

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

MEETING MINUTES

DECEMBER 21, 2017

The Regular Meeting of The Southeast Morris County Municipal Utilities Authority (the "Authority") was held on Thursday, December 21, 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, Iannaccone, Johnson, Schimpf* and Rotando

ABSENT: Member Dougherty

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

Also present at the meeting were the following Authority staff: Laura Cummings, Executive Director/Chief Engineer; Paul Kozakiewicz, Superintendent; Charles Maggio, Manager of Finance; Nicholas Buono, Information Technology Manager; Alexis Bozza, Administrative Assistant; and General Counsel to the Authority, Sidney D. Weiss, Esq.

MOTION APPROVING MINUTES OF NOVEMBER 16, 2017

Copies of the minutes of the meeting held on November 16, 2017, were distributed to the members prior to the meeting for review and comment. Member Johnson moved that the minutes be adopted. Member Rotando seconded the motion which was duly adopted by the following vote:

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

NOES: None

COMMUNICATIONS

1. December 18, 2017 – Copy of memorandum from Manager of Finance regarding InvoiceCloud™ Kickoff.
2. December 11, 2017 – Copy of Press Release in connection with SMCMUA's offering of new options to view and pay bills.
3. December 18, 2017 – Copy of Press Release in connection with Fix a Leak Week.

RESOLUTION – APPROVAL OF DECEMBER 2017 LIST OF BILLS

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

RESOLUTION NO. 112-17

RESOLUTION AUTHORIZING PAYMENT OF LIST OF BILLS FOR DECEMBER 2017

“COPY ANNEXED”

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

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

NOES: None

OTHER BUSINESS

A. Public Rate Hearing

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

B. Resolution Authorizing Rate Adjustment to be Effective January 1, 2018

Member Johnson offered the following resolution:

RESOLUTION NO. 113-17

RESOLUTION AUTHORIZING RATE ADJUSTMENT TO BE EFFECTIVE JANUARY 1, 2018

“COPY ANNEXED”

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

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

NOES: None

C. Resolution Adopting Budget for 2018

Ms. Cummings recalled that the Budget was introduced to the Board at its October 19, 2017 meeting. The Board reviewed a notice from the Division of Local Government Services that the Budget had been approved. Member Rotando offered the following resolution:

RESOLUTION NO. 114-17

RESOLUTION ADOPTING BUDGET FOR 2018

"COPY ANNEXED"

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

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

NOES: None

D. Resolution Awarding Contracts for Insurance Coverage

A Renewal Proposal was prepared by the Authority's insurance consultant, Willis of New Jersey, Inc., ("Willis") dated December 18, 2017, which was provided to the Members for review prior to the December 21, 2017 meeting. Robert English of Willis reported that the maximum cost to the Authority for package, automobile, public official liability, excess liability and workers' compensation for 2018 was \$262,824.17, which resulted in a cost savings of \$48,253.17 over 2017. Willis did not market the American Alternative coverages as a result of American Alternative agreeing to renewal pricing with no rate increase. Also, Mr. English noted that the Authority's workers' compensation coverage from New Jersey Manufacturer's had been removed from the assigned risk category which he attributed to the Authority's efforts in health and safety. Mr. Weiss stated that contracts for insurance may be awarded without competitive bidding within the exception to the Local Public Contracts Law. He added that this contract is being awarded to Willis of New Jersey as producer of the Proposal as an Extraordinary Unspecifiable Service Contract pursuant to the provisions of the Local Public Contracts Law and in compliance with the Pay-to-Play Law. Willis has completed and submitted Business Entity Disclosure Certifications which certify that it has not made any reportable contributions to any political or candidate committee in the Township of Hanover, Borough of Morris Plains, Town of Morristown and the Township of Morris in the previous one year, and that the contract will prohibit it from making any reportable contributions through the term of the contract. He

added that insurance companies are not required to comply with Pay-to-Play because they are prohibited by law from making political contributions. Mr. Weiss stated that the Treasurer has certified that there are sufficient funds available in the 2018 Budget for this contract. Following the presentation made by Mr. English, Member Johnson offered the following resolution:

RESOLUTION NO. 115-17

RESOLUTION AWARDING CONTRACTS FOR INSURANCE COVERAGE

“COPY ANNEXED”

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

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

NOES: None

E. Resolution Authorizing the Transfer of Funds between Budget Appropriations

The Board reviewed a memorandum from the Manager of Finance dated December 14, 2017, where he advised that there exists certain funds in the 2017 budget line items which will be remaining at year end and that there are certain budget line items in the 2017 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 \$151,400.00, be transferred from the various budget line items with balances to those requiring additional funds to balance. Member Johnson offered the following resolution:

RESOLUTION NO. 116-17

RESOLUTION AUTHORIZING THE TRANSFER OF FUNDS BETWEEN BUDGET APPROPRIATIONS

“COPY ANNEXED”

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

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

NOES: None

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

Nisivoccia, L.L.P., has submitted a proposal dated November 1, 2017 for the providing of accounting-auditing services to prepare the Authority's 2017 Annual Audit at an estimated maximum amount of \$33,500. This agenda item was tabled at the November 16, 2017 meeting for requested clarification on the increase in cost. The Board reviewed a memorandum from the Executive Director/Chief Engineer dated December 19, 2017 recommending award of the contract and stating that the project cost for the 2017 audit increased by \$850 due to increases in labor and other costs. An additional budget of \$1,050 was included that is allocated to a task required for reconciliation of accounts receivable and construction in progress.

The contract would be awarded without public bidding as a Professional Service Contract pursuant to the provisions of the Local Public Contracts Law (N.J.S.A. 40A:11-1 et seq.) and in compliance with N.J.S.A. 19:44A-20.5 (Pay-to-Play Law). Nisivoccia, L.L.P., completed and submitted Business Entity Disclosure Certifications which certify that they have not made any reportable contributions to any political or candidate committee in the Township of Hanover, Borough of Morris Plains, Town of Morristown and the Township of Morris in the previous one year, and that the contract will prohibit it from making any reportable contributions through the term of the contract. Mr. Weiss stated that the Treasurer has certified that there are sufficient funds available in the 2018 Budget for this contract. Member Johnson offered the following resolution:

RESOLUTION NO. 117-17

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

"COPY ANNEXED"

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

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

NOES: None

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

The Authority is a participant in a Cooperative Pricing Agreement with the Morris County Cooperative Pricing Council ("MCCPC"). The purchase of work, materials and supplies through Cooperative Pricing Councils, such as the MCCPC, is authorized without additional advertising by the participants under Section 11 (5) of the Local Public Contracts Law, N.J.S.A. 40A:11-11(5). The Board reviewed a memorandum from the Manager of Finance dated December 19, 2017 recommending certain contract awards under the Cooperative Pricing Agreement for the 2018

budget year. Mr. Weiss stated that the Treasurer has certified that there are sufficient funds available in the 2018 Budget for these contracts. Member Baldassari offered the following resolution:

RESOLUTION NO. 118-17

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

“COPY ANNEXED”

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

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

NOES: None

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

The Board reviewed a memorandum from the Director of Finance dated December 19, 2017, requesting authorization to purchase certain items from authorized vendors under the State of New Jersey Cooperative Purchasing Program I-NJCP during the 2018 budget year. The purchases of goods and services by local contracting units through the State agency without advertising is authorized under Section 12 of the Local Public Contracts Law, N.J.S.A. 40A:11-12. The vendors listed in the memorandum have been awarded New Jersey State Contracts by the Division of Purchase and Property in the Department of Treasury. Mr. Weiss stated that the Treasurer has certified that there are sufficient funds available in the 2018 Budget for these contracts. Member Iannaccone offered the following resolution:

RESOLUTION NO. 119-17

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

“COPY ANNEXED”

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

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

NOES: None

I. Resolution Appointing Public Agency Compliance Officer for 2018

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 Iannaccone offered the following resolution:

RESOLUTION NO. 120-17

RESOLUTION APPOINTING PUBLIC AGENCY COMPLIANCE OFFICER FOR 2018

"COPY ANNEXED"

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

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

NOES: None

J. Resolution Authorizing Award of a Professional Service Contract for Professional Engineering Services with CP Engineers, LLC

CP Engineers, LLC ("CP"), submitted a proposal dated November 14, 2017 to provide professional engineering services in connection with construction administration services for Picatinny Water Storage Tank No. 1 in the Township of Morris, New Jersey; more specifically described as Tasks 1, 2 and 3 at a maximum not-to-exceed amount of \$43,360.

Member Iannaccone questioned why this expenditure was necessary under the new contract with the Surety. Mr. Kozakiewicz and Mr. Weiss explained that CP would continue to act as Project Engineer and Tank Inspector under the new contract with the Surety. Mr. Johnson asked whether this could be paid by the Surety. Mr. Weiss responded it could not.

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). CP completed and submitted Business Entity Disclosure Certifications which certify that they have not made any reportable contributions to any political or candidate committee in the Township of Hanover, Borough of Morris Plains, Town of Morristown and the Township of Morris in the previous one year, and that the contract will prohibit it from making any reportable contributions through the term of the contract. Mr. Weiss stated that the Treasurer has certified that there are sufficient funds available in the 2018 Budget for this contract. Member Baldassari offered the following resolution:

RESOLUTION NO. 121-17

RESOLUTION AUTHORIZING AWARD OF A PROFESSIONAL SERVICE CONTRACT FOR
PROFESSIONAL ENGINEERING SERVICES WITH CP ENGINEERS, LLC

“COPY ANNEXED”

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

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

NOES: None

- K. Resolution Awarding Contract for Clyde Potts Water Treatment Plant Membrane Filtration System Module Replacement and Data Acquisition and Reporting

The Authority has advertised and received bids, pursuant to a fair and open process, for the contract entitled Clyde Potts Water Treatment Plant Membrane Filtration System Module Replacement and Data Acquisition and Reporting on November 1, 2017. One bid was received by the eleven companies who obtained bid packages. Sherwood Logan & Associates has been determined to be the lowest qualified bidder in the total amount of \$199,638.65. The Treasurer has certified that there are sufficient funds available in the 2018 Budget. Member Johnson offered the following resolution:

RESOLUTION NO. 122-17

RESOLUTION

“COPY ANNEXED”

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

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

NOES: None

- L. Resolution Authorizing Extension of Contract for Removal of Excavation Spoils

The Authority entered into a contract dated March 1, 2017 with Global Development Contractors, L.L.C., (the “Contractor”) for Excavation Spoils Removal, which was duly awarded and approved by resolution dated January 19, 2017 (the “Contract”). The Contract was for an initial term of one year with an option to renew by the Authority for one two-year or two one-year extensions under certain conditions as permitted by N.J.S.A. 40A:11-15 of the Local Public Contracts Law. The Superintendent of the Authority has recommended that the Contract be extended for a period of one year. The extension will be on the same terms and conditions,

including price, set forth in the existing Contract. The maximum cost to the Authority is \$30,210.00 covering a one year period. The Treasurer has certified that there are sufficient funds available in the 2018 Budget for the portion to be expended in 2018; and that the portion to be expended in 2019 will be available subject to approval of the 2019 Budget. Member Rotando offered the following resolution:

RESOLUTION NO. 123-17

RESOLUTION

“COPY ANNEXED”

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

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

NOES: None

M. Resolution Approving Agreement with Commissioner of Transportation of the State of New Jersey for Relocation of Facilities Owned by the Authority

The Authority received a proposed agreement (the “Agreement”) from the Commissioner of Transportation of the State of New Jersey (the “State”) pertaining to the construction and design of a project identified in the Agreement as “ADA North, Contract #4 Route 10 West of Harrison Avenue to East of W. Northfield Avenue located on the Townships of Parsippany-Troy Hills, East Hanover & Livingston, Morris and Essex Counties (the “Project”); a copy of which Agreement was provided to the member for review. The Project may involve the protection, relocation and/or adjustment of certain facilities owned by the Authority. The Authority is not obligated by State law or agreement to relocate its facilities at its own expense for this type of project. The State has agreed to authorize and reimburse the Authority for its actual cost for design, review, approval, and inspection for the protection, relocation or adjustment of its facilities necessary to accomplish the Project; including, but not limited to, the Authority’s preliminary engineering cost (estimated at \$10,000) as more particularly set forth in the Agreement. The Authority has agreed to cooperate with the State in connection with the Project as set forth in the Agreement. Member Baldassari offered the following resolution:

RESOLUTION NO. 124-17

RESOLUTION

“COPY ANNEXED”

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

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

NOES: None

N. Application for Water Service Outside the District: 106 Jenks Road in the Township of Harding

The Board reviewed an application for water service outside the Authority's District. The proposed service is intended to supply water to one (1) single family residence located at 106 Jenks Road, designated as Block 25, Lot 17.02, 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. The Board of Members reviewed the request and can confirm that the connection can be made without any adverse effect on the water system or customers within the District. Since the proposed service connections are intended to serve properties Outside the District of the Authority, consent of the Creating Municipalities is required in accordance with §204(B) of the said Service Contract.

O. Resolution Authorizing Closed Session Discussion

Mr. Weiss stated that the following Agenda item may 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.):

2. Compensation for Professional Service Contract for Legal Services with Sidney D. Weiss, Esq., as General Counsel

Member Johnson then moved the following resolution:

RESOLUTION NO. 96-16

RESOLUTION AUTHORIZING CLOSED SESSION DISCUSSIONS

"COPY ANNEXED"

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

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

NOES: None

[CLOSED SESSION MEETING FOLLOWED]

[RESUMPTION OF PUBLIC MEETING]

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

Sidney D. Weiss, Esq. submitted a proposal dated October 16, 2017 for the providing of professional legal services. Following discussions held in closed session, the Board recommended award of the contract at an annual fee of \$133,580. The contract would be awarded without public bidding as a Professional Service Contract pursuant to the provisions of the Local Public Contracts Law (N.J.S.A. 40A:11-1 et seq.) and in compliance with N.J.S.A. 19:44A-20.5 (Pay-to-Play Law). Mr. Weiss completed and submitted Business Entity Disclosure Certifications which certify that he has not made any reportable contributions to any political or candidate committee in the Township of Hanover, Borough of Morris Plains, Town of Morristown and the Township of Morris in the previous one year, and that the contract will prohibit him from making any reportable contributions through the term of the contract. Mr. Weiss stated that the Treasurer has certified that there are sufficient funds available in the 2018 Budget for this contract. Member Baldassari offered the following resolution:

RESOLUTION NO. 126-17

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

“COPY ANNEXED”

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

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

NOES: None

REPORTS

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

- A. Executive Director/Chief Engineer – November 2017
- B. Superintendent – November 2017
- C. Health, Safety and Security – November 2017
- D. Information Technology – November 2017
- E. Finance – November 2017

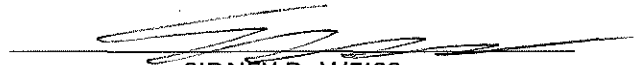
PUBLIC DISCUSSION

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 Johnson moved that the meeting be adjourned. Member Iannaccone seconded the motion. The meeting adjourned at 9:08 PM.

THE SOUTHEAST MORRIS COUNTY
MUNICIPAL UTILITIES AUTHORITY



SIDNEY D. WEISS
Assistant Secretary

SUNSHINE LAW STATEMENT

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

1. By posting a copy of the Annual Notice of the Authority’s regular meetings (upon which this meeting is listed) on the Bulletin Board at the Authority’s offices at 19 Saddle Road, Cedar Knolls, New Jersey, and by delivering copies of such notice for posting at similar public places in the municipal buildings of the Town of Morristown, the Townships of Hanover and Morris and the Borough of Morris Plains on February 2, 2017.

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 2, 2017.