

BOROUGH OF HIGHLAND PARK
REGULAR MAYOR & COUNCIL MEETING
VIA TELEPHONE
MAY 19, 2020 - 7:00 PM

The Borough is using the telephone meeting format in an effort to mitigate the chance of exposure to COVID-19, as a part of the Borough's ongoing effort to slow the rate of transmission and avoid overwhelming our treatment centers.

The public is invited to attend and participate by way of a call-in number and password:

Call-in number: 1-929-205-6099
Meeting ID: 862 3495 2215
By Computer, Smart Phone or Tablet:
Web Link: <https://zoom.us/j/86234952215>

MISSION STATEMENT OF THE BOROUGH OF HIGHLAND PARK:

The Mission of the Highland Park Borough Council is to establish a government based upon the principles of good government: ethics, efficiency and the effective provision of services.

The Borough Council is committed to creating a thriving community, which is sustainable economically, environmentally and socially.

The Borough Council is further committed to creating a community which values its unique and diverse populations and encourages direct public participation in the governing process.

AGENDA

* Denotes Consent Agenda Posted Items. Ordinarily, consent agenda items, pursuant to Ordinance No. 920, are not read nor debated unless there is a request by a member of Council or the public. Furthermore, unless requested by a member of Council for a separate vote, all consent agenda items, as per Council's Rules of Order, Article IV, shall be considered in the form of one **MOTION**.

1. Call to Order and Open Public Meetings Statement.
 2. Pledge of Allegiance.
 3. Roll Call.
 4. MOTION to approve minutes of the Regular/Work Session Meeting of January 21, 2020, as distributed.
 5. Council Reports.
 6. Borough Administrator's Report.
 7. Borough Attorney's Report.
 8. Mayor's Report.
- Public Discussion.
(21 minutes total; 3 minutes each speaker limited to items on this Agenda, including Work Session).
9. 5-20-158 Resolution to Approve Emergency Temporary Appropriations.
MOTION adopt/reject. ROLL CALL VOTE

10. Clerk reports introduction of Bond Ordinance for Water & Sewer Improvements for consideration of passage on first reading by title.
a. **MOTION** to adopt/reject and advertise ordinance on first reading by title.
(Resolution No. 5-20-159) **ROLL CALL VOTE**

CONSENT AGENDA - MOTION to adopt the following starred (*) items:

- ROLL CALL VOTE**
11. *5-20-160 Resolution to Submit Application to NJBPU for Grant in Support of Phase II Microgrid Project.
12. *5-20-161 Resolution Declaring June 5th to be National Gun Violence Awareness Day.
13. *5-20-162 Resolution to Authorize Issuance of Estimated Tax Bills for Third Quarter 2020.
14. *5-20-163 Resolution to Appoint Director of Finance, Chief Financial Officer and Qualified Purchasing Agent.
15. *5-20-164 Resolution to Approve Annual Salary Resolution.
16. *5-20-165 Resolution to Approve Final Payout for Department of Public Works Driver James Coleman.
17. *5-20-166 Resolution to Apply for and Execute First Responder Outreach Grant from the Gary Sinise Foundation.
18. *5-20-167 Resolution to Approve Bills List.
MOTION adopt/reject **ROLL CALL VOTE**
19. 5-20-168 Resolution to Award Operations and Maintenance Contract for Water and Sewer Utility.
MOTION adopt/reject **ROLL CALL VOTE**
20. Public Comments.
(3 minutes per speaker on any items; subject to 9PM conclusion prior to Work Session)
21. Recess (5 minutes).
22. Work Session Items: No formal action to be taken.
a. Emergency Services Update (PR).
b. Fire Department Ordinance Amendments (TJ).
c. Renewable Government Energy Aggregation Ordinance (TJ).
d. Regional Deer Management Approach (TJ).
e. Walking/Running Path (PG).
23. Goals.
24. **MOTION** to adjourn.

Next Scheduled Meeting: June 9, 2020

BOROUGH OF HIGHLAND PARK
NO. 5-20-158

RESOLUTION: Finance Committee

WHEREAS, a need has arisen to provide adequate funds for certain budget items pending adoption of the Local Municipal Budget for 2020 and NJSA 40A:4-20 provides for the making of emergency appropriations in such cases; and

WHEREAS, the total emergency temporary resolutions adopted in the year 2020 pursuant to the provisions of NJSA 40A:4-20 (Chapter 96, PL 1951), as amended, including this resolution, total \$11,685,211.00; and

NOW, THEREFORE, BE IT RESOLVED by the Borough Council of Highland Park (not less than two-thirds of all members thereof affirmatively concurring) that in accordance with NJSA 40A:4-20;

1. An emergency temporary appropriation be and the same is hereby made for the budgetary appropriations herein:

2020 TEMPORARY OPERATING BUDGET

DESCRIPTION	ACCOUNT NUMBER	2020 TEMPORARY BUDGET
GENERAL GOVERNMENT FUNCTIONS		
BOROUGH ADMINISTRATION		
Salaries & Wages	20-100-1	89,871.00
Other Expenses	20-100-2	11,875.00
MAYOR & COUNCIL		
Salaries & Wages	20-110-1	16,518.00
Other Expenses	20-110-2	5,994.00
MUNICIPAL CLERK		
Salaries & Wages	20-120-1	78,910.00
Other Expenses	20-120-2	13,188.00
FINANCIAL ADMINISTRATION		
Salaries & Wages	20-130-1	46,462.00
Other Expenses	20-130-2	67,350.00
ANNUAL AUDIT		
Other Expenses	20-135-2	13,500.00
TAX COLLECTION		
Salaries & Wages	20-145-1	37,806.00
Other Expenses	20-145-2	8,200.00
TAX ASSESSMENT		
Salaries & Wages	20-150-1	27,956.00
Other Expenses	20-150-2	6,875.00
LEGAL SERVICES		
Other Expenses	20-155-2	175,000.00

ENGINEERING & PLANNING		
Other Expenses	20-165-2	10,000.00
COMMUNITY & ECONOMIC DEVELOPMENT		
Salaries & Wages		3,570.00
Other Expenses	20-170-2	52,500.00
INFORMATION TECHNOLOGY		
Other Expenses	20-140-2	54,750.00
CENTRAL SERVICES		
Other Expenses	20-316-2	42,250.00
LAND USE ADMINISTRATION		
PLANNING BOARD		
Salaries & Wages		3,570.00
Other Expenses	21-180-2	25,075.00
ZONING BOARD OF ADJUSTMENT		
Salaries & Wages	21-185-1	10,357.00
Other Expenses	21-185-2	6,075.00
HUMAN RIGHTS COMMISSION		
Other Expenses	21-195-2	525.00
INSURANCE		
GENERAL LIABILITY/WORKERS COMPENSATION		
Other Expenses	23-211-2	206,660.00
EMPLOYEE GROUP HEALTH		
Other Expenses	23-220-2	645,029.00
PUBLIC SAFETY FUNCTIONS		
POLICE		
Salaries & Wages	25-240-1	1,759,173.00
Other Expenses	25-240-2	105,968.00
POLICE DISPATCH/911		
Salaries & Wages	25-250-1	119,361.00
Other Expenses	25-250-2	2,250.00
OFFICE OF EMERGENCY MANAGEMENT		
Salaries & Wages	25-252-1	20,000.00
Other Expenses	25-252-2	13,250.00
FIRST AID CONTRIBUTION		
Other Expenses	25-260-2	7,500.00

FIRE		
Salaries & Wages	25-265-1	117,325.00
Other Expenses	25-265-2	36,465.00
LOSAP		
Other Expenses	25-265-2	8,250.00
MUNICIPAL PROSECUTOR		
Other Expenses	25-275-2	17,500.00
PUBLIC WORKS FUNCTIONS		
STREETS & ROADS		
Salaries & Wages	26-290-1	569,798.00
Other Expenses	26-290-2	60,350.00
APARTMENT COLLECTION		
Other Expenses	26-305-2	112,500.00
PUBLIC BUILDINGS & GROUNDS		
Salaries & Wages	26-310-1	22,496.00
Other Expenses	26-310-2	95,500.00
MOTOR POOL		
Salaries & Wages	26-315-1	38,359.00
Other Expenses	26-315-2	69,500.00
HEALTH & HUMAN SERVICES FUNCTIONS		
BOARD OF HEALTH		
Other Expenses	27-330-2	525.00
ENVIRONMENTAL COMMISSION		
Other Expenses	27-335-2	525.00
COMMISSION ON IMMIGRANT & REFUGEE AFFAIRS		
Other Expenses	27-336-2	263.00
SAFE WALKING & CYCLING COMMITTEE		
Other Expenses	27-337-2	1,313.00
SUSTAINABLE HIGHLAND PARK		
Other Expenses	27-338-2	1,150.00
HISTORICAL COMMISSION		
Other Expenses	27-339-2	263.00
PARKS & RECREATION FUNCTIONS		
COMMUNITY SERVICES - RECREATION		
Salaries & Wages	28-370-1	35,460.00
Other Expenses	28-370-2	8,250.00

COMMUNITY SERVICES - AGING		
Salaries & Wages	28-371-1	101,978.00
Other Expenses	28-371-2	14,603.00
ARTS COMMISSION		
Other Expenses	28-374-2	525.00
SHADE TREE ADVISORY COMMITTEE		
Other Expenses	28-375-2	302.00
TEEN CENTER		
Salaries & Wages	28-373-1	34,959.00
Other Expenses	28-373-2	-
CELEBRATION OF PUBLIC EVENTS		
Other Expenses	30-420-2	5,000.00
UTILITY EXPENSES & BULK PURCHASING		
ELECTRICITY		
Other Expenses	31-430-2	55,000.00
STREET LIGHTING		
Other Expenses	31-435-2	85,000.00
TELEPHONE		
Other Expenses	31-440-2	26,000.00
FUEL OIL/GASOLINE/NATURAL GAS		
Other Expenses	31-460-2	50,000.00
SANITARY LANFILL		
Other Expenses	32-465-2	159,548.00
UNIFORM CONSTRUCTION CODE		
Salaries & Wages	22-195-1	171,336.00
Other Expenses	22-195-2	6,675.00
UNCLASSIFIED		
CABLE TELEVISION		
Other Expenses	30-411-2	5,000.00
ACCUMULATED SICK LEAVE		
Salaries & Wages	30-415-1	40,000.00
COMMUNICATIONS		
Salaries & Wages	20-105-1	52,833.00
Other Expenses	20-105-2	11,591.00
CORONAVIRUS MITIGATION		
Salaries & Wages		5,000.00
Other Expenses		25,000.00

MUNICIPAL COURT FUNCTIONS		
MUNICIPAL COURT		
Salaries & Wages	43-490-1	90,012.00
Other Expenses	43-490-2	6,325.00
PUBLIC DEFENDER		
Other Expenses	43-495-2	6,000.00
LIBRARY		
Salaries & Wages	29-390-1	328,256.00
Other Expenses	29-390-2	176,143.00
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS		
COUNTY HEALTH SERVICES		
Other Expenses	42-401-2	22,664.00
M.C.I.A. RECYCLING		
Other Expenses	42-402-2	5,384.00
ANIMAL CONTROL SERVICES		
Other Expenses	27-340-2	7,800.00
PUBLIC AND PRIVATE PROGRAMS		
NJDEP Radon Awareness	41-724-2	-
Art & History Grant		3,750.00
Township Match		938.00
Rivers Reforestation Grant		2,335.00
Middlesex County Census Grant		2,000.00
STATUTORY EXPENDITURES		
SOCIAL SECURITY SYSTEM		
Other Expenses	36-472-2	164,630.00
UNEMPLOYMENT COMPENSATION INSURANCE		
Other Expenses	23-225	15,000.00
PUBLIC EMPLOYEES RETIREMENT SYSTEM		
Other Expenses	36-471-2	489,601.00
POLICE AND FIREMAN'S RETIREMENT SYSTEM		
Other Expenses	36-475-2	837,812.00
DCRP		
Other Expenses	36-476-2	5,775.00
	SUBTOTAL	7,897,935.00
DEBT SERVICE		
BOND PRINCIPAL		

Other Expenses	45-920-2	625,000.00
INTEREST ON BONDS		
Other Expenses	45-930-2	242,369.00
M.C.I.A. LEASE/LOAN		
Other Expenses	45-950-2	291,704.00
DBIZ LOAN		
Other Expenses	45-925-2	-
	SUBTOTAL	1,159,073.00

GRAND TOTAL	9,057,008.00
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2020 TEMPORARY WATER AND SEWER BUDGET

DESCRIPTION		2020 TEMP
OPERATING		
Salaries & Wages		120,444.00
Other Expenses		1,239,409.00
Middlesex County Utilities Authority		740,900.00
STATUTORY EXPENDITURES		
Public Employee Retirement System		-
Social Security System		-
DEFERRED CHARGES		
Overexpenditure Budget Appropriation		-
	SUBTOTAL	2,100,753.00
DEBT SERVICE		
Payment of Bond Principal		460,000.00
Interest on Bonds		67,450.00

SUBTOTAL	527,450.00
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GRAND TOTAL	2,628,203.00
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2. Said emergency temporary appropriations will be provided for in the 2020 budget under the various captions listed herein.

3. A certified copy of this Resolution will be filed with the Director of the Division of Local Government Services.

ADOPTED: May 19, 2020

ATTEST:

Joan Hullings, Borough Clerk

I, Joan Hullings, Borough Clerk of the Borough of Highland Park, New Jersey, do hereby certify the above to be a true copy of a resolution adopted by the Borough Council of said Borough on the 19th day of May, 2020.

Joan Hullings, Borough Clerk

RECORD OF COUNCIL VOTES

Council Member	Ayes	Nays	Abstain	Absent
Fine				
Foster-Dublin				
George				
Hale				
Kim-Chohan				
Welkovits				

BOROUGH OF HIGHLAND PARK
NO. 5-20-159

RESOLUTION: Finance Committee

WHEREAS, an Ordinance entitled, **BOND ORDINANCE PROVIDING FOR VARIOUS WATER AND SEWER IMPROVEMENTS IN THE BOROUGH OF HIGHLAND PARK, IN THE COUNTY OF MIDDLESEX, STATE OF NEW JERSEY; APPROPRIATING \$3,320,000 THEREFOR FROM THE WATER/SEWER UTILITY OF THE BOROUGH, AUTHORIZING THE ISSUANCE OF \$3,320,000 BONDS OR NOTES TO FINANCE THE COST THEREOF AND REPLACING/REPEALING BOND ORDINANCE NUMBERS 19-1988 AND 19-1989**, has been introduced and duly passed on first reading;

NOW, THEREFORE, BE IT RESOLVED by the Borough Council of the Borough of Highland Park that this Council meet at the Borough Hall, 221, South Fifth Avenue, Highland Park, New Jersey, on Tuesday, June 9, 2020 at 7:00 PM, for the purpose of considering said Ordinance on final passage.

BE IT FURTHER RESOLVED that said Ordinance be published once at least one (1) week prior to the time fixed for further consideration of said Ordinance for final passage in the "Home News Tribune", of East Brunswick, New Jersey, a newspaper published in the County of Middlesex and circulating in this municipality, there being no newspaper published in this municipality, together with a notice of the introduction thereof and of the time and place when and where said Ordinance will be further considered for final passage as aforesaid.

BE IT FURTHER RESOLVED that a copy of said Ordinance shall be posted on the bulletin board at Borough Hall, 221 South Fifth Avenue, Highland Park, New Jersey, forthwith and that the Joan Hullings have available in her office for the members of the general public of Highland Park copies of said Ordinance for those members of the general public who may request the same.

ADOPTED: May 19, 2020

ATTEST:

Joan Hullings, BOROUGH CLERK

I, Joan Hullings, Borough Clerk of the Borough of Highland Park, New Jersey, do hereby certify the above to be a true copy of a resolution adopted by the Borough Council of said Borough on the 3rd day of September, 2019.

Joan Hullings, Borough Clerk

RECORD OF COUNCIL VOTES

Council Member	Ayes	Nays	Abstain	Absent
Fine				
Foster-Dublin				
George				
Hale				
Kim-Chohan				
Welkovits				

BOND ORDINANCE PROVIDING FOR VARIOUS WATER AND SEWER IMPROVEMENTS IN THE BOROUGH OF HIGHLAND PARK, IN THE COUNTY OF MIDDLESEX, STATE OF NEW JERSEY; APPROPRIATING \$3,320,000 THEREFOR FROM THE WATER/SEWER UTILITY OF THE BOROUGH, AUTHORIZING THE ISSUANCE OF \$3,320,000 BONDS OR NOTES TO FINANCE THE COST THEREOF AND REPLACING/REPEALING BOND ORDINANCE NUMBERS 19-1988 AND 19-1989

BE IT ORDAINED AND ENACTED BY THE BOROUGH COUNCIL OF THE BOROUGH OF HIGHLAND PARK, IN THE COUNTY OF MIDDLESEX, STATE OF NEW JERSEY (not less than two-thirds of all the members thereof affirmatively concurring), AS FOLLOWS:

SECTION 1. The improvements described in Section 3 of this bond ordinance are hereby authorized to be undertaken by the Water/Sewer Utility of the Borough of Highland Park, in the County of Middlesex, State of New Jersey (the "Borough") as general improvements. For the said improvements stated in Section 3, there is hereby appropriated the amount of \$3,320,000 from the Water/Sewer Utility of the Borough. Pursuant to the provisions of N.J.S.A. 40A:2-7(h) and 40A:2-11(c) of the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the "Local Bond Law"), no down payment is required as the Water/Sewer Utility is self-liquidating.

SECTION 2. For the financing of said improvements or purposes described in Section 3 hereof, negotiable bonds of the Water/Sewer Utility of the Borough are hereby authorized to be issued in the principal amount of \$3,320,000 pursuant to and within the limitations prescribed by the Local Bond Law. In anticipation of the issuance of said bonds and to temporarily finance said improvements or purposes, negotiable notes of the Water/Sewer Utility of the Borough in a principal amount not exceeding \$3,320,000 are hereby authorized to be issued pursuant to and within the limitations prescribed by said Local Bond Law.

SECTION 3. (a) The improvements and purposes hereby authorized and purposes for the financing of which said debt obligations are to be issued are for, as applicable: (1) the conduct of an inflow and infiltration survey of the sanitary sewer collection system, and the undertaking of any immediate rehabilitation of system which could include, but not be limited to, pipe replacement and sealing of leaks; (2) the preparation and the development of an Asset Management Plan as required by the Water Quality Accountability Act; (3) the examination, evaluation, assessment, jetting and otherwise cleaning of all sewer system mains as needed such that same are maintained free of blockages; (4) the development of and/or update to a Geographic Information System Mapping Service for the Water/Sewer Utility; and (5) the replacement, rehabilitation, installation, acquisition, and repair of (i) emergency interconnections with alternative suppliers of potable water, (ii) various water mains, including pipes, valves, and hydrants throughout the Borough including, but not limited to, along Woodbridge Avenue, South 7th Street, River Road, Parker Street, Cedar Lane, and Route 27 and (iii) various water meters throughout Borough's water system. All of such improvements and purposes set forth above shall include all engineering and design work, surveying, construction planning, preparation of plans and specifications, permits, bid documents, construction inspection and contract administration, engineering, site remediation and all work, materials, labor, appurtenances and equipment necessary therefor or incidental thereto.

b. The estimated maximum amount of bonds or notes to be issued for said improvements or purposes is \$3,320,000.

c. The estimated cost of said improvements and purposes is \$3,320,000.

SECTION 4. In the event the United States of America, the State of New

Jersey, and/or the County of Middlesex make a loan, contribution or grant-in-aid to the Borough for the improvements authorized hereby and the same shall be received by the Borough prior to the issuance of the bonds or notes authorized in Section 2 hereof, then the amount of such bonds or notes to be issued shall be reduced by the amount so received from the United States of America, the State of New Jersey, and/or the County of Middlesex. In the event, however, that any amount so loaned, contributed or granted by the United States of America, the State of New Jersey, and/or the County of Middlesex shall be received by the Borough after the issuance of the bonds or notes authorized in Section 2 hereof, then such funds shall be applied to the payment of the bonds or notes so issued and shall be used for no other purpose. This Section 4 shall not apply however, with respect to any contribution or grant in aid received by the Borough as a result of using such funds from this bond ordinance as "matching local funds" to receive such contribution or grant in aid.

SECTION 5. All bond anticipation notes issued hereunder shall mature at such times as may be determined by the Chief Financial Officer of the Borough, provided that no note shall mature later than one (1) year from its date. The notes shall bear interest at such rate or rates and be in such form as may be determined by the Chief Financial Officer. The Chief Financial Officer of the Borough shall determine all matters in connection with the notes issued pursuant to this bond ordinance, and the signature of the Chief Financial Officer upon the notes shall be conclusive evidence as to all such determinations. All notes issued hereunder may be renewed from time to time in accordance with the provisions of Section 8.1 of the Local Bond Law. The Chief Financial Officer is hereby authorized to sell part or all of the notes from time to time at public or private sale and to deliver them to the purchaser thereof upon receipt of payment of the purchase price and accrued interest thereon from their dates to the date of delivery

thereof. The Chief Financial officer is directed to report in writing to the governing body at the meeting next succeeding the date when any sale or delivery of the notes pursuant to this bond ordinance is made. Such report must include the principal amount, the description, the interest rate, and the maturity schedule of the notes so sold, the price obtained and the name of the purchaser.

SECTION 6. The Borough hereby certifies that it has adopted a capital budget or a temporary capital budget, as applicable. The capital or temporary capital budget of the Borough is hereby amended to conform with the provisions of this bond ordinance to the extent of any inconsistency herewith. To the extent that the purposes authorized herein are inconsistent with the adopted capital or temporary capital budget, a revised capital or temporary capital budget has been filed with the Division of Local Government Services.

SECTION 7. The following additional matters are hereby determined, declared, recited and stated:

a. The purposes described in Section 3 of this bond ordinance are not current expenses and are improvements which the Borough may lawfully undertake as general improvements, and no part of the cost thereof has been or shall be specially assessed on property specially benefited thereby.

b. The average period of usefulness of said improvements within the limitations of said Local Bond Law, according to the reasonable life thereof computed from the date of the said bonds authorized by this bond ordinance, is 20 years.

c. The supplemental debt statement required by the Local Bond Law with respect to the Replaced Bond Ordinances (as defined below) has been duly made and filed in the Office of the Clerk of the Borough and a complete executed duplicate thereof has been filed in the Office of the Director of the Division of Local

Government Services, New Jersey Department of Community Affairs, and such statement shows that gross debt of the Borough, as defined in the Local Bond Law, is increased by the authorization of bonds or notes provided for in this bond ordinance by \$3,320,000 and the said obligations authorized by this bond ordinance will be within all debt limitations prescribed by said Local Bond Law. As such no supplemental debt statement need be prepared or filed with respect to this bond ordinance as such debt authorized has been reflected in the supplemental debt statement for the Replaced Bond Ordinances.

d. An amount not exceeding \$1,120,000 for items of expense listed in and permitted under section 20 of the Local Bond Law is included in the estimated cost indicated herein for the improvements hereinbefore described.

e. This bond ordinance authorizes obligations of the Borough solely for purposes described in N.J.S.A. 40A:2-7(h). The obligations authorized herein are to be issued for purposes that are deemed to be self-liquidating pursuant to N.J.S.A. 40A:2-47(a) and are deductible from gross debt pursuant to N.J.S.A. 40A:2-44(c).

SECTION 8. The full faith and credit of the Borough are hereby pledged to the punctual payment of the principal of and the interest on the debt obligations authorized by this bond ordinance. The debt obligations shall be direct, unlimited obligations of the Borough, and the Borough shall be obligated to levy ad valorem taxes upon all the taxable property within the Borough for the payment of the debt obligations and the interest thereon without limitation as to rate or amount.

SECTION 9. The Borough reasonably expects to reimburse any expenditures toward the costs of the improvements or purposes described in Section 3 hereof and paid prior to the issuance of any bonds or notes authorized by this bond ordinance with the proceeds of such bonds or notes. This Section 9 is intended to be and

hereby is a declaration of the Borough's official intent to reimburse any expenditures toward the costs of the improvements or purposes described in Section 3 hereof to be incurred and paid prior to the issuance of bonds or notes authorized herein in accordance with Treasury Regulations Section 150-2. No reimbursement allocation will employ an "abusive arbitrage device" under Treasury Regulations §1.148-10 to avoid the arbitrage restrictions or to avoid the restrictions under Sections 142 through 147, inclusive, of the Internal Revenue Code of 1986, as amended (the "Code"). The proceeds of any bonds or notes authorized by this bond ordinance used to reimburse the Borough for costs of the improvements or purposes described in Section 3 hereof, or funds corresponding to such amounts, will not be used in a manner that results in the creation of "replacement proceeds", including "sinking funds", "pledged funds" or funds subject to a "negative pledge" (as such terms are defined in Treasury Regulations §1.148-1), of any bonds or notes authorized by this bond ordinance or another issue of debt obligations of the Borough, other than amounts deposited into a "bona fide debt service fund" (as defined in Treasury Regulations §1.148-1). The bonds or notes authorized herein to reimburse the Borough for any expenditures toward the costs of the improvements or purposes described in Section 3 hereof will be issued in an amount not to exceed \$3,320,000. The costs to be reimbursed with the proceeds of the bonds or notes authorized herein will be "capital expenditures" in accordance with the meaning of Section 150 of the Code. All reimbursement allocations will occur not later than 18 months after the later of (i) the date the expenditure from a source other than any bonds or notes authorized by this bond ordinance is paid, or (ii) the date the improvements or purposes described in Section 3 hereof is "placed in service" (within the meaning of Treasury Regulations §1.150-2) or abandoned, but in no event more than 3 years after the expenditure is paid.

SECTION 10. The Borough covenants to maintain the exclusion from gross

income under section 103(a) of the Code of the interest on all bonds and notes issued under this ordinance.

SECTION 11. Bond Ordinance Number 19-1988 and Bond Ordinance Number 19-1989 duly adopted by the Borough Council of the Borough on September 17, 2019 (the "Replaced Bond Ordinances") are hereby replaced and repealed by this bond ordinance.

SECTION 12. This bond ordinance shall take effect twenty (20) days after the first publication hereof after final adoption, as provided by the Local Bond Law.

ADOPTED ON FIRST READING

DATED: May 19, 2020

Joan Hullings, Borough Clerk

ADOPTED ON SECOND READING

DATED: June 9, 2020

Joan Hullings, Borough Clerk

APPROVAL BY THE MAYOR ON THIS ____ DAY OF _____, 2020

Gayle Brill Mittler, Mayor

BOROUGH OF HIGHLAND PARK
NO. 5-20-160

RESOLUTION TO APPLY FOR PHASE II MICROGRID DESIGN INCENTIVE
PROGRAM THROUGH NEW JERSEY BOARD OF PUBLIC UTILITIES

RESOLUTION:

WHEREAS, the Borough of Highland Park desires to become more resilient, particularly with respect to critical facilities, as a result of Superstorm Sandy; and

WHEREAS, the Borough of Highland Park previously participated in the New Jersey Board of Public Utilities (NJBPU)'s Town Center Distributed Energy Resources (TCDER) Microgrid Feasibility Study Program; and

WHEREAS, the Borough's Feasibility Study was one of 12 found to meet Feasibility Study program requirements; and

WHEREAS, the NJBPU's Phase II TCDER Microgrid Design Incentive Program provides funding for a design of a TCDER Microgrid which will aid the Borough in moving its project towards the development and construction phases; and

NOW, THEREFORE, BE IT RESOLVED, by the Borough Council of the Borough of Highland Park that the Mayor and Borough Clerk are hereby authorized and directed to make an application to the NJBPU for the Phase II TCDER Microgrid Design Incentive Program.

ADOPTED: May 19, 2020

ATTEST:

Joan Hullings, Borough Clerk

I, Joan Hullings, Borough Clerk of the Borough of Highland Park, New Jersey, do hereby certify the above to be a true copy of a resolution adopted by the Borough Council of said Borough on the 19th day of May, 2020.

Joan Hullings, Borough Clerk

RECORD OF COUNCIL VOTES

Council Member	Ayes	Nays	Abstain	Absent
Fine				
Foster-Dublin				
George				
Hale				
Kim-Chohan				
Welkovits				

BOROUGH OF HIGHLAND PARK
NO. 5-20-161
DECLARING JUNE 5TH TO BE NATIONAL GUN VIOLENCE AWARENESS DAY

RESOLUTION: Council as a Whole

WHEREAS, every day, more than 100 Americans are killed by gun violence and on average there are more than 13,000 gun homicides every year; and

WHEREAS, Americans are 25 times more likely to die by gun homicide than people in other high-income countries; and

WHEREAS, New Jersey has 465 gun deaths every year, with a rate of 5.3 deaths per 100,000 people. New Jersey has the 46th highest rate of gun deaths in the US; and

WHEREAS, gun homicides predominantly occur in cities, with more than half of all firearm related gun deaths in the nation occurring in 127 cities; and

WHEREAS, cities across the nation, including Highland Park, New Jersey, are working to end the senseless violence with evidence-based solutions; and

WHEREAS, protecting public safety in the communities they serve is mayors' highest responsibility; and

WHEREAS, support for the Second Amendment rights of law-abiding citizens goes hand-in-hand with keeping guns away from people with dangerous histories; and

WHEREAS, mayors and law enforcement officers know their communities best, are the most familiar with local criminal activity and how to address it, and are best positioned to understand how to keep their citizens safe; and

WHEREAS, the pandemic facing America has drastically impacted communities and individuals sheltering in place which may result in situations where access to firearms results in increased risk in intimate partner violence gun deaths, suicide by gun and unintentional shootings;

WHEREAS, in January 2013, Hadiya Pendleton, a teenager who marched in the presidential inaugural parade and was tragically shot and killed just weeks later, should be now celebrating her 23rd birthday; and

WHEREAS, to help honor Hadiya – and the more than 100 Americans whose lives are cut short every day and the countless survivors who are injured by shootings every day – a national coalition of organizations has designated June 5, 2020, the first Friday in June, as the 6th National Gun Violence Awareness Day; and

WHEREAS, the idea was inspired by a group of Hadiya's friends, who asked their classmates to commemorate her life by wearing orange; they chose this color because hunters wear orange to announce themselves to other hunters when out in the woods and orange is a color that symbolizes the value of human life; and

WHEREAS, anyone can join this campaign by pledging to Wear Orange on June 5th, the first Friday in June in 2020, to help raise awareness about gun violence; and

WHEREAS, by wearing orange on June 5, 2020 Americans will raise awareness about gun violence and honor the lives of gun violence victims and survivors; and

WHEREAS, we renew our commitment to reduce gun violence and pledge to do all we can to keep firearms out of the wrong hands, and encourage responsible gun ownership to help keep our children safe.

NOW, THEREFORE BE IT RESOLVED, that Mayor Gayle Brill Mittler of the Borough of Highland Park, declares the first Friday in June, June 5, 2020, to be National Gun Violence Awareness Day. I encourage all citizens to support their local communities' efforts to prevent the tragic effects of gun violence and to honor and value human lives.

ADOPTED: May 19, 2020

ATTEST:

Joan Hullings, BOROUGH CLERK

I, Joan Hullings, Borough Clerk of the Borough of Highland Park, New Jersey do hereby certify the above to be a true copy of a resolution adopted by the Borough Council of said Borough on the 19th day of May, 2020

Joan Hullings, Borough Clerk

RECORD OF COUNCIL VOTES

Council Member	Ayes	Nays	Abstain	Absent
Fine				
Foster-Dublin				
George				
Hale				
Kim-Chohan				
Welkovits				

BOROUGH OF HIGHLAND PARK
NO. 5-20-162

A RESOLUTION TO AUTHORIZE ESTIMATED PROPERTY TAX
BILLING FOR THE 3RD QUARTER OF 2020

RESOLUTION: Finance Committee

WHEREAS, in light of the disruption caused by the COVID-19 outbreak, the Division of Local Government Services in Local Finance Notice No. 2020-07 has strongly recommended that municipalities prepare to issue estimated real property tax bills for the third quarter of 2020, and

WHEREAS, it is anticipated that the Highland Park Borough Tax Collector will not be in receipt of a certified tax rate in enough time to be able to complete the mailing and delivery of real property tax bills by June 14, 2020 as is required by law; and

WHEREAS, the Highland Park Borough Tax Collector and the Highland Park Borough Chief Financial Officer have requested that the Council provide them with the authorization to issue estimated 3rd quarter real property tax bills, which would allow the Tax Collector to complete the mailing and delivery of real property tax bills by June 14, 2020; and

WHEREAS, the Highland Park Borough Tax Collector, in consultation with the Highland Park Borough Chief Financial Officer, has computed an estimated tax levy in accordance with N.J.S.A. 54:4-66.3 and they have both signed a certification showing the tax levy for the previous year, and the range of permitted estimated tax levies; and

WHEREAS, in accordance with Chapter 72, P.L. 1994, the Tax Collector requests the Council approve the estimated tax levy of \$49,031,479.23 at a tax rate of \$8.4105; and

WHEREAS, the above levy and rate have been calculated on a worksheet that is attached hereto and made a part hereof by reference; and

WHEREAS, the above levy amount falls between the mandated estimated range required by N.J.S.A. 54:4-66.3(a)(1) and approval will enable the Borough to meet its financial obligations; maintain the tax collection rate; provide uniformity for tax payments; and save the unnecessary cost of interest expenses on borrowing.

NOW, THEREFORE BE IT RESOLVED, by the Borough Council of the Borough of Highland Park, State of New Jersey as follows:

1. The Tax Collector is hereby authorized and directed to prepare and timely issue estimated tax bills for the Borough of Highland Park for the third quarter installment of 2020 taxes.
2. The entire estimated tax levy for 2020 is hereby set at \$49,031,479.23. The estimated tax rate for 2020 is hereby set at \$8.4105.

3. In accordance with applicable law, the third quarter installment of 2020 taxes (whether estimated or not) shall not be subject to interest until the later of August 10 or the twenty-fifth calendar day after the date the estimated bills were mailed. The estimated tax bills shall contain a notice specifying the date on which interest may begin to accrue.
4. A copy of this resolution shall be forwarded to the Tax Collector and Chief Financial Officer of the Borough of Highland Park for their records.
5. The Tax Collector and the Chief Financial Officer are hereby authorized to take all steps necessary to effectuate the purpose of this resolution.
6. This resolution shall take effect as herein provided.

ADOPTED: May 19, 2020

ATTEST:

Joan Hullings, Borough Clerk

I, Joan Hullings, Borough Clerk of the Borough of Highland Park, New Jersey, do hereby certify the above to be a true copy of a resolution adopted by the Borough Council of said Borough on the 19th day of May, 2020.

Joan Hullings, Borough Clerk

RECORD OF COUNCIL VOTES

Council Member	Ayes	Nays	Abstain	Absent
Fine				
Foster-Dublin				
George				
Hale				
Kim-Chohan				
Welkovits				

TOWN: Highland Park Borough, Middlesex County

2019 Taxes	2019 Tax Rate		
\$48,190,468.90	\$8.415		
	95%	105%	
Municipal	\$12,637,368.34	\$12,005,499.92	\$13,269,236.76
Local School	\$29,640,940.00	\$28,158,893.00	\$31,122,987.00
Open Space	\$0.00	\$0.00	\$0.00
Regional School	\$0.00	\$0.00	\$0.00
Fire District	\$0.00	\$0.00	\$0.00
County	\$5,027,074.30	\$4,775,720.59	\$5,278,428.02
County Open Space	\$422,103.38	\$400,998.21	\$443,208.55
County Health	\$0.00	\$0.00	\$0.00
Library	\$462,982.88	\$439,833.74	\$486,132.02
Misc	\$0.00	\$0.00	\$0.00
Totals	\$48,190,468.90	\$45,780,945.46	\$50,599,992.35

Current Year Total Assessed Value

\$582,981,141.00

2020	Estimated Amts		Rounding Up	
Municipal	\$12,925,562.81	\$2.21715		
Local School	\$30,057,283.19	\$5.15579		
Open Space	\$0.00	\$0.00000		
Regional School	\$0.00	\$0.00000		
Fire District	\$0.00	\$0.00000		
County	\$5,077,167.00	\$0.87090		
County Open Space	\$436,454.89	\$0.07487		
County Health	\$0.00	\$0.00000		
Library	\$535,011.34	\$0.09177		
Misc	\$0.00	\$0.00000		
	\$49,031,479.23	\$8.41047		
				Rounding Difference \$3,064.54
			Tax Rate to be used	
			Rounded Amounts	
			\$8.411	\$49,034,543.77

	2019	2020 Estimated	Incr/Decr	
Municipal	\$12,637,368.34	\$12,925,562.81	\$288,194.47	102.280%
Local School	\$29,640,940.00	\$30,057,283.19	\$416,343.19	101.405%
Open Space	\$0.00	\$0.00	\$0.00	#DIV/0!
Regional School	\$0.00	\$0.00	\$0.00	#DIV/0!
Fire District	\$0.00	\$0.00	\$0.00	#DIV/0!
County	\$5,027,074.30	\$5,077,167.00	\$50,092.70	101.00%
County Open Space	\$422,103.38	\$436,454.89	\$14,351.51	103.40%
County Health	\$0.00	\$0.00	\$0.00	#DIV/0!
Library	\$462,982.88	\$535,011.34	\$72,028.46	115.56%
Misc	\$0.00	\$0.00	\$0.00	#DIV/0!
Totals	\$48,190,468.90	\$49,031,479.23	\$841,010.33	101.75%

This cannot be over 105% or under 95%

Attest:

Gregory Fehrenbach
CFO

Elsa Díaz
Tax Collector

BOROUGH OF HIGHLAND PARK
NO. 5-20-163

RESOLUTION TO APPOINT DIRECTOR OF FINANCE, CHIEF FINANCIAL
OFFICER AND QUALIFIED PURCHASING AGENT

RESOLUTION: Finance Committee

WHEREAS, the Borough of Highland Park will experience a vacancy in the position of Chief Financial Officer and Qualified Purchasing Agent on or about June 21, 2020; and

WHEREAS, the Borough is interested in hiring a Director of Finance; and

WHEREAS, the Borough has conducted a thorough search for qualified personnel to fill the positions; and

WHEREAS, the Borough has identified Lori Majeski, C.M.F.O. #N-0149 and QPA Certificate #Q-1063, as an excellent candidate for appointment to the open positions; and

WHEREAS, Lori Majeski meets all statutory requirements for appointment to these positions.

NOW, THEREFORE BE RESOLVED by the Borough Council of the Borough of Highland Park in the County of Middlesex that

1. Lori Majeski is hereby appointed to the position of Chief Financial Officer, effective June 22, 2020 and ending December 31, 2022 per NJSA 40A:9-140.10, for an annual salary of \$50,000.
2. Lori Majeski is hereby appointed as the Director of Finance, effective June 22, 2020, for an annual salary of \$65,000.
3. Lori Majeski is hereby appointed as the Qualified Purchasing Agent, effective June 22, 2020, to exercise the duties of a purchasing agent pursuant to N.J.S.A. 40A:11-2.30.

ADOPTED: May 19, 2020

ATTEST:

Joan Hullings, Borough Clerk

I, Joan Hullings, Borough Clerk of the Borough of Highland Park, New Jersey, do hereby certify the above to be a true copy of a resolution adopted by the Borough Council of said Borough on the 19th day of May, 2020.

Joan Hullings, Borough Clerk

RECORD OF COUNCIL VOTES

Council Member	Ayes	Nays	Abstain	Absent
Fine				
Foster-Dublin				
George				
Hale				
Kim-Chohan				
Welkovits				

BOROUGH OF HIGHLAND PARK
No. 5-20-164

RESOLUTION AUTHORIZING AMENDMENT TO ANNUAL SALARY RESOLUTION

RESOLUTION: Finance Committee

BE IT RESOLVED by the Borough Council of the Borough of Highland Park that the Borough Clerk be and is hereby authorized and directed to notify the Borough Finance Director that since the adoption of a resolution on January 7, 2020 showing the names of the officers and employees of the Borough of Highland Park whose salaries are on an annual basis, there have been the following changes, to wit:

JOSE CURBELO, Captain of Police, at annual salary of \$153,929.00 effective April 17, 2020.

BE IT FURTHER RESOLVED that the Finance Director be and is hereby directed to make the necessary changes in the payroll records of the Finance Department in accordance with the changes established by this resolution.

ADOPTED: May 19, 2020

ATTEST:

Joan Hullings, Borough Clerk

I, Joan Hullings, Borough Clerk of the Borough of Highland Park, New Jersey, do hereby certify the above to be a true copy of a resolution adopted by the Borough Council of said Borough on the 19th day of May, 2020.

Joan Hullings, Borough Clerk

RECORD OF COUNCIL VOTES

Council Member	Ayes	Nays	Abstain	Absent
Fine				
Foster-Dublin				
George				
Hale				
Kim-Chohan				
Welkovits				

BOROUGH OF HIGHLAND PARK
NO. 5-20-165

RESOLUTION TO APPROVE FINAL PAYOUT TO
PUBLIC WORKS DRIVER JAMES COLEMAN

RESOLUTION: Finance Committee

WHEREAS, JAMES COLEMAN, Public Works Department Driver, has retired from the Borough of Highland Park effective May 1, 2020; and

WHEREAS, per the requirements of the Agreement between Borough of Highland Park and the DPWA Union Contract, James Coleman is entitled to unused accrued time payments in the amount as calculated below.

2020 Accrual Balance	Hours	Per Hour	Total
SICK	422.67	34.52	\$5,000.00
VACATION	91.00	34.52	\$3,141.32
TOTAL			<u>\$8,141.32</u>

NOW, THEREFORE BE IT RESOLVED, by the Borough Council of the Borough of Highland Park that the unused accrued time payment in an amount not to exceed \$8,141.32 be approved and distributed in the next available pay cycle.

ADOPTED: May 19, 2020

ATTEST:

Joan Hullings, Borough Clerk

I, Joan Hullings, Borough Clerk of the Borough of Highland Park, New Jersey, do hereby certify the above to be a true copy of a resolution adopted by the Borough Council of said Borough on the 19th day of May, 2020.

Joan Hullings, Borough Clerk

RECORD OF COUNCIL VOTES

Council Member	Ayes	Nays	Abstain	Absent
Fine				
Foster-Dublin				
George				
Hale				
Kim-Chohan				
Welkovits				

BOROUGH OF HIGHLAND PARK
NO. 5-20-166

RESOLUTION TO APPLY FOR AND EXECUTE FIRST RESPONDER
OUTREACH GRANT FROM THE GARY SINISE FOUNDATION

RESOLUTION: Public Safety Committee

WHEREAS, the Borough of Highland Park desires to apply for and obtain a First Responder Outreach Grant for their Emergency Services Departments;

NOW, THEREFORE, BE IT RESOLVED by the Borough Council of the Borough of Highland Park that the Mayor and/or Borough Administrator is hereby authorized and directed to execute the grant application for the First Responder Outreach Grant on behalf of the Borough.

BE IT FURTHER RESOLVED that a certified copy of this resolution be forwarded to the Public Safety Committee and Finance Director forthwith.

ADOPTED: May 19, 2020

ATTEST:

Joan Hullings, BOROUGH CLERK

I, Joan Hullings, Borough Clerk of the Borough of Highland Park, New Jersey, do hereby certify the above to be a true copy of a resolution adopted by the Borough Council of said Borough on the 19th day of May, 2020.

Joan Hullings, Borough Clerk

RECORD OF COUNCIL VOTES

Council Member	Ayes	Nays	Abstain	Absent
Fine				
Foster-Dublin				
George				
Hale				
Kim-Chohan				
Welkovits				

BOROUGH OF HIGHLAND PARK
NO. 5-20-167

RESOLUTION AUTHORIZING APPROVAL OF BILLS LIST

RESOLUTION: Finance Committee

BE IT RESOLVED by the Borough Council of the Borough of Highland Park that all claims presented prior to this meeting as shown on a detailed list prepared by the Borough Treasurer, and which have been submitted and approved in accordance with Highland Park Ordinance No. 1004, shall be and the same are hereby approved; and

BE IT FURTHER RESOLVED that the Borough Clerk shall include in the minutes of this meeting a statement as to all such claims approved as shown in a Bills List Journal in accordance with said Ordinance.

The bills approved for payment at this meeting, Bills List 05/19/2020 can be found in the Bills List Journal Book No. 40.

ADOPTED: May 19, 2020

ATTEST:

Joan Hullings, Borough Clerk

I, Joan Hullings, Borough Clerk of the Borough of Highland Park, New Jersey, do hereby certify the above to be a true copy of a resolution adopted by the Borough Council of said Borough on the 19th day of May, 2020.

Joan Hullings, Borough Clerk

RECORD OF COUNCIL VOTES

Council Member	Ayes	Nays	Abstain	Absent
Fine				
Foster-Dublin				
George				
Hale				
Kim-Chohan				
Welkovits				

BOROUGH OF HIGHLAND PARK
NO. 5-20-168

RESOLUTION OF THE BOROUGH OF HIGHLAND PARK AWARDING A CONTRACT TO UTILITY SERVICE AFFILIATES, INC., A MIDDLESEX WATER COMPANY AFFILIATE, FOR THE OPERATION AND MANAGEMENT OF THE BOROUGH'S WATER AND SEWER SYSTEMS

RESOLUTION: Public Works and Public Utilities Committee

WHEREAS, the Borough of Highland Park, Middlesex County, New Jersey (the "Borough"), a municipal corporation organized and existing under the laws of the State of New Jersey, provides, among other things, certain water and sewer services to the residents of the Borough; and

WHEREAS, the Borough owns and operates the water system, including distribution facilities, all properties, assets and franchises and all improvements, additions and extensions thereto which relate to the purposes of distributing potable water service to residents and commercial and industrial establishments in the Borough (the "Water System"); and

WHEREAS, the Borough owns and operates the sewer system, including the collection systems and force mains used to collect and transport wastewater generated in the Borough from its point of origin to Middlesex County Utilities Authority treatment facility (the "Sewer System" and together with the Water System, the "Systems"); and

WHEREAS, the Systems provide water distribution and sewer collection services to the Borough's residents and customers; and

WHEREAS, the proper provision of such water distribution and sewer collection services are necessary for the public health, safety and welfare of the Borough's residents and customers and the financial well-being of the Borough; and

WHEREAS, on October 29, 2019 the Council of the Borough (the "Borough Council") adopted Resolution R-10-19-311 authorizing the use of the competitive contracting provisions of the Local Public Contracts Law *N.J.S.A. 40A:11-4.1 et seq.* ("LPCL") to seek proposals for an operation and management contract for the Systems (the "Services"); and

WHEREAS, for the purpose of determining the best candidate to provide the Services, the Borough issued a Request for Proposals ("RFP") through the competitive contracting process of the LPCL on January 21, 2020, to solicit proposals from qualified and experienced firms or entities to enter into an operating and management agreement (the "Contract") with the Borough for a ten (10) year term for the provision of the Services: and

WHEREAS, the Borough advertised the issuance of the RFP, posted the RFP on the Borough's website and issued three (3) addenda to the RFP which were emailed to all recipients of the RFP; and

WHEREAS, the Borough formed an evaluation committee (the "Committee") to review and evaluate the proposals submitted in response to the RFP in accordance with the criteria set forth in the RFP; and

WHEREAS, the RFP includes provisions for the Borough Council to i) reject all proposals or ii) to reject incomplete or non-responsive proposals; and

WHEREAS, on February 28, 2020 the Borough received proposals from Suez Water Environmental Services, Inc. ("Suez") and Utility Service Affiliates, Inc., (a Middlesex Water Company Affiliate) ("USA") in response to the RFP (the "2/28 Proposals"); and

WHEREAS, the 2/28 Proposals were reviewed by the Committee and McManimon, Scotland & Baumann, LLC, Special Counsel to the Borough, (the "Special Counsel") for compliance with the RFP; and

WHEREAS, after extensive review of the 2/28 Proposals, the Committee concluded that the 2/28 Proposals were not economically feasible and included both capital items and excessive risk protection in their proposed annual fee; and

WHEREAS, the competitive contracting provisions of the LPCL do not provide for negotiation of a proposal once submitted; and

WHEREAS, the Committee recommended the Borough Council reject the 2/28 Proposals and re-issue the RFP with revisions to the capital improvement, minor repair/replacement and annual fee provisions of the Contract; and

WHEREAS, On March 24, 2020 the Borough Council adopted a resolution no. 3-20-118 the 2/28 Proposals and authorizing the re-issuance of the RFP; and

WHEREAS, on March 26, 2020, the Borough re-issued the revised RFP; and

WHEREAS, the Borough issued one (1) addendum to the re-issued RFP which was emailed to all recipients of the re-issued RFP; and

WHEREAS, on April 30, 2020, the Borough received proposals from USA and Suez which incorporated their February 28, 2020 Proposals by reference and amended certain sections thereof, including a revised Cost Proposal (the "4/30 Proposals"); and

WHEREAS, following review of the 4/30 Proposals, the Borough determined to modify the scope of services in the Contract; and

WHEREAS, on May 4, 2020, the Borough sent Suez and USA the revised scope of services and clarified certain issues raised by the 4/30 Proposals; and

WHEREAS, on May 8, 2020, the Borough received amended and supplemented proposals from Suez and USA, including a revised Cost Proposal; and

WHEREAS, the Committee conducted a comprehensive review and evaluation of the proposals from USA ("USA Proposal") and Suez ("Suez Proposal" and together with the USA Proposal, the "Proposals"); and

WHEREAS, the review of the Proposals was based upon (i) legal compliance; (ii) qualifications; (iii) administrative, technical, experience and financial strength requirements; (iv) proposed operation and management plan and approach; (v) project team and staffing; (vi) cost proposal and (vii) other factors, as set forth in the Proposals; and

WHEREAS, the review and evaluation of the Proposals was conducted in accordance with the proposal evaluation criteria set forth in the RFP; and

WHEREAS, in the report prepared by the Committee and Special Counsel in accordance with N.J.S.A. 40A:11-4.5(d) (the "Evaluation Report") and attached hereto as Exhibit A, the Committee ranked the Proposals based on the scores from the evaluation form and concluded that USA has the experience, administrative and technical capability and financial strength to work with the Borough and efficiently and effectively provide the Services sought under the RFP and that the Cost Proposal in the amount of \$747,000 per year for the term of the Contract for the Annual Fee and \$789,242 for the Initial Capital Improvements is reasonable and justifiable based on the Services to be provided; and

WHEREAS, the Committee recommended that the Borough Council award the Contract to USA in the total contract amount of \$8,259,242 for the ten (10) year term set forth in the RFP with a Net Present Value of \$6,863,293.37.

NOW, THEREFORE, BE IT RESOLVED BY THE BOROUGH COUNCIL OF THE BOROUGH OF HIGHLAND PARK AS FOLLOWS:

1. The aforementioned recitals are incorporated herein as though fully set forth at length.
2. The Borough hereby awards the Contract for the operation and management of the Systems to Utility Service Affiliates, Inc. at the annual fees attached hereto as Exhibit B. The Mayor and Borough Clerk are hereby authorized to execute the Contract in substantially the form attached hereto as Exhibit C with such changes, omissions or amendments and any and all other documents necessary to effectuate the purposes therein as the Mayor deems appropriate in consultation with the Borough counsel and consultants.
3. A copy of this Resolution and the Evaluation Report shall be available for distribution to the public and for public inspection at the Borough offices.
4. Notice of Award of the Contract shall be published in the local paper in accordance with *N.J.S.A 40A:11-4.5(g)*.
5. This Resolution shall take effect immediately.

ADOPTED: May 19, 2020

ATTEST:

Joan Hullings, Borough Clerk

I, Joan Hullings, Borough Clerk of the Borough of Highland Park, New Jersey, do hereby certify the above to be a true copy of a resolution adopted by the Borough Council of said Borough on the 19th day of May, 2020.

Joan Hullings, Borough Clerk

RECORD OF COUNCIL VOTES

Council Member	Ayes	Nays	Abstain	Absent
Fine				
Foster-Dublin				
George				
Hale				
Kim-Chohan				
Welkovits				

EXHIBIT A
EVALUATION REPORT

EXHIBIT B

Fee Schedule

Year	Operation and Maintenance Fee
Year 1	\$747,000
Year 2	747,000
Year 3	747,000
Year 4	747,000
Year 5	747,000
Year 6	747,000
Year 7	747,000
Year 8	747,000
Year 9	747,000
Year 10	747,000

INITIAL CAPITAL IMPROVEMENT FEE: \$789,242

EXHIBIT C
FORM OF CONTRACT

**EVALUATION REPORT
AND
RECOMMENDATION OF CONTRACT AWARD
REGARDING
REQUEST FOR PROPOSALS
FOR OPERATION AND MANAGEMENT SERVICES
FOR THE MUNICIPAL WATER AND SEWER SYSTEMS FOR
THE BOROUGH OF HIGHLAND PARK, NEW JERSEY**

**By: Evaluation Committee
Dated: May 15, 2020**

**EVALUATION REPORT AND RECOMMENDATION
OF THE CONTRACT AWARD
TABLE OF CONTENTS**

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II. Comprehensive RFP Content Details.....	3
III. Proposal Evaluation Criteria	4
IV. Cost Proposal	5
V. Recommendation - Selected Respondent.....	6

ATTACHMENTS

- A: Summary Proposal Evaluation Form**
- B: Proposed Contract**

This Evaluation Report and Recommendation of Contract Award (the "Report") is being provided pursuant to and in accordance with the requirements of the competitive contracting provisions of the Local Public Contracts Law (N.J.S.A. 40A:11-4.1 et seq.) (the "LPCL"). The purpose of this Report is to provide the Council (the "Borough Council") of the Borough of Highland Park, New Jersey (the "Borough") with an evaluation of the proposals received in response to a Request for Proposals issued by the Borough, and to provide a recommendation to the Borough Council of a Respondent for the award of a contract (the "Selected Respondent").

Recommendation

Based on the information and analysis set forth in this Report, the Evaluation Committee (defined herein) recommends the Borough Council award the ten year contract with the Borough for the provision of operation and management services associated with the Borough's water and sewer systems (the "Contract") to Utility Service Affiliates, Inc., a subsidiary of Middlesex Water Company.

I. EXECUTIVE SUMMARY

A. Initial Request for Proposals

On January 21, 2020 the Borough issued a Request for Proposals ("RFP") through the competitive contracting process of the LPCL, to solicit proposals from qualified and experienced firms or entities to enter into an operating and management agreement (the "Contract") with the Borough for a ten (10) year term for the provision of the appropriate and necessary operation and management services associated with the Borough's water and sewer systems (the "Borough Systems"), as more particularly described in the RFP (the "Services"). The Office of the State Comptroller (OSC) reviewed the proposed RFP and after several modifications as per their instructions, the OSC approved of the RFP. The Borough advertised the issuance of the RFP and posted the RFP on the Borough's website. The Borough issued three (3) addenda to the RFP which were emailed to all recipients of the RFP. To evaluate the proposals, the Borough formed an Evaluation Committee comprised of: Teri Jover, Business Administrator; Gregory Fehrenbach, Principal, Government Management Advisors LLC, Consultant; Philip George, Council President; and Michael Wiczorkiewicz, Superintendent Department of Public Works (collectively, the "Evaluation Committee" or "Committee") as assisted by Edward McManimon and Frances McManimon of McManimon, Scotland & Baumann, LLC, Special Counsel to the Borough ("Special Counsel"). The evaluation process was undertaken in accordance with the competitive contracting provisions of the LPCL and all other applicable law.

B. Initial Proposals

On February 28, 2020 the Borough received proposals (the "2/28 Proposals" from the following entities in response to the RFP:

1. Suez Water Environmental Services, Inc. ("Suez")
461 From Road, Suite 400, Paramus, New Jersey 07652
2. Utility Service Affiliates, Inc. (a Middlesex Water Company Affiliate) ("USA")

1500 Ronson Road, Iselin, New Jersey 08830

C. Evaluation Committee Review

The Evaluation Committee conducted a thorough review of each of the 2/28 Proposals for compliance with the RFP and on March 5, 2020 the Evaluation Committee and Special Counsel conducted interviews with USA and Suez. The Evaluation Committee concluded the 2/28 Proposals were not economically feasible and included both capital items and excessive risk protection in their proposed annual fee. On March 24, 2020 the Borough Council adopted a resolution rejecting the 2/28 Proposals submitted by Suez and USA and authorizing the re-issuance of the RFP.

D. Re-Issuance of RFP

On March 26, 2020, the Borough re-issued the RFP with revisions to the capital improvement, minor repair/replacement and annual fee provisions of the Contract. Specifically, certain items previously included in the Annual Fee were defined as "Initial Capital Improvements" to be funded by the Borough as capital items over a twenty year period. The Borough issued one (1) addendum to the re-issued RFP which was emailed to all recipients of the re-issued RFP. On April 30, 2020 the Borough received proposals from USA and Suez (the "4/30 Proposals"). The 4/30 Proposals from USA and Suez incorporated their February 28, 2020 Proposals by reference and amended certain sections thereof, including a revised Cost Proposal. Following review of the 4/30 Proposals, the Borough determined to modify the scope of services in the Contract. On May 4, 2020, the Borough sent Suez and USA the revised scope of services and clarified certain issues raised by the 4/30 Proposals. On May 8, 2020, the Borough received amended and supplemented proposals from Suez and USA, including a revised Cost Proposal (the "Proposals").

E. Evaluation

The Evaluation Committee conducted a comprehensive review and evaluation of the Proposals from USA and Suez. The review of the Proposal from USA ("USA Proposal") and the Proposal from Suez ("Suez Proposal" and together with the USA Proposal the "Proposals") was based upon qualifications, experience, proposed operation and management plan and approach, project team, staffing, cost proposal and other factors, as set forth in the Proposals. The review and evaluation of the USA Proposal and the Suez Proposal was conducted in accordance with the proposal evaluation criteria set forth in the RFP and the evaluation form ("Evaluation Form"), which was based on a total maximum potential weighted average score of 5. This criteria was developed to meet the specific needs of the Borough in obtaining the Services. The chart below summarizes the total scores of each Proposal:

Respondent	Total Score
Utility Service Affiliates, Inc.	4.56
Suez Water Environmental Services, Inc.	3.24

The Evaluation Committee, with the assistance of the Special Counsel, drafted this Report for the Borough Council.

II. COMPREHENSIVE RFP CONTENT DETAILS

It is the intent of the Borough to enter into a Contract with a qualified vendor for a term of ten (10) years commencing July 1, 2020. The Contract, which was provided as an attachment to the RFP and is attached hereto as Attachment B, requires the Selected Respondent to operate and manage the Borough Systems in accordance with the Contract. The RFP also requires the Selected Respondent to provide these Services in accordance with all Federal, State and local requirements, laws, rules and regulations, and to meet and implement certain processes and procedures as minimum standards. The RFP also advised potential respondents, that the Borough would evaluate each Proposal on the basis of established criteria as set forth in the RFP, and in accordance with the competitive contracting provisions of the LPCL and applicable law.

A. Form of Proposals and Required Forms

Respondents were required to submit, as part of their proposal submission, the documents and information described in the RFP, to demonstrate that the Respondent meets or exceeds the required technical, administrative and financial criteria of the RFP. Respondents were invited to submit supplemental information, in addition to the required information, that might be useful in evaluating the Respondent's qualifications. Respondents were encouraged to be clear, factual, and concise in the presentation of their information.

Proposal submissions were required to include:

- General Information (RFP – Section II, 2.5.2)
- Administrative Information (RFP-Section III, 2.5.3);
- Financial Information (RFP-Section IV, 2.5.4);
- Technical Information (RFP-Section V, 2.5.5); and
- Cost Proposal (RFP –Section VII, 2.5.7)

Proposal submissions were required to include the following, among other items:

Proposal Form D-1: Respondent Form/Cover Letter

Proposal Form D-2: Ownership Disclosure Statement

Proposal Form D-3: Consent to Investigate

Proposal Form D-4: Non-Collusion Affidavit

Proposal Form D-5: Equal Employment Opportunity Certificate

Proposal Form D-6/Form D-7/Form D-8: Form of Performance Bond/Form of Performance Letter of Credit/ Guaranty Agreement

Proposal Form D-9: Financial Information

Proposal Form D-10: Cost Proposal

Proposal Form D-11: Disclosure of Investment Activities in Iran Form

Proposal Form D-12: Acknowledgement of Contract Acceptance

B. Evaluation Process

Prior to the receipt of Proposals, the Borough formed an Evaluation Committee to review the Proposals and developed a comprehensive Evaluation Form to guide the Committee in its review of the Proposals. The review and evaluation of proposals were based on the model evaluation criteria and methodology set forth in N.J.A.C. 5:34-4.2 and the competitive contracting review process set forth in N.J.S.A. 40A:11-4.5 of the LPCL. Prior to reviewing the Proposals, each member of the Committee, along with Special Counsel, submitted a Certification confirming no conflict in accordance with N.J.A.C. 5:34-4.3(f). A copy of each of the Proposals was then submitted to each member of the Evaluation Committee. A copy of each Proposal was also sent to the Special Counsel, for technical review to determine if the Respondents included and completed the documentation and information set forth in the RFP.

Each member of the Evaluation Committee reviewed the USA Proposal and the Suez Proposal, particularly with respect to the Respondent's Administrative, Technical and Financial information and Cost Proposal. The Evaluation Committee met to discuss their review, and as a Committee, evaluated the information and documentation based on the evaluation criteria and categories set forth in the RFP (Section 3). The Committee completed the Evaluation Form for each Respondent and ranked the Respondents based on the total average weighted scores. A comparison of the scoring of each Respondent in each category is provided in the Summary Proposal Evaluation Form in Attachment A.

III. PROPOSAL EVALUATION CRITERIA

The following sets forth the evaluation criteria and percentage weighing that was applied by the Evaluation Committee in their review and evaluation of the USA Proposal and Suez Proposal. The Administrative, Financial and Technical criteria were considered collectively while the Cost Proposal was weighted 50% as set forth in the RFP.

1. Administrative Criteria: Proposal follows RFP format, corporate resources and staff, organizational chart, experience of personnel dedicated to the Systems, pending/threatened legal and administrative proceedings and corporate restructuring which could materially affect ability to provide Services, material pending legal and administrative proceedings in which respondent/guarantor officers, directors, employees, principals, property is subject, criminal charges

brought against the respondent and disposition, civil proceedings instituted by DEP, EPA or other governmental agency/disposition, disqualification/prevented from bidding/contract termination of federal, state local government project, default, compliance history, refusal to testify, permit violations, geographic location, vicinity of other systems

2. Financial Criteria: Performance security, financial strength and resources (Respondent's net worth for the most recent fiscal year, Respondent's annual pre-tax earnings for the three most recent fiscal years, Respondent's cash and/or cash equivalents (such as marketable securities) as of the date of its most recent audited financial statement.) Financials of affiliate, joint venture or partnership, major financial commitments presently outstanding, liabilities and contingent liabilities, executed and pending contracts, financial and personnel impacts of transition from present operator, transition plan
3. Technical Criteria: Regulated Utility/wholly owned subsidiary of regulated utility, years in the business providing similar services, ability to meet or satisfy procurement timetable, number of systems of equivalent size they have under successful operation, either by virtue of ownership or service contracts, number of supervisory, engineering, technical and administrative personnel assigned to the Systems with experience with similar systems, supervisory personnel with applicable licenses, staff experience, available vehicles and equipment, ability to conduct Systems evaluations and engineering reviews and implement improvements, past experience with the DEP and EPA with all regulatory reporting requirements and submissions, experience with emergency contingency plans for systems comparable to the Systems, soundness of Preliminary Operation Plan, previous experience with similar systems
4. Cost Proposal (50%): The total of the Annual Fee over the term of the Contract.

IV. COST PROPOSAL

The Cost Proposal summaries are set forth below with the Net Present Value Calculation. There are two components to the Cost Proposal, (i) the annual fee to be paid by the Borough to the Company for the operation, maintenance and management of the Borough Systems, and (ii) the cost to provide specific capital improvements, identified in the Contract as Initial Capital Improvements, which will be funded by the Borough.

USA Cost Proposal

Total Aggregate Cost: \$8,259,242

NPV: \$6,863,293.37

	Annual Fee
2020	747,000
2021	747,000
2022	747,000
2023	747,000
2024	747,000
2025	747,000
2026	747,000
2027	747,000
2028	747,000
2029	747,000

INITIAL CAPITAL IMPROVEMENTS: \$789,242

SUEZ Cost Proposal

Total Aggregate Cost: \$9,504,137

NPV Calculation: \$7,776,585.86

	Annual Fee	Initial Capital Improvement
2020	793,705	400,982
2021	813,548	210,976
2022	833,886	
2023	854,733	
2024	876,102	
2025	898,004	
2026	920,454	
2027	943,466	
2028	967,052	
2029	991,229	

V. RECOMMENDATION – SELECTED RESPONDENT

The Evaluation Committee applied the Evaluation Criteria set forth in the RFP to the USA Proposal and the Suez Proposal. The USA Proposal and the Suez Proposal were also reviewed for legal compliance, as well as administrative, technical, experience, financial strength requirements and cost proposal, all as set forth in the RFP. The Evaluation Committee believes that to Utility Service Affiliates, Inc., a subsidiary of Middlesex Water Company, has the experience, administrative and technical capability and financial strength to work with the

Borough and efficiently and effectively provide the Services sought under the RFP. The Evaluation Committee also believes the Cost Proposal submitted by USA, as set forth below, is competitive, feasible and justifiable based on the Services to be provided. The Evaluation Committee believes the Cost Proposal submitted by Suez is not feasible for the Borough. Accordingly, the Evaluation Committee recommends that the Borough Council award the Contract to USA in the total contract amount of \$8,259,242 with a Net Present Value of \$6,863,283.37. The proposed form of Contract, attached hereto as Attachment A, sets forth the terms, Services and other provisions described in this Report.

Year	Annual Fee
2020	\$747,000
2021	747,000
2022	747,000
2023	747,000
2024	747,000
2025	747,000
2026	747,000
2027	747,000
2028	747,000
2029	747,000

Initial Capital Improvements: \$789,242

ATTACHMENT A
SUMMARY PROPOSAL EVALUATION FORM

Evaluation Criteria	USA	SUEZ
	Cost Proposal (50%) Maximum = 5	4.5
A. The breadth and depth of the Respondent's previous experience with similar systems Maximum = 5	4.75	4.5
B. Respondent's organization and commitment to transition and implementation of the applicable Borough Services, including the extent of the management, engineering, technical, administrative management personnel assigned by the Respondent to the Borough Maximum = 5	4.75	4.75
C. Ability to meet or satisfy the procurement timetable Maximum = 5	4.75	4.75
D. Respondent's resources to provide sufficient vehicles, equipment and personnel to perform the work in an efficient, cost effective and safe manner Maximum = 5	4.5	4.00
E. Soundness of operational plans Maximum = 5	4.5	4.25
F. Ability to meet or satisfy all applicable reporting requirements Maximum = 5	4.5	4.5
G. Whether the Proposal clearly and concisely follows the RFP format Maximum = 5	4.75	3.25
H. Ability to satisfy the surety, letter of credit and related financial requirements hereof Maximum = 5	4.75	4.75
I. Geographical location of Respondent (i.e. proximity to the Borough) Maximum = 5	4.75	2.75
J. Vicinity of other systems presently under operation by the Respondent Maximum = 5	4.75	3.75
K. The experience of personnel identified as dedicated primarily to the Borough Systems Maximum = 5	4.25	4.00

L. The presentation of Respondent at interview with the Borough Maximum = 5	4.75	4.75
ADMINISTRATIVE INFORMATION - with consideration of the form of proposal, corporate resources and staff, pending and former legal and administrative proceedings and corporate restructuring, contract terminations, defaults, compliance history, refusals to testify, permit violations, geographic location, vicinity of other systems Maximum = 5	4.75	4.00
FINANCIAL INFORMATION - with consideration of performance security and financial strength and resources, Maximum = 5	4.75	4.75
TECHNICAL INFORMATION - with consideration of experience providing similar services, staffing plan, staff experience, vehicles and equipment available for provision of the services, soundness of operation plan, ability to conduct system evaluations, experience with DEP and EPA reporting requirements and emergency plan Maximum = 5	4.25	4.75

ATTACHMENT B
PROPOSED CONTRACT

**CONTRACT
BETWEEN
THE BOROUGH OF HIGHLAND PARK, NEW JERSEY AND**

This Contract (the "Contract") dated as of the ____ day of ____, 2020 (the "Execution Date") and effective as of the 1st day of July, 2020 (the "Effective Date"), is between the **BOROUGH OF HIGHLAND PARK**, Middlesex County, New Jersey (the "Borough"), a municipal corporation organized and existing under the laws of the State of New Jersey and _____ (the "Company"), a corporation organized under the laws of the State of New Jersey, [a wholly-owned subsidiary of _____,] a public utility regulated by the New Jersey Board of Public Utilities.

WHEREAS, the Borough owns the Water System and the Sewer System (as defined herein and together, the "Borough Systems"); and

WHEREAS, the Borough Systems provide water transmission and distribution and sewerage collection services to the Borough's residents and customers; and

WHEREAS, the Water System distributes water currently received from Middlesex Water Company in accordance with the Water Supply Agreement (as defined herein); and

WHEREAS, the Sewer System transports wastewater generated and collected in the Borough from its point of origin to the MCUA treatment facility in accordance with the MCUA Contract (as defined herein); and

WHEREAS, the proper provision of such water transmission and distribution and sewerage collection services are necessary for the public health, safety and welfare of the Borough's residents and customers and the financial well-being of the Borough; and

WHEREAS, the Borough has determined that the officers and employees of the Company include engineers and operators that are licensed by the New Jersey Department of Environmental Protection and that are able to properly operate and manage the Borough Systems in accordance with Federal, state and local laws and regulations; and

WHEREAS, the operation and management of the Borough Systems as described in N.J.S.A. 40A:11-15(37) are appropriate

purposes for which competitive contracting may be used as set forth in *N.J.S.A.* 40A:11-4.1(b)(1); and

WHEREAS, the Borough has complied with the requirements for "competitive contracting" as set forth in *N.J.S.A.* 40A:11-4.1 through 4.5; and

WHEREAS, the Borough has determined that the public health, safety and welfare of the residents of the Borough can best be protected by entering into an agreement to provide for the operation and management of the Borough Systems;

NOW, THEREFORE, in consideration of the mutual promises set forth herein, the Borough and the Company agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1. Definitions. Capitalized terms used in this Contract are defined below.

"**Annual Fee**" shall have the meaning assigned to such term in Section 4.1(A).

"**Borough**" means the Borough of Highland Park, a public body corporate and politic of the State of New Jersey, located in the County of Middlesex.

"**Borough Authorized Representative**" means the Borough Administrator or his/her designee.

"**Borough Contracts**" mean all contracts executed by the Borough related to the Borough Systems, excluding the Licensed Operator Agreement, Water Supply Agreement and the MCUA Contract.

"**Borough Event of Default**" shall have the meaning assigned to such term in Section 3.3.

"**Borough Systems**" means all, or any part or combination of parts, of the Water System and Sewer System.

"**Capital Improvements and Major Repairs**" shall mean those capital improvement items, other than the Initial Capital Improvements, and all renewals, repairs, replacements, additions, improvements, materials or equipment related to the Borough Systems, that: (i) have a five year or greater useful life; (ii) cost in excess of FIVE THOUSAND DOLLARS (\$5,000); (iii) are approved by the Borough as provided herein; and (iv) can be capitalized in accordance with the principles set forth in the Local Bond Law, N.J.S.A. 40A:2-1 *et seq.* and are otherwise consistent with the policies of the Local Finance Board within the Division of Local Government Services in the New Jersey Department of Community Affairs. Any uncertainty regarding improvement and/or repairs shall be resolved by the Operations Committee established in Article IV herein.

"**Change in Law**" means the adoption, implementation, amendment, withdrawal, revision or modification of or in any federal, state, county, local, legislative or administrative or other governmental law, including any statute, ordinance, code or other legislation, regulation, rule or other promulgation or pronouncement, or any permit or approval issued thereunder, or any order, judgment, action, interpretation, and/or determination of any federal, state or local court,

administrative agency or governmental body with jurisdiction in the Borough, that is applicable from time to time concerning the management or operation of the Borough Systems as described herein, or to which the Borough Systems, the Company or the Borough may otherwise be subject.

"Company" means _____, [a wholly-owned subsidiary of _____] and its permitted successors or assignors.

"Company Event of Default" shall have the meaning assigned to such term in Section 3.2 hereof.

"Contract" means this agreement as same may be amended from time to time.

"Contract Year" means each twelve (12) month period after the Effective Date.

"Customer Owned Meters" mean the approximately 150 meters owned by customers of the Water System.

"Debt Service" means the amount of money required, on an annual basis, to pay the principal and interest obligations of the Borough related to all debt issued to finance costs related to the Borough Systems.

"Execution Date" shall mean _____, 2020.

"Effective Date" shall mean July 1, 2020.

"Existing Borough Employees" means the two (2) persons employed by the Borough in connection with the operation, maintenance and management of the Borough Systems as of the Effective Date.

"Force Majeure" means those events set forth in Section 4.6 of this Contract.

"Future Capital Improvements" shall have the meaning assigned to such term in Section 4.4(C).

"Initial Capital Improvements" - shall have the meaning assigned to such term in Section 4.4(B).

"Licensed Operator Agreement" means the agreement between the Borough and Utility Service Affiliates, a wholly owned subsidiary of Middlesex Water Company, executed January 2, 2019 attached hereto as *Exhibit D*.

"Limitation of Company Liability" means the liability limitation set forth in Section 3.6.

"Maintenance Items and Minor System Repairs" means those items set forth in Article IV hereof or otherwise identified in the Contract.

"MCUA" means the Middlesex County Utility Authority.

"MCUA Contract" means the contract described in Section 4.3(V).

"Minor System Repairs" mean those repairs that (i) occur routinely in the operation of the Borough Systems; and (ii) can not be capitalized in accordance with the principles set forth in the Local Bond Law, N.J.S.A. 40A:2-1 et seq. and are otherwise consistent with the policies of the Local Finance Board within the Division of Local Government Services in the New Jersey Department of Community Affairs. Material costs for Minor System Repairs exceeding \$500 will be reimbursed by the Borough to the Company following the Borough's receipt and acceptance of satisfactory documentation of said material expenses. Any uncertainty regarding repairs shall be resolved by the Operations Committee established in Article IV herein.

"Operations Committee" means the committee as described in Section 4.5(D).

"Ordinances" means the municipal ordinances and/or resolutions governing the operation and management of the Borough Systems.

"Permits" means permits, approvals and/or licenses issued by the United States Environmental Protection Agency, the New Jersey Department of Environmental Protection, or any other federal, state or local regulatory agency or private party that is necessary for the proper operation of the Borough Systems.

"Replacement Provider Fee" shall have the meaning assigned to such term in Section 3.2(B).

"Services" mean all the duties, obligations and services as described herein to be provided by the Company that are related to the management, operation and maintenance of the Borough Systems.

"Sewer System" means the infrastructure owned and/or used in the Borough, including but not limited to, collection systems and force mains to collect and transport wastewater generated in

the Borough from its point of origin to the MCUA treatment facility.

"**Six Year Capital Improvement Program**" means the items identified in **Exhibit B** hereto.

"**Term**" shall have the meaning assigned to such term in Section 3.1.

"**WQAA**" means the Water Quality Accountability Act, N.J.S.A 58:31-1 *et seq.*

"**Water System**" means the infrastructure owned and/or used by the Borough, including but not limited to transmission and distribution facilities; all properties, assets (tangible and intangible) and franchises of the Borough and all improvements, additions and extension thereto, purchased, constructed or otherwise acquired by the Borough which relate to the purposes of providing potable water service to residents and commercial and industrial establishments in the Borough.

"**Water Supply Agreement**" means the agreement between the Borough and Middlesex Water Company, executed July 21, 2017 and attached hereto as **Exhibit E**.

"**Water System Interconnections**" mean the connections of the Water System to New Jersey American Water Company, the Township of Edison, New Jersey, the City of New Brunswick, New Jersey and the Middlesex Water Company.

Section 1.2. Interpretation and Construction. In this Contract, unless the context otherwise requires:

- (a) All references to Articles, Sections or Exhibits shall, unless otherwise indicated, refer to the Articles, Sections or Exhibits in this Contract.
- (b) Words importing a particular gender mean and include correlative words of every other gender and words importing the singular number mean and include the plural number and vice-a-versa.
- (c) Words importing persons mean and include firms, associations, partnerships (including limited partnerships), trusts, corporations, limited liability companies and other legal entities, including public or governmental bodies, as well as natural persons.

(d) All notices to be given hereunder and responses thereto shall be given, unless a certain number of days is specified, within reasonable time.

(e) Unless otherwise indicated, any "fees and expenses" shall be required to be customary and reasonable.

ARTICLE II
CONTRACT

Section 2.1. Appointment of the Company and Relationship Between the Borough and the Company. On and after the Effective Date, the Company shall operate and manage the Borough Systems on the terms and conditions set forth in this Contract. The Borough hereby enters into this Contract with the Company and appoints it to operate and manage the Borough Systems, to provide related maintenance, administrative and customer services to support the operation and management of the Borough Systems and to perform all other duties that are set forth in this Contract to provide the Services. This Contract shall not establish any relationship other than as set forth herein. Services shall be provided by the Company to the Borough as an independent contractor. Notwithstanding the relationships established herein, the Company shall maintain its independent operations.

ARTICLE III
TERM

Section 3.1. Term. The term of this Contract will commence on the Effective Date and, unless earlier terminated in accordance herewith, will expire on June 30, 2030 (the "Term").

Section 3.2. Termination of Contract by the Borough for Cause. (A) Upon the happening of any of the following events of default (each a "Company Event of Default"), and subject to the provisions set forth in Section 6.3 regarding the resolution of disputes by arbitration, the Borough shall have the right to terminate this Contract and/or to pursue a cause of action for actual damages, as appropriate:

(1) The failure by the Company to operate and/or manage the Borough Systems in accordance with the terms and provisions of this Contract, the Ordinances and/or applicable law;

(2) The failure of the Company to perform or observe any of its covenants, agreements, obligations and/or duties created by this Contract;

(3) If any representation, warranty and/or covenant made by the Company is false and/or misleading in any material respect and the legality of this Contract or the ability of the Company to perform the Services is thereby adversely affected;

(4) Commencement of any bankruptcy, insolvency, liquidation and/or similar proceeding against the Company, its parent corporation, and/or any of their subsidiaries and/or related companies which materially and adversely affects the Company's ability to perform the Services;

(5) The consent by the Company, its parent corporation, and/or any of its subsidiaries and/or related companies to the appointment of a receiver, liquidator, assignee, trustee or custodian, or the making by any such parties of an assignment for the benefit of creditors which materially and adversely affects the Company's ability to perform the Services; and

(6) The failure on the part of the Company, its parent corporation, and/or any of their subsidiaries

and/or related companies to generally pay their debts as they come due which materially and adversely affects the Company's ability to perform the Services.

(B) Upon the happening of any Company Event of Default, the Borough shall provide written notice to the Company setting forth in detail the alleged Company Event of Default. The Company shall have thirty (30) days after the receipt of such written notice from the Borough to cure and/or correct such Company Event of Default or to deliver to the Borough a written notice alleging that no such Company Event of Default has occurred and setting forth in detail its reasoning as to why no such Company Event of Default has occurred. If the Company does not cure or correct such Company Event of Default within the thirty (30) day period indicated, or does not deliver to the Borough the written notice described above within such thirty (30) day period, the Borough may immediately terminate this Contract. Notwithstanding the above, if there is a Company Event of Default as described in Section 3.2(A)(4) or (5), the Borough shall have the right to immediately terminate the Contract upon written notice to the Company and to seek any remedies or damages available at law or in equity. In addition to the remedies or damages referenced herein, following termination of the Company in accordance with this Section 3.2, the Company shall be financially responsible to the Borough for any costs incurred by the Borough for the provision of the Services for the Term of the Contract in excess of the Annual Fee (the "**Replacement Provider Fee**"). If the Borough terminates this Contract in accordance with the above provisions, the Borough shall be obligated to pay to the Company the proportionate share of the Annual Fee, or any other amounts, due for the Services provided by the Company to the date of termination of the Contract net of any amounts owed to the Borough due to such Company Event of Default, including the Replacement Provider Fee.

Section 3.3. Termination of Contract by the Company for Cause. (A) Upon the happening of any of the following events of default (each a "**Borough Event of Default**"), and subject to the provisions set forth in Section 6.3 hereof regarding the resolution of disputes by arbitration, the Company shall have the right to terminate this Contract:

(1) The failure by the Borough to pay the Annual Fee or make any other payment required to be made by the Borough pursuant to the terms hereof;

(2) If any representation, warranty and/or covenant made by the Borough is false and/or misleading in any material respect and the legality of this Contract or the ability of the Borough to carry out its duties or obligations hereunder is thereby adversely affected;

(3) Commencement of any bankruptcy, insolvency, liquidation and/or similar proceeding by or against the Borough which materially and adversely affects the Borough's ability to perform its duties or obligations hereunder;

(4) The consent by the Borough to the appointment of a receiver, liquidator, assignee, trustee or custodian, or the making by the Borough of an assignment for the benefit of creditors which materially and adversely affects the Borough's ability to perform its duties or obligations hereunder; and

(5) The failure on the part of the Borough to generally pay its debts as they come due which materially and adversely affects the Borough's ability to perform its duties or obligations hereunder.

(B) Upon the happening of any Borough Event of Default described above, the Company shall provide written notice to the Borough setting forth in detail the alleged Borough Event of Default. The Borough shall have thirty (30) days after the receipt of such written notice from the Company to cure and/or correct such Borough Event of Default or to deliver to the Company a written notice alleging that no such Borough Event of Default has occurred and setting forth in detail its reasoning as to why no such Borough Event of Default has occurred. If the Borough does not cure or correct such Borough Event of Default within the thirty (30) day period indicated, or does not deliver to the Company the written notice described above within such thirty (30) day period, the Company may immediately terminate this Contract. Notwithstanding the above, if there is a Borough Event of Default as described in Section 3.3(A)(3) or (4), the Company shall have the right to immediately terminate the Contract upon written notice to the Borough. If the Company terminates this Contract in accordance with the above provisions, the Borough shall be obligated to pay to the Company the proportionate share of the Annual Fee, or any other amounts, due for the Services provided by the Company to the date of termination of the Contract. Such payments shall constitute total satisfaction of any right, claim, cause of action or

entitlement that the Company has or may have against the Borough as a result of any Borough Event of Default.

Section 3.4 Termination of the Contract Due to Unenforceability. If any court, agency or other entity with competent jurisdiction shall finally determine that this Contract is unenforceable and/or prohibited by law, then the Contract shall be terminated. If this Contract is terminated in accordance with this Section 3.4, the Borough shall be obligated to pay to the Company the proportionate share of the Annual Fee, or other amounts, due for the Services provided by the Company to the date of termination of the Contract.

Section 3.5 Transition. The Company shall cooperate in good faith with the Borough, its agents, contractors, and subcontractors and shall provide for the orderly transition of Services from the Borough and/or its contractors to the Company without interruption or disruption of Services and without adverse impact to the customers of the Borough Systems or to the Borough. In the event of termination of this Contract, the parties shall provide for continuity of the Services during the transition of operations back to the Borough or to another contract partner designated by the Borough. The Company agrees to cooperate in good faith during such transition and agrees, at the option of the Borough, to continue operating the Borough Systems for at least ninety (90) days after termination on the terms in effect at the time of termination including the pro rata payment of the Annual Fee. The Company shall make provisions that the Borough Systems shall not be shut down for any period of time due to strikes, lock-outs, or labor problems. In the event of a Company labor action, stoppage or dispute that disrupts or prevents the Company's employees or its subcontractors or employees from entering upon and working on any part of the Borough Systems or any affected portion thereof, the Company shall at its sole cost seek appropriate legal injunctions, remedies, or court orders. In any event, the Company shall continue to operate the Borough Systems or any affected portion thereof through the use of office personnel, management or other resources at its disposal. The Company shall always maintain operation of the Borough Systems to protect the health, welfare and safety of the customers of the Borough Systems and the residents and customers of the Borough.

Section 3.6 Limitation of Company Liability. With the exception of the Company's obligation to pay the Replacement Provider Fee to the Borough in the event of default resulting in termination of the Contract by the Borough as set forth in Section 3.2(B) hereof, the liability of the Company to the

Borough, the users of the Borough Systems and third parties for negligence or other actions or events that are referenced in Section 6.14 and for which the Company is required to maintain insurance shall be limited to the amounts set forth in the insurance requirements in Section 6.14. This obligation of the Company is independent from whether such insurance is maintained by the Company or whether any claims are denied by the insurance company.

ARTICLE IV
OPERATION AND MANAGEMENT OF AND CAPITAL IMPROVEMENTS
TO THE BOROUGH SYSTEMS

Section 4.1. (A) Annual Fee. (1) The Annual Fee paid to the Company by the Borough for each year shall be as set forth in **Exhibit A** (the "Annual Fee") and shall not include, and shall be independent from, the payments made to the Company for the Initial Capital Improvements and/or any Capital Improvements and Major Repairs and shall be paid to the Company in arrears in twelve equal monthly installments on the last day of each month commencing on July 31, 2020.

(2) The Annual Fee is intended to cover all costs for all Services provided for in this Contract (including Maintenance Items and Minor System Repairs, unless otherwise provided herein, and other costs specifically identified herein) other than for Initial Capital Improvements or Capital Improvements and Major Repairs or for costs otherwise specifically identified herein as being the responsibility of the Borough.

(3) Any payments required to be made by the Borough to the Company pursuant to this Section 4.1 which are paid later than thirty (30) days from the required date shall bear interest until paid at the rate of two percent per annum.

(B) Initial Capital Improvements. (1) Within a reasonable time following the Effective Date, as determined by the Operations Committee, the Company shall undertake and complete (i) the development of an Asset Management Plan for the Water System as required by the WQAA (ii) the development and/or update of a Geographic Information System (GIS) mapping service for the Borough Systems and (iii) the examination, evaluation, assessment, jetting and/or otherwise cleaning of all sewer mains as needed such that same are maintained free of blockages (the "Initial Capital Improvements"). The Initial Capital Improvements shall be funded by the Borough.

The cost of the Initial Capital Improvements paid to the Company by the Borough shall be as set forth in **Exhibit A**.

Section 4.2. Borough Responsibilities. The Borough shall:

(A) Own the fixed assets of the Borough Systems.

(B) Control all finances including billing for and collection of rents, budgeting, capital improvement financing and payment of any fees and charges in connection with the MCUA Contract.

(C) Promptly procure and continually maintain in full force and effect and in accordance with their respective terms those Permits that it is responsible for under the terms of this Contract. *(The Company shall manage compliance and act with the Borough's authorization in order to meet permit requirements.)*

(D) Adopt all resolutions and enact all ordinances necessary to carry out the provisions of this Contract and enforce all such resolutions and/or ordinances.

(E) Provide access to the Borough Systems for the Company, its agents and employees at all times.

(F) Designate the Borough Authorized Representative to act as contract administrator and liaison with the Company in connection with the performance of Services by the Company.

(G) Refrain from enacting any ordinances and/or adopting any resolution that would impair the ability of the Borough or the Company from complying with this Contract.

(H) Promptly pay all Debt Service, when due on any bonds or notes or other obligations by or on behalf of the Borough issued with respect to the Borough Systems.

(I) Establish all annual budgets, rents, rates, Borough fees and other charges to be collected from the customers of the Borough Systems, which rents, rates, Borough fees and charges shall be at least sufficient to pay all amounts due to the Company, other vendors and necessary for Debt Service hereunder.

(J) Acquire and maintain all access, rights of way and easements necessary for the Company to operate, maintain and manage the Borough Systems.

(K) The Borough shall be responsible for the obligations of the Borough in accordance with the Licensed Operator Agreement, to the extent this agreement is not otherwise amended

or terminated prior to the Effective Date, the Water Supply Agreement and the MUA Contract.

Section 4.3. Company Responsibilities. (A) The Company shall read meters, transmit data in appropriate form to Borough's Division of Collections for billing of customers and receive and resolve all customer inquiries related to meter readings, customer consumption and final readings.

(B) The Company shall manage, operate, maintain and repair the Borough Systems at all times on behalf of the Borough in compliance with all Federal, State and Local laws, regulations and permits consistent with this Contract.

(C) At all times the Company shall keep the Borough Systems in good repair and working order, consistent with industry standards and shall manage, operate, maintain and repair the Borough Systems in an efficient and economical manner all in accordance with this Contract.

(D) The Company shall develop and implement effective responses to water loss in the Water System, manage infiltration and inflow in the Sewer System, develop and implement an approach for renewal and replacement of infrastructure (to be designated as a Capital Improvement and Major Repair or Minor System Repair by the Operations Committee), ensure coordination of Borough Systems operations with the Borough for system-wide optimal performance as well as other services consistent with the pursuit of industry best practices.

(E) The Company is responsible for all costs of materials, equipment and supplies in the daily operation of the Borough Systems (e.g. power, chemicals, communication services, paper, pencils, etc.).

(F) The materials for Minor System Repairs shall be purchased by the Company and the costs thereof in excess of \$500, with an appropriate accounting, shall be reimbursed by the Borough as a Borough cost responsibility.

(G) The Company shall provide reporting to the Borough, the form of which shall be determined by the Operations Committee, for each repair or replacement of a water main, sewer main, valve and hydrant.

(H) The Company is responsible for all labor and equipment costs for (i) repairs or replacements of water mains, sewer mains, valves and hydrants; (ii) inspection and cleaning of all sewer mains in accordance with Section 4.3 (X) (4); and (iii) any

Change in Law in accordance with Section 4.6, totaling the lesser of (a) eight (8) separate repairs/replacements per Contract Year or (b) repairs/replacements totaling \$20,000 per year. The Company, with an appropriate accounting, shall be reimbursed by the Borough as a Borough cost responsibility for the cost of repairs/replacement of water mains, sewer mains, valves and hydrants in excess of the lesser of eight (8) per Contract Year or (ii) \$20,000 per Contract Year.

(I) All purchases that utilize Borough funds must comply with the provisions of the Local Public Contracts Law, the Borough's purchasing regulations, the Business Registration Certificate (BRC) requirements, and the IRS requirement for an executed W-9 all for submission to the Borough's Purchasing Agent.

(J) Materials, Labor, Vehicles. The Company shall provide, at its cost and expense, all labor, materials, machinery, vehicles, equipment, office equipment, fuel, power, chemicals, supplies, spare parts, expendables, consumables, testing and laboratory analysis and all else necessary therefor or incidental thereto which is necessary for the management, operation, maintenance or repair of the Borough Systems in accordance with applicable laws, regulations and ordinances and the Contract.

(K) Hazardous Substances. If, while providing the Services and/or during the course of excavation work necessary to make repairs and/or improvements to the Borough Systems, hazardous or toxic waste or materials (as defined in applicable Federal and/or State laws and regulations) are discovered by the Company, it shall NOT be the obligation of the Company to remove and dispose of such hazardous substance. The Company shall immediately notify the Borough upon becoming aware of the presence of such hazardous or toxic waste or materials, and shall immediately notify such other governmental agencies as may be required by laws and shall take such further actions to assist the Borough in protecting the Health, Safety and Welfare of the Public. The Borough shall indemnify the Company for any and all costs or expenses it may incur in connection with this Section. If a hazardous substance impairs the operation of the Borough Systems, the Borough shall remediate the hazardous substance so as to permit the Company to operate the Borough Systems pursuant to the Contract. The Borough shall pay for all costs for the removal of the hazardous substance and any clean-up activities associated with such disposal, discharge, spill or leak. The Borough shall have the right to pursue the parties legally responsible for the disposal, discharge, spill or leak for the costs of the removal of the offending materials and any clean-up activities.

(L) Response Requirements for Problems, Complaints and Inquiries. The Company's response time for various customer inquiries and Borough Systems' problems under normal conditions shall be as follows:

Condition	Initiate Contact with Complainants	Initiate Investigation and/or Works
Water or sewer main break or blockage	Not applicable	As soon as possible but not later than 1 hour
Water service complaint	2 business hours	1 business day
Water service customer consumption inquiry	1 business day	3 business days
Utility mark out of sewer mains and the water system	Not applicable	3 business days (completion); less for emergencies

(M) Maintenance Management Program. The Company shall maintain a comprehensive maintenance program for all functions of the Borough Systems. The maintenance management program shall:

- 1) Seek to ensure efficiency, long-term reliability and conservation of capital investment in accordance with industry standards, if any;
- 2) Be otherwise in accordance with industry standards; local, State and Federal codes; manufacturer's equipment recommendations;
- 3) Be documented; and
- 4) With the cooperation of the Borough, as applicable, provide enforcement of existing equipment warranties or guarantees and maintain all warranties on new equipment purchased after the Effective Date of the Contract.
- 5) Any modifications or major maintenance affecting the appearance of the facilities in the Borough Systems which are visible to the public shall be performed only after receipt of the prior written approval of the Borough.
- 6) The obligations of the Company to maintain the Borough Systems and to have a comprehensive maintenance program with respect to the Borough Systems shall not obligate the

Company to improve the Borough Systems beyond the condition of the Borough Systems as of the Effective Date.

7) The Company obligations with respect to having a comprehensive maintenance program for pipes and mains shall depend upon the ability of the Company to locate said pipes and mains by above-surface means. The responsibility for the cost to maintain and/or repair pipes from the main to the residence shall be as is required by the current Borough ordinance as in effect on the Effective Date.

(N) Testing and Laboratory Analysis. The Company, at its sole cost and expense, shall perform, or cause to be performed, all laboratory sampling and analysis and reporting, as necessary for compliance with all Federal, State, local or other water distribution regulations and requirements having the force of law, as well as that which is customary for process (e.g. corrosion control) monitoring and control.

(1) Sampling and testing procedures shall conform to the current edition of Standard Methods for the Examination of Water and Sewer or be in accordance with the testing requirements of the applicable regulations or Permits. All testing, with the exception of process control testing, shall be performed by a State certified laboratory and the Company shall prepare from the data received from the testing laboratory, as required by all applicable regulations or Permits, monitoring and operating reports and shall deliver such results to the appropriate State and regulatory agencies.

(2) Testing for the Water System (but not individual customers) shall include, but not be limited to, coliform determinations, pH, color, sodium, hardness, iron, manganese, lead, copper, heavy metals, THMs, VOCs, corrosiveness, alkalinity, magnesium, calcium, turbidity, fluoride, cryptosporidium, and giardia lamblia cysts and all other tests required or to be required by the DEP or the EPA. The number, frequency and location of tests shall be in accordance with the applicable provisions of the regulations, including the Lead and Copper Rule, 40 CFR 141, et seq., as the same may be amended or supplemented from time to time.

(O) Reporting Requirements.

(1) The Company shall comply with all reporting requirements related to its operations and the operation,

maintenance and management of the Borough Systems, as mandated by Federal, State, and local laws, regulations, and Permits.

(2) The Company shall provide comprehensive monthly, year-to-date and annual reports in a format reasonably satisfactory to the Borough and regulatory agencies for each function or activity of the Borough Systems, including, but not limited to: Operating parameters laboratory analysis, maintenance plans and activities including conditions of the Borough Systems, water quality results, water purchased, manpower utilization, repairs, service calls and responses and responses and other relevant information; and safety reports regarding accidents, injuries, and damages to Borough property and other relevant information.

(3) The Company shall maintain up-to-date financial records as they apply to the Services rendered under the terms of this Contract. All records shall be kept in a manner that shall enable the Borough to comply with State municipal accounting procedures.

(4) The Company shall provide the Borough with its periodic financial reports as they apply to the Services rendered under the terms of this Contract. At a minimum, such reports shall include the following:

a) Monthly reports on or before the twenty-fifth (25th) Day of each month with respect to the prior month and on or before twenty-fifth (25th) Day after the end of each Contract Year a cumulative report as of the end of each prior Contract

b) The Company shall deliver a year-end report to the Borough consisting of a compilation of the monthly and quarterly reports set forth above

c) The Company shall provide such other reports as may be reasonably requested from time to time by the Borough.

(P) Staffing.

(1) Prior to the Effective Date, the Company shall interview the Existing Borough Employees for consideration of employment with the Company for positions available in the provision of the Services consistent with the Company's current employment policies, and subject to mutually agreeable terms governing the scope of their future employment.

(2) The Company shall provide a staff of qualified and experienced employees who have direct experience in operating, maintaining and managing water and sewer systems similar in nature and character to the Borough Systems and shall provide

such additional third party support as may be needed to perform its duties and obligations hereunder. Said third parties shall be equally qualified for the particular services to be performed and shall not have any direct claim against the Borough whatsoever. The Company shall at all times maintain the necessary number of employees, staff and/or third-party contractors to operate, maintain and manage the Borough Systems in accordance with this Contract and to adequately maintain and operate the Borough Systems in good repair and working order.

(3) The Company shall provide:

(i) qualified and properly licensed management, supervisory, technical, laboratory, operating personnel and personnel with licenses as required by the State for the operation of the Borough Systems;

(ii) a resident manager for Day-to-Day supervision;

(iii) specialists, as may be necessary, in water quality control, instrumentation, troubleshooting, emergency management and similar circumstances; and

(iv) office and clerical support staff as necessary.

(4) The Company shall provide technical support consisting of on-call backup advice and water quality expertise, control, management, maintenance and plant repair to assist the operational staff and ensure performance of the obligations hereunder.

(5) The Company shall provide and maintain an organizational chart that lists job classification, the number of staff proposed for the transition phase and for the full time operation. The organization chart, which may be revised at the discretion of the Company consistent with the operation, maintenance and management of the Borough Systems in accordance with this Contract, shall indicate the staffing for the Borough Systems, including laboratory/testing personnel and the licensed individuals/positions necessary to satisfy regulatory requirements and to provide operations and maintenance services in a responsible professional manner. The Company shall notify the Borough of any proposed material revisions to staffing and/or personnel for the Borough Systems and the Borough shall have the right to review and comment upon any such proposed revisions. The Company shall in good faith consider any comments provided by the Borough, and shall respond to the

Borough in writing regarding any such comments. The Borough shall forward all complaints about the Company's staff in writing to the Company, who shall address such complaints with the offending employee or staff in an appropriate and timely manner. If the basis for any such complaint is not corrected to the reasonable satisfaction of the Borough, the Borough shall have the right to request the Company to replace any such personnel interacting with Borough and/or Borough officials and/or the public.

(6) The Company shall prepare an Operations and Maintenance Manual satisfactory to the NJDEP not later than forty-five (45) days following the Effective Date. The Company shall provide ongoing training programs for all personnel in operations and maintenance procedures, management, laboratory and process control, QA/QC, right-to-know, safety, etc. as required for proper performance of their duties and for professional development.

(Q) Licenses. The Company, its employees and/or its contractors shall acquire and hold, all required Federal, State and local approvals, licenses and certifications necessary to operate, maintain and manage the Borough Systems required to be obtained by the Company in accordance with this Contract. In accordance with N.J.S.A. 58:11-64 et seq. and N.J.A.C. 7:10A-1.14, the minimum class of license required is a C-2 license for the Sewer System and W-2 licenses for the Water System.

(R) Compliance with Laws, Regulations and Permits.

(1) After the Effective Date, the Company shall comply with SDWA, RCRA, CERCLA (as operator), OSHA, PEOSHA, WQAA, LPCL and any and all other applicable local, State and Federal laws, codes, ordinances and regulations as they pertain to the Borough Systems. The Company shall pay all regulatory fines and penalties, without limitation, assessed against the Borough, and/or the Company for the Company's non-compliance therewith.

(2) The Company shall, where applicable, comply with, satisfy, and pay all costs or fees (but not remediation) associated with, all regulatory requirements pertaining to the above, including, but not limited to, public notification in the event of non-compliance with drinking water standards, including those associated with the Lead and Copper Rule.

(3) All repairs and/or improvements to the Borough Systems shall be made by the Company in accordance with existing Borough ordinances for work in the Borough and other

municipalities' ordinances as may be required for work outside the Borough.

(4) The Company shall comply with the provisions of all Borough Contracts including the payment of all fees and charges associated therewith, (e.g. PSE&G, Verizon, etc.).

(5) The Borough is the named permittee for various Permits. The Company shall be responsible for obtaining and maintaining all necessary existing and/or additionally required Federal, State and local Permits, licenses and other governmental or private party approvals for the operation of the Borough Systems and the equipment owned by the Borough and used in connection with the Borough Systems, including filling out required application forms, supplying required data and payment of required fees. All additional Permits and approvals shall be in the name of the Borough as the permittee; however, the Company shall comply with all requirements pertaining thereto in accordance with this Contract.

(6) The Borough shall comply with SDWA, RCRA, CERCLA (as owner), OSHA, PEOSHA, WQAA, and any and all other applicable local, State and Federal laws, codes, ordinances and regulations as they pertain to the Borough Systems. The Borough shall pay all regulatory fines and penalties, without limitations, assessed against the Company and/or the Borough for the Borough's non-compliance therewith.

(S) Land Development and Redevelopment. The Company shall support, provide information and conduct development plan review services for all land development and redevelopment projects under review and/or consideration by and before the Administration, Borough Council, Planning Board, Zoning Board of Adjustment and/or Redevelopment Agency.

(T) Safety and Security. The Company shall provide for and maintain security and safety for the Borough Systems as it deems appropriate. The Company shall be responsible for initiating, maintaining and supervising all safety precautions in connection with its performance of the Services and shall take all reasonable precautions for safety of, and shall provide protection to prevent damage, injury or loss to the property and all materials; employees; subcontractor employees, agents, servants and invitees; and the premises where work is performed and all occupants or other persons at the premises. Fences, when reasonably required, shall be maintained in neat order and structural integrity. Gates, access points and doors, when reasonably required, shall be kept locked, structures shall be protected from unauthorized entry and security alarms, when reasonably required, shall be maintained. The Company shall

conduct all operations, maintenance and management of any facilities in compliance with applicable health and safety regulations, including, but not limited to: OSHA, general industry regulations, including requirements for confined space entry, respiratory protection and hazard communication; EPA regulations (applicable to water and sewer systems) or emergency planning and notification under CERCLA, 40 CFR 355; and EPA regulations or hazardous chemical reporting and community right-to-know, 40 CFR 370, and any other applicable regulations may be enacted during the term of this Contract.

(U) Continuity of Service.

(1) The Company and the Borough shall cooperate in good faith with the Borough's agents, contractors and subcontractors and shall provide for the orderly transition of Services between the Borough and/or its contractors and the Company without interruption or disruption of Services and without adverse impacts to the users of the Borough Systems or to the Borough.

(2) The Company and the Borough shall make such provisions as are necessary to ensure that no portion of the Borough Systems shall be shut down for any period of time due to strikes, lock-outs or labor problems.

(3) In the event of a labor action, stoppage or dispute that disrupts or prevents the Company's employees or its subcontractors' employee from entering upon and working on any part of the Borough Systems, the Company shall (subject to the following paragraph) at its sole cost, seek appropriate legal injunctions, remedies, or court orders. In any event, the Company shall continue to operate the Borough Systems through the use of office personnel, management or other resources at this disposal. The Company shall always maintain operation of the Borough Systems to protect the Health, Safety and Welfare of the users of the Borough Systems and the residents of the Borough.

(V) Emergency Situations.

(1) Consistent with the other provisions of this Contract, the Company shall promptly respond to all customer problems and (within two (2) hours) to all emergencies relating to the Borough Systems and shall maintain at all times during the term of this Contract a toll-free twenty-four (24) hour telephone number where users of the Borough Systems can report any emergencies from anywhere within the Borough.

(2) The Company shall immediately notify the Borough of any activity, problem or circumstances that it becomes aware of that threatens the health, safety and welfare of the users of the Borough Systems or the residents of the Borough. In an emergency affecting the safety of persons or property, the Company shall act, at its discretion, to prevent or contain threatened damage, injury or loss and the Company shall be reimbursed for any costs incurred in connection therewith by an adjustment to the Annual Fee and the execution of an amendment to this Contract, if applicable.

(3) In the event of damage or destruction of the potable water facilities or any emergency which, in the reasonable judgment of the Company, is likely to result in material loss or damage to the Borough Systems or constitute a material threat to human health or safety, the Company may suspend operation of the Borough Systems. Emergency repairs as are necessary to mitigate, contain or reduce such loss, damage or threat to human health or safety shall be done in consultation with the Borough. Notification of emergency/non-compliance events within the Borough Systems shall be in accordance with Permit requirements and an emergency plan to be developed by the Company and submitted to and approved by the Borough and the DEP and any subsequent amendments or modifications thereto.

(4) The Company shall respond to emergencies and unusual circumstances in accordance with applicable regulations and requirements and with such personnel and equipment as necessary to maintain or restore the operations of the Borough Systems in a timely manner with the least possible disruption or inconvenience to the users of the Borough Systems. Decisions to expend Borough funds shall be made following receipt of approvals from the appropriate Borough officials depending on whether it constitutes a Capital Improvement and Major Repair or a Minor System Repair.

(W) Provisions Specific to Water System.

(1) General.

(a) The Company shall operate and maintain the Water System in accordance with all applicable laws and regulations. The Company shall furnish complete and accurate records and regulatory reports in a format acceptable to the Borough and to the DEP.

(b) The Company shall perform periodic testing of the Water System, including, without limitation, testing of the meters and AMR equipment, if any, installed in the Water System in accordance with prudent industry and utility practice

and AWWA standards. Process meters shall be calibrated in accordance with manufacturer requirements. The Company shall read, test, calibrate and repair all water meters. To the extent directed by the Borough, the Company shall replace said meters, if deemed necessary, in accordance with funding as a Capital Improvement by the Borough for equipment in the capital program.

(c) The Company shall dispose of all sludge, scum, grit, screenings, trash and refuse generated by or resulting from the operations or maintenance of the Water System in accordance with applicable regulations pertaining thereto.

(d) The Company shall monitor and control, or shall arrange for the monitoring and control of, the levels of the storage reservoirs and storage tanks, if any, to ensure proper pressures for satisfactory service and firefighting capabilities within the Water System. The Company shall cooperate with and assist police, emergency management and fire personnel in times of fire or other emergencies.

(e) All hydrants shall be flushed by the Company at least once a year and the condition of, and maintenance performed on, the hydrants shall be recorded. All hydrants found to be broken or inoperable shall be bagged and shall promptly be replaced or repaired by the Company.

(f) All water mains that become frozen or break shall be repaired or replaced so as to minimize disruption of customer service.

(g) All inoperable, inaccurate or broken water meters shall be promptly replaced upon discovery.

(h) The Company shall order meter testing and replacement of all Customer Owned Meters per Borough ordinance.

(i) Maintenance Items and Minor System Repairs of the Water System shall include, but not be limited to: routine painting and repairs of structures, both interior and exterior; locate, map and identify all valves; implement a valve exercising program to address those valves deemed to be critical to the Water System's operation in compliance with the WQAA; remove and replace broken or inoperable valves critical to the safe operation of the Water System and/or hydrants; repair of main and service breaks; calibration of instrumentation on a twice a year basis; hydrant flushing (once a year) and maintenance; periodic testing of hydrant flow rates (once every five years); removal and repair of broken, inaccurate or inoperable Borough owned meters, reading of meters as required

for billing purposes; disposal of all sludge, scums, screenings, grit, debris, trash, etc. from the Water System; sampling, testing analysis, reporting; maintain and update the GIS mapping for the Borough Systems and the Asset Management Plan for the Water System; and all else necessary therefor or incidental thereto to protect the health, safety and welfare of the users of the Water System and as required by industry standards and utility practices.

(2) Water Quality Standards. The Company shall comply with the SDWA and all other Federal, State and local regulations concerning safe drinking water standards during the term of this Contract. The Company agrees to indemnify and hold the Borough harmless from any fines or penalties assessed by the applicable regulatory agencies during the term of the Contract for any and all violations committed by the Company, its agents, servants or employees and from any fees or costs incurred as a result of failure to comply with regulations concerning safe drinking water standards.

(3) Water Meter Readings. The Company shall perform all water meter readings and shall follow up directly with customers on erroneous readings or zero reads and on all requests of the Borough for an investigatory reading because of perceived irregularities in one or more readings.

(4) Prior to the end of the first Contract Year, the Company shall analyze the existing, inactive Water System Interconnections to determine the feasibility and cost of activating some or all of the Water System Interconnections and provide a detailed report to the Borough of such analysis. Any costs to repair or replace the Water System Interconnections shall constitute a Capital Improvement.

(5) The Company shall conduct the Borough Systems audit referenced in Section 4.4(A) hereof.

(6) The Company shall comply with all provisions of the Water Supply Agreement. The Company shall also operate the Water System in conformance with all requirements of the Water Supply Agreement.

(7) The Company shall develop an asset inventory and create or revise GIS mapping of the Borough Systems' various elements including, but not limited to, interconnections, valves, hydrants and manholes assuring the current accuracy of the mapping.

(8) The Company shall prepare, with input from the Borough, an Asset Management Plan as required by the WQAA.

(X) Provisions Specific to Sewer System.

(1) All wastewater generated within the Borough is conveyed to the wastewater treatment plant of MCUA where same is treated in accordance with an existing contract between the Borough and MCUA (the "MCUA Contract") attached hereto as **Exhibit C**.

The Company shall comply with all provisions of the MCUA Contract. The Company shall also operate the Sewer System in conformance with all requirements of the MCUA Contract, including prohibited discharges and sampling and laboratory analysis associated with industrial retreatment compliance and monitoring programs as required.

The MCUA Contract contains provisions for surcharges and penalties against industry for industrial pretreatment non-compliance. As included in the Maintenance Item and Minor System Repairs, the Company shall provide for the testing of effluent from specific companies as determined by Company and supply the data to permit the Borough to issue the appropriate billing for suspended solids, BOD demand and chlorine demand. Existing municipal ordinances allow for the initiation of enforcement action against violations of said ordinances, which are tied to the MCUA regulations. The Borough shall assist the Company in enforcement actions against such violators.

In addition to the base rates, the MCUA Contract contains a provision for a surcharge for increased loadings. The MCUA periodically increases its rates in order to meet the budgetary requirements. MCUA bills the Borough directly for all fees and charges incurred in connection with the MCUA Contract.

(2) Subject to determination by the Operations Committee, the Company shall develop and implement a program to be performed throughout the term of this Contract for the identification, isolation and, where cost-effective or required to protect the structural integrity of system components, correction of infiltration/inflow into the Sewer System. Responsibility for the cost of implementation shall be determined based on whether it is a Capital Improvement and Major Repair or a Minor System Repair.

(3) The Company shall dispose of all sludge, scum, grit, screenings, trash and refuse generated by or resulting from the operations of the Sewer System in accordance with applicable regulations pertaining thereto. The total annual cost per year of five thousand dollars (\$5,000) shall be deemed to be included into the Annual Fee. No additional amount may be expended without the written consent of the Borough Authorized Representative.

(4) In addition to the Initial Capital Improvements pertaining to the sewer mains, all sewer mains shall be inspected and cleaned as needed such that same are maintained free of blockages in accordance with industry best practices. The Operations Committee shall determine whether the inspection and cleaning of sewer mains referenced in this Section 4.3(X)(4) is a Capital Improvement and Major Repair or Minor System Repair subject to funding in accordance with Section 4.3(H).

(5) All future pumping stations, if any, shall be inspected and maintained on a daily basis predicated on the manufacturer's recommendations and field conditions unique to the individual facility. A log shall be maintained of all inspections, services performed, problems encountered and other data as appropriate to the industry standards and regulations. The standby power for those stations so equipped shall be exercised at least weekly.

(6) Maintenance, repair and replacement of facilities shall also include, but not be limited to, the following: disposal of all sludge, sand, grit, screenings, grease, debris, trash, etc. resulting from maintenance and operation of facilities; periodic inspection of manholes and mains; identification, isolation and, where economical, correction of infiltration and inflow; routine painting and repairs of structures; repairs of main breaks, including bypass pumping as required; removal of system blockage; calibration of instrumentation and meters on a twice yearly basis; and sampling, testing, analysis, reporting; and all else necessary therefor or incidental thereto to protect the health, safety and welfare of the customers and as required by industry standards and utility practices.

(7) All improvement or repair items required for the Sewer System shall be charged, designed and performed as Capital Improvements and Major Repairs if they conform to the definition of same set forth herein.

(Y) Access to and Maintenance of Records. The Company shall ensure the maintenance of all records of operating data and information relevant to the Borough Systems. The Company shall cause to be maintained a computerized recordkeeping system for all operation and maintenance functions performed, which shall be backed up offsite at a secure facility. The Company shall maintain all documentation related to products, transactions or services under this contract for a period of five years from the date of final payment. Such records shall be made available to the New Jersey Office of the State Comptroller upon request. The Borough shall maintain ownership of all records and data maintained in connection with the Borough

Systems which shall be provided by the Company to the Borough, in a format agreed to by the Borough, upon request of the Borough.

(Z) Operations Review by Borough. The Borough shall have the right to and intends to exercise its right to actively participate in the review of the Services performed by the Company and any subcontractor throughout the term of this Contract. The Operations Committee is the Borough's primary agent for performing this review.

(AA) The Company shall maintain a service office within fifteen (15) miles of the Borough which distance may be revised by the Operations Committee.

4.4 Capital Improvements to the Borough Systems.

(A) Borough Systems Audit: As part of the Services, the Company shall conduct a preliminary system-wide audit, including a water loss audit, within forty-five (45) days following the Effective Date to establish the condition of the Borough Systems at the start of the Contract period. Included in this audit shall be consideration of a comprehensive GIS based locational inventory of assets.

(B) Initial Capital Improvements to the Borough Systems.

(1) Initial Capital Improvements shall be funded by the Borough and include the development, installation and/or provision, as applicable, by the Company in accordance with this Contract, of (i) the Asset Management Plan as required by the Water Quality Accountability Act, (ii) the Geographic Information System mapping service and (iii) the examination, evaluation, assessment, jetting and/or otherwise cleaning of all sewer mains as needed such that same are maintained free of blockages.

(2) The Borough shall finance the Initial Capital Improvements, to the extent not otherwise payable from the Capital Improvement Fund, pursuant to the provisions of the Local Bond Law, N.J.S.A. 40A:2-1 et seq., or otherwise by issuing its bonds or notes. The Company shall assist the Borough in making necessary applications, meeting with appropriate agencies or other parties and otherwise assisting the Borough as is necessary to secure said financing.

(3) The Borough shall have the right to review and approve the design and development of, plans for and

construction of, as applicable, the Initial Capital Improvements. The Borough may engage a separate qualified engineer for purposes of fulfilling this need at the Borough's cost.

(4) Design and Performance Standards. All Initial Capital Improvements shall adhere to generally accepted water and sewer industry standards and practices.

(5) Payment Request; Submission of Progress Reports; Procedures.

a) As payments are required for the Initial Capital Improvements under this Contract, the Company shall prepare and assemble and submit to the Borough's Finance Office, in a form as determined by the Borough Administrator: (i) a request for payment from the Company accompanied by the original invoice from the Company, or the sub-contractor as applicable, detailing the project and costs therefor and (ii) evidence of completion of the improvement or repair.

b) The Company shall provide the Borough's Finance Office with appropriate progress reports to make payments to the contractors or other third parties for the Initial Capital Improvements or a portion thereof in the appropriate amount therefor from the Capital Improvement Fund, as applicable, upon acceptance of the Initial Capital Improvements or a portion thereof, as the case may be, but only after the Finance Office has received the progress report.

(C) Future Capital Improvements to the Borough Systems. Future Capital Improvements may be necessary.

(1) The Company shall initially, by the end of the first three (3) months following the Effective Date, present to the Borough Authorized Representative a comprehensive recommendation for Future Capital Improvements to the Borough Systems, the Six Year Capital Improvement Program. The Company shall update the Six Year Capital Improvement Program annually, or more often should conditions require. The objective of the recommendation is to set forth all necessary Capital Improvements and Major Repairs, the estimated cost of each such Capital Improvement and Major Repair and a schedule according to which the Capital Improvements and Major Repairs are to be initiated and completed, in a format satisfactory to the Borough Administrator. Collectively, these recommendations and projects shall be known as "Future Capital Improvements." These recommendations shall constitute the basic input for the Six Year Capital Improvement Program for the Borough Systems which

at the time of the execution of this Contract is identified in **Exhibit B** hereto. As part of the Capital Improvement Program development process, the Company shall present their annual proposed improvement report and defend said report before the Borough Administrator, Mayor and Borough Council for all proposed Capital Improvements and Major Repairs including estimated required budget amounts. Future Capital Improvements shall be subject to approval by the Borough.

(2) The Company shall employ a New Jersey licensed civil engineer to be responsible to provide these recommendations and input for the Six Year Capital Improvement Program preparation as part of the Services and at no additional cost to the Borough. In addition, the Company shall, at no additional cost to the Borough, supply all civil engineering services for all construction projects, excluding those the Borough decides to place under contract to a consulting engineering firm, including but not limited to:

- (a) Preparation and submission of permit applications for capital projects,
- (b) Preparation and submission of permit application to the NJDEP including Professional Engineer (PE) seal on all required forms and signing off on necessary documents,
- (c) Interface with NJDEP, NJEIT, NJIB and any other regulatory agencies:
 - 1) Revise specifications and drawings to address comments from the DEP,
 - 2) Prepare loan application and submit to the DEP/NJEIT/NJIB for approval,
- (d) prepare project cost estimation,
- (e) Design: prepare drawings and specifications,
- (f) Modification of design to comply with NJDEP directives,
- (g) Professional Engineer seals and signs all necessary documents,
- (h) Manage pre-bid meeting and bid opening services for capital projects,
- (i) Review the bids for completeness, prepare a summary of the bids and report with

recommendations in cooperation with the Borough Purchasing Agent for award by the Borough's Governing Body,

- (j) Submit a copy of the bid to the DEP for their review and approval,
 - (k) Schedule, and manage coordination meeting(s) of all affected parties for each construction contract,
 - (l) Process contractor/vendor payment applications and submit to the Borough's Finance Office for payment,
 - (m) Submit required paperwork to close out capital projects in order to obtain approval for capital project cost re-imbursement from NJEIT to NJDEP, and
 - (n) all other services necessary to complete capital improvements).
- 3) As part of the project management function to be performed by the Company for these capital improvements, the Company's representative shall as part of the Services:
- a) Review all procurement submittals.
 - b) Provide all project management and construction inspection services.
 - c) Manage and resolve any disputes with the contractor.
 - d) Review invoices.
 - e) Prepare pay applications and get all required signatures.
 - f) Prepare the required DEP documentation (employee interview, etc.).
 - g) Prepare a punch list.
 - h) Prepare the final DEP change order form.
 - i) Prepare the change order form for Borough approvals.

- j) Attend the Council meeting and provide explanations for the need of the change order.
- l) Prepare final pay application to release retainage.
- m) Get maintenance Bond.
- n) Close out the project.
- p) File all DEP approved paperwork and project information for future reference.

4) Should other engineering services such as surveying or electrical engineering services be needed, these services may be sought from outside vendors, but subject to compliance with Local Public Contract Law (N.J.S.A. 40A:11-1 et seq.) requirements. The award of the contract and the cost of these vendors shall be a Borough responsibility and cost. The Borough's Purchasing Agent shall be responsible for overseeing the bid/proposal notification, receipt and award process.

5) The Company shall only receive payment of ten (10%) percent of the construction cost for construction inspection and administration following completion of the project. There shall be no payment to the Company for outside engineering and/or surveying services. The Company shall not be entitled to the aforementioned 10% fee for any project for which construction inspection and/or construction administration is outsourced to another agency.

6) The Borough shall finance such Future Capital Improvements, to the extent not otherwise payable from the Capital Improvement Fund, pursuant to the provisions of the Local Bond Law, N.J.S.A. 40A:2-1 et seq., or otherwise by issuing its bonds or notes. The Company shall assist the Borough in making necessary applications, meeting with appropriate agencies or other parties and otherwise assisting the Borough as is necessary to secure said financing.

7) The Borough shall have the right to review and approve the design, bid plans and specifications, bids received, construction performed and payments made for the Future Capital Improvements. The Borough may engage a separate qualified engineer for purposes of fulfilling this need at the Borough's cost. In all cases, the Borough reserves the right to design and institute any and all Capital Improvements and Major Repairs and not to utilize the services of the Company for such purposes.

(C) Design and Performance Standards. All Capital Improvements and Major Repairs to the Borough Systems shall adhere to generally accepted water and sewer industry standards and practices, and the following design and performance standards:

1) A minimum design life of twenty (20) Years for above ground Capital Improvements and Major Repairs and fifty (50) Years for underground System components.

2) Reliability criteria as defined in EPA document "Design Criteria for Mechanical, Electrical and Fluid System and Component Reliability" published in 1974, and as updated, for the appropriate reliability class of treatment works.

(D) Capital Improvement Fund. All funds, and investment income thereon, held in the Borough's Capital Improvement Fund shall be utilized by the Borough to pay for Capital Improvements and Major Repairs to the Borough Systems in order to maintain the integrity of the Borough Systems and, to the extent available, to provide for all or a portion of the cost of any Future Capital Improvements.

(E) Payment Request; Submission of Progress Reports; Procedures.

1) As payments are required for Capital Improvements and Major Repairs under this Contract, the Company shall prepare and assemble and submit to the Borough's Finance Office, in a form as determined by the Borough Administrator: (i) a request for payment from the Company accompanied by the original invoice from the Company, or the sub-contractor as applicable, detailing the project and costs therefor and (ii) evidence of completion of the improvement or repair.

2) The Company shall provide the Borough's Finance Office with appropriate progress reports to make payments to the contractors or other third parties for the Capital Improvements and Major Repairs or a portion thereof in the appropriate amount therefor from the Capital Improvement Fund, as applicable, upon acceptance of the Capital Improvements and Major Repairs or a portion thereof, as the case may be, but only after the Finance Office has received the progress report.

(F) Other Engineering and Related Services to be Supplied by the Company.

1) Complete the Initial Capital Improvements,

2) Complete Minor System Repairs to the Borough Systems using the Company staff,

3) Secure for the Borough, NJEIT/NJIB emergency bridge loans for emergency repairs,

4) Provide engineering expertise for Borough and private developer projects,

5) Propose and draft revisions to the Borough's Water and Sewer Ordinances, including review of and recommendations to the rate provisions,

6) Prepare Requests for Proposals for Consulting Engineering Services, when work cannot be performed in house,

7) Work with and manage Consulting Engineering firms to help them complete their work.

8) Review plans and specifications from private developers and provide comments/advice related to water and sewer utilities,

9) Calculate and submit recommendations for connection fees to be established by ordinance and provide to private developers the cost of the required water and sewer connection fees for the project,

10) Provide construction inspection for water/sewer related projects being performed by developers,

11) Report before Borough Administrator or Borough Council, as applicable, on special investigations and customer complaints,

12) Advise, on behalf of the Borough, customers and provide information or review special requests,

13) Work with the Borough Administration in resolving customer complaints,

14) Appear before the Borough Council to discuss or clarify any items on the Agenda pertaining to projects or any matter related to the Borough Systems,

15) Calculate firm capacity and peak demands and complete all DEP forms and provide the information to developers or their engineer so they can apply to the NJDEP Bureau of Safe Drinking Water for permit to install or extend water mains,

16) Complete and submit to the NJDEP all required forms, drawings and reports for modification to existing water allocation permit,

17) Work with Borough Administration, legal department and the DEP on matters related to potential or actual contamination within the Borough Systems,

18) Provide the legal department with information on System related matters,

19) Assist the Borough Administration and legal department with law suits involving the Borough Systems,

20) Go to the schools and give talks to students about the process of producing water and the importance of saving water,

21) Attend outside meetings on behalf of the Borough (e.g. Lower Raritan Watershed Resources Association, Jersey Water Works, etc.) if requested,

22) Meet with other municipalities and/or authorities on behalf of the Borough to discuss issues of mutual interest (trunk sewer main, etc.),

23) Represent the Borough in negotiations with new commercial, industrial and residential customers to provide information and/or review special requests

24) Provide, revise and maintain Geographic Information System (GIS) mapping service

25) Cooperate with Borough Bond Counsel and complete, sign and submit required forms needed by Bond Counsel

26) Prepare and submit NJEIT/NJIB loan applications for Capital Projects and manage the loan process through the NJDEP system

27) Recommend initiatives to be implemented by Borough and/or Company whereby, the cost-savings shall all inure to the Borough Systems.

Section 4.5. Joint Obligations of the Parties. (A) The Borough and the Company agree to cooperate to review existing planning, management and operations practices for the Borough Systems, including energy consumption and usage patterns, and to attempt to devise strategies to increase efficiencies and reduce costs.

(B) The Borough and the Company agree to cooperate to review the Borough's capital investment needs, infrastructure requirements and methods of evaluating the Borough Systems to attempt to increase efficiencies and reduce costs for Capital Improvements and Major Repairs.

(C) The Borough and the Company agree to cooperate in a review of the Borough's tariff design to determine its effectiveness in equitably charging customers for their usage.

(D) The Borough and the Company shall establish a formal Operations Committee, consisting of the Borough Authorized Representative, Borough Systems director(s) and one (1) added employee of the Company or its affiliated companies who must be an officer of the Company, which shall meet, with a frequency to be determined by the parties (e.g. monthly), to discuss issues related to the operation, maintenance and management of the Borough Systems; to receive and review reports; and to confer generally as a means of enhancing communication between the Borough and the Company. In addition to such meetings, representatives of the Company shall be available to meet with the Mayor, Borough Administrator and members of the governing body of the Borough or their authorized representatives, as reasonably requested by the Borough.

Section 4.6. Force Majeure. Any one or more of the duties and obligations of the Borough and/or the Company shall be suspended so long as, and only to the extent that, performance thereof is prevented or impeded by an Act of God, civil disturbance, act of terrorism, governmental action (including, without limitation, any Change in Law), severe and unusual weather, plague, epidemic, pandemic, quarantine restrictions, or any other act or event that has had, or may reasonably be expected to have, a material adverse effect upon either party in its ability to perform its obligations under this Contract, if such acts or events are beyond the control of that party. Any cost relief resulting from a Force Majeure event shall be determined by the Operations Committee.

Section 4.7. Pursuit of Financing and Grants. The Borough, from time to time, may apply for certain grants and government-sponsored or partially government-sponsored financing. The Company agrees to assist the Borough in its pursuit of such grants and/or financings and, notwithstanding any other provision of this Contract, shall comply with any requirements of such grants and/or financings, including any applicable fee caps.

ARTICLE V
REPRESENTATIONS AND WARRANTIES

Section 5.1. Representations of the Borough. The Borough makes the following representations and warranties to and for the benefit of the Company:

(A) The Borough is a municipal corporation organized, existing and in good standing under the laws of the State of New Jersey, with full legal right, power and authority to enter into and perform its obligations under this Contract.

(B) The Borough has duly authorized the execution and delivery of this Contract and this Contract has been duly executed and delivered by the Borough and constitutes a legal, valid and binding obligation of the Borough, enforceable against the Borough in accordance with its terms.

(C) Neither the execution and delivery by the Borough of this Contract, nor the performance by the Borough of its obligations in connection with the transactions contemplated hereby, or the fulfillment by the Borough of the terms and conditions hereof (i) conflicts with, violates or results in a breach of any constitution, law or governmental regulation applicable to the Borough, (ii) conflicts with, violates or results in a breach of any term or condition of, or constitutes a default under any judgment or decree, or any agreement or instrument to which the Borough is a party or by which the Borough or any of its properties or assets is bound, (iii) will result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the revenues, properties or assets of the Borough, or (iv) will result in the acceleration of any obligation by which the Borough is bound or to which the Borough is a party.

(D) The Borough is in compliance with all applicable laws, rules and regulations concerning the management, operation or maintenance of the Borough Systems.

(E) All requisite approvals, authorizations, orders, consents of, registrations or filings with, all governmental authorities necessary as of the date hereof for the management, operation and maintenance of the Borough Systems have been obtained or made by or on behalf of the Borough and are in full force and effect.

(F) To the Borough's knowledge, there are and have been no violations of environmental laws or environmental permits relating to the Borough Systems.

Section 5.2. Representations of the Company. The Company hereby makes the following representations and warranties to and for the benefit of the Borough:

(A) The Company is a corporation duly organized and existing under the laws of the State of New Jersey and has full legal right, power and authority to enter into and perform its obligations under this Contract.

(B) The Company has duly authorized the execution and delivery of this Contract and this Contract has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms.

(C) Neither the execution and delivery by the Company of this Contract, nor the performance by the Company of its obligations in connection with the transactions contemplated hereby, or the fulfillment by the Company of the terms and conditions hereof (i) conflicts with, violates or results in a breach of any constitution, law or governmental regulation applicable to the Company, (ii) conflicts with, violates or results in a breach of any term or condition of, or constitutes a default under, any judgment or decree, or any agreement or instrument to which the Company is a party or by which the Company or any of its properties or assets is bound, (iii) will result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the revenues, properties or assets of the Company, or (iv) will result in the acceleration of any obligation by which the Company is bound or to which the Company is a party.

(D) The Company has sufficient experience and expertise to provide the Services in accordance with this Contract.

(E) The Company is not in breach of any applicable law that could have a material adverse effect on the ability of the Company to comply with its obligations under this Contract. Neither the Company nor, to its knowledge, any Affiliate of the Company is listed on any of the following lists maintained by the Office of Foreign Assets Control of the United States Department of the Treasury, the Bureau of Industry and Security of the United States Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List or the Debarred List, list of persons engaging in investment activities in Iran, or on any other publicly available list of persons with which the State may not do business under applicable law.

(F) The Company shall use products manufactured in the United States of America wherever available for repairs and improvements to the Borough Systems.

**ARTICLE VI
MISCELLANEOUS**

Section 6.1. Interlocal and Shared Service Agreements.

The Borough reserves the right to pursue interlocal services agreements with other public bodies wherein the Borough shall provide all or a portion of the Services described herein to another public body. In such event, the Company shall, at the request of the Borough and with the consent of the Company, assume such obligations provided the Annual Fee is adjusted to provide for the cost of providing such additional services.

Section 6.2. Notices. All notices, demands, requests and other communications hereunder shall be deemed sufficient and properly given if in writing and delivered by email and in person to the following addresses (or such other or additional addresses provided by notice to the other party) or by email and sent by certified or registered mail, postage prepaid with return receipt requested at such addresses; provided if such notices, demands, requests or other communications are sent by mail, they shall be deemed as given on the third day following such mailing which is not a Saturday, Sunday or day on which United States mail is not delivered:

If to Borough:

Borough of Highland Park
221 South 5th Avenue
Highland Park, NJ 08904
Attention: Borough Administrator
Email: tjover@hpboro.com

with a copy to:

Frances Ciesla McManimon, Esq.
McManimon, Scotland & Baumann, LLC
75 Livingston Avenue
Roseland, New Jersey 07068
Email: fmcmanimon@msbnj.com

If to the Company:

Section 6.3. Arbitration. (A) It is the stated intent and purpose of both parties at all times to reach agreement by negotiation between the Borough and the Company, without recourse to arbitration. In the event, however, that such dispute or difference is not settled, either party may request that the matter be referred to arbitration. The demand for arbitration must be submitted to the American Arbitration Association within sixty (60) calendar days after the date of such request, in which case the arbitration shall resolve any then existing controversy or claim between the parties hereto which directly or indirectly arises out of or relates to this Contract.

(B) The arbitration shall be conducted in New Jersey in accordance with the rules and procedures then existing under the Commercial Arbitration Rules of the American Arbitration Association, provided that notwithstanding anything to the contrary contained in such rules the following shall apply: The arbitration board shall consist of three arbitrators. The Borough shall choose one arbitrator and the Company shall choose one arbitrator. If the two arbitrators appointed by the parties fail to agree within five (5) business days upon the selection of a third arbitrator, the third arbitrator shall be selected from a list of arbitrators supplied by the American Arbitration Association or otherwise in accordance Commercial Arbitration Rules by the two previously-selected arbitrators. If the two previously-selected arbitrators cannot agree on the selection of the third arbitrator within 30 days from their appointment by the Parties, either Party may file an action in the Superior Court of New Jersey, Middlesex County Vicinage located in the city of New Brunswick and request that said Court appoint the third arbitrator.

(C) After the appointments of the third arbitrator, the arbitration board shall meet as necessary for the purpose of reaching a determination in the dispute or difference, and the decision of the majority of the board, submitted in writing, to the Borough and the Company shall be final and binding upon both parties. Judgment upon any decision rendered by such arbitration board may be entered in any court having jurisdiction.

(D) Each party shall bear the expense of its own arbitrators and witnesses, and the expenses of the third arbitrator and any general expenses of the arbitration shall be born equally by both parties.

Section 6.5. No Waiver. The failure of a party to insist on strict performance of any or all of the terms of this Contract, or to exercise any right or remedy under this Contract, shall not constitute a waiver or relinquishment of any nature regarding such right or remedy or any other right or remedy. No waiver of any breach or default hereunder shall be considered valid unless in writing and signed by the party giving such waiver, and no such waiver shall be deemed a waiver of any subsequent breach or default of the same or similar nature.

Section 6.6. Severability. In case one or more of the covenants, terms or provisions contained in this Contract shall be held invalid, illegal or unenforceable in any respect, the validity of the remaining covenants, terms and provisions contained herein shall be in no way affected, prejudiced or disturbed and the remaining covenants, terms and provisions shall remain in full force and effect.

Section 6.7. No Third-Party Beneficiaries. No employees of the Borough or any other third party shall be deemed a third-party beneficiary of this Contract.

Section 6.8. Assignment. This Contract shall be binding upon the parties' respective successors and permitted assigns. Neither of the parties may assign this Contract or any rights or obligations hereunder without the prior written consent of the other party (which consent shall not be unreasonably withheld), and any such attempted assignment shall be void, except that the Company may assign this Contract, or any of its rights or obligations hereunder, to a subsidiary or affiliate of the Company, so long as such assignment does not relieve the Company of its obligations to the Borough as set forth herein, and the Company shall give prompt notice to the Borough of any such assignment and that assignee should assume all of the Company obligations under the Contract.

Section 6.9. Indemnification. (A) The Borough shall indemnify, defend and hold harmless the Company, its employees, officers and directors, from and against all liabilities, actions, damages, fines, penalties, claims, demands, judgments, losses, costs, expenses, suits and actions (including reasonable attorney's fees), (i) in connection with or arising out of the Borough Systems, except to the extent caused by negligence on the part of the Company, or (ii) arising out of the condition (known or unknown) of the Borough Systems prior to the Effective Date, but only to the extent the amount of such liability, action, damage, fine, penalty, claim, demand, judgment, loss, cost, expense, suit or action (including reasonable attorney's fees) does not exceed the Limitation of Company Liability.

(B) The Company shall indemnify, defend and hold harmless the Borough, its officers, elected officials and employees, from and against all liabilities, actions, damages, fines, penalties, claims, demands, judgments, losses, costs, expenses, suits and actions (including reasonable attorney's fees), or threat thereof, to the extent caused by negligence on the part of the Company in connection with the Company's management, operation and maintenance of the Borough Systems during the Term of this Contract, except where the basis for such liability, actions, damages or claims arise out of or relate to the Borough's negligence as it relates to the Borough Systems. Any indemnification by the Company shall be limited to the liability limitations of the Limitation of Company Liability.

Section 6.10. Complete Contract. This Contract sets forth the entire understanding of the parties, which supersedes and merges all prior proposals, understandings and all other agreements, oral and written, between the parties relating to the subject matter hereof and may not be modified except in a writing executed by both parties.

Section 6.11. Titles and Headings. Titles and headings to sections or paragraphs herein are inserted merely for convenience of reference and are not intended to be a part of or to affect the meaning or interpretation of this Contract.

Section 6.12. Counterparts. This Contract may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 6.13. Governing Law. This Contract and all amendments hereof shall be governed by and construed in accordance with the internal laws of the State of New Jersey applicable to contracts made and to be performed therein.

Section 6.14 Insurance. The Company shall not commence the performance of the Services under this Contract until it has provided insurance of the types and in such amounts as set forth herein and such other insurance as shall be requested by the Borough provided such insurance is commercially available and such insurance has been approved by the Borough (which approval shall not be unreasonably withheld) nor shall the Company allow any subcontractor to work on its subcontract until all similar insurance required of the subcontractor has been so obtained and approved or the Company has determined that the Company's insurance is sufficient to cover the actions of the subcontractor. The Company shall maintain such insurance in full

force and effect for the Term of this Contract and thereafter for a period of two (2) years. The cancellation of any insurance policy provided by the Company hereunder shall not invalidate the requirement of the Company to fully insure the liability, damages and accidents of the Borough as provided herein. The provisions of this Section 6.14 are intended to survive termination of this Contract.

The insurance policies provided by the Company at its expense and more particularly described hereafter shall specifically designate the Borough as additional insured to the extent of the negligent acts, errors or omissions of the Company and shall further contain such provisions and shall insure the Borough and Borough officials, officers, employees, consultants and agents, pursuant to the terms and requirements set forth herein and to the fullest extent allowed by the law.

Within the Limitation of Company Liability set forth herein, the Company shall be solely responsible for all injuries to persons or property (other than to the extent such costs are paid by worker's compensation insurance) occurring on account of the performance of the Services hereunder, regardless of who is performing the Services.

Certificates from the insurance carrier stating the limits of liability and the expiration date for each policy and type of coverage shall be filed with the Borough before the execution of the Contract. The certificates shall contain the following express obligation:

"This is to certify that the policies of insurance described herein have been issued to the insured for whom this certificate is executed and are in force at this time. In the event of cancellation, non-renewal or material change in a policy affecting the certificate holder, thirty (30) days prior written notice shall be given the certificate holder except in the event of a cancellation for failure to pay the insurance premium wherein ten (10) days prior written notice shall be given to the certificate holder"

Such certificates shall specifically refer to this Contract and article, and paragraph 6.14 (a), (b), (c), (d) or (e) as applicable, in accordance with which the insurance is being furnished, and state that such insurance is as required by such paragraphs of this Contract.

All insurance coverage shall be with acceptable insurance

companies only which possess an A.M. Best Company rating of at least A+. All insurance policies herein required of the Company shall be written by a company duly authorized and licensed to do business in the State and be executed by an agent therein duly licensed as an agent in said State.

Insurance shall include the type of insurance specified below in not less than the amounts stated. Neither approval by the Borough nor a failure to disapprove insurance furnished by the Company, shall release the Company from full responsibility for liability, damages and accidents as set forth herein.

The Company shall take out and maintain during the Term of this Contract the following types of insurance in an amount, for each policy, not less than the amounts stated:

(a) Commercial General Liability Insurance (i) The Company shall maintain during the Term of this Contract such commercial general liability insurance as shall protect it against claims for damages resulting from bodily injury, including wrongful death and property damages, which may arise from the performance of the Services hereunder regardless of by whom performed. The minimum acceptable limits of liability to be provided by such insurance shall be as follows:

Bodily Injury Limits and Property Damage - \$1,000,000 each occurrence/\$2,000,000 aggregate.

Products liability and completed operations - \$2,000,000 aggregate.

Personal injury liability - \$2,000,000 aggregate.

(ii) The commercial general liability insurance required by the preceding subparagraph shall include the following extensions of coverage:

(A) The coverage shall be provided under a commercial general liability form of policy or similar thereto.

(B) XCU Coverage - If the Contract requires any work procedures involving blasting, excavating, tunneling or other underground work, the liability coverage shall include standard blasting or explosion coverage, standard collapse coverage and standard underground coverage, commonly referred to as XCU property damage liability coverage with limits of \$1,000,000 CSL.

(C) Contractual liability coverage shall be included.

(D) Protective liability coverage shall be included to protect the Company against claims arising out of operations performed by others, including but not limited to contractors and their subcontractors.

(b) Worker's Compensation and Employer's Liability Insurance in accordance with the requirements of the laws of the State and all other applicable laws and regulations. If any class of employees engaged in hazardous work cannot be protected by workmen's compensation and liability insurance, the Company shall provide adequate insurance for each class of employees.

The Company shall take out and maintain during the Term of this Agreement the applicable statutory Worker's Compensation Insurance with an insurance company authorized to write such insurance covering all of its employees, and in the case of any work sublet, the Company shall require the subcontractor similarly to provide statutory Worker's Compensation Insurance for the latter's employees. The Company shall take out and maintain during the Term of this Contract, Employer's Liability Insurance with a minimum limit of \$1,000,000 with an insurance company authorized to write such insurance and the Company shall require each of its subcontractors similarly to maintain Employer's Liability Insurance on its employees.

(c) Automobile Liability and Property Damage Insurance
The Company shall take out and maintain during the Term of the Contract such Automobile Liability Insurance as shall protect it against claims for damages resulting from bodily injury, including wrongful death and property damage, which may arise from the operations of any owned, hired or non-owned automobiles used by or for it in any capacity connection with the performance of the Services hereunder. The minimum acceptable limits of liability to be provided by such Automobile Liability Insurance shall be as follows:

Bodily Injury Limits and Property Damage - \$5,000,000 each occurrence/annual aggregate by the Company (or \$1,000,000 each occurrence/annual aggregate by each subcontractor).

(d) Excess Liability Insurance - \$5,000,000.

(e) Professional Liability Insurance in the case of any consulting engineering firm hired by the Company or any engineers, architects or other professionals to the extent the coverage is not provided by the comprehensive general liability

insurance, in an amount not less than \$2,000,000.

The Company shall require each of its subcontractors to take out and maintain during the life of its subcontracts the same insurance coverage required of the Company under Section 6.14(a), (b) and (c), including the extensions of coverage required under Section 6.14(a)(ii) naming the Borough as additional insureds thereon unless the Company has determined that its insurance coverage is sufficient to cover the actions of the subcontractor. Each subcontractor shall furnish to the Company (2) copies of a certificate of insurance and such certificate shall contain the same information required hereinabove. The Company shall furnish one (1) copy of the certificate to the Borough.

All insurance policies shall have a maximum deductible of \$10,000 unless otherwise approved by the Borough which approval shall not be unreasonably withheld.

If the Company receives insurance proceeds to cover any liabilities under this Contract, the Company shall have no claim against the Borough for such amounts provided that the Borough did not cause the events that result in the claim against the applicable insurance company.

If at any time the Company fails to maintain any of the foregoing policies, or if a company issuing any such policy shall become unsatisfactory to any of the Borough, the Company shall, upon notice to that effect from such party, promptly obtain a new policy, submit the same to the Borough for its approval and submit a certificate of insurance as described above. Failure of the Company to take out and/or maintain any required insurance shall not relieve the Company of any liability under the Contract.

The Borough shall maintain insurance on the Borough Systems during the Term of this Contract substantially similar in kind, scope and amount as that maintained by the Company as of the Effective Date. If any damage occurs to the Borough Systems during the Term of this Agreement that is an insured risk under the policies described in this Section 6.14, the Company agrees that its policies provide coverage on a primary and non-contributory basis and should be used as the first basis of recovery. The Company, however, may request the Borough to file a claim under its insurance policy or policies for any amounts not covered under the policies maintained by the Company, and if insurance proceeds are paid to the Borough for such amounts, the Borough shall reimburse the Company but solely from such

proceeds for the actual, documented cost it incurs to repair the damage to the Borough Systems in an amount not to exceed such insurance proceeds.

Section 6.15. Limitation of Liability.

(A) No Consequential or Indirect Damages. Except as expressly provided below, in no event shall the Company be liable to the Borough under this Contract for consequential, indirect, incidental, special, exemplary, punitive or enhanced damages arising out of, relating to, or in connection with any breach of this Contract, regardless of (A) whether such damages were foreseeable, (B) whether or not the Company was advised of the possibility of such damages and (C) the legal or equitable theory (contract, tort or otherwise) upon which the claim is based.

(B) Exceptions. The limitations set forth above shall not apply to damages or liabilities arising from any: (I) grossly negligent acts of omissions of the Company; or (II) willful or intentional misconduct of the Company.

IN WITNESS WHEREOF, the parties have caused this Contract to be duly executed by their duly authorized representatives, as of the day and year first above written.

WITNESS:

BOROUGH OF HIGHLAND PARK

By: _____
Joan Hullings, Clerk

By: _____
Gayle Brill Mittler, Mayor

WITNESS:

By: _____

By: _____

EXHIBIT A

ANNUAL FEE

<u>YEAR</u>	<u>AMOUNT</u>
1	\$747,000
2	\$747,000
3	\$747,000
4	\$747,000
5	\$747,000
6	\$747,000
7	\$747,000
8	\$747,000
9	\$747,000
10	\$747,000
INITIAL CAPITAL IMPROVEMENTS	\$789,242

EXHIBIT B
SIX YEAR CAPITAL IMPROVEMENT PROGRAM FOR THE WATER AND
SEWER SYSTEMS

SIX YEAR CAPITAL PROGRAM - 2019 - 2024
Anticipated Project Schedule and Funding Requirements

Local Unit Borough of Highland Park, County of Middlesex

1 PROJECT TITLE	2 PROJECT NUMBER	3 ESTIMATED TOTAL COST	4 ESTIMATED COMPLETION TIME	FUNDING AMOUNTS PER BUDGET YEAR							
				5a 2019	5b 2020	5c 2021	5d 2022	5e 2023	5f 2024		
GENERAL											
Sidewalk Improvements		900,000	2024		300,000				300,000		300,000
Acquis. Police Hybrid Vehicles		300,000	2023	100,000		100,000			100,000		
Acquis. Construction Code EV Vehicles		80,000	2019	80,000							
Acquis. DPW Street Sweeper		255,000	2021			255,000					
Renovations and Improvements Borough Bldgs.		450,000	2020	125,000							
Library Renovation and Improvements		325,000	2019	325,000							
Track, Turf Field, and Recreation Improvements		400,000	2020	250,000	150,000						
DPW Butler Building		200,000	2021		100,000	200,000					
Acquis. Fire Department Equipment		100,000	2020						100,000		
SUBTOTAL		3,010,000		880,000	875,000	555,000	300,000	100,000	300,000	300,000	
WATER AND SEWER UTILITY											
Water Main and Meter Replacement		1,700,000	2024	500,000	250,000	250,000	250,000		250,000		200,000
Sewer line replacement		1,250,000	2024	250,000	200,000	200,000	200,000		200,000		400,000
SUBTOTAL		2,950,000		750,000	450,000	450,000	450,000	450,000	450,000	450,000	700,000
TOTALS - ALL PROJECTS		5,960,000		1,630,000	1,325,000	1,005,000	750,000	550,000	750,000	550,000	700,000

SIX YEAR CAPITAL PROGRAM - 2019 - 2024
SUMMARY OF ANTICIPATED FUNDING SOURCES AND AMOUNTS

Local Unit Borough of Highland Park, County of Middlesex

1 Project Title	2 Estimated Total Cost	BUDGET APPROPRIATIONS		4 Capital Improvement Fund	5 Capital Surplus	6 Grants-in- Aid and Other Funds	BONDS AND NOTES					
		3a Current Year 2018	3b Future Years				7a General	7b Self Liquidating	7c Assessment	7d School		
GENERAL												
Sidewalk Improvements	900,000			45,000			855,000					
Acquis. Police Hybrid Vehicles	300,000			15,000			285,000					
Acquis. Construction Code EV Vehicles	80,000			4,000			76,000					
Acquis. DPW Street Sweeper	255,000			12,750			242,250					
Renovations and Improvements Borough E	450,000			22,500			427,500					
Library Renovation and Improvements	325,000			16,250			308,750					
Track, Turf Field, and Recreation Improv	400,000			20,000			380,000					
DPW Butler Building	200,000			10,000			190,000					
Acquis. Fire Department Equipment	100,000			5,000			95,000					
SUBTOTAL	3,010,000			150,500			2,859,500					
WATER AND SEWER UTILITY												
Water Main and Meter Replacement	1,700,000			85,000			1,615,000					
Sewer line replacement	1,250,000			62,500			1,187,500					
SUBTOTAL	2,950,000			147,500			2,802,500					
TOTALS - ALL PROJECTS	5,960,000			298,000			5,662,000					

EXHIBIT C
MCUA CONTRACT

HIGHLAND PARK

Agreement

WITH

THE MIDDLESEX COUNTY SEWERAGE AUTHORITY

AND

OTHERS

This Agreement

made and dated as of the 5th day of February, One Thousand Nine Hundred and Fifty-Four,

BETWEEN

THE MIDDLESEX COUNTY SEWERAGE AUTHORITY (hereinafter referred to as "Authority"), a public body politic and corporate of the State of New Jersey,

AND

THE BOROUGH OF MIDDLESEX, THE BOROUGH OF DUNELLEN, THE CITY OF NEW BRUNSWICK, THE TOWNSHIP OF NORTH BRUNSWICK, IN THE COUNTY OF MIDDLESEX, THE BOROUGH OF HIGHLAND PARK, THE TOWNSHIP OF RARITAN, IN THE COUNTY OF MIDDLESEX, THE BOROUGH OF METUCHEN, THE BOROUGH OF SOUTH RIVER, THE BOROUGH OF SAYREVILLE, THE TOWNSHIP OF WOODBRIDGE, IN THE COUNTY OF MIDDLESEX, each a municipal corporation of the State of New Jersey situate in the County of Middlesex, the CITY OF PLAINFIELD, a municipal corporation of the State of New Jersey situate in the County of Union, the BOROUGH OF BOUND BROOK, THE BOROUGH OF SOUTH BOUND BROOK, and THE BOROUGH OF NORTH PLAINFIELD, each a municipal corporation of the State of New Jersey situate in the County of Somerset, or so many of said municipal corporations as shall execute this Agreement and become and remain parties thereto (each such party being hereinafter referred to as "Municipality"), and CITY OF PLAINFIELD, THE BOROUGH OF NORTH PLAINFIELD and BOROUGH OF DUNELLEN, acting in Joint Meeting,

AND

UNION CARBIDE AND CARBON CORPORATION, a corporation of the State of New York, ANHEUSER-BUSCH, INC., a corporation of the State of Missouri, PETER J. SCHWEITZER, INC., a corporation of the State of New York, BENZOL PRODUCTS COMPANY, a corporation of the State of New Jersey, HEYDEN CHEMICAL CORP., a corporation of the State of Delaware, NATIONAL LEAD COMPANY, a corporation of the State of New Jersey, and HERCULES POWDER COMPANY, a corporation of the State of Delaware, or so many of said corporations as shall execute this Agreement and become parties thereto (each such party being hereinafter referred to as "Company"):

WITNESSETH

WHEREAS pursuant to the Sewerage Authorities Law, constituting Chapter 138 of the Pamphlet Laws of 1946, of the State of New Jersey, approved April 23, 1946, the Authority was created by virtue of a resolution duly adopted by the Board of Chosen Freeholders of the County of Middlesex, New Jersey, and is a public body politic and corporate of the State of New Jersey organized and existing under said Law, established as an instrumentality exercising public and essential governmental functions to provide for the public health and welfare, with all necessary or proper powers to acquire, construct, maintain, operate and use sanitation facilities for the relief of the Raritan River and other waters in, bordering or entering the District (hereinafter defined) from pollution or threatened pollution and for improvement of conditions affecting the public health; and

WHEREAS the Authority is ready to design, finance, construct and put in operation a trunk sewer system and sewage disposal plant but cannot do so unless substantially all the Municipalities and Companies become legally bound to accept and pay for sewage and waste treatment service from the time such system and plant go into operation; and

WHEREAS each Municipality and Company has been requested and is willing to have sewage and other wastes originating from it or on its properties treated and disposed of by the Authority pursuant to the terms of this Agreement and has duly authorized its proper officials to enter into and execute for it this Agreement;

NOW THEREFORE, in consideration of the premises, of the mutual covenants and agreements herein set forth, and of the undertakings of each party to the others, the parties hereto, each binding itself, its successors and assigns, do mutually covenant, promise and agree as follows:

ARTICLE I.**Definitions.**

As used or referred to in this Agreement, unless a different meaning clearly appears from the context:

(1) "Act" means the Sewerage Authorities Law, constituting Chapter 138 of the Pamphlet Laws of 1946, of the State of New Jersey,

approved April 23, 1946, and the acts amendatory thereof and supplemental thereto;

(2) "Authority", "Municipality" and "Company" shall each have the meaning hereinabove given to such term;

(3) "Participant" means a Municipality or Company, except that the Municipalities known as City of Plainfield, The Borough of North Plainfield and Borough of Dunellen shall be deemed to be collectively one Participant so long as (a) such Municipalities act in a joint meeting as defined in Section 40:63-69 of the Revised Statutes of New Jersey, (b) the sewage collected in the Local Sewerage Systems of all such Municipalities is delivered into the Trunk System at common point or points of connection in accordance with Article III hereof, and (c) no municipal corporation not a party to this Agreement acts in said joint meeting;

(4) "District" means the area within the territorial boundaries of all the municipal corporations of the State of New Jersey, situate in the County of Middlesex, the Governing Bodies of which have not, prior to the date of this Agreement, adopted a resolution in accordance with subsection (g) of Section 4 of the Act, and of all the municipal corporations of the State of New Jersey, situate in the County of Middlesex, the Governing Bodies of which, prior or subsequent to the date of this Agreement, shall have adopted an ordinance in accordance with subsection (g) of Section 4 of the Act;

(5) "Project" means (a) a trunk sewer extending from a point near the boundary line between the Borough of Bound Brook and the Borough of Middlesex, New Jersey, in a general direction downstream along or near the Raritan River to a point in the Borough of Sayreville, New Jersey, southerly of the Raritan River and near the South River; and (b) an intercepting sewer extending from a point within a one-mile radius of East Spotswood in the Township of Madison, New Jersey, near New Jersey State Highway Route No. S-28 in a general direction downstream along or near the South River to or near said point in the Borough of Sayreville; and (c) a sewage pumping station at or near said point in the Borough of Sayreville together with a force main or pressure sewer extending therefrom in a generally northeasterly direction to a point in the said Borough of Sayreville

near the property of National Lead Company; and (d) a sewage treatment plant at or near said point in the Borough of Sayreville near the property of National Lead Company; and (e) an outfall conduit extending from said sewage treatment plant in a generally easterly direction to a point in Raritan Bay; and (f) all connections, manholes, valves, structures, equipment, apparatus and other real or tangible personal property necessary or desirable for the efficient construction and operation of the above-described sanitation facilities;

(6) "Trunk System" means the Project and all other sewers, conduits, pipe lines, mains, pumping and ventilating stations, sewage treatment and disposal systems, plants and works, connections and outfalls, and all other plants, structures, equipment, boats, conveyances and other real and tangible personal property acquired or constructed or to be acquired or constructed by the Authority for the purposes of the Authority under the Act, but does not include the public sewage collection system of any Municipality;

(7) "Local Sewerage System" means all sewer or drainage systems of a Municipality which are or may be connected, or are or may be required under the terms of Article III hereof to be connected, with the Trunk System, including all outfalls of such systems and any extensions or enlargements of such systems;

(8) "Plant" means all properties owned or controlled by a Company which are situate in the counties of Middlesex, Union or Somerset, New Jersey, within the watershed of the Raritan River or Raritan Bay;

(9) "Sewage" or "sewage" means industrial wastes and water-borne animal or vegetable wastes from septic tanks, water closets, buildings, residences, industrial establishments or other places, together with such ground water infiltration, surface water, admixtures or other wastes as may be present;

(10) "Pollution" shall have the meaning given to such term in the Act;

(11) "Service Charges" means rents, rates, fees or other charges for direct or indirect connection with, or the use or services of, the Trunk System which the Authority, under the provisions of Section 8 of the Act, is or may be authorized to charge and collect with regard to persons or real property;

(12) "Annual Charge" shall have the meaning given to such term in Article V hereof;

(13) "Deficiency" shall have the meaning given to such term in Article V hereof;

(14) "Extension" means any new sewer main which is not part of the Project and which extends the Trunk System into territory not theretofore drained into the trunk sewer, intercepting sewer or sewage pumping station described in subparagraph (5) of Article I hereof through facilities owned by the Authority;

(15) "Alteration" means any structure which is not completed in connection with original construction with respect to the Project or any enlargement or change of a structure which enlargement or change is not completed in connection with such original construction, but does not include an Extension, a renewal or replacement of a part of the Project, or an enlargement or change of the sewage treatment plant constructed as part of the Project;

(16) "Governing Body" shall have the meaning given to such term by the Act; and

(17) "Fiscal Year" means the period of twelve calendar months ending with December 31 of any year.

ARTICLE II.

Construction of the Project and Operation of the Trunk System.

(A) The Authority will with all practicable speed prepare and complete plans for the construction and financing of the Project, and, upon completion of such financing or the making of arrangements therefor satisfactory to the Authority, will with all practicable speed construct and complete the Project and place the same in operation. The Authority will thereafter operate and maintain and, to the extent permitted under the terms of Paragraph (B) of this Article, enlarge the Trunk System so as to treat and dispose of all sewage, without limitation as to flow, which may thereafter be delivered into the Trunk System by any Municipality or Company in accordance with

Article III hereof. Before undertaking construction of any substantial part of the Project, the plans and specifications for such construction will be submitted by the Authority to the State Department of Health of New Jersey for approval as to the sufficiency of design of the Authority's proposed sewage treatment plant and compliance with the standards for sewage and industrial waste treatment plants for areas under the joint jurisdiction of said Department and the Interstate Sanitation Commission, promulgated by said Department on May 2, 1952, and a permit will be obtained by the Authority from said Department to proceed with such construction.

(B) The Authority may at any time enlarge or alter the Trunk System or renew or replace any part thereof, but the Authority shall not construct, and nothing in this Agreement shall be deemed to require the Authority to construct, any Extension or Alteration unless (1) written consent to construction of such Extension or Alteration shall have been given in any Fiscal Year by or on behalf of (a) Municipalities from which the Authority in the next preceding Fiscal Year received not less than fifty-one per centum (51%) of all monies received by the Authority from Municipalities during such next preceding Fiscal Year and (b) Companies from which the Authority in such next preceding Fiscal Year received not less than fifty-one per centum (51%) of all monies received by the Authority from Companies during such next preceding Fiscal Year, and, in the case of an Extension, (2) the Authority shall by resolution have found that the estimated charges to be made or imposed by the Authority in accordance with Article IV hereof with respect to the sewage estimated by the Authority to be delivered and discharged into such Extension during the first full year of operation thereof computed at the rate or rates prescribed by the Authority in accordance with said Article IV and applicable with respect to sewage delivered into the Trunk System at the time of adoption of said resolution will equal or exceed the estimated cost of operating and maintaining such Extension during such first full year of operation plus five per centum (5%) of the estimated cost of construction of such Extension.

(C) The Authority will at all times maintain with responsible insurers all such insurance as is customarily maintained with respect

to sewerage systems of like character against loss or damage to the Trunk System and against public or other liability to the extent not less than that reasonably necessary to protect the interests of the Authority and the Participants, and will at all times maintain with responsible insurers all insurance reasonably required and obtainable within limits and at costs deemed reasonable by the Authority to indemnify and save harmless the Participants against all liabilities, judgments, costs, damages, expenses and attorney's fees for loss, damage or injury to person or property resulting directly or indirectly from the operation or a failure of operation of the Trunk System caused by the negligence or wilful act of the Authority, its employees or agents.

ARTICLE III.

Connections to Trunk System.

(A) Upon notice from the Authority, each of the Municipalities will permit its sewer or drainage systems or the outfalls therefrom to be connected, and each of the Companies will permit the sanitation or drainage systems of its Plant or the outfalls therefrom to be connected, with the Trunk System, at the point or points designated therefor in the List of Connection Points attached hereto, marked "Schedule A" and by this reference made a part hereof, or at such other point or points upon which such Municipality or Company and the Authority may mutually agree. Every such connection shall be made by the Authority at its own cost and expense. The Borough of Highland Park, however, will pay to the Authority the cost and expense of the making by the Authority of the connection of its sewer or drainage system which is located near the intersection of River Road and Harrison Avenue in said Borough. Every such connection shall constitute and be operated by the Authority as part of the Project and shall include all such pumping and other facilities as may be necessary to cause all sewage delivered at the said point or points of connection to be discharged into the Trunk System and, in the case of a Municipality, be so made and constructed as to discharge into the Trunk System all sewage collected in its Local Sewerage System and delivered at the said point or points of connection and, in the case of a Company, be so made and constructed as to discharge into

the Trunk System all sewage originating in its Plant and delivered at the said point or points of connection. Each Municipality and Company, at its own cost and expense, will construct, install and operate any and all extensions of its Local Sewerage System or the sanitation or drainage systems of its Plant, or the outfalls therefrom, necessary to cause the same to reach to and deliver sewage at the said point or points of connection, and, after the making of such connection or connections, will keep its Local Sewerage System and the sanitation or drainage systems of its Plant connected with the Trunk System, and will deliver and discharge into the Trunk System all sewage originating in and collected by it in the case of a Municipality or all sewage originating in its Plant in the case of a Company.

(B) Notwithstanding the provisions of Paragraph (A) of this Article, no Municipality or Company shall be obligated to deliver and discharge into the Trunk System sewage which the Authority may by its written consent exempt from delivery and discharge into the Trunk System, or to permit or cause its sewer, sanitation or drainage system collecting or disposing of such sewage to be connected with the Trunk System, and no Company shall be obligated to deliver and discharge into the Trunk System sewage, whether treated or untreated, which, if discharged into waters in or bordering the State of New Jersey, would not cause or constitute violation of subsection (a) of Section 28 of the Act or any laws of the State of New Jersey relating to said waters or any valid regulation or requirement relating to said waters made pursuant to said laws by the State Department of Health or other agency of said State having jurisdiction with respect to said waters, or sewage which it discharges into the Local Sewerage System of a Municipality, or to permit or cause its sanitation or drainage system collecting or disposing of such sewage to be connected with the Trunk System.

(C) Notwithstanding the provisions of Paragraph (A) of this Article or any other Article hereof, a Participant other than a Company shall not have the right under this Agreement to deliver and discharge into the Trunk System any sewage except sewage collected in (1) such Municipality or (2) sewers outside such Municipality which at the date of this Agreement are connected with its Local Sewerage System or joint system, unless the Authority shall have given its written consent

to such delivery and discharge. Notwithstanding the provisions of Paragraph (A) of this Article or any other Article hereof, no Company shall have the right under this Agreement to deliver and discharge into the Trunk System sewage originating elsewhere than in its Plant, unless the Authority shall have given its written consent to such delivery and discharge.

ARTICLE IV.

Charges and Establishment of Rates by Authority.

The Authority will make and impose charges with respect to all sewage delivered into the Trunk System by any Municipality, Company, or any other person, partnership, firm or corporation. Said charges may and shall at all times be such that the receipts of the Authority shall be sufficient to pay or provide for the expenses of operation and maintenance of the Trunk System, including (without limitation of the foregoing) insurance, renewals and replacements and, subject to the provisions of Paragraph (B) of Article II hereof, Alterations and Extensions, and the principal of and interest on any and all bonds or other obligations of the Authority as the same become due, and to provide for any deficits of the Authority resulting from failure to receive sums payable to the Authority by any Municipality, any Company or any other person, partnership, firm or corporation, or from any other cause, and to maintain such reserves or sinking funds for any of the foregoing purposes as may be required by the terms of any contract or other obligation of the Authority, and, if and to the extent deemed necessary by the Authority, to provide annually a sum (not exceeding ten per centum (10%) of the total of the amounts set opposite the names of Participants in the Estimate of Annual Service Charges attached hereto, marked "Schedule D" and by this reference made a part hereof) as a reserve for any such deficits and provide such further sums for reserves as may be approved by written consents given in any Fiscal Year by or on behalf of (a) Municipalities from which the Authority in the next preceding Fiscal Year received not less than fifty-one per centum (51%) of all moneys received by the Authority from Municipalities during such next preceding Fiscal Year and (b) Companies from which the Authority in such next preceding Fiscal Year received not less than fifty-one per centum (51%) of all moneys

received by the Authority from Companies during such next preceding Fiscal Year. Such charges made and imposed by the Authority shall be computed for the service rendered by the Trunk System in the treatment and disposal of sewage by the Authority at rates which shall at all times be uniform as to all Participants for the same type, class and amount of use or service of the Trunk System and give effect to quantity differentials in substantially the proportions reflected in the rates set forth in the Initial Schedule of Rates attached hereto, marked "Schedule B" and by this reference made a part hereof, and the rates applicable with respect to sewage delivered and discharged into the Trunk System by any Participant shall not be more favorable to such Participant than the rates applicable with respect to sewage so delivered and discharged by any other Participant. The Authority, prior to the discharge and delivery of sewage into the Trunk System, shall prescribe an initial schedule of such rates which shall be as set forth in said Initial Schedule of Rates and, from time to time whenever necessary after prescribing such initial schedule (but only after public hearing thereon held by the Authority at least twenty days after notice of the time and place of such hearing shall have been mailed to each Participant at its usual place of business), the Authority shall revise the schedule of such rates, which shall at all times comply with the terms of any contract or other obligation of the Authority and shall be based or computed on the quantity, quality and other characteristics of sewage so discharged and delivered. Any Participant aggrieved by any part of such revised schedule which fails to conform with the terms and provisions of this Agreement may institute appropriate judicial proceedings to have the same reviewed for the purpose of obtaining correction of said part of such revised schedule.

ARTICLE V.

Payments by Participants.

(A) Each Participant will pay to the Authority the charges (herein called "Annual Charge") made or imposed by the Authority with respect to the sewage delivered and discharged into the Trunk System by or on behalf of such Participant in any Fiscal Year, provided that, in consideration of the location in the Borough of Sayreville of the sewage treatment plant and other facilities of the Authority, the

Annual Charge becoming payable from said Borough with respect to sewage delivered and discharged in each Fiscal Year shall be reduced by the amount of the charges based on flow or volume computed with respect to the first twenty-five million gallons of sewage delivered and discharged into the Trunk System by or on behalf of said Borough in each quarter of such Fiscal Year. Such Annual Charge shall be computed and established by the Authority on the basis of the quantity, quality and other characteristics of the sewage so delivered as shown by the records of the Authority, at the rate or rates prescribed by the Authority in accordance with Article IV hereof applicable from time to time during such Fiscal Year with respect to the said sewage delivered during such Fiscal Year. Each such Annual Charge shall at all events be due and payable not later than January 15 next ensuing after the close of such Fiscal Year, but provision for and payment of every such Annual Charge will be made by each Participant in accordance with the following Paragraphs of this Article.

(B) So long as the Municipalities known as City of Plainfield, The Borough of North Plainfield and Borough of Dunellen shall under the provisions of subparagraph (3) of Article I hereof be deemed to be one Participant, the Annual Charge becoming payable from said Participant with respect to sewage delivered and discharged in each Fiscal Year shall be apportioned between such Municipalities in shares as follows:

Municipality	Share
City of Plainfield.....	68%
The Borough of North Plainfield.....	25%
Borough of Dunellen.....	7%

Each such Municipality as if it constituted a separate Participant will either pay or cause the Joint Meeting referred to in this Agreement to pay to the Authority its share of such Annual Charge, apportioned as aforesaid, and of any Deficiency or other amount payable by the said three Municipalities as one Participant, apportioned as aforesaid, as and when the same or any part thereof or interest thereon becomes due and payable, and with respect to each such Municipality, as used in the following Paragraphs of this Article the term "Annual Charge" shall mean the share of the Annual Charge payable by the said three Municipalities as one Participant apportioned to such Municipality as afore-

said and the term "Deficiency" shall mean the share of any Deficiency, as defined in Paragraph (C) of this Article, payable by the said three Municipalities as one Participant apportioned to such Municipality as aforesaid. Nothing herein contained shall, however, prevent the said three Municipalities from making or causing such Joint Meeting to make payments hereunder to the Authority in different or varying proportions.

(C) On or before January 25 of the Fiscal Year which the Authority may estimate as the year in which the Trunk System or any part thereof will be placed in operation and on or before January 25 of each Fiscal Year thereafter, and in any event on or before January 25 of each Fiscal Year after the Trunk System or any part thereof shall have been placed in operation, the Authority will make an estimate, based upon the estimated quantity, quality and other characteristics of sewage to be delivered by every Participant, of the amount of the Annual Charge which will become payable from each Participant with respect to sewage to be delivered and discharged in such Fiscal Year and, on or before February 1 next ensuing, will make and deliver to such Participant its certificate stating such estimated amount of the Annual Charge. In the event that any part of the Annual Charges computed and established in accordance with Paragraph (A) of this Article theretofore becoming due and payable to the Authority from such Participant shall not have been paid, the Authority will include in such certificate an additional provision separately stating the amount of such unpaid part (herein called "Deficiency").

(D) Each Municipality will in each Fiscal Year make all budgetary and other provisions or appropriations necessary to provide for and authorize the payment by the Municipality to the Authority during such Fiscal Year of the estimated amount of the Annual Charge and the amount of the Deficiency (if any) stated in the certificate delivered in such Fiscal Year to it by the Authority as aforesaid.

(E) On or before March 1 of each Fiscal Year, each Participant will pay to the Authority the amount of the Deficiency (if any) stated in the certificate delivered in such Fiscal Year to it by the Authority as aforesaid. Each Participant will pay to the Authority the estimated amount of the Annual Charge stated in the certificate delivered in such

Fiscal Year to it by the Authority as aforesaid in four equal installments on March 1, June 1, September 1 and December 1 of such Fiscal Year, provided that in the Fiscal Year which the Authority may estimate as the year in which the Trunk System or any part thereof will be placed in operation, said estimated amount shall be divided into as many installments as there are months in such Fiscal Year beginning after the day which the Authority shall estimate as the day on which the Trunk System or any part thereof will be placed in operation and one of such installments shall be due and payable to the Authority on the first day of each such month.

(F) In the event that the amount of the Annual Charge computed and established in accordance with Paragraph (A) of this Article becoming due from any Participant with respect to sewage delivered and discharged in a Fiscal Year shall be less than the estimated amount of such Annual Charge stated in the certificate delivered in such Fiscal Year to it by the Authority, the Authority will on or before March 1 next ensuing return to such Participant the difference between said amounts in cash or, at the option of the Participant, by credit against payments then or theretofore due to the Authority from such Participant under the provisions of Paragraph (A) or Paragraph (E) of this Article.

(G) The sums payable by a Municipality to the Authority under the provisions of this Article are and shall be in lieu of Service Charges with regard to real property in such Municipality directly or indirectly connected with the Trunk System and real property connected to the Local Sewerage System of such Municipality connected with the Trunk System in accordance with Article III hereof. So long as such Municipality shall not be in default in the making of any payments becoming due from it under the provisions of this Article, the Authority will suspend Service Charges with regard to such real property. For the purposes of this Paragraph, a Municipality shall be deemed to be in default if such Municipality, for a period of thirty days after its due date, shall fail to make in full to the Authority any payment required to be made by it under the provisions of this Agreement.

ARTICLE VI.**Meters and Records; Inspection; and Local Operations.**

(A) The Authority will provide, install and use meters for determining the quantity, and make tests and use other means for determining the quality and other characteristics, of all sewage which shall be delivered and discharged into the Trunk System by each of the Participants and all other users of the Trunk System, and, in accordance with sound engineering practice, shall determine such quantity, quality and characteristics, including chlorine demand. A copy of each such determination made by the Authority with respect to each Fiscal Year shall be mailed to each Participant at its usual place of business and, for all purposes of this Agreement, shall be conclusively deemed to have been made in accordance with this Article and to be correct at the expiration of sixty days after such mailing unless within said period of sixty days a Participant shall have filed with the Authority an objection thereto stating that such determination is incorrect and stating the changes therein which should be made in order to correct such determination. Any controversy or claim involving a Participant which shall have so filed an objection to such determination and arising out of or relating to such determination shall, upon notice given by such Participant to every other Participant which may be affected by any change in such determination and reasonable opportunity for such other Participant or Participants to be heard, be settled by arbitration, in accordance with the rules then obtaining of the American Arbitration Association, and judgment upon the award rendered may be entered in any Court having jurisdiction thereof. From and after the placing of the Trunk System in operation, the Authority will make and keep permanent records of the quantity, quality and other characteristics of sewage delivered and discharged into the Trunk System by each of the Participants and all other users of the Trunk System. For the purpose of determining the quantity, quality and other characteristics of any sewage which shall or may be delivered and discharged into the Trunk System by a Municipality or Company, the Authority shall have the right at all reasonable times to enter upon and inspect the sewer, sanitation or drainage systems of such Municipality or Company, and to take normal samples under ordinary operating conditions and make tests, measurements

and analyses of sewage or other wastes in, entering or to be discharged into such sewer, sanitation or drainage system. The Authority will make and keep a record of tests, measurements and analyses of such sewage or other wastes entering such sanitation, sewer or drainage systems, and upon the written request of any Participant will make available to such Participant the results of such tests, measurements or analyses.

(B) No Municipality shall construct, enlarge or operate a plant for the treatment and disposal of sewage and no Company shall construct, enlarge or operate a plant for the treatment and disposal of sewage originating elsewhere than in its Plant unless (1) required so to do by the terms of Article VII hereof or (2) the Authority shall have given its written consent thereto.

(C) No Municipality or Company shall make or permit any new connection to or extension of its sewer, sanitation or drainage systems which is so designed as to permit entrance directly or indirectly into the Trunk System of storm water drainage from ground surface, roof leaders, catch basins or any other source, and each Municipality and Company, before making any new connection to or extension of its sewer, sanitation or drainage systems, will submit the plans therefor to the Authority and, in making the same, will permit the Authority to inspect the work and will comply with all requests of the Authority with respect thereto reasonably designed to assure exclusion from the Trunk System of any such storm water drainage.

(D) Whenever under the terms of this Agreement the Authority is authorized to give its written consent, the Authority, in its discretion, may give or refuse such written consent and, if given, may restrict, limit or condition such consent in such manner as it shall deem advisable. Acceptance by the Authority into the Trunk System from a Participant of sewage in a volume or at a rate or with characteristics exceeding or violating any limit or restriction provided for by or pursuant to this Agreement in one or more instances or under one or more circumstances shall not constitute a waiver of such limit or restriction or of any of the provisions of this Agreement and shall not in any way obligate the Authority thereafter to accept or make provision for sewage delivered and discharged into the Trunk System in a volume

or at a rate or with characteristics exceeding or violating any such limit or restriction in any other instance or under any other circumstance.

(E) Whenever under the terms of this Agreement a Municipality is authorized to give its written consent, such consent may be given and shall be conclusively evidenced by a copy, certified by its Clerk and under its seal, of a resolution purporting to have been adopted by its Governing Body and purporting to give such consent. Whenever under the terms of this Agreement a Company is authorized to give its written consent, such consent may be given and shall be conclusively evidenced by an instrument in writing purporting to give such consent and purporting to be signed in its name by its President or any Vice-President, Assistant Vice-President, Secretary, Assistant Secretary, General Manager, Assistant General Manager, Treasurer or Assistant Treasurer thereof. Whenever under the terms of this Agreement the Authority is authorized to give its written consent, such consent may be given and shall be conclusively evidenced by a copy, certified by its Secretary and under its seal, of a resolution purporting to have been adopted by the Authority or its members and purporting to give such consent.

(F) The Authority will keep proper books of record and account in which complete and correct entries shall be made of its transactions relating to the Trunk System or any part thereof, and which, together with all other books and papers of the Authority, shall at all reasonable times be subject to public inspection. The Authority will cause its books and accounts to be audited annually by a certified public or registered municipal accountant selected by the Authority, and annually within one-hundred days after the close of each Fiscal Year, copies of the reports of such audits so made shall be furnished to the Authority and to each Participant, including statements in reasonable detail, accompanied by a certificate of said accountant, of financial condition, of revenues and operating expenses, of all funds held by or for the Authority, and of the number, amount and classification of customers and services of the Trunk System and of the Annual Charges, or other revenues, if any, collected in each classification.

ARTICLE VII.**Requirements Regarding Deleterious Wastes.**

(A) Sewage discharged into the Trunk System by or on behalf of each Participant shall, at the point of connection of the sewer, sanitation or drainage systems of such Participant with the Trunk System, comply with the requirements prescribed herefor in the Requirements as to Sewage Discharged attached hereto, marked "Schedule C" and by this reference made a part hereof. The Authority represents to each Participant that the domestic wastes discharged at the date of this Agreement into any Local Sewerage System owned and operated by any Municipality or Municipalities complies with such requirements. The sewage originating in the Plant of any Company at any time within sixty days before or after the date of this Agreement shall, for all purposes of this Agreement, be deemed to be in compliance with such requirements if, after analyses conducted at the expense of such Company by the Sanitation Department of Rutgers University or other laboratory approved by the Authority, said Sanitation Department or other laboratory within ninety days after the date of this Agreement makes and delivers to the Authority its certification that such sewage is so in compliance.

(B) The Authority may from time to time make any amendment or amendments of said requirements which may be reasonably necessary to prohibit or properly regulate the delivery or discharge into the Trunk System of oils, acids or any other substances which, alone or in combination with other substances delivered and discharged into the Trunk System from the same source, are or may be or may reasonably be expected to be substantially injurious or deleterious to the Trunk System or to its efficient operation, and which, having regard to the public health and safety and the purposes of the Authority, does not unreasonably restrict the operations of a Participant or the use of property of or located in a Participant. Every such amendment shall take effect as to a Participant sixty days after a copy of such amendment shall have been mailed to such Participant at its usual place of business and, for all purposes of this Agreement, shall be conclusively deemed to have been made in accordance with this Article and to be fully

authorized thereby at the expiration of said period of sixty days unless within said period of sixty days such Participant shall have filed with the Authority an objection thereto stating that such amendment would unreasonably restrict the operations of such Participant or the use of property of or located in such Participant and stating the manner in which such amendment would so restrict such operations or such use of property. Any controversy or claim involving a Participant which shall have so filed an objection to any such amendment and arising out of or relating to the making of such amendment, or the breach of any requirement provided by such amendment, shall be settled by arbitration, in accordance with the rules then obtaining of the American Arbitration Association, and judgment upon the award rendered may be entered in any Court having jurisdiction thereof.

(C) Each Municipality and Company will cause all sewage at any time discharged into the Trunk System by it or on its behalf to comply with said requirements and the amendments thereof, if any, then in effect. Each Municipality will permit no new connections and will discontinue existing public connections and will require the discontinuance of existing private connections to its Local Sewerage System, which allow entrance therein of such sewage as will cause the discharge at any time into the Trunk System from such Local Sewerage System of sewage which does not comply with said requirements and the amendments thereof, if any, then in effect. Each Company will operate its Plant in such manner and will provide and operate such pre-treatment or other facilities approved by the Authority as will prevent the discharge at any time into the Trunk System of any sewage originating in its Plant which does not comply with said requirements and the amendments thereof, if any, then in effect. The Authority may from time to time make determination of the respects in which sewage discharged into the Trunk System by any Participant is not in compliance with said requirements and the amendments thereof, if any, then in effect. A copy of said determination shall be mailed to such Participant at its usual place of business and, for all purposes of this Agreement, shall be conclusively deemed to have been made in accordance with this Article and to be correct at the expiration of thirty days after such mailing unless within said period of thirty days such Participant shall

have filed with the Authority an objection thereto stating that such determination is incorrect and stating the changes therein which should be made in order to correct such determination. Any controversy or claim involving a Participant which shall have so filed an objection to any such determination and arising out of or relating to such determination shall be settled by arbitration, in accordance with the rules then obtaining of the American Arbitration Association, and judgment upon the award rendered may be entered in any Court having jurisdiction thereof.

ARTICLE VIII.

Contracts with or Service to Others.

(A) The Authority will not enter into any agreement providing for or relating to the treatment and disposal of sewage originating in any Municipality or sewage originating outside such Municipality collected in sewers which at the date of this Agreement are connected with the Local Sewerage System of such Municipality, unless (1) the other contracting party be such Municipality or one of the seven corporations (other than municipal or public corporations) hereinabove named or (2) such Municipality shall have given its written consent thereto.

(B) Except as otherwise provided in Paragraph (A) of this Article or in Paragraph (B) of Article II hereof, nothing in this Agreement contained shall restrict in any way the right and power of the Authority, in its discretion, at any time and from time to time to accept delivery and discharge into the Trunk System of sewage or other wastes from sources other than a Participant, or to enter into agreements with any municipal corporation within or without the District or with any other public body, person, partnership, firm or corporation providing for or relating to the disposal of sewage or with respect to the delivery or discharge into the Trunk System of sewage or other wastes originating within or without the District, provided that the charges with respect to such sewage or other wastes delivered and discharged into the Trunk System made and imposed pursuant to Article IV hereof or charged and collected pursuant to the Act shall not be computed or established at

any rates less favorable to the Authority than the rates applicable with respect to sewage delivered and discharged into the Trunk System by the Participants, and the terms and conditions of any such agreement shall not be less favorable to the Authority than the terms and conditions of this Agreement.

ARTICLE IX.

Enforcement.

(A) If any payment or part thereof due to the Authority from any Municipality or Company shall remain unpaid for thirty days following its due date, such Municipality or Company shall be charged with and will pay to the Authority interest on the amount unpaid from its due date until paid at the rate of six per centum (6%) per annum, and in the case of a Municipality, the Authority, in its discretion, may charge and collect Service Charges with regard to persons and real property within such Municipality sufficient to meet any default or deficiency in any payments herein agreed to be made by such Municipality. If in any such case Service Charges are so collected, the amount so collected by the Authority will be credited against the amount of such default or deficiency or any payments then or theretofore due to the Authority from such Municipality under the provisions of Paragraph (A) or Paragraph (E) of Article V hereof, and the Authority will furnish to the Municipality a list of the names of the persons making payment to the Authority of such Service Charges and of the several amounts so paid by such persons respectively, and the Municipality will give fair and proper credit to such persons for the several amounts so paid by them.

(B) Every obligation assumed by or imposed upon any Municipality or Company by this Agreement shall be enforceable by the Authority by appropriate action, suit or proceeding at law or in equity, and the Authority may have and pursue any and all remedies provided by law for the enforcement of such obligation including the remedies and processes provided by the Act with respect to Service Charges or other obligations.

(C) This Agreement shall be binding upon and be deemed to be executed by all subsidiary corporations of each Company and all corporations controlled by it and any company in which it may be merged or with which it may be consolidated and any company resulting from any merger or consolidation to which it shall be a party. Before any Company shall transfer the ownership, occupancy or control of all or any part of its Plant to any other person, partnership, firm or corporation (hereinafter called "successor"), the Company will request such successor, by agreement with the Authority supplemental to this Agreement, to assume and undertake all of the obligations hereunder of the Company with respect to such Plant or part thereof and, if such successor be controlled or subject to control by the Company, the Company will cause such successor to assume, undertake and perform each and all of said obligations.

(D) Failure on the part of the Authority or of any Municipality or Company in any instance or under any circumstance to observe or fully perform any obligation assumed by or imposed upon it by this Agreement shall not make the Authority liable in damages to a Municipality or Company or relieve a Municipality or Company from making any payment to the Authority or fully performing any other obligation required of it under this Agreement, but such Municipality or Company may have and pursue any and all other remedies provided by law for compelling performance by the Authority or such other Municipality or Company of said obligation assumed by or imposed upon the Authority or such other Municipality or Company.

ARTICLE X.

Reimbursement for Abandoned Facilities.

If at the date of this Agreement a Municipality, either severally or jointly with any other Municipality or Municipalities, owns and operates a sewage treatment plant and upon the making of connection to the Trunk System of its Local Sewerage System pursuant to

Article III hereof operation of said sewage treatment plant is stopped and permanently discontinued, the Authority will within sixty days after such discontinuance pay to such Municipality or to such Municipalities jointly, as reimbursement for the remaining useful life of said sewage treatment plant, a sum of money computed in accordance with this Article. In computing said sum, the original cost of each unit of such plant shall be first determined in accordance with sound accounting practice, provided that land and rights in land, interest during construction, replacements and reconstruction shall not be items of such original cost, but the original cost of enlargements or extensions shall be such items and for the purpose of this Article each such enlargement or extension shall be regarded as a unit. From the original cost of each such unit so determined shall first be deducted all contributions, grants, assistance or other donations received by the Municipality or by such Municipalities jointly or applied in aid of acquiring, constructing and financing such unit and any and all other items of such original cost which were not borne by the Municipality, or by such Municipalities jointly, excluding, however, any such contributions, grants, assistance or other donations which are entitled to be repaid by such Municipality or Municipalities to any other person, partnership, firm or corporation having usage rights in such unit. From the balance of the original cost of such unit then remaining shall be deducted a sum equal to four per centum (4%) per annum on such balance for the period elapsed from the date when such unit was placed in operation until the date of the making of such connection. The aggregate of the remainders, if any, so computed as to all such units of such plant shall be the sum of money to be paid by the Authority to the Municipality or to such Municipalities jointly as aforesaid. Notwithstanding such payment, the said sewage treatment plant shall remain the property of the Municipality or of such Municipalities jointly as the case may be.

ARTICLE XI.

Term of Agreement.

This Agreement shall come into effect as provided in Article XIII hereof and shall thereafter be and remain in full force and effect, but at any time after five years from the date of this Agreement and after the payment in full of all obligations of the Authority,

including its bonds, original or refunding or both, issued to finance the construction, replacement, maintenance or operation of the Trunk System, any Participant may, upon two years' notice to the Authority and to each of the other Participants, withdraw from this Agreement and thereafter cease to be a Participant. Except as otherwise provided in Article XII hereof, this Agreement shall be null and void and have no further force and effect on or after December 31, 1955, unless the Authority shall have at that time commenced the construction of the Project.

ARTICLE XII.

Withdrawal from or Termination of Agreement for Rise of Estimated Costs.

(A) Before undertaking construction of any substantial part of the Project, the Authority will submit to each Participant its current estimate of total costs to be incurred in constructing the Project and placing the same in operation including reserves deemed necessary to be capitalized in connection therewith, together with certification of Metcalf & Eddy, as consulting engineers employed by it, stating (1) their opinion that firm and acceptable bids in fixed amounts have been received by the Authority for contracts for the construction of parts of the Project involving not less than eighty per centum (80%) of the total cost of construction of the Project as then estimated by them, and (2) their estimate of the proportion of the direct construction work on the Project represented by such contracts, and (3) their current estimate, giving effect to said bids and taking into consideration the said proportion of the direct construction work on the Project represented by such contracts, of the total direct costs to be incurred by the Authority for the construction and equipping of the Project and for engineering services in connection therewith.

(B) If said estimate of total direct costs stated in said certification exceeds \$23,186,200, then any Participant may within sixty days after submission of such estimate and certification give written notice to the Authority and each other Participant of its intention to withdraw from this Agreement and in such event at the expiration of ninety days after such submission such Participant shall no longer be a party to this Agreement and shall cease to be a Participant and, if

any Participant shall have given such notice within said period of sixty days, the Authority within ninety days after such submission may give written notice to each Participant of its intention to terminate this Agreement.

(C) If within said period of sixty days all Participants shall have given written notice as aforesaid or if within said period of ninety days the Authority shall have given written notice as aforesaid, then this Agreement shall at the expiration of said period of ninety days terminate and thereafter have no further force and effect, but, notwithstanding such termination, and notwithstanding Article XI and any failure of the Authority to commence construction of the Project on or before December 31, 1955, the Municipalities and Companies formerly constituting the Participants will pay to the Authority such sum, not exceeding \$1,000,000 in the aggregate, as the Authority shall certify as necessary, after first using any other funds of the Authority available therefor, to meet principal of all bonds theretofore issued by it and then outstanding. The amount so to be paid by each such Municipality or Company shall be the product derived by multiplying the aggregate sum so to be paid to the Authority by the fraction of which the amount set opposite its name in the Estimate of Annual Service Charges attached hereto, marked "Schedule D" and by this reference made a part hereof, shall be the numerator and the total of the amounts set opposite the names of all such Municipalities and Companies in said Estimate of Annual Service Charges shall be the denominator. Each such Municipality or Company will pay to the Authority the amount so to be paid by it, together with interest on the unpaid balance at such rate or average rate as the Authority may be obligated to pay upon its unpaid bonds, notes or other obligations, in ten equal annual installments, beginning on the thirtieth day after the expiration of said ninety-day period, provided that such Municipality or Company may at any time prepay to the Authority any such installment together with the interest to accrue thereon to the due date of said installment discounted at the date of such prepayment on such basis and at such rate per annum as the Authority may approve.

ARTICLE XIII.**Effective Date.**

This Agreement shall be in full force and effect and be legally binding upon the Authority and upon all of the other corporations which shall then have executed the same, upon its execution and delivery by the Authority and by any such selection of the fourteen municipal corporations and seven corporations (other than municipal or public corporations) hereinabove named as, upon aggregating the sums set opposite their names as referred to in the Estimate of Annual Service Charges attached hereto, marked "Schedule D" and by this reference made a part hereof, represents ninety per centum (90%) of the total of the amounts set forth in said Estimate of Annual Service Charges, provided, however, that this Agreement shall be deemed not to have been executed and delivered by either the Borough of Dunellen or the City of Plainfield or The Borough of North Plainfield until it shall have been executed by the Borough of Dunellen, the City of Plainfield and The Borough of North Plainfield. If any of the fourteen municipal corporations and seven corporations (other than municipal or public corporations) hereinabove named shall not have executed and delivered this Agreement within ninety days after it shall have become effective as aforesaid, such corporation shall not thereafter become a party to this Agreement or be permitted to execute the same, and if either the Borough of Dunellen or the City of Plainfield or The Borough of North Plainfield shall not have executed and delivered this Agreement previous to expiration of said period of ninety days, then neither the Borough of Dunellen nor the City of Plainfield nor The Borough of North Plainfield shall any longer be a party to this Agreement or a Participant whether or not this Agreement shall have been previously executed by said municipal corporation.

ARTICLE XIV.**Miscellaneous.**

(A) All bonds, notes or other obligations of the Authority referred to in this Agreement or to be issued by the Authority shall, for all purposes of this Agreement, be the sole obligation of the Authority and shall not in any way be deemed a debt or liability of any Municipality or Company.

(B) This Agreement may be executed in any number of counterparts each of which shall be executed by the Authority and any one or more of the Municipalities and Companies and all of which shall be regarded for all purposes as one original and shall constitute and be but one and the same.

IN WITNESS WHEREOF, the Authority and the Municipalities and the Companies have caused their respective corporate seals to be hereunto affixed and attested and these presents to be signed by their respective officers thereunto duly authorized and this Agreement to be dated as of the day and year first above written.

THE BOROUGH OF MIDDLESEX

by.....

Attest:

.....
Borough Clerk

BOROUGH OF DUNELLEN

by.....

Attest:

.....
Borough Clerk

CITY OF NEW BRUNSWICK

by.....

Attest:

.....
City Clerk

THE TOWNSHIP OF NORTH BRUNSWICK,
IN THE COUNTY OF MIDDLESEX

by.....

Attest:

.....
Township Clerk

BOROUGH OF HIGHLAND PARK

by *William C. Campbell*

Attest:

Ford Hagg
Borough Clerk

THE TOWNSHIP OF RARITAN, IN THE
COUNTY OF MIDDLESEX

by.....

Attest:

.....
Township Clerk

THE BOROUGH OF METUCHEN

by.....

Attest:

.....
Borough Clerk

THE BOROUGH OF SOUTH RIVER

by.....

Attest:

.....
Borough Clerk

THE BOROUGH OF SAYREVILLE

by.....

Attest:

.....
Borough Clerk

THE TOWNSHIP OF WOODBRIDGE, IN THE
COUNTY OF MIDDLESEX

by.....

Attest:

.....
Township Clerk

CITY OF PLAINFIELD

by.....

Attest:

.....
City Clerk

BOROUGH OF BOUND BROOK

by.....

Attest:

.....
Borough Clerk

THE BOROUGH OF SOUTH BOUND BROOK

by.....

Attest:

.....
Borough Clerk

THE BOROUGH OF NORTH PLAINFIELD

by.....

Attest:

.....
Borough Clerk

CITY OF PLAINFIELD, THE BOROUGH OF
NORTH PLAINFIELD AND BOROUGH OF
DUNELLEN, ACTING IN JOINT MEET-
ING

by.....

Chairman

Attest:

.....
Secretary

UNION CARBIDE AND CARBON CORPORATION

by.....
Vice President

Attest:

.....
Secretary

ANHEUSER-BUSCH, INC.

by.....
Vice President

Attest:

.....
Secretary

PETER J. SCHWEITZER, INC.

by.....
Vice President

Attest:

.....
Secretary

BENZOL PRODUCTS COMPANY

by.....
Vice President

Attest:

.....
Secretary

HEYDEN CHEMICAL CORP.

by.....
Vice President

Attest:

.....
Secretary

NATIONAL LEAD COMPANY

by.....
Vice President

Attest:

.....
Secretary

HERCULES POWDER COMPANY

by.....
Vice President

Attest:

.....
Secretary

THE MIDDLESEX COUNTY SEWERAGE
AUTHORITY

by.....
Chairman

Attest:

.....
Secretary

Schedule A.

(Attached to and part of Agreement dated as of *February 5,*
1924, between The Middlesex County Sewerage Authority and various
municipal and private corporations.)

List of Connection Points

Municipality or Company	Connection Point
The Borough of Middlesex	North bank of Raritan River near present outfall of Borough's sewerage system
Borough of Dunellen	North bank of Raritan River near Green Brook
City of New Brunswick	South bank of Raritan River near Mile Run Brook and South bank of Raritan River near City's present sewage treatment plant and South bank of Raritan River near the Edgebrook area of the Township of East Brunswick (or any of them)
The Township of North Brunswick, in the County of Middlesex	South bank of Raritan River near Mile Run Brook
Borough of Highland Park	North bank of Raritan River near present outfall of Borough's sewerage system and North bank of Raritan River near intersection of River Road and Harrison Avenue (or either of them)
The Township of Raritan, in the County of Middlesex	North bank of Raritan River near Township's present "Clara Barton" sewage treatment plant, and North bank of Raritan River near Township's present "Silver Lake" sewage treatment plant and North bank of Raritan River near Johnson's Brook (or any of them)
The Borough of Metuchen (either through extension of its sewers or through pipes of others)	North bank of Raritan River near Green Brook, and the points hereinabove designated with respect to The Township of Raritan, in the County of Middlesex (or any of them)
The Borough of South River	West bank of South River near present outfall of Borough's sewerage system
The Borough of Sayreville	East bank of South River near present outfall of Borough's sewerage system

Municipality or Company	Connection Point
The Township of Woodbridge, in the County of Middlesex City of Plainfield	North bank of Raritan River near present out- fall of Township's sewerage system Point hereinabove designated with respect to the Borough of Dunellen
Borough of Bound Brook	North bank of Raritan River near present out- fall of Borough's sewerage system and North bank of Raritan River near Borough's present pumping station (or either of them)
The Borough of South Bound Brook	South bank of Raritan River near present out- fall of Borough's sewerage system
The Borough of North Plainfield	Point hereinabove designated with respect to the Borough of Dunellen
Union Carbide and Carbon Company	North bank of Raritan River near present out- fall from Company's Plant
Anheuser-Busch, Inc.	Beginning of Authority's trunk sewer in the Township of Madison, New Jersey, near New Jersey State Highway Route No. S-28
Peter J. Schweitzer, Inc.	Beginning of Authority's trunk sewer in the Township of Madison, New Jersey, near New Jersey State Highway Route No. S-28
Benzol Products Company	North bank of Raritan River near present out- fall from Company's Plant
Heyden Chemical Corp.	North bank of Raritan River near present out- fall from Company's Plant
National Lead Company	Southerly of Raritan River at Authority's sewage treatment plant
Hercules Powder Company	East bank of South River near present outfall from Company's Plant

Schedule B.

(Attached to and part of Agreement dated as of February 5, 1957, between The Middlesex County Sewerage Authority and various municipal and private corporations.)

Initial Schedule of Rates.

Charges by the Authority shall be payable to the Authority with respect to sewage delivered into its facilities by any person in any quarter, computed at the rates set forth below, which take into account flow, biochemical oxygen demand, suspended solids content, and chlorine demand with respect to such sewage. Until the Authority shall provide, install and use other methods in accordance with Article VI of the Agreement, biochemical oxygen demand and suspended solids content shall be determined by the Authority by representative sampling and standard methods of sewage analysis (Standard Methods for the Examination of Water and Sewage, Ninth Edition, 1946), and the average chlorine demand shall be determined from a number of representative samples; the chlorine demand is defined as the parts per million of chlorine required to produce a residual chlorine content of 0.1 part per million after fifteen minutes contact with the liquid portion of the wastes which had been settled for one hour before the addition of chlorine, and the chlorine demand shall be determined at the pH value at which the wastes are discharged.

The rates are as shown in the following schedules:

1. Flow

Million gallons per quarter		Charge per million gallons
First 5.....	at	\$187.00
next 5.....	at	123.00
next 30.....	at	90.50
next 60.....	at	43.25
next 100.....	at	22.60
next 200.....	at	18.70
over 400.....	at	16.50

2. Biochemical oxygen demand
(5 day at 20 deg. C.)

Tons per quarter		Charge per ton
First 30.....	at	\$ 9.52
next 70.....	at	8.92
next 100.....	at	8.04
next 200.....	at	7.10
next 400.....	at	5.70
over 800.....	at	4.74

3. Suspended solids

Tons per quarter		Charge per ton
First 10.....	at	\$ 13.20
next 70.....	at	12.76
next 170.....	at	10.78
next 450.....	at	6.10
over 700.....	at	5.80

4. Chlorine demand

Short hundredweights per quarter		Charge per short hundredweight*
First 30.....	at	\$ 5.69
next 60.....	at	5.20
next 180.....	at	5.00
next 540.....	at	4.75
over 810.....	at	4.45

* Limited to reimbursement to the Authority for actual cost of chlorine, such cost to be apportioned and charged in proportion to quarterly charges arrived at on this schedule.

Schedule C.

(Attached to and part of Agreement dated as of February 5,
1954, between The Middlesex County Sewerage Authority and various
municipal and private corporations.)

Requirements as to Sewage Discharged

Sewage delivered into the facilities of the Authority shall not:

- (1) Be of such a nature and in such a quantity as to impair the hydraulic capacity of such facilities, normal and reasonable wear and usage excepted;
- (2) Be of such a nature as to, by either chemical or mechanical action, impair the strength or the durability of the sewer structures;
- (3) Be of such a nature as to create explosive conditions in such facilities;
- (4) Have a flash point lower than 187° F., as determined by the Tagliabue (Tag.) close cup method;
- (5) Have a pH value lower than 4.0;
- (6) Include any radioactive substance, unless the Authority shall have given written consent to its inclusion; or
- (7) Include any garbage other than that received directly into public sewers from residences, unless the Authority shall have given written consent to its inclusion.

Schedule D.

(Attached to and part of Agreement dated as of February 1955, between The Middlesex County Sewerage Authority and various municipal and private corporations.)

Estimate of Annual Service Charges

Municipal or Other Corporation	Estimated Annual Service Charge
The Borough of Middlesex.....	\$ 27,600
Borough of Dunellen.....	6,888
City of New Brunswick.....	192,900
The Township of North Brunswick, in the County of Middlesex.....	22,500
Borough of Highland Park.....	31,800
The Township of Raritan, in the County of Middlesex	54,700
The Borough of Metuchen.....	28,200
The Borough of South River.....	38,600
The Borough of Sayreville.....	26,400
The Township of Woodbridge, in the County of Middlesex	30,400
City of Plainfield.....	66,912
Borough of Bound Brook.....	28,700
The Borough of North Plainfield.....	24,600
The Borough of South Bound Brook.....	11,000
Union Carbide and Carbon Corporation.....	15,500
Anheuser-Busch, Inc.	41,100
Peter J. Schweitzer, Inc.....	58,600
Benzol Products Company.....	5,700
Heyden Chemical Corp.....	20,500
National Lead Company.....	79,500
Hercules Powder Company.....	97,600

Note: Actual charges on date of commencement of operations will be calculated by application of rates (see Schedule B and Articles IV and V) to quantity, quality and other characteristics of sewage then existing; estimates are to aid in applying formula for apportioning contributors' share of temporary funds if the engineers' certificate on construction costs exceeds allowable limit of estimated construction costs pursuant to Article XII.

Highland Park

Highland Park

HIGHLAND PARK

**Supplemental
Agreement**

THE MIDDLESEX COUNTY SEWERAGE AUTHORITY

AND

OTHERS

THIS SUPPLEMENTAL AGREEMENT made and dated as of the
day of , One Thousand Nine Hundred and Seventy-five,

BETWEEN

THE MIDDLESEX COUNTY SEWERAGE AUTHORITY (hereinafter referred to as
"Authority"), a public body politic and corporate of the State of New Jersey.

AND

THE BOROUGH OF MIDDLESEX, the BOROUGH OF DUNELLEN, the CITY OF NEW
BRUNSWICK, THE TOWNSHIP OF NORTH BRUNSWICK, in the County of Middlesex,
the BOROUGH OF HIGHLAND PARK, THE TOWNSHIP OF EDISON, THE BOROUGH OF
METUCHEN, THE BOROUGH OF SOUTH RIVER, THE BOROUGH OF SAYREVILLE, THE
TOWNSHIP OF EAST BRUNSWICK, THE TOWNSHIP OF MADISON, THE MONROE
TOWNSHIP MUNICIPAL UTILITIES AUTHORITY, THE TOWNSHIP OF SOUTH
BRUNSWICK, THE CITY OF SOUTH AMBOY, THE BOROUGH OF SPOTSWOOD, THE
BOROUGH OF SOUTH PLAINFIELD, THE TOWNSHIP OF PISCATAWAY, and THE
TOWNSHIP OF WOODBRIDGE, each a municipal corporation of the State of New
Jersey, situate in the County of Middlesex, the CITY OF PLAINFIELD, a municipal
corporation of the State of New Jersey situate in the County of Union, the BOROUGH
OF BOUND BROOK, THE BOROUGH OF SOUTH BOUND BROOK, THE BOROUGH OF
NORTH PLAINFIELD, THE TOWNSHIP OF GREEN BROOK, and THE FRANKLIN
TOWNSHIP SEWERAGE AUTHORITY, each a Public Corporation of the State of New
Jersey, situate in the County of Somerset, (each such party being hereinafter
referred to as "Municipality"), and CITY OF PLAINFIELD, THE BOROUGH OF NORTH
PLAINFIELD and BOROUGH OF DUNELLEN, acting in Joint Meeting,

AND

UNION CARBIDE AND CARBON CORPORATION, a corporation of the State of New
York, ANHEUSER-BUSCH, INC., a corporation of the State of Missouri, KIMBERLY
CLARK CORPORATION, a corporation of the State of Delaware acting through its
Schweitzer Division, STAUFFER CHEMICAL COMPANY, through its Specialty Chemical
Division of Benzol Products, a corporation of the State of Delaware, HAYDEN
CHEMICAL CORPORATION, a corporation of the State of Delaware, N L INDUSTRIES
INC., acting through its Titanium Pigment Division, a corporation of the State of
New Jersey, HERCULES INC., a corporation of the State of Delaware, CATLIN
CORPORATION OF AMERICA, a corporation of the State of Delaware, W. R. GRACE &
CO., a corporation of the State of Connecticut, acting through its Hatco Chemical
Division, SUPERIOR AIR PRODUCTS INC., a corporation of the State of Delaware,
UNION CARBIDE CORPORATION, a corporation of the State of New York, acting
through its Chemicals and Plastics Division, TENNECO CHEMICALS INC., a corpora-
tion of the State of Delaware, acting through its Organics and Polymers Division,
ASHLAND CHEMICAL COMPANY, a corporation of the State of Kentucky, acting
through its Division of Ashland Oil Co. Division. (each such Company being
hereinafter referred to as "Company");

WITNESSETH

WHEREAS, the hereinabove named Companies and Municipalities on various dates and divers times entered into an agreement with the Authority providing for the treatment and disposal of the sewage originating in the hereinabove mentioned Municipalities and Companies, by and through the Trunk System of the Authority (the "Agreement"); and

WHEREAS, The Authority has heretofore determined that it is necessary to construct an Alteration to the Trunk System (such alteration being described in Exhibit A attached hereto and by this reference made a part hereof, hereinafter called the "Trunk System Improvement Project"); and

WHEREAS, in compliance with Article II, Paragraph B of the Agreement, not less than 51% of the Municipalities and 51% of the Companies have executed consents to the construction of the Trunk System Improvement Project and filed such consents with the Authority and the Authority has determined to proceed with the Trunk System improvement Project and to apply for substantial Federal and State grants in aid of the construction of the Trunk System Improvement Project; and

WHEREAS, the EPA has promulgated certain rules and regulations which must be complied with to obtain grants for the construction of wastewater facilities; and

WHEREAS, in order to qualify for whatever substantial Federal and State grants that may be available, it is necessary to amend the Agreement to comply with the aforesaid rules and regulations;

NOW THEREFORE, in consideration of the premises, of the mutual covenants and agreements herein set forth, and of the undertakings of each party to the others, the Agreement is hereby amended and supplemented as follows:

Section 1. The Authority and the Participants agree that the Authority is to undertake construction and place into operation the Trunk System Improvement Project, and in order to meet the requirements promulgated as conditions precedent to receiving Federal and State Aid, the Authority and the Participants agree that the Agreement shall be amended and supplemented as follows:

Section 2. Article I, *Definition*, in the Agreement is hereby supplemented as follows:

"(18) "DEP" means the New Jersey Department of Environmental Protection or its successor from time to time; and

"(19) "EPA" means the United States Environmental Protection Agency or its successor from time to time; and

"(20) "Excessive Infiltration/Inflow" means the quantity of Infiltration/Inflow which can be economically eliminated from sewer system by rehabilitation,

as determined by a cost-effectiveness analysis that compares the cost for correcting the Infiltration/Inflow conditions with the total costs for transportation and treatment of the Infiltration/Inflow.

“(21) “Sewer System Evaluation Survey” means and shall consist of a systematic examination of the sewer system to determine the specific location, estimated flow rate, method of rehabilitation, and cost of rehabilitation vs the cost of transportation and treatment for each defined source of Infiltration/Inflow.

Section 3. Article IV. *Charges and Establishment of Rates by Authority* of the Agreement is hereby amended to read as follows:

“The Authority will make and impose charges with respect to all sewage delivered into the Trunk System by any Municipality, Company, or any other person, partnership, firm or corporation. Said charges may and shall at all times be such that the receipts of the Authority shall be sufficient to pay or provide for the expenses of operation and maintenance of the Trunk System including (without limitation of the foregoing) insurance, renewals and replacements and, subject to the provisions of Paragraph (B) of Article II hereof, Alterations and Extensions, and the principal of and interest on any and all bonds or other obligations of the Authority as the same become due, and to provide for any deficits of the Authority resulting from failure to receive sums payable to the Authority by any Municipality, any Company, or any other person, partnership, firm or corporation, or from any other cause, and to maintain such reserves or sinking funds for any of the foregoing purposes as may be required by the terms of any contract or other obligation of the Authority, and, if and to the extent deemed necessary by the Authority, to provide annually a sum (not exceeding ten per centum (10%) of the total annual operations budget of the Authority) as a reserve for any such deficits and provide such further sums for reserves as may be approved by written consents given in any Fiscal Year by or on behalf of (a) Municipalities from which the Authority in the next preceding Fiscal Year received not less than fifty-one per centum (51%) of all moneys received by the Authority from Municipalities during such next preceding Fiscal Year and (b) Companies from which the Authority in such next preceding Fiscal Year received not less than fifty-one per centum (51%) of all moneys received by the Authority from Companies during such next preceding Fiscal Year. Such charges made and imposed by the Authority shall be computed for the service rendered by the Trunk System in the treatment and disposal of sewage by the Authority at rates which shall at all times be uniform as to all Participants for the same type, class and amount of sewage and shall give effect to quality differentials and other characteristics in the sewage which must be removed in order to maintain required standards of treatment. The rates applicable with respect to sewage delivered and discharged into the Trunk System by any Participant shall not be more favorable to such Participant than the rates applicable with respect to sewage delivered and discharged into the Trunk System by any other Participant. The Authority prior to the commencement of operations of either the Trunk System

Improvement Project or the expanded sewerage Treatment Plant shall prescribe a Schedule of Rates, which Schedule of Rates shall be in accordance with Rules and Regulations of the EPA and DEP and from time to time whenever it is necessary to revise such rates under this section (but only after public hearing thereon held by the Authority at least twenty days after notice of the time and place of such hearing shall have been mailed to each Participant at its usual place of business) the Authority shall revise the schedule of such rates, which shall at all times comply with the terms of any contract or other obligation of the Authority, and shall be based or computed on the quantity, quality and other characteristics of sewage so discharged and delivered. Any Participant aggrieved by any part of such revised schedule which fails to conform with the provisions of this Agreement may institute appropriate judicial proceedings to have the same reviewed for the purpose of obtaining correction of said part of such revised schedule."

Section 4. Article V, *Payments by Participants*, Paragraph (a) of the Agreement is hereby amended as follows:

"(A) Each Participant will pay to the Authority the charges (herein called "annual Charge") made or imposed by the Authority with respect to the sewage delivered and discharged into the Trunk System by or on behalf of such Participant in any Fiscal Year, provided that, in consideration of the location in the Borough of Sayreville of the sewage Treatment Plant and other facilities of the Authority, and in lieu of payment of local property taxes to said Borough by reason of the Authority's acquisition of real property in the Borough of Sayreville there shall be credited against the Annual Charge otherwise payable by the Borough of Sayreville with respect to sewage delivered and discharged in each Fiscal Year, an amount equal to the cost of treating ^{about} ~~one~~ hundred million (100,000,000) gallons of sewage. Such credit shall be considered part of the expenses of operation and maintenance of the Trunk System. Such Annual Charge shall be computed and established by the Authority on the basis of the quantity, quality and other characteristics of the sewage so delivered as shown by the records of the Authority, at the rate or rates prescribed by the Authority in accordance with Article IV hereof applicable from time to time during such Fiscal Year with respect to the said sewage delivered during such Fiscal Year. Each such Annual Charge shall at all events be due and payable not later than January 15 next ensuing after the close of such Fiscal Year, but provision for and payment of every such Annual Charge will be made by each Participant in accordance with the following Paragraphs of this Article."

Section 5. Article VI, *Meters and Records; Inspections; and Local Operations*, in the Agreement is hereby supplemented by adding the following language thereto:

"(G) *User Charge and Industrial Cost Recovery*. The Authority and each Municipality represents and agrees that it will adopt a system of user charges and industrial cost recovery which, at a minimum, complies with the rules and regulations of the EPA. Each Company, and all industries delivering sewage or other wastes for discharge and treatment into the Local Sewerage System of any

Municipality and the City of Plainfield and the Boroughs of North Plainfield and Dunellen, shall pay their proportionate share of any and all grant moneys received by the Authority from the EPA, allocable to the use of the Trunk System from such users in accordance with the industrial cost recovery provisions of EPA regulations as applicable from time to time. Each Company hereby agrees that it will make all such required payments to the Authority or the Municipality, as the case may be. Each Municipality and the City of Plainfield and the Boroughs of North Plainfield and Dunellen agree to require all industries within their respective jurisdictions to make the required payments to them, and all amounts so received shall be paid over to the Authority.

"(H) *Sewer Use Ordinance.* The Authority, each Municipality, and all public corporations not parties to this Agreement delivering sewage for discharge and treatment into the Local Sewerage System of any Municipality or Joint Meeting, shall secure passage of a sewer use ordinance or resolution, as the case may be, in accordance with the rules and regulations of the EPA. Said ordinance or resolution shall provide for (1) the industrial cost recovery charges; (2) pre-treatment standards for the industries served by the Municipalities or public corporations; (3) user charges; (4) control of infiltration-inflow and (5) requirements that new sewers and connections within the Local Sewerage System are properly designed and constructed, in accordance with Article VI (C) of the Service Contract, dated February 5, 1954. Notwithstanding the foregoing or any other provisions of this Agreement, each Municipality or corporation as hereinbefore referred to, to the extent permitted by EPA regulations and Federal law, may raise the necessary funds or sewage treatment through the imposition of the general ad valorem real property taxes in lieu of a schedule of user charges.

"(I) *Infiltration/Inflow.* Each Municipality and all public corporations discharging sewage into the Local Sewerage System of a Municipality will maintain its Local Sewerage System in such a manner as to exclude any excessive infiltration and/or inflow from entering into the Local Sewerage System. If excessive infiltration and/or inflow exists or occurs, the Municipality and public corporation will effect such repairs, or other measures, so as to eliminate the excessive infiltration inflow to normally allowable limits which are acceptable to the DEP and/or the EPA. Furthermore, if as a result of a sewer evaluation survey, rehabilitation work is shown to be required, each Municipality and public corporation will perform such work as may be necessary to rehabilitate its Local Sewerage System.

"(J) *Local Systems.* Each Municipality and/or the City of Plainfield, the Borough of North Plainfield, and the Borough of Dunellen, acting in Joint Meeting, at its own cost and expense will construct, install and operate any and all necessary Local Sewerage Systems and extensions thereto necessary to cause the same to reach to and deliver sewage at the point or points of connection to the Trunk System, and each public corporation discharging sewage into the Local Sewerage System of a municipality shall at its own cost and expense construct, install, and operate any and

all necessary local sewerage systems and extensions thereto necessary to cause the same to reach to and deliver sewerage into the local collection system of a Municipality, and after the making of such connection or connections each Municipality and/or Joint Meeting will keep its Local Sewerage System connected with the Trunk System and will deliver and discharge into the Trunk System all sewage originating in and collected by the Municipality, excepting however, such sewage which the Authority exempts from this regulation.

"(K) The Authority and the participants hereby agree that the Authority and the Participants will abide by EPA and DEP regulations as may be in effect from time to time."

* affecting the treatment and discharge of sewage

Section 6. *Severability of Invalid Provisions.* If one or more of the covenants or agreements provided in this Supplemental Agreement, on the part of the Authority, Municipality or Company to be performed should be contrary to law, then such covenant or covenants, agreement or agreements, shall be deemed separable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this Supplemental Agreement.

Section 7. *Effective Date.* This Supplemental Agreement shall be in full force and effect and be legally binding upon the Authority and upon each Participant and their successors and assigns, upon its execution and delivery by the Authority, and the Participant, except that the method of computing rates for the treatment of sewage delivered to the Authority as established in Section 3 of this Supplemental Agreement shall not become effective until January 1 of the first year in which the Authority estimates that either the Trunk System Improvement Project or the current treatment plant expansion will be placed into operation.

Section 8. *Execution.* This Supplemental Agreement may be executed in any number of counterparts each of which shall be executed by the Authority and any one or more of the Municipalities and Companies and all of which shall be regarded for all purposes as one original and shall constitute and be but one and the same.

IN WITNESS WHEREOF, the Authority and the Municipalities and the Companies have caused their respective corporate seals to be hereunto affixed and attested and these presents to be signed by their respective officers thereunto duly authorized and this Agreement to be dated as of the day and year first above written.

MIDDLESEX COUNTY SEWERAGE AUTHORITY

Attest:

Anthony J. Popowski
.....
Anthony J. Popowski, Sec.

by *H. Mat Adams*
.....
H. Mat Adams, Chairman

Attest:

John J. Duran
.....
Borough Clerk

by *Paul Beck*
.....
Mayor, Borough of Highland Park, N.J.

SCHEDULE "A"

The Project as so defined is as follows:

- (a) A trunk sewer extending from the Borough of Bound Brook, N.J. in a general direction downstream along or near the Raritan River to a point in the Borough of Sayreville, N.J., southerly of the Raritan River and near the South River; and
 - (b) An intercepting sewer extending from a point within a one mile radius of Old Bridge in the Township of Madison, N.J., near the New Jersey State Highway, Route S - 28, in a general direction downstream along or near the South River to or near said point in the Borough of Sayreville; and
 - (c) A sewerage pumping station at or near said point in the Borough of Sayreville, together with a force main or pressure sewer extending therefrom in a generally northeasterly direction to a point in the said Borough of Sayreville near the property of National Lead Co., and
 - (d) An out-fall relief extending from the Authority's sewage disposal plant in a general easterly direction to a point in Raritan Bay; and
 - (e) All connections, river crossings, manholes, valves, pumping stations, meters, structures, equipment, apparatus and other real or tangible personal property necessary or desirable for the efficient construction and operation of the above described sanitation facilities.
-

EXHIBIT D
LICENSED OPERATOR AGREEMENT



THE BOROUGH OF HIGHLAND PARK

COUNTY OF MIDDLESEX, STATE OF NEW JERSEY

221 SOUTH 5TH AVENUE
HIGHLAND PARK, NEW JERSEY 08904

TEL 732-777-6000

FAX 732-777-6006

**Middlesex Water Company
Executive Department
Received**

January 3, 2019

JAN 10 2019

Mr. Richard M. Risoldi
Vice President-Subsidiary Operations
Middlesex Water Company
1500 Ronson Road
Iselin, NJ 08830-0452

Dear Mr. Risoldi:

Enclosed herewith are two copies of the Agreement for Middlesex Water Company to provide licensed operators to oversee the Borough's water distribution and sewer collection system together with a certified copy of Resolution No. 1-19-370 authorizing execution of said Contract.

Please have the contract executed and return one copy to this office for our records.

If you have any questions, please don't hesitate to contact me at 732-777-6014. Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Joan Hullings".

Joan Hullings, RMC
Borough Clerk

c.- Chief Financial Officer
Supt. Public Works & Public Utilities Donald Rish

**AGREEMENT BETWEEN THE BOROUGH OF HIGHLAND PARK
AND UTILITY SERVICE AFFILIATES, INC.**

THIS AGREEMENT made on the 3rd day of JANUARY, ~~2018~~ ²⁰¹⁹ between the **BOROUGH OF HIGHLAND PARK**, a municipal corporation of the State of New Jersey, with principal offices located at 221 South Fifth Avenue, Highland Park, New Jersey 08904 (hereinafter "**BOROUGH**") and **UTILITY SERVICE AFFILIATES, INC.**, a wholly owned subsidiary of the **MIDDLESEX WATER COMPANY**, a public utility of the State of New Jersey with principle offices located at 1500 Ronson Road, Iselin, New Jersey 08830 (hereinafter "**USA**").

WITNESSETH THAT:

WHEREAS, the **BOROUGH**'s water and sewer utility consists of approximately 3,300 connections, and receives treated water from **MIDDLESEX WATER COMPANY** to distribute to all residential and non-residential customers in the **BOROUGH**; and

WHEREAS, the Borough's sewer utility is composed of approximately 3,300 connections, and discharges to the Middlesex County Utility Authority for treatment; and

WHEREAS, twelve (12) residences in the **BOROUGH** receive water service and water and sewer billing from the **BOROUGH**, but discharge into the Edison Township sanitary sewerage system, with the **BOROUGH** paying Edison Township for this service; and

WHEREAS, the Borough is interested in **USA** providing Licensed Operator services in accordance with the New Jersey Department of Environmental Protection (NJDEP) requirements to oversee the management and operation of the Borough's potable water distribution and sanitary sewer collection systems; and provide NJDEP certified laboratory services in relation to potable water compliance monitoring under the supervision of a designated Laboratory Manager affiliated with said NJDEP certified laboratory;

NOW, THEREFORE, in consideration of the understandings and agreements set forth in this Agreement, and other good and valuable consideration, the receipt and sufficiency are hereby acknowledged, the parties hereto agree as follows:

1. **SERVICES:**

A) UTILITY SERVICE AFFILIATES, INC.

- i. USA shall assign to the **BOROUGH** an individual(s) holding current and valid water and wastewater licenses as required by the State of New Jersey's Department of Environmental Protection ("NJDEP"), including W2 and C2 licenses (hereinafter "Designated License Operator")
- ii. The Designated Licensed Operator(s) will dedicate approximately five (5) hours per week to the **BOROUGH** to ensure NJDEP regulatory compliance.

In addition the following services shall be provided:

- ❖ oversee, monitor and advise the **BOROUGH** regarding the satisfactory management, operation and maintenance of its potable water distribution and sanitary sewer collection systems;
- ❖ oversee, monitor and perform (or have performed by designated personnel) regulatory compliance sampling/analysis/reporting associated with the potable water system;
- ❖ prepare, review, sign and file; monthly, quarterly, semi-annual and annual water quality compliance reports to NJDEP; and
- ❖ prepare, review, sign and file periodic reports as required regarding sewerage flows to the Middlesex County Utilities Authority.

- iii. The Designated Licensed Operator(s) shall provide telephone numbers to the **BOROUGH** management and staff to ensure access twenty-four (24) hours per day, seven (7) days per week.
- iv. When requested by the **BOROUGH**'s operating staff, the designated licensed operator(s) will attend complicated water main breaks and/or sewer system blockages in the **BOROUGH**.
- v. The Designated Licensed Operator(s) shall coordinate their services through the **BOROUGH**'s Public Works Superintendent. If that Superintendent is not available, coordination shall be through the lead worker, Jose Gonzalez. If Mr. Gonzales is not available, coordination shall be through one of the Public Work's Foremen.
- vi. **USA** shall provide the **BOROUGH** with advice, through the **BOROUGH**'s Superintendent of Public Works, concerning infrastructure development, planning and capital improvement needs of the **BOROUGH**, as learned through **USA**'S experience with the **BOROUGH**'s water distribution and sewer collection systems.
- vii. **USA** shall provide potable water sampling, analysis and reporting (i.e. NJDEP certified laboratory services) for regulatory compliance. See Appendix A for scope of work associated with providing NJDEP certified laboratory services.

B) Borough of Highland Park:

- i. The **BOROUGH** shall remain responsible for all management of the day-to-day operations, inspection, repair and maintenance of the potable water distribution and sewer collection systems.

- ii. The **BOROUGH** shall provide timely notification (immediately or within 2 hours) to the Designated Licensed Operator(s) on emergencies and other pertinent issues affecting the potable water distribution and sewer collection systems.

2. **TERM:**

- ❖ The term of this Agreement shall be for twenty-four (24) months, January 1, 2019 through December 31, 2020.

3. **FEES:**

- a. The **BOROUGH** shall pay USA \$5,630 per month in 2019 and 2020 for the Licensed Operator and NJDEP certified laboratory services set forth herein, as same are completed within the contemplated five (5) hours per week and in accordance with Appendix A respectively.
- b. For services provided in excess of the contemplated five (5) hours per week or sampling in excess of the scope of work (Appendix A), the **BOROUGH** shall pay USA at the hourly rate of \$163.00 per hour for the Licensed Operator(s); \$108.00 per hour for laboratory technicians on straight-time, \$162.00 per hour for laboratory technicians on over-time (i.e. time and one-half), \$216.00 per hour for laboratory technicians on double-time and the actual cost for the laboratory analysis based on the parameter requested (Appendix A).
- c. Both the **BOROUGH** and USA shall keep time records of the services performed by the designated Licensed Operator and/or laboratory technicians for services in excess of 5 hours per week to confirm any additional charges.

- d. Bills should be issued by USA by the fifteenth (15th) day of the succeeding month, and will be payable by the **BOROUGH** within thirty (30) days of issuance.

4. **LIABILITY: EMPLOYEES:**

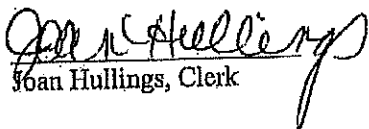
- ❖ USA agrees to indemnify and hold the **BOROUGH** harmless for any claims that may arise out of the performance by USA of the services set forth herein, including any and all claims for personal injury and/or property damage which are the result of negligence of USA or its agents. Said indemnification shall not cover such claims resulting from negligence of the **BOROUGH** or its agents.
- ❖ At all times relevant herein, the designated Licensed Operator(s) and laboratory technician(s) shall be an employee of USA, and shall be covered by said party's workers compensation and general liability insurance policies. Evidence of satisfactory insurance coverage shall be provided to the **BOROUGH** prior to execution of this Agreement. No employer-employee relationship shall be created with the **BOROUGH** through the designated Licensed Operator's or laboratory technician's performance of the services outlined in this Agreement.

5. **MISCELLANEOUS:**

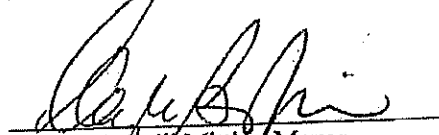
- ❖ This Agreement may be modified or amended only by a written instrument duly signed by each of the parties hereto.
- ❖ This Agreement contains the full understanding of the parties with respect to the subject matter, and there are no representations, warranties, agreements or undertakings other than those expressly contained in this Agreement.
- ❖ This Agreement shall be construed in accordance with and governed by the laws of the State of New Jersey

- ❖ Should any of the provisions of this Agreement be declared or determined by a Court to be illegal or invalid, the validity of the remaining parts, terms or provisions shall not be affected thereby and said illegal or invalid part, term or provision shall be deemed not to be part of this Agreement.
 - ❖ Each party shall bear its own legal fees and costs with regard to the interpretation and enforcement of this Agreement.
 - ❖ This Agreement shall become effective following adoption of the necessary Resolution by the Borough's governing body, and the execution of this Agreement by the Borough's governing body, and the execution of this Agreement by the proper officials.
- IN WITNESS WHEREOF, the parties have set their hands and seals on the date listed above.


ATTESTED:


Joan Hullings, Clerk

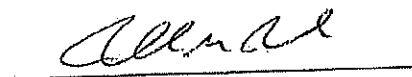
BOROUGH OF HIGHLAND PARK


By: Gayle Brih Mittler, Mayor

ATTESTED:


Jay L. Kooper, Secretary

UTILITY SERVICE AFFILIATES


By: Richard M. Risoldi
President

BOROUGH OF HIGHLAND PARK
NO. 1-19-370

RESOLUTION TO AUTHORIZE AGREEMENT WITH MIDDLESEX
WATER COMPANY – LICENSED OPERATOR SERVICES

RESOLUTION: Public Works and Public Utilities Committee

WHEREAS, regulatory agencies require that the water distribution and sewer collection systems require a licensed operator with both W-2 and C-2 licenses to oversee these systems; and

WHEREAS, Middlesex Water Company, who provides the treated water used in the Borough's water distribution system, also provides licensed operator services to other municipal water and sewer systems and possess the required W-2 and C-2 licenses necessary to operate the Borough systems; and

WHEREAS, the Borough intends to award this contract as a professional service agreement; and

WHEREAS, the Borough desires to enter into an agreement with the Water Company for these services,

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Borough Council of the Borough of Highland Park, County of Middlesex, that it does hereby authorize the Mayor to execute an agreement with Middlesex Water Company in a form approved by the Borough Attorney and consisting of terms and conditions consistent with the attached contract outline.

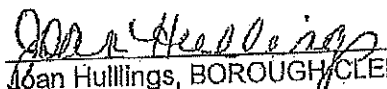
BE IT FURTHER RESOLVED that the Borough Clerk shall send certified copies of this resolution to the following:

Richard M. Risoldi, Vice President, Subsidiary Operations, Middlesex Water Company,
1500 Ronson Road, Iselin, NJ 08830-3020.

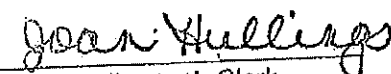
BE IT FURTHER RESOLVED that the Borough Clerk publish a notice of this award or contract in accordance with the requirements of the Local Public Contracts Law.

ADOPTED: January 2, 2019

ATTEST:


Joan Hullings, BOROUGH CLERK

I, Joan Hullings, Borough Clerk of the Borough of Highland Park, New Jersey, do hereby certify the above to be a true copy of a resolution adopted by the Borough Council of said Borough on the 2nd day of January, 2019.


Joan Hullings, Borough Clerk

RECORD OF COUNCIL VOTES

Council Member	Ayes	Nays	Abstain	Absent
Fine	✓			
Foster-Dublin				✓
George	✓			
Hale	✓			
Kim-Chohan	✓			
Welkowitz	✓			

α-DPW

Borough of Highland Park
Water Department

APPENDIX A
Laboratory Services
2019 and 2020 Scope of Work

2019 Parameters:

Item 1a: **Bacteriological.**
Specifications: Sampling, analysis and reporting shall include total coliform, heterotrophic plate count, turbidity, chlorine residual (free and total), pH and temperature.

Scope of Work: The Borough seeks to obtain samples representative of water quality conditions within the distribution system.

Locations shall be adequately flushed prior to obtaining samples for compliance reporting purposes. Actual flushing durations will vary depending on characteristics of each location however samples may be taken once the chlorine residual has reached 1.0 mg/l or greater or a maximum of 20 minutes flushing time has passed.

At no time shall a sample be obtained when the chlorine residual is less than 0.2 mg/l.

Six (6) samples shall be obtained weekly (preferably Wednesday) according to the following schedule and at the specified sample sites. Total samples per month equals 24 when there are 4 weeks in a given month and 30 when there are 5 weeks in a given month.

<u>Week of the Month</u>	<u>Sample Sites</u>
First	1, 2, 6, 7, 9 and 13
Second	4, 10, 11, 12, 15 and 16
Third	3, 6, 8, 9, 13 and 14
Fourth	1, 4, 10, 11, 12 and 15
Fifth (as applicable)	3, 6, 7, 9, 13 and 14

Item 1b: Repeat sampling due to total coliform positive result or other circumstances as approved by the Superintendent of Public Works. Total and E. coli confirmation testing required.

Borough of Highland Park
Water Department

APPENDIX A
Laboratory Services
2019 and 2020 Scope of Work

- Item 2:** **Stage 2 DBPR.**
Specifications: Analysis and reporting per sample obtained shall include total trihalomethanes (TTHM's) and haloacetic acids (HAA 5's).
Scope of Work: One sample for each parameter (TTHM's and HAAS) at site #'s 6, 7, 9 and 15 obtained according to the following schedule.

Sample Date
Week of 2/6/19
Week of 5/1/19
Week of 8/7/19
Week of 11/6/19

- Item 3:** **Fe/Mn.**
Specifications: Analysis and reporting per sample obtained shall include total iron and manganese.
Scope of Work: One sample (total iron and manganese) at site #6, obtained according to the following schedule.

Sample Date
Week of 7/10/19

2020 Parameters:

- Item 1a:** **Bacteriological.**
Specifications: Sampling, analysis and reporting shall include total coliform, heterotrophic plate count, turbidity, chlorine residual (free and total), pH and temperature.
Scope of Work: The Borough seeks to obtain samples representative of water quality conditions within the distribution system.

Locations shall be adequately flushed prior to obtaining samples for compliance reporting purposes. Actual flushing durations will vary depending on characteristics of each location however samples may be taken once the chlorine residual has reached 1.0

Borough of Highland Park
Water Department

APPENDIX A
Laboratory Services
2019 and 2020 Scope of Work

mg/l or greater or a maximum of 20 minutes flushing time has passed.

At no time shall a sample be obtained when the chlorine residual is less than 0.2 mg/l.

Six (6) samples shall be obtained weekly (preferably Wednesday) according to the following schedule and at the specified sample sites. The Borough will provide the successful bidder with a list of sample sites upon award of bid. Total samples per month equals 24 when there are 4 weeks in a given month and 30 when there are 5 weeks in a given month.

<u>Week of the Month</u>	<u>Sample Sites</u>
First	1, 2, 6, 7, 9 and 13
Second	4, 10, 11, 12, 15 and 16
Third	3, 6, 8, 9, 13 and 14
Fourth	1, 4, 10, 11, 12 and 15
Fifth (as applicable)	3, 6, 7, 9, 13 and 14

Item 1b: Repeat sampling due to total coliform positive result or other circumstances as approved by the Superintendent of Public Works. Total and E. coli confirmation testing required.

Item 2:
Specifications: **Stage 2 DBPR.** Analysis and reporting per sample obtained shall include total trihalomethanes (TTHM's) and haloacetic acids (HAA 5's).

Scope of Work: One sample for each parameter (TTHM's and HAA5) at site #'s 6, 7, 9 and 15 obtained according to the following schedule.

Sample Date
Week of 2/5/20
Week of 5/6/20
Week of 8/5/20
Week of 11/4/20

Borough of Highland Park
Water Department

APPENDIX A
Laboratory Services
2019 and 2020 Scope of Work

Item 3: **Fe/Mn.**
Specifications: Analysis and reporting per sample obtained shall include total iron and manganese.

Scope of Work: One sample (total iron and manganese) at site #6, obtained according to the following schedule.

Sample Date
Week of 7/8/20

Item 4a: **Pb/Cu.**
Specifications: Analysis and reporting per sample shall include lead and copper. Price includes initial drop-off/pick-up.

Scope of Work: One sample (lead and copper) at 30 sampling sites, during the month of June 2020. The Borough shall provide the list of sample locations.

The Borough will make initial customer contact in May 2020 and provide the Laboratory with instruction letters to accompany sample bottles.

The Laboratory will drop bottles/letters and collect same the following day returning letters to the Borough at that time.

Item 4b: Repeat drop-off/pick-up as necessary to complete the required Pb/Cu sampling and analysis. Provide unit price (per site) per repeat event.

Borough of Highland Park
Water Department

APPENDIX A
Laboratory Services
2019 and 2020 Scope of Work

General Information:

Utility Service Affiliates (USA) will maintain the list of approved sample and alternate sample sites including addresses as permitted/required by regulation.

USA shall provide all equipment, material, supplies, sample containers and personnel to conduct all sampling, analysis and reporting (includes but not limited to E2 reporting).

USA shall be responsible for confirming the Borough's monitoring schedule, adhering to the monitoring schedule and submitting the associated analytical reports within the required timeframe for compliance.

USA will reimburse the Borough for any monetary violations and all corrective action costs incurred by the Borough (labor, legal, public notification, mailing, etc.) associated with any missed or late sampling/reporting that results in issuance of a confirmed NJDEP Notice of Violation (NOV).

USA shall furnish a current certificate of insurance for review and approval by the Borough. USA shall not commence any work until the certificate of insurance has been approved by the Borough nor shall USA allow a subcontractor to commence any work until similar insurance has been obtained by the subcontractor and approved by the Borough.

USA shall provide sample analysis reports, chain of custody documents and invoices to the Borough as follows.

Analysis reports
E-mail to: Donald Rish (drish@hpboro.com)
Jan Chwiedosiuk (jchwiedosiuk@middlesexwater.com)

Analysis and chains
Originals mailed to: Borough of Highland Park Water Department
444 Valentine Street
Highland Park, New Jersey 08904
Attention: Jan Chwiedosiuk, Licensed Operator

Invoices
Originals mailed to: Borough of Highland Park Water Department
444 Valentine Street
Highland Park, New Jersey 08904
Attention: Donald Rish, Superintendent of Public Works

EXHIBIT E
WATER SUPPLY AGREEMENT



THE BOROUGH OF HIGHLAND PARK

COUNTY OF MIDDLESEX, STATE OF NEW JERSEY

221 SOUTH 5TH AVENUE

HIGHLAND PARK, NEW JERSEY 08904

TEL. (732) 777-6014

FAX (732) 777-6006

August 9, 2017

Mr. Dennis Doll, President
Middlesex Water Company
1500 Ronson Road
Iselin, NJ 08830-0452

Dear Mr. Williams:

Enclosed herewith are two copies of the Contract Renewal for the Borough's purchased water agreement together with a certified copy of Resolution No. 8-17-250 authorizing execution of said Contract.

Please have the contract executed and return one copy to this office for our records.

If you have any questions, please don't hesitate to contact me at 732-777-6014.
Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Joan Hullings".

Joan Hullings, RMC
Borough Clerk

c.- Teri Jover, Borough Administrator
Donald Rish, Supt. Public Works & Public Utilities

**AGREEMENT
FOR A SUPPLY OF WATER
BY
MIDDLESEX WATER COMPANY
TO THE
BOROUGH OF HIGHLAND PARK**

Dated as of July 21, 2017

This Agreement (hereinafter referred to as the "Agreement") made as of this twenty-first day of July, 2017 between:

MIDDLESEX WATER COMPANY, a public utility and corporation organized under the laws of the State of New Jersey, with offices at 1500 Ronson Road, Iselin, New Jersey (hereinafter referred to as "Middlesex"),

and the

BOROUGH OF HIGHLAND PARK, a municipal corporation of the State of New Jersey (hereinafter referred to as "Highland Park").

WITNESSETH:

WHEREAS, Middlesex owns and operates a public water supply system;

and

WHEREAS, Highland Park has requested that Middlesex provide it with supply of water for private and public use; and

WHEREAS, the parties intend that their Agreement for a Supply of Water, dated as of January 1, 2006, and as amended on December 1, 2015, is to be superseded by this new

Agreement;

Now therefore, in consideration of the premises and of the mutual covenants herein contained, the parties agree that:

1. Supply of Water.

Middlesex agrees to supply Highland Park with water upon the terms and conditions set forth herein.

2. Term.

This Agreement shall be binding upon execution by both parties. Service under this Agreement shall begin on or about January 1, 2017, and service under this Agreement shall terminate on December 31, 2037. However, the terms of the Agreement shall remain in effect after December 31, 2037 unless written notice of intention to terminate the Agreement is given by either party at least thirty (30) days prior to the end of such period. In the event that such notice has not been given, the Agreement shall remain in effect until the earlier of (a) renewal or modification of the Agreement by consent of both parties, or (b) a date no less than ninety (90) days after the date that either party provides written notification of termination.

3. Rate.

Highland Park shall pay for water delivered pursuant hereto at the rate of \$2,241.53 per million gallons according to Rate Schedule No. 5 or as said rate may be changed from time to time with the approval of the Board of Public Utilities of the state of New Jersey, or its successor agency, as required by law (hereinafter referred to as the "Contract Rate").

4. Meter Stations/Delivery System.

Water to be supplied by Middlesex hereunder shall be delivered to Highland Park through existing interconnections in Sutton's Lane in the Township of Edison adjacent to the railroad right of way (aka Exeter Street), and at Middlesex's Treatment Plant in Edison (aka River Road), and through such other points of delivery as may be agreed to from time to time by the parties,

(hereinafter referred to as the "Meter Stations"). Refer to Attachments A and B regarding the locations of the interconnections.

The parties agree that Middlesex may install one or more additional interconnections on a large diameter transmission main (anticipated to be 36 or 42 inches in diameter) planned for future construction by Middlesex, and extending from Middlesex's Treatment Plant in Edison, through the Borough of Highland Park, to a transmission main or other facilities of Middlesex. Any additional interconnections with the Borough of Highland Park would be installed by mutual agreement. The general route for the Transmission Main is shown on Exhibit A. (Said transmission main is hereinafter referred to as the "SRB Transmission Main" or the "Transmission Main".) The SRB Transmission Main may be constructed in phases.

The parties agree that Middlesex may proceed when it deems necessary with the construction of the SRB Transmission Main. The construction of the SRB Transmission Main and any service connections (and meter chambers) related to the SRB Transmission main shall be at the sole cost of Middlesex. Highland Park agrees to cooperate and act in good faith in connection therewith and in providing and obtaining necessary or desirable governmental approvals, authorizations, rights of way and other actions. Highland Park agrees to grant to Middlesex or to acquire for Middlesex, by purchase, condemnation, exchange or

otherwise, to the extent legally authorized, all lands, and/or easements in Highland Park as are necessary or convenient for Middlesex's construction and use of the SRB Transmission Main, and for any other mains, pipelines and appurtenances necessary or convenient for water services to Highland Park with all costs borne by Middlesex. Middlesex agrees to comply with reasonable requirements of Highland Park for pavement and property restoration.

5. Meters, Services and Other Appurtenances.

Middlesex shall furnish, install and maintain at its own cost such service connections and meters as agreed upon by both parties for connection to Highland Park's water distribution system. The meters and service pipes shall remain the property of Middlesex. Highland Park shall furnish, install and maintain at its own cost all other piping, fittings, valves, meter pits or vaults and appurtenances necessary to take water from Middlesex. Refer to Attachments A and B.

6. Exclusive Supplier.

The parties agree that during the term of this Agreement, Middlesex shall be Highland Park's sole supplier of water. Except as provided in this paragraph, Highland Park shall not purchase water from any other supplier in the normal course of business. Highland Park shall have the right to purchase water from other sources in the event of an emergency or during any periods of time that Middlesex is unable to supply water as provided in this Agreement.

7. Minimum Payment Obligation.

Highland Park shall be obligated to pay for the Daily Minimum quantity of water. "Daily Minimum" shall mean either (a) one million nine hundred and thirty thousand (1.930 mgd) gallons of water a day, or (b) such greater amount as may be established under paragraph 8 of this Agreement. All water taken in any 24-hour period in excess of the Daily Minimum shall be paid for at the Contract Rate.

For the purposes of the calculation of the New Jersey Department of Environmental Protection's (NJDEP's) Firm Capacity Transfer, the Daily Minimum or Revised Daily Minimum shall be the Firm Capacity Transfer amount from Middlesex to Highland Park. As currently outlined in Table # 1 below

Table #1

Daily (Firm Capacity Transfer)	Monthly	Yearly
1.930 mgd	59.83 mgn	704.45 mgy

8. Increase in Minimum Payment Obligation.

The total daily quantity of water taken by Highland Park at the Meter Stations may exceed the Daily Minimum by up to 100% on a 24-hour basis without affecting the minimum payment obligation.

The quantity of water supplied in the peak hour multiplied by 24 may exceed the Daily Minimum by 200% without affecting the minimum payment

obligation.

If either the quantity of water taken in a 24-hour period shall exceed the Daily Minimum by more than 100% or if the maximum hourly flow multiplied by 24 shall exceed the Daily Minimum by more than 200%, the Daily Minimum will be increased to the greater of: (a) one-half of the daily quantity of water supplied in the 24-hour period; or (b) one-third of the quantity supplied in the peak hour multiplied by 24. (For example, an existing Daily Minimum of 1.93 million gallons per day ("mgd") will be increased if the quantity of water taken in any 24-hour period exceeds 3.86 mgd, or if the quantity of water taken in any peak hour multiplied by 24 exceeds 5.79 mgd.)

Any increased Daily Minimum payment obligation shall continue in effect for 12 months unless increased further by an overrun. After this 12-month period with the higher Daily Minimum in effect, the Daily Minimum shall revert to the next lower minimum incurred during the four months preceding the end of such 12-month period and that amount shall continue as the Daily Minimum for 12 months unless increased again by an overrun.

9. Combined Charge.

The Daily Minimum payment obligation shall be determined on the basis of the combined total daily quantity of water supplied through all the Meter Stations.

10. Definitions.

Where the words "daily" or "24-hours" are used in this contract, they shall refer to the 24-hour period between the daily meter readings.

11. Exceptions for Emergencies.

The Daily Minimum payment obligation shall not be affected in the event that the amount of water supplied to Highland Park exceeds the daily or hourly limitations established herein for not more than 24 hours in case of fire or main break emergencies and for not more than five days in the case of other catastrophes requiring an emergency supply of water, provided Middlesex is promptly notified (within 2 hours) that any such emergency exists. The Emergency Status determination is at the sole determination of the Middlesex Water Company

12. Meter Readings

Middlesex will read the meters daily for all water supplied to Highland Park at each connection then in operation.

13. Excused Performance.

Middlesex agrees to provide a continued, regular and uninterrupted supply of water, subject to interruptions by reasons of acts of God, accident, strike, legal process, State or municipal interference or other cause beyond its control, but shall not be liable for damages to Highland Park by reasons of inadequate pressure or volume or failure to provide water for any cause whatever.

14. Indemnification/Limitation of Liability.

Highland Park shall completely indemnify, protect and save harmless Middlesex from any and all costs, expenses, liability, losses, claims, suits and

proceedings of any nature whatsoever arising out of the water service to Highland Park. However, as to claims involving water quality, the within Article is intended not to apply to water until after it is delivered to Highland Park's system, i.e. after water is supplied through the Meter Stations referred to in Article 4.

Middlesex shall completely indemnify, protect and save harmless Highland Park from all costs, expenses, liability, losses, claims, suits and proceedings of any nature whatsoever arising out of any negligence of Middlesex.

Notwithstanding anything herein to the contrary, Middlesex's aggregate liability to Highland Park arising out of or in connection with this Agreement shall not exceed an amount equal to one year's gross revenues required to be paid by Highland Park to Middlesex based upon the Daily Minimum in effect at the time of the occurrence giving rise to the liability, and Highland Park hereby releases Middlesex from any liability in excess thereof. This paragraph is not intended to limit Middlesex's liability to third parties.

15. Regulatory Approvals.

If required by law, this Agreement shall be filed with and subject to approval by the Board of Public Utilities of the State of New Jersey and the Department of Environmental Protection of the State of New Jersey.

IN WITNESS WHEREOF, the parties have caused this Agreement to be
duly executed as of the day and year first written above.

ATTEST:

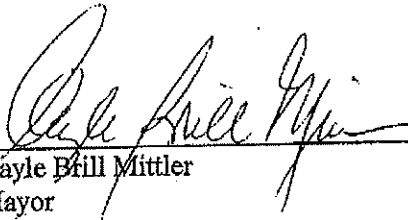
MIDDLESEX WATER COMPANY

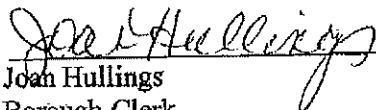
By: _____
Dennis W. Doll
President

Jay L. Kooper
Vice President, General Counsel &
Secretary

BOROUGH OF HIGHLAND PARK

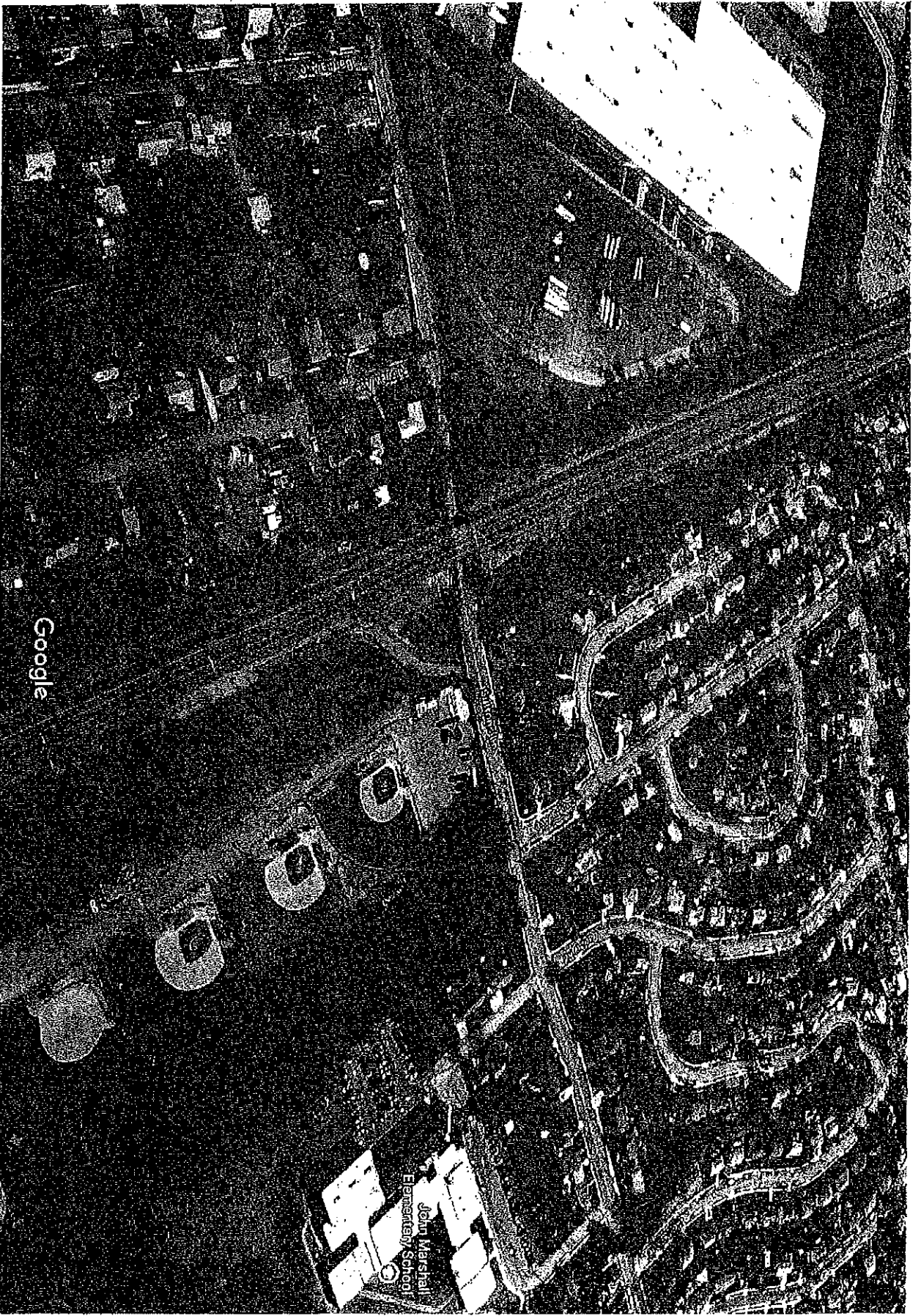
ATTEST:

By: 
Gayle Bill Mittler
Mayor


Joan Hullings
Borough Clerk

Attachment A

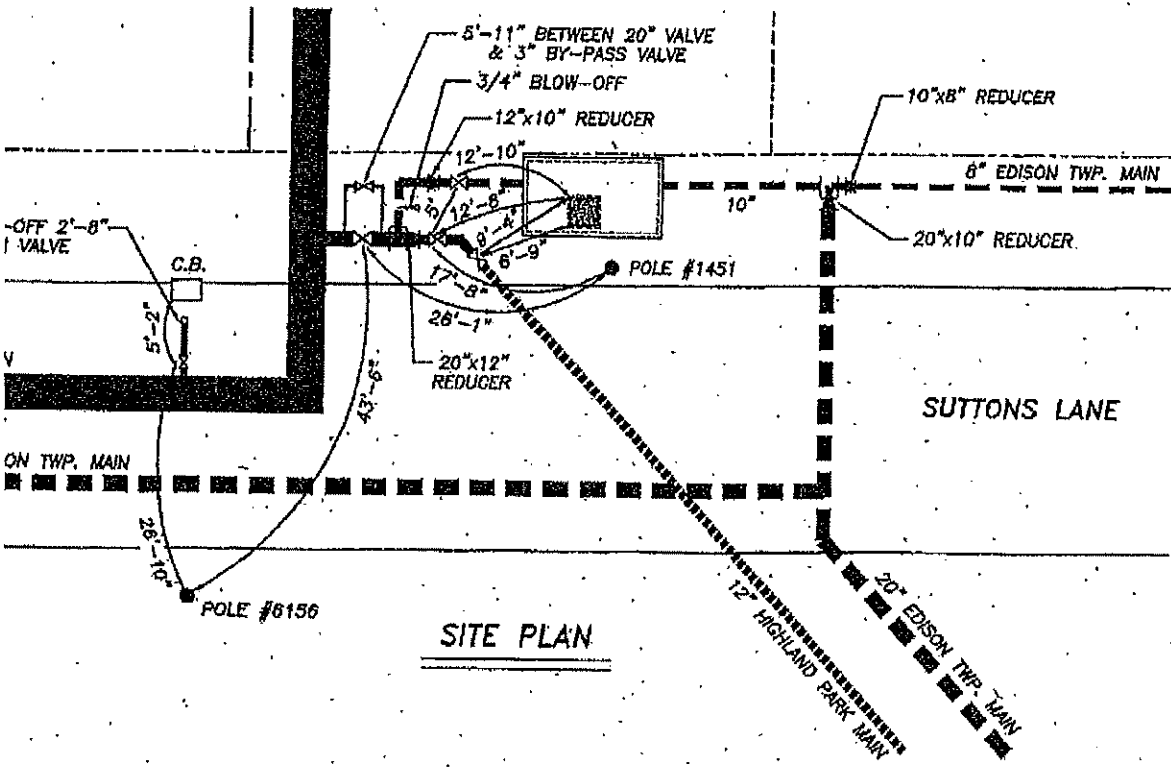
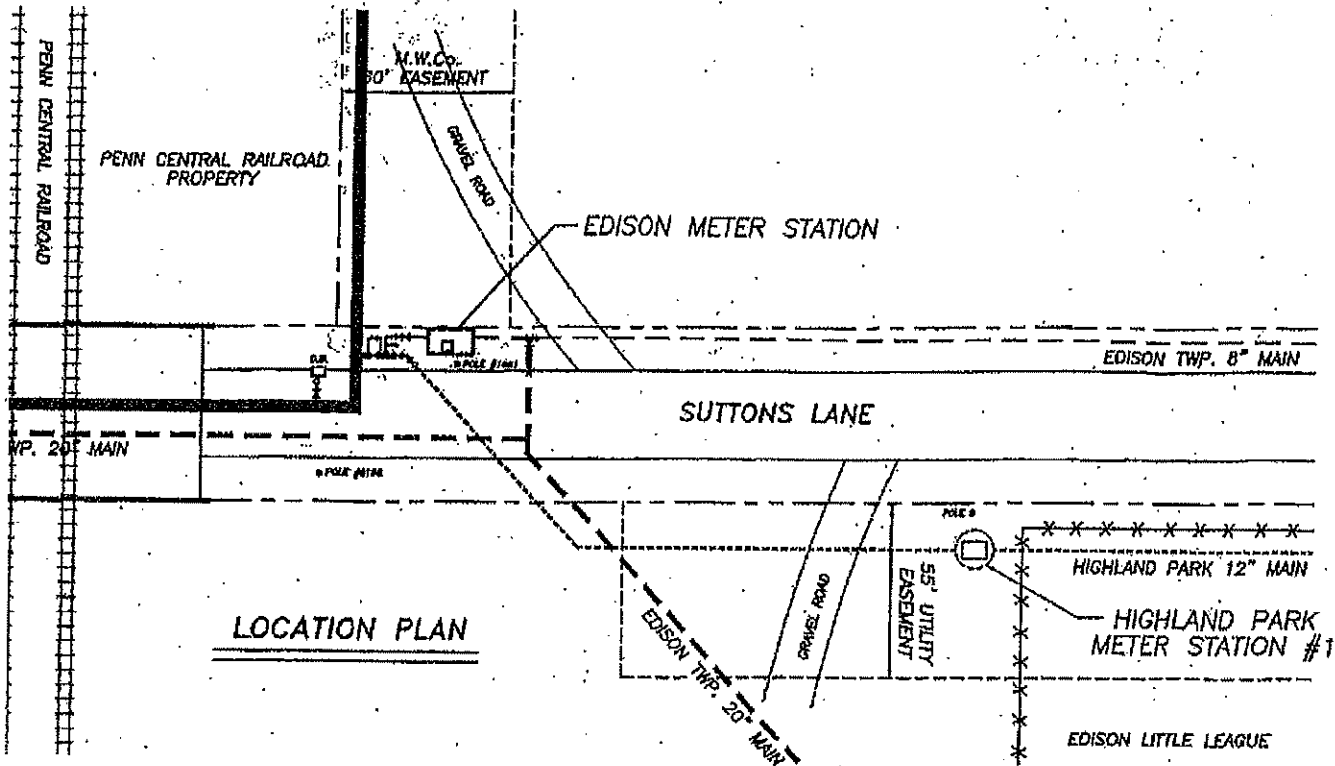
Suttons Lane (a.k.a. Exeter Street) Interconnection



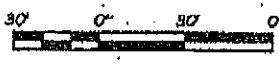
Google

Imagery ©2017 Google, Map data ©2017 Google 100 ft

John Marshall
Elementary School



OPTION	BY	APD.	SCALE:
VISION			
DRAWN: <i>6</i>		CHECKED:	
DRAWN DATE: 7-1-96		PRINT DATE: 2-4-00	

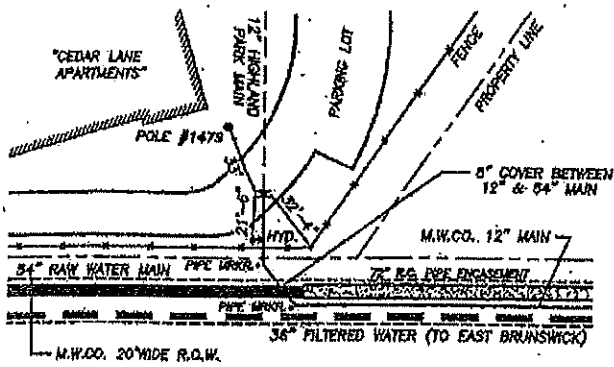


MIDDLESEX WATER COMPANY
 1500 Ransom Rd., Woodbridge Township
 Edison, NJ 08830-0452

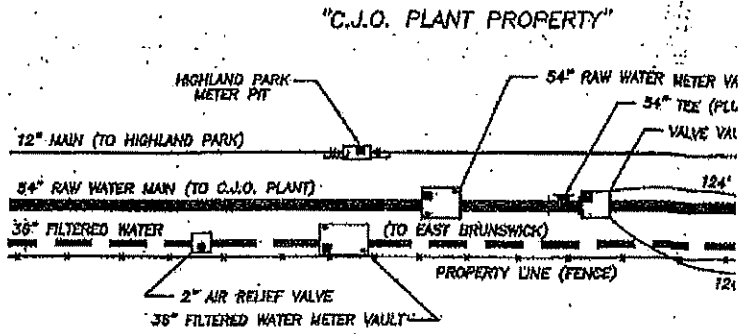
Attachment B

Cedar Lane (a.k.a. River Road) Interconnection

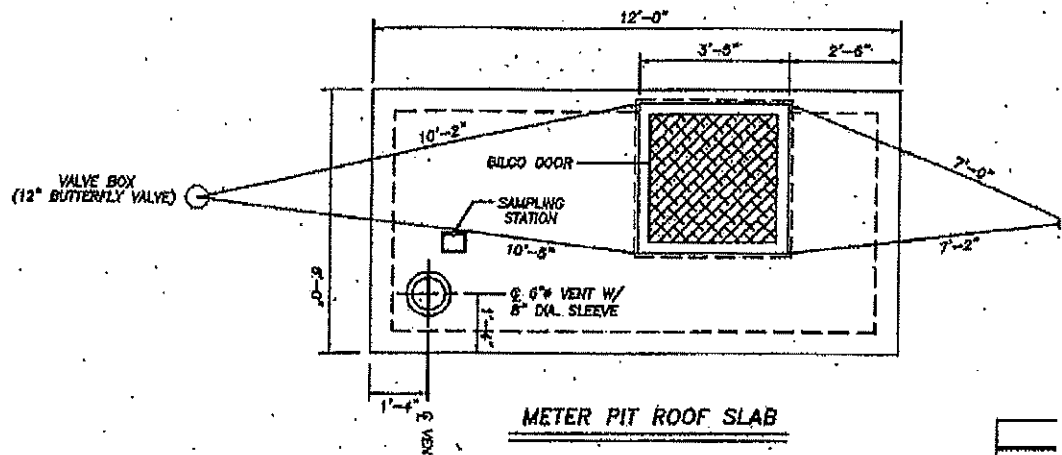




**HIGHLAND PARK CONNECTION
 @ CEDAR LANE APARTMENTS
 SITE PLAN**

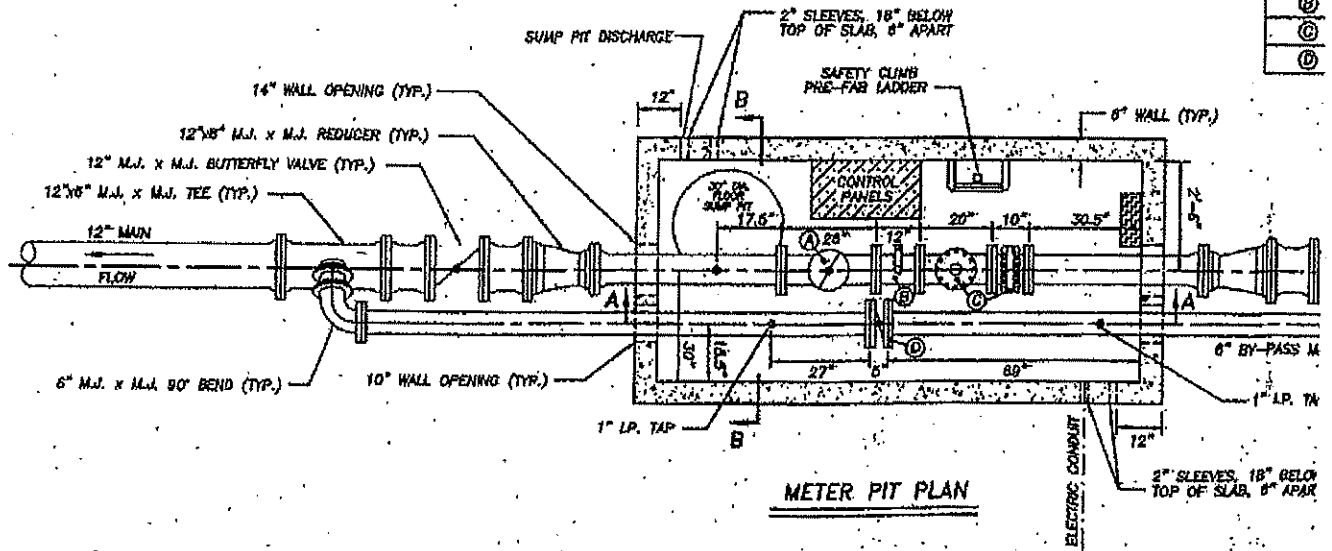


**"C.J.O. PLANT PROPERTY"
 METER PIT LOCATION
 SITE PLAN**



METER PIT ROOF SLAB

LETTER
Ⓐ
Ⓑ
Ⓒ
Ⓓ



METER PIT PLAN

DRAWN: <i>AC</i>			APPROVED:		
CHECKED:			PRINT DATE: 2-3-00		
DRAWN DATE: 5-30-96			SCALE:		
DATE	DESCRIPTION REVISION	BY	APD.		

