |
| | Total | <u>\$16,500.00</u> |
| Transfer From: | | |
| 02-70-400-632 | Treatment - Maintenance & Services | 7,500.00 |
| 02-60-400-628 | TRANS: Vehicle & Equip – Fuel | 9,000.00 |
| | Total | <u>\$16,500.00</u> |

Board Members

Morristown:
Mary Dougherty
Donald Kissil

Morris Township:
Dennis Baldassari
Alan Johnson

Morris Plains:
William Conradi
Raiph R. Rotando

Hanover Township:
Saverio C. Iannaccone
Adolf Schimpf

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

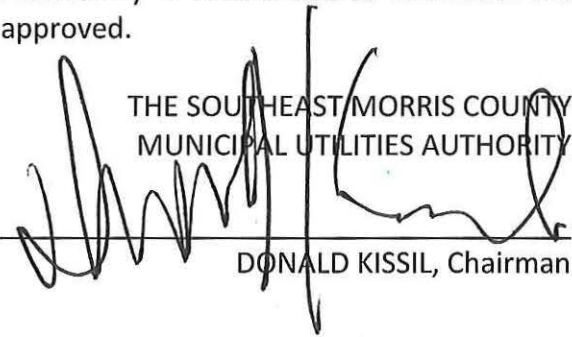
Superintendent: Paul A. Kozakiewicz

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

ATTEST:



SIDNEY D. WEISS, Assistant Secretary



THE SOUTHEAST/MORRIS COUNTY
MUNICIPAL UTILITIES AUTHORITY
DONALD KISSIL, Chairman

DATED: February 16, 2017

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, February 16, 2017, at a meeting duly convened of said Authority.



SIDNEY D. WEISS, Assistant Secretary

Dated: February 16, 2017



Southeast Morris County Municipal Utilities Authority

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Resolution No. 17-17

RESOLUTION AUTHORIZING THE TRANSFER OF FUNDS BETWEEN 2017 BUDGET APPROPRIATIONS

WHEREAS, the Authority's Manager of Finance/Treasurer has advised that a new budget account was needed to cover expenses incurred by temporary staff; and

WHEREAS, the Manager of Finance/Treasurer has requested that such balances be transferred from a previously established budget line item with a balance to fund the new budget line item; and

WHEREAS, it appears that such transfer is 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 transfer within the 2017 Operating Budget totaling \$5,750 is hereby approved:

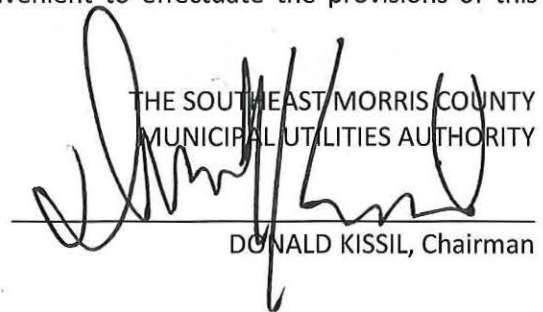
Budget Transfers for 2017 Budget

| <u>Budget Line Item</u> | <u>Title</u> | <u>Amount</u> |
|-------------------------|------------------------------------|-------------------|
| Transfer To: | | |
| 02-10-400-602 | ADMIN: Prof Services – Legal | 5,750.00 |
| | Total | <u>\$5,750.00</u> |
| Transfer From: | | |
| 02-20-400-608 | STATUT: Medical Insurance – Active | 5,750.00 |
| | Total | <u>\$5,750.00</u> |

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

ATTEST:


SIDNEY D. WEISS, Assistant Secretary


THE SOUTHEAST MORRIS COUNTY
MUNICIPAL UTILITIES AUTHORITY
DONALD KISSIL, Chairman

DATED: February 16, 2017

Board Members

Morristown:
Mary Dougherty
Donald Kissil

Morris Township:
Dennis Baldassari
Alan Johnson

Morris Plains:
William Conradi
Ralph R. Rotando

Hanover Township:
Saverio C. Iannaccone
Adolf Schimpf

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

Superintendent: Paul A. Kozakiewicz

CERTIFICATION

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Thursday, February 16, 2017, at a meeting duly convened of said Authority.



SIDNEY D. WEISS, Assistant Secretary

Dated: February 16, 2017



Southeast Morris County Municipal Utilities Authority

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Resolution No. 18-17

RESOLUTION APPROVING MAIN EXTENSION AGREEMENT AND EASEMENT WITH HOVNIANIAN AT MORRIS TWP. II, L.L.C. (HONEYWELL RESIDENTIAL DEVELOPMENT)

WHEREAS, the Authority has received an application for water service from Hovnianian at Morris Twp. II, L.L.C. ("Hovnianian") for a residential development at 101 Columbia Road in Morris Township, New Jersey (the "Development"); and

WHEREAS, the Authority, by resolution duly adopted on July 21, 2016, approved certain credits to the Connection Fee for the Development; and

WHEREAS, by action taken on August 25, 2016, the Authority adopted a motion approving the application for water service to the Development; and

WHEREAS, the Authority and Hovnianian have agreed to a plan for extension of a water main to the development to be provided at the expense of Hovnianian as more particularly set forth in the proposed Water Main Extension Agreement annexed hereto as Exhibit "A" (the "Water Main Extension Agreement"); and

WHEREAS, the Authority has required and Hovnianian has agreed to grant to the Authority a continuous and perpetual easement through, over, upon, under, in, across and along the Development for the Authority's water mains and appurtenant facilities serving the Development, as more particularly set forth in the form of Water Main Easement annexed hereto as Exhibit "B" (the "Water Main Easement"); and

WHEREAS, the forms of Water Main Extension Agreement and Water Main Easement have been approved by the Superintendent and General Counsel of the Authority.

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

1. The form of Water Main Extension Agreement annexed hereto as Exhibit "A" be and the same is hereby approved substantially in the form annexed hereto;

Board Members

Morristown:
Mary Dougherty
Donald Kissil

Morris Township:
Dennis Baldassari
Alan Johnson

Morris Plains:
William Conradi
Ralph Rotando

Hanover Township:
Saverio C. Iannaccone
Adolf Schimpf

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

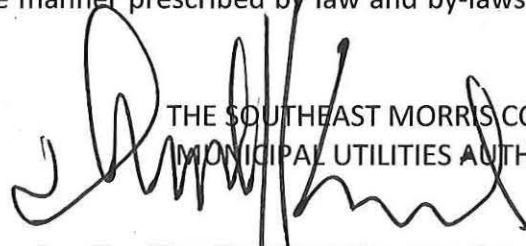
Superintendent: Paul A. Kozakiewicz

2. The form of Water Main Easement annexed hereto as Exhibit "B" be and the same is hereby approved substantially in the form annexed hereto;
3. The Chairman or Vice Chairman and Secretary or Assistant Secretary be and the same are hereby authorized and directed to execute the aforementioned Water Main Extension Agreement and Water Main Easement, substantially in the form annexed hereto, on behalf of the Authority in the manner prescribed by law and by-laws of the Authority.

ATTEST:



SIDNEY D. WEISS, Assistant Secretary



THE SOUTHEAST MORRIS COUNTY
MUNICIPAL UTILITIES AUTHORITY
DONALD KISSIL, Chairman

DATED: February 16, 2017

EXHIBIT "A"

The Southeast Morris County Municipal Utilities Authority Main Extension Agreement

THIS AGREEMENT made this _____ day of February, 2017 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" of "SMCMUA"; and

K. Hovnanian at Morris Twp. II, L.L.C., having its office located at 110 Fieldcrest Avenue, Edison, New Jersey 08837 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 Township of Morris, known as The Residences at Columbia Park, Block 9101, Lots 5, 6, 7 and 8, known as (the "Development"), all as shown on a certain map or plan entitled Honeywell Residential Development, prepared by Paulus, Sokolowski and Sartor, LLC and dated August 5, 2016, as they may be revised from time to time, (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:

1. 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 all phase(s) or stage(s). 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 be provided to completed portions of the Development in accordance with the Phasing Plan attached hereto as Attachment C 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 D. 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 ½') 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 or railroad crossing, the Developer shall obtain all necessary road opening or crossing 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 ("Tariff") 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's Tariff 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 has allowed certain credits to the Connection Fee as permitted by the Tariff, which credits have previously been agreed upon by separate agreement of the parties and as reflected in Invoice No. 16-00128 attached hereto as Attachment E. As set forth in Attachment D, the Connection Fee due to the Authority after application of the credits is Six Hundred Fourteen Thousand Seven Hundred Sixty-Eight and 80/100 Dollars (\$614,768.80). The Authority shall not be obligated to provide water service to any portion of or unit within the Development until the applicable tapping fees and connection fees are paid in full. Connection Fees shall be payable in accordance with the schedule set forth on Attachment F.

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 may 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 except for the non-refundable application fee and deposit required by the Authority's Tariff.

22. Before commencing the work, and as a condition precedent for payment, the Contractor shall purchase and maintain insurance, in conformance with the provisions contained in this Agreement. This insurance will provide a defense and indemnify the Authority against any such claim, damage, loss or expense that is attributable to bodily injury, sickness,

disease or death, or to injury to or destruction of tangible property (other than the work itself) including the loss of use, which arises out of the Contractor's operations under this Agreement. This insurance shall apply regardless of whether the operations, actions, derelictions or failures to act from which the claim arises, are attributable to the Contractor, any of its consultants, officers, agents, subcontractors, employees, anyone directly or indirectly employed by any of them including anyone for whose acts of the aforementioned may be liable by operation of statute, government regulation, or applicable case law and the Authority, unless caused by the sole negligence of the Authority.

Proof of this insurance shall be provided to SMCMUA before the work commences as set forth below. In no event shall the failure to provide this proof, prior to the commencement of the work, be deemed a waiver by SMCMUA of the Contractor's insurance obligations set forth herein.

In the event that the insurance company(ies) issuing the policy(ies) required by this section deny coverage to SMCMUA, the Contractor will defend and indemnify SMCMUA at the Contractor's expense.

A. Minimum of Liability

The Contractor must obtain the required insurance with the carrier rated A-VII or better by A.M. Best. The Contractor shall maintain at least the limits of liability as set forth below:

1. Commercial General Liability Insurance
 - \$1,000,000 Each Occurrence (Bodily Injury and Property Damage)
 - \$2,000,000 General Aggregate
 - \$2,000,000 Product/Completed Operations Aggregate
 - \$1,000,000 Personal and Advertising InjuryContractual Liability that will respond to the Indemnification clause, shall be included in the policy. The General Aggregate Limit shall apply separately to the work. As an alternative, the Contractor may provide Commercial General Liability Insurance with no General Aggregate. Products/Completed Operations

coverage shall be maintained for at least two years after final payment.

2. Comprehensive Automobile Liability Insurance

\$1,000,000 Combined Single Limit Bodily Injury and Property Damage

Coverage must include all owned, non-owned and hired vehicles used by the Contractor.

3. Workers' Compensation and Employers' Liability Insurance

\$500,000 Each Accident

\$500,000 Each Employee for Injury by Disease

\$500,000 Aggregate for Injury by Disease

If the Contractor is a Sole Proprietor, Partnership or LLC, Insurance Policy and Certificate must indicate that the proprietor/partners/members are "included". This requirement does not apply if inclusion is not allowed by state law.

4. Umbrella

\$1,000,000 per Occurrence

\$1,000,000 Aggregate

Contractual Liability and the General Aggregate shall apply on the same basis as the primary insurance.

B. Subcontractors

Contractor shall require all Subcontractors to comply with the insurance requirements included in this Agreement.

C. Additional Insured Status and Certificate of Insurance

SMCMUA along with their respective appointed officers, agents and employees, shall be named as Additional Insureds for Operations and Products/Completed Operations on the Contractor's Commercial General Liability Policy which must be primary and noncontributory with respect to the Additional Insureds.

It is expressly understood by the parties to this Agreement that it is the intent of the parties that any insurance obtained by SMCMUA is deemed excess, non-contributory and not co-primary in relation to the coverage(s) procured by the Contractor, any of its consultants, officers, agents, subcontractors, employees or anyone directly or indirectly employed by any of them or by anyone for whose acts any of the aforementioned may be liable by operation of statute, government regulation or applicable case law.

A Waiver of Subrogation Clause shall be added to the General Liability, Automobile and Umbrella Liability policies in favor of SMCMUA, and this clause shall apply to SMCMUA's appointed officers, agents and employees. It should also apply to the Subcontractor's Workers' Compensation policy if allowed by state law.

Prior to commencement of work, Contractor, and any Subcontractor, shall submit a Certificate of Insurance in favor of SMCMUA and an Additional Insured Endorsement (in a form acceptable to SMCMUA) to SMCMUA and their Engineer as required hereunder.

D. No Limitation on Liability

In any and all claims against the Additional Insureds by any employee of the Contractor, anyone directly or indirectly employed by the Contractor or anyone for whose acts the Contractor may be liable, including Subcontractors, the indemnification obligation shall not be limited by any limitation on the amount or type of damage, compensation or benefits payable by or for the Contractor or Subcontractors under workers' compensation acts, disability benefit acts or other employee benefit acts.

E. Failure to Obtain/Maintain, Cancellation and Renewal

The Contractor shall maintain in effect all insurance coverages required under this Agreement at the Contractor's sole expense. In the event the Contractor fails to obtain or maintain any insurance coverage required under this Agreement, SMCMUA may, at its sole discretion, purchase such coverage as desired for SMCMUA's benefit and charge the expense to the Contractor, or, in the alternative, terminate this Agreement. In the event the coverage is cancelled or non-renewed, the Insurance Company will provide 30 days advance notice of the cancellation or non-renewal.

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:

THE SOUTHEAST MORRIS COUNTY
MUNICIPAL UTILITIES AUTHORITY

Sidney D. Weiss, Assistant Secretary

By:

Donald Kissil, Chairman

By:

Barry McCarron, Division President

Print Name and Title

Print Name and Title

Attachment A: Application

Attachment B: Plan

Attachment C: Phasing Plan

Attachment D: Specifications

Attachment E: Connection Fee Invoice

Attachment F: Connection Fee Payment Schedule

EXHIBIT "B"

Prepared by: _____
John C. Caniglia, Esq.

WATER MAIN EASEMENT

THIS INDENTURE made as of this ____ day of February, 2017 between

HONEYWELL INTERNATIONAL, INC., a Delaware corporation (hereinafter "**Grantor**"); and

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY, a body corporate and politic of the State of New Jersey having its principal offices at 19 Saddle Road, Cedar Knolls, New Jersey 07927 (hereinafter "**Grantee**")

WITNESSETH

WHEREAS, Grantor is the fee simple title owner of that certain tract of land in the Township of Morris, County of Morris and State of New Jersey, identified as Lots 5, 6, 7 and 8 in Block 9101 as shown on the Tax Map of the Township of Morris (the "**Property**"); and

WHEREAS, the Planning Board of the Township of Morris granted Preliminary and Final Site Plan approval for a residential development consisting of 235 townhomes (the "**Development**") on the Property; and

WHEREAS, the Grantee will extend the service of potable water to the Development from a new water main, together with fittings, valves, meters and other appurtenances to be constructed on the Property by Grantor and which will be owned and operated by Grantee after its completion.

NOW THEREFORE, the Grantor for and in consideration of the sum of ONE (\$1.00) DOLLAR plus other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does grant and convey to Grantee, its successors and assigns, forever, a non-exclusive easement over lands more particularly described in Exhibit A and graphically depicted on Exhibit B (the "**Easement**") attached hereto and made a part hereof, which easement is located on Lots 5, 6, 7 and 8 in Block 9101 in the Township of Morris, County of Morris, State of New Jersey.

The conditions of this Easement are as follows:

1. Grantee is hereby granted a continuous and perpetual non-exclusive right-of-way and easement through, over, upon, under, in, across and along the described Easement for one or more water mains or pipes, and all necessary surface and subsurface water meters, water meter pits, valves, fittings, hydrants and other appurtenances (the "**Facilities**"); the perpetual right to install, reconstruct, operate, maintain, inspect, protect repair and remove the Facilities within the Easement; the perpetual right to do within the Easement all that may be necessary for the installation, reconstruction, replacement, extension, improvement, betterment, maintenance,

inspection, protection, operation and use of the Facilities, including all reasonable incidental rights to protect and preserve installed lines and appurtenances such as the right to subjacent lateral support; the perpetual right to use the Easement for the purposes aforesaid; and the perpetual right of free and unobstructed access to and from the Easement and a public right of way known as Park Avenue; and use and possession of the Easement with all manner of persons, machinery, supplies, material, vehicles and equipment for the accomplishment of any and all of the foregoing purposes and any other purpose required to accomplish the aforesaid purposes.

2. The facilities shall be constructed by Grantor at Grantor's sole cost and expense but ownership and operation thereof shall vest in Grantee upon completion of construction and acceptance by Grantee. Grantor shall provide Grantee with as-built plans of the Facilities upon such construction and completion. In the event Grantee installs or repairs any portion of the Facilities, Grantee shall restore the surface area over the Easement, as near and to the extent practicable, to its original condition after entry in and upon the Property for the purposes herein permitted.

3. Grantee, its agents, representatives, employees or any other person or entity designated by it, shall also have the right to enter upon the Easement with vehicles and equipment, at any time, in order to exercise its rights with respect to the Easement. Grantee will replace and/or restore the grade of any property and any landscaping changed or disturbed by Grantee in connection with the exercise of its rights under this Easement. Upon completion of any work, Grantee shall remove, or shall cause to be removed, all materials, tools, equipment, building supplies and debris from the Easement and surrounding area. Grantee shall provide Grantor with forty-eight (48) hours' notice prior to any entry, except in the event of an emergency in which event, Grantee shall give such notice as is reasonably practicable under the circumstances.

4. The rights granted to Grantee in this Easement shall be non-exclusive and shall not unduly interfere with the Grantor's right to continue to utilize the Property for its own purposes,, provided that Grantor shall not construct or permit any permanent buildings, structures, fences or other improvements on or within the Easement area or use or permit the use of the Easement area for any use which unreasonably interferes with rights herein granted to Grantee. However, nothing herein shall prohibit Grantor from paving the Easement area for use as a private roadway or driveway.

5. Grantor may convey, mortgage, lease, or otherwise transfer title or interest in the lands subject to the Easement; provided, however, that the covenants and conditions herein shall remain superior to such conveyance, mortgage, lease, or transfer, it being the intention of the parties that the Easement and the terms and conditions set forth herein shall become a part of the chain of title and shall run with the land.

6. Grantor represents that it has good and marketable title to the Property and that there are no encumbrances or restrictions of record that prohibit or limit the rights herein granted to Grantee.

7. All terms, covenants, and conditions herein contained shall be for, and inure to the benefit of, and shall bind the respective parties hereto and their heirs, executors, administrators, personal or legal representatives, successors, and assigns, respectively.

8. This Instrument shall in all respects be governed by and construed in accordance with the laws of the State of New Jersey.

IN WITNESS WHEREOF, the parties hereto have executed this Easement as of the day and year first above written.

ATTEST:

HOVNANIAN INTERNATIONAL, INC.,
a Delaware corporation

By: _____

ATTEST:

THE SOUTHEAST MORRIS COUNTY
MUNICIPAL UTILITIES AUTHORITY,
a New Jersey municipal utilities authority

Sidney D. Weiss, Assistant Secretary

By: _____
Donald Kissil, 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, February 16, 2017, at a meeting duly convened of said Authority.



SIDNEY D. WEISS, Assistant Secretary

Dated: February 16, 2017



Southeast Morris County Municipal Utilities Authority

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

Resolution No. 19-17

RESOLUTION AUTHORIZING CLOSED SESSION DISCUSSIONS

RESOLVED that discussions of:

1. Proposed agreement and pending/anticipated litigation with XYZ; and
2. IBT Local 469 Contract Negotiations

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

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

ATTEST:

SIDNEY D. WEISS, Assistant Secretary

THE SOUTHEAST MORRIS COUNTY
MUNICIPAL UTILITIES AUTHORITY

DONALD KISSIL, Chairman

Dated: February 16, 2017

Board Members

Morristown:
Mary Dougherty
Donald Kissil

Morris Township:
Dennis Baldassari
Alan Johnson

Morris Plains:
William Conradi
Ralph R. Rotando

Hanover Township:
Saverio C. Iannaccone
Adolf Schimpf

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

Superintendent: Paul A. Kozakiewicz

CERTIFICATION

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Thursday, February 16, 2017, at a meeting duly convened of said Authority.



SIDNEY D. WEISS, Assistant Secretary

Dated: February 16, 2017



Southeast Morris County Municipal Utilities Authority

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

Resolution No. 20-17

RESOLUTION AUTHORIZING EXECUTIVE DIRECTOR TO EXECUTE CERTAIN CONTRACTS AND PURCHASES FOR GOODS AND SERVICES; AND CERTAIN OTHER AGREEMENTS APPROVED BY THE CHAIRMAN

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 cooperative purchasing programs approved by the State of New Jersey and do not exceed that amount; and other agreements or obligations approved by the Chairman which do not exceed a total value or expense to the Authority of \$25,000.

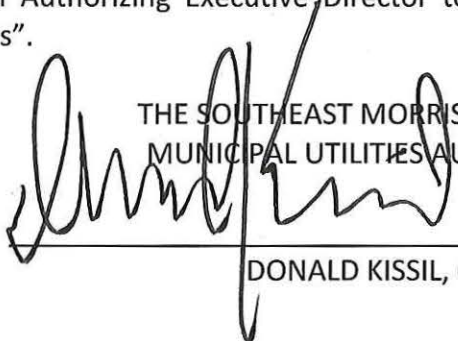
NOW THEREFORE, BE IT RESOLVED that the Executive Director/Chief Engineer be and is hereby authorized, in her discretion, to approve and execute contracts and purchase orders for goods and/or services, including purchases procured through cooperative purchasing programs approved by the State of New Jersey, that do not exceed an annual expenditure by the Authority of \$17,500; and other agreements or obligations approved by the Chairman which do not exceed a total value or expense to the Authority of \$25,000, the execution of any such agreements by the Executive Director/Chief Engineer to be conclusive proof of such approval by the Chairman; provided that the Treasurer shall first certify the availability of funds for such agreements as required by law.

AND BE IT FURTHER RESOLVED that this Resolution supplements and supersedes a prior resolution dated May 15, 2014 entitled "Resolution Authorizing Executive Director to Execute Certain Contracts and Purchases for Good and Services".

ATTEST:



SIDNEY D. WEISS, Assistant Secretary



THE SOUTHEAST MORRIS COUNTY
MUNICIPAL UTILITIES AUTHORITY
DONALD KISSIL, Chairman

DATED: February 16, 2017

Board Members

Morristown:
Mary Dougherty
Donald Kissil

Morris Township:
Dennis Baldassari
Alan Johnson

Morris Plains:
William Conradi
Ralph R. Rotando

Hanover Township:
Saverio C. Iannaccone
Adolf Schimpf

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

Superintendent: Paul A. Kozakiewicz

CERTIFICATION

I hereby certify the foregoing to be a true copy of the resolution adopted by The Southeast Morris County Municipal Utilities Authority on Thursday, February 16, 2017, at a meeting duly convened of said Authority.



SIDNEY D. WEISS, Assistant Secretary

Dated: February 16, 2017

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. Iannaccone
Adolf Schimpf

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

Superintendent: Paul A. Kozakiewicz