

RESOLUTION NO. 19-24

RESOLUTION TO AMEND THE REGULATIONS, SPECIFICATIONS AND RATE SCHEDULE OF THE MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

WHEREAS, the Morris County Municipal Utilities Authority (“the Authority”) is authorized by the Municipal and County Utilities Authorities Law (N.J.S.A. 40:14B-1, et seq.) to establish rents, rates, fees and other charges and to amend the same from time to time so that the revenues of the Authority system including reserves, insurance, extensions and replacements, debt service, and to maintain such reserves or sinking funds therefor as may be required by the terms of any contract or as may be deemed necessary or desirable by the Authority; and

WHEREAS, there is a need for the Authority to enact a comprehensive amendment of the Regulations, Specifications and Rate Schedule of the Authority pursuant to the Act; and

WHEREAS, the Authority adopted Resolution No. 19-19 on February 11, 2019, scheduling a public hearing on March 12, 2019 regarding the proposed amendment to the Rate Schedule (Schedule 2) pertaining to “Permit, Inspection and Other Service Fees” of the Authority; and

WHEREAS, the Authority conducted a public hearing on March 12, 2019 regarding the proposed amendment to the Rate Schedule (Schedule 2) pertaining to “Permit, Inspection and Other Service Fees” of the Authority.

NOW, THEREFORE, BE IT RESOLVED by the Morris County Municipal Utilities Authority, in the County of Morris and State of New Jersey on this 12th day of March, 2019 as follows:

- 1) The Regulations, Specifications and Rate Schedule of the Morris County Municipal Utilities Authority is hereby amended in its entirety as set forth in Attachment A hereto.
- 2) The provisions of these Regulations, Specifications and Rate Schedule are severable and the invalidity of any phrase, clause or part thereof shall not affect the validity or effectiveness of the remainder.

3) This Resolution shall take effect as provided by law.

CERTIFICATION

I hereby certify that the foregoing Resolution was adopted by the Morris County
Municipal Utilities Authority at the Regular Meeting held on March 12, 2019.

MORRIS COUNTY MUNICIPAL
UTILITIES AUTHORITY

By: William Hudzik
William Hudzik, Chairman

ATTEST:

Marilyn Regner
Marilyn Regner, Secretary

**Potable Water System
Regulations, Specifications and
Rate Schedule
of
The Morris County Municipal Utilities Authority**

**Regulations Governing The Use of The
Authority System and Associated Charges**

**Adopted By
The Morris County Municipal Utilities Authority**

Effective Date: March 12, 2019

Potable Water System Regulations, Specifications and Rate Schedule of
The Morris County Municipal Utilities Authority

Rules and regulations governing the use of the potable water System of the Morris County Municipal Utilities Authority; governing the design, construction, and testing of water distribution facilities; providing for a system of rates, charges and fees in connection with the use of the System; and prescribing penalties for the violation of such rules and regulations.

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Article I

General Provisions

Section 1.1 Authority

a. The Morris County Municipal Utilities Authority was created by the Morris County Board of Chosen Freeholders through the adoption of a Resolution on September 24, 1958 in accordance with the Municipal and County Utilities Authorities Law ("The Act"), P.L. 1957 C.183 (N.J.S.A. 40:14B-1 et seq.) as amended.

b. The Morris County Municipal Utilities Authority is authorized by the Act to make and enforce regulations for the management and regulation of its business and affairs and for the use, maintenance, and operation of its System; and to adopt, charge, and collect rates, charges and fees for the use of the System and for the provision of potable water.

c. These Regulations, Specifications, and Rate Schedule have been adopted by the Authority pursuant to:

- 1) the Act;
- 2) the Water Supply Management Act (N.J.S.A. 58:1A-1 et seq.);
- 3) the New Jersey Safe Drinking Water Act (N.J.S.A. 58:12A-1 et seq.);
- 4) the Excess Diversion Act (N.J.S.A. 58:2-1 et seq.);
- 5) the Small Water Company Takeover Act (N.J.S.A. 58:11-59 et seq.);
- 6) the Subsurface and Percolating Waters Act (N.J.S.A. 58:4A-4.1 et seq.);
- 7) the United States Environmental Protection Agency (USEPA) Safe Drinking Water Act (42 U.S.C. 300 et seq.); and
- 8) All applicable administrative rules, regulations, and guidance documents promulgated by agencies of the United States and the State of New Jersey.

Section 1.2 Purposes

The purpose of these rules and regulations are as follows:

a. To promulgate regulations for the use of the Authority System in a manner reasonably consistent with the purposes and capacity for which the said system is to be, or has been, designed;

b. To promulgate regulations to provide for the acquisition and distribution of an adequate supply of potable water for the public and private use of the inhabitants of the service area, to promote the public health, and to support the commercial use of potable water for the economic benefit of the region;

c. To authorize the establishment of rates, charges, and fees to provide the revenues required for the operation, maintenance, expansion, replacement, and renewal of the Authority System;

d. To provide for cooperation with the New Jersey Department of Environmental Protection, the United States Environmental Protection Agency, and any other agencies with jurisdiction over the activities of the Authority.

Section 1.3 Policy

a. These regulations shall be liberally construed to permit the Authority to effectuate the purposes for which it was created and the provisions of the authorizing statutes and administrative rules.

b. The Authority may from time to time amend the provisions of these Regulations, Specifications, and Rate Schedule as in its discretion is reasonable and necessary.

Section 1.4 Copies

a. Copies of the Regulations, Specifications and Rate Schedule shall be available on the Morris County Municipal Utilities Authority website (www.mcmua.com) and a copies are available at the principal office of the Authority.

b. A copy of these regulations shall remain on file at the principal office of the Authority for use and examination by the public.

Article II

Definitions

Adjustable Water Uses means those water uses which may be reduced during times of drought or Water Emergency, including but not limited to:

1. Watering of plant growth
2. Washing of vehicles
3. Washing of streets, driveways, sidewalks, and paved areas
4. Serving water in restaurants, clubs, or eating places
5. Use of potable water for outdoor recreational purposes
6. Other rationing or entailments but with such exceptions to each of the foregoing as may be required for the public health and safety

Authority or MCMUA means the Morris County Municipal Utilities Authority;

Backflow Prevention Device means either a double check valve assembly or a reduced pressure zone assembly used for the purpose of preventing water flow in the opposite direction of normal flow pattern.

Calibrated Accuracy means register a certain percentage of flow relative to the actual flow at maximum, intermediate, and minimum flow rates;

Check Valve means an automatically operated valve designed to permit the flow of water in one direction only;

Chief Engineer means the licensed engineer employed by the Authority or consulting firm appointed by the MCMUA to administer the Water Division;

Connecting Pipe means the supply pipe connected to the Authority transmission main;

Contract means a document setting out the terms and conditions of an agreement between the Authority and a Customer, Corporation, or other Utility Authority for the bulk sale and purchase of potable water;

County means the County of Morris;

Cross Connection means any actual or potential connection between a public water system where it is possible for a nonpotable substance to come into contact with the potable drinking water supply, such as industrial process water or an irrigation system;

Curb Stop means the fitting attached to the service pipe at the curb, for turning on and shutting off water;

Customer is a person, partnership, firm, corporation, governmental subdivision or agency receiving bulk water sales from MCMUA;

Distribution Main means a pipe belonging to the Customer which delivers water to the service pipes attached thereto to serve the premises of end users;

Drought means a condition of dryness due to lower drinking water standard than normal precipitation, resulting in reduced stream flows, reduced soil moisture and/or a lowering of the potentiometric surface in wells. The Division of Water Supply and Geoscience within the Department of Environmental Protection, regularly monitors various water supply conditions within the state based on the different Water Supply Regions. The water supply conditions aid the Department in declaring the regions as being within one of the four stages of water supply drought, Normal, Drought Watch, Drought Warning, and Drought Emergency;

Drought Emergency Plan means the Authority plan governing actions to be taken by any Customer and Person during a Water Emergency;

Emergency Cut-In Valve means a device installed on auxiliary fire service lines designed to open automatically when downstream pressure drops below a pre-set pressure; and which automatically closes when pressure rises above the pre-set amount;

End User means the person who actually uses the potable water;

Executive Director means the Executive Director of the Authority;

Fire Hydrants means hydrants connected to Authority transmission mains owned and maintained by the Customer;

Meter means a mechanical device which registers and records the quantity of water supplied to the Customer owned by the Authority;

Meter Reading means the reading of meters by Authority personnel;

Municipality means a town, township, borough, or city wherein a portion of the System is located;

Person means any individual, corporation, entity, company, partnership, firm, association, or political subdivision of the state;

Phase means the particular level of Water Emergency severity;

Points of Delivery means the division point between the MCMUA System and the Customer's System as described in the Water Supply Contracts;

Potable Water means any water used, or intended to be used, for drinking and culinary purposes which is free from impurities in amounts sufficient to cause disease or harmful physiological effects, with the bacteriological and chemical quality conforming to applicable standards.

Phase I means the first stage of a Water Emergency during which available water supply levels are determined to be below normal and bans on Adjustable Water Areas may be instituted;

Phase II means the second stage of a Water Emergency during which a more substantial threat to the public health and welfare exists and a more specified reduction in water use may be mandated;

Phase III means the third stage of a Water Emergency during which a further rationing of potable water supplies to all sectors is required together with selective curtailment of industrial potable water use;

Phase IV means the fourth stage of a Water Emergency during which disaster conditions prevail and the public health and safety cannot be guaranteed;

Pressure Reducing Valve means a device which is placed in pipelines to maintain automatically a given working pressure on its outlet side regardless of the pressure on the inlet side;

Pressure Relief Valve means a device installed in pipelines and other pressure systems to relieve automatically excess system pressure, above the predetermined setting of the relief valve;

Service Area means the region within which the System extends and the Customers receiving potable water from the System;

Service Charge means rents, rates, fees and other charges for direct or indirect connection for the use of services of the System, or sale of potable water, or potable water services, facilities or products;

Service Pipe means a supply pipe two inches in diameter or less installed by the Customer leading from the corporation stop at a main to the Curb Stop;

Service Pipe-Large Diameter means a supply pipe larger than two inches in diameter installed by the Customer leading from a shut-off valve at the main to the customer's premises;

Street means any avenue, highway, road, or right of way owned and maintained by a municipality or other governmental agency as a thoroughfare or traveled way for vehicular and or pedestrian traffic;

System means the plants, structures, and other real and personal property acquired, constructed, and/or operated for the purposes of the Authority including pipelines, conduits, standpipes, reservoirs, mains, pumping stations, potable water distribution systems, potable water works, wells, sources of potable water supply, treatment plants, works, rights of flowage or diversion, and all other real and personal property and rights therein necessary, useful or convenient for the accumulation, supply, or distribution of potable water;

Tap or Corporation Stop means the fitting inserted in the main to which the service pipe is attached. It is used for shutting off potable water in case of repairs to the service pipe;

Tapping Fee means the cost of connecting new infrastructure to the existing water system, such as a new Distribution Main or a corporation tap for a home or business. to the public sewer and water systems. The Tapping Fee is comprised of the Application Fee and the Inspection fee imposed pursuant to the rate schedule of the Authority;

Transmission Main means a pipe line of large diameter (usually 12" and larger) which delivers potable water from the various pumping stations and reservoirs of the Authority to distribution mains;

Transmission Main Valve means all line valves on the Authorities System Transmission main;

Water means all surface water or ground water in the State, including potable water after treatment in the System;

Water Emergency means that there exists or impends within the Service Area a drought, a water supply shortage and/or water quality emergency which significantly impacts the Authority's ability to meet water demands;

Water Main Construction Compliance means all construction and restoration components of the project have been completed in accordance with the approved plans, specifications and change orders. The project is capable of functioning as designed. All equipment is operational and performing satisfactorily;

Water Main Extension means an addition to the existing system of transmission mains, constructed by the Authority.

Water Quality Tests means the laboratory analysis to confirm the chemical, physical, biological, and radiological characteristics of potable water;

Article III

A. Potable Water Service

1. The MCMUA provides potable water service to the Customers with which it has service agreements. All service agreements made by MCMUA, or hereafter made, are to be administered and implemented in accordance with these rules and regulations.
2. The activities of MCMUA shall at all times be consistent with these regulations which control the use of the System and the water allocated to the Authority in the public interest under permit(s) granted by the State.
3. The Authority has the duty and responsibility to see to it that the potable water resources allocated to it are used in a manner consistent with the purpose of the allocation, to conserve the same to the maximum extent possible for the beneficial and productive use thereof, the avoid unnecessary depletion, loss, and waste of the resource, and to foster such planning and management as shall avoid undue stress on the water supply so as to threaten the short term or long term integrity and viability of the water resource.
4. The service agreements with municipalities (Customers) shall contain provisions including those reflecting the following:

The Authority shall comply with all applicable NJDEP and USEPA laws and regulations regarding treatment and delivery of water and shall comply with all applicable notice requirements established by the NJDEP and USEPA and any successor, government agencies or departments. The Authority shall not be responsible for contamination or degradation in the quality of the water past the Points of Delivery. The Authority shall perform water quality tests as required by applicable NJDEP and USEPA laws and regulations. All water quality tests shall be performed only by State of New Jersey certified laboratories. MCMUA will provide Customers with reports of potable water quality test results for water samples taken at the Points of Delivery.

5. MCMUA shall periodically sample the quality of potable water delivered to the Customer and shall make such tests, measurements, and analyses thereof as shall assure its quality and the compliance by the Authority with applicable regulations and drinking water standards. In fulfilling its obligations to provide water service hereunder, the Authority shall have the right to utilize such sources of potable water as it shall subsequently develop provided that the same shall meet applicable regulations and drinking water standards.
6. The Authority shall provide service in accordance with the terms of its Agreements.
7. When for reasons of drought or other supply emergency the Authority calls upon its Customers to reduce consumption, all Customers shall institute curtailment of non-

essential water use and impose conservation measures in accordance with the Authority's Drought/Emergency Plan latest revision, which will be readily available online.

8. The Authority will endeavor to provide a regular and uninterrupted supply of potable water through its facilities, but in case service is interrupted, irregular, defective or fails because of breakdown or emergency, or from causes beyond the control of the Authority, the Authority will not be liable for damage or inconvenience resulting therefrom.
9. When the supply of potable water is to be shut off temporarily or curtailed, a notice stating the purpose and probable duration of the shutoff or curtailment will be given to Customers affected whenever practicable.
10. The Authority does not supply water for special purposes, such as manufacturing or processing plants, laboratories, swimming pools, bleaching or dyeing plants or laundries.
11. Neither by inspection or non-rejection, or in any other way does the Authority give any guarantee or assume any responsibility, express or implied, as to the adequacy, or safety characteristics of any structures, equipment, pipes, appliances or devices owned, installed or maintained by the Customer, or leased by the Customer from third parties.
12. Except as to the liability, if any, imposed by law, the Authority shall not be responsible for any injury, casualty, or damage resulting from the supply, or use of potable water service, or from the presence or operation of the Authority structures, equipment, pipes, appliances or other devices on the Customer's premises.
13. Any person other than Authority personnel who operate Authority Transmission Main Valves shall be penalized by applicable laws.
14. No agent, representative or employee of the Authority has authority to modify any provision contained in these Rules or Regulations or to bind the Authority by any promise or representation contrary thereto.
15. These Rules and Regulations are made a part of all Contracts for the supply of potable water service unless specifically modified in a particular Rate Schedule.

B. Conservation

1. Customers shall maintain their distribution system in a condition which limits/controls water loss and waste consistent with tolerances for unavoidable loss as set forth the American Water Works Association (AWWA) Manual 36 Water Audits and Loss Control Programs.
2. In any case where the Authority determines that there exists a condition of waste such that:

- a) an unacceptably high percentage of the potable water delivered to the Customer by the Authority is not used for consumptive use but is being lost to waste through leakage or other diversion from the potable water distribution system between the point of delivery by the Authority and delivery to the End User of the Customer; or
- b) the loss of potable water is to such an extent as to impair or thereafter to impair the ability of the Authority to deliver water to other portions of the Service Area;

Then the Authority shall have the right to:

- a) require the Customer to institute a program of maintenance and repair to remedy such potable water loss;
 - b) curtail service notwithstanding the provisions of any service contract until the affected Customer shall institute reasonable measures designed to eliminate the said waste and loss of potable water so far as practicable so that conservation of the potable water resource is protected, safe yield maintained and potable water quality standards met.
3. In any case where a Customer shall have received notice pursuant to Paragraph 2 hereof that a creation of unacceptable potable waste and loss of potable water exists within a potable water distribution system, the Customer shall have the right to request a hearing before the Authority concerning the same. The hearing request must be received by the Authority within 10 days of receipt of a notice by the Customer. Following a hearing, at which testimony shall be taken under oath and such documents and exhibits shall be considered by the Authority as are relevant and useful, the Authority shall make findings of fact and conclusions pursuant to these regulations.
 4. Following the hearing, the Customer shall have the right to file an Action in Lieu of Prerogative Writs challenging the findings and conclusions of the Authority.
 5. The Authority shall have the right, where necessary and desirable, to file an action in a court of competent jurisdiction to enforce its findings and conclusions.

C. Cross Connection Policy

1. All Customers purchasing potable water from the Authority shall comply with all applicable state, municipal and local plumbing codes.
2. Physical cross connections, either permanent or temporary, within a distribution system connected to Authority transmission mains made to any unapproved source of potable water supply are prohibited.

3. Any Customer of the Authority having other approved sources of water may utilize and mix water within their distribution system. However, at no time shall any blended water from a Customer's distribution system be delivered back into Authority transmission mains. It will be policy for the Authority to install check valves at interconnections within its transmission system.
4. Where an End User's connection is tapped directly to an Authority transmission main, the End User shall be required to provide standard backflow prevention device. The Authority reserves the right to inspect any such service connections within the Customer's service area upon notice. If the inspection reveals a cross connection and or an unapproved physical connection, the Authority will cause the Customer to terminate the service until the condition is corrected.
5. It shall be the End User's responsibility to ensure that any connection tap from a non-potable source on an Authority transmission main complies with Subchapter 10 of the New Jersey Safe Drinking Water Act, N.J.A.C. 7:10, Physical Connections and Cross Connections. The Authority reserves the right to inspect all physical connections to its transmission mains. Copies of backflow prevention device inspection reports shall be provided to the Authority.

Article IV

Authority Charges and Payment Thereof

1. The Customer shall pay the Service Charge in accordance with the Contract.
2. The Authority shall establish its rates on an annual basis commencing January 1 of each calendar year. As hereinafter used in this Article, the term "rates" shall refer to the duly promulgated rate enacted by the Authority pursuant to the Act. The rates shall be established pursuant to the provisions of the Act and shall be calculated in a manner designed to meet the revenue requirements and cost of service of the Authority. The rates so established shall at all times be sufficient to pay or provide for the cost of the operations, repair, and maintenance of the System including, without limitation, insurance, renewals, replacements and enlargements of the System, the principal and interest on any bonds or other obligations of the Authority, and to provide and maintain such reserves to sinking funds as shall be required for any of the foregoing purposes.
3. The Executive Director shall communicate to the Customer the rates to take effect January 1 of that year.
4. The Authority shall bill Customers for potable water usage on a monthly basis which bills shall be due and payable within forty-five days of issuance by the Authority. Monthly bills shall be based upon actual use and MCMUA will calculate the minimum charge and provide for the same in the December billing in the event that the annual average minimum use obligation exceeds actual use.
5. Bills not paid within forty-five days as aforesaid shall be subject to the imposition of interest at the same rate as provided under the Act for the payment of interest on unpaid service charges (currently 18%), or as the same may be amended from time to time. In addition to the right to impose interest charges on delinquent payments, the Authority reserves all of the rights and powers with respect thereto as are set forth in the Act.
6. If the Customer disputes a bill in good faith, the Customer must on or before the due date thereof (a) pay the bill; and (b) notify MCMUA in writing as to the basis of the dispute. If the dispute is regarding meter accuracy, a meter test will be performed by any qualified firm acceptable to both parties. If the meter test proves that the meter is within applicable and customary accuracy limits, no adjustment will be made to the bill and the Customer shall bear the cost of the meter test. If the meter test proves that the meter is not operating within applicable and customary accuracy limits, a billing adjustment shall be made in the next bill and the Authority will pay for the cost of the meter test and the meter will be replaced or recalibrated. Should it be determined that the meter inaccuracy resulted in a lower bill than would have been justified by a correct meter reading then a billing adjustment shall be made in the next bill. Any billing dispute and consequent adjustment for the benefit of either party shall be limited to the month for which, and during which,

the dispute is raised and one prior month. The parties agree that the Authority meter shall be conclusively presumed to be operating accurately if running within plus or minus 2% of calibrated accuracy.

7. MCMUA will provide, install, and use, as part of the System, a meter or meters (which meters shall be calibrated at least annually) or other devices, methods, or procedures for determining the volume of water (either directly, by differentials, or otherwise) delivered to the Customer. The Customer shall have the right to inspect and witness the meter test in order to be satisfied as to its procedure. The Customer shall provide reasonable notice of its intent to inspect and witness the meter testing. The Authority agrees that in the event of a meter malfunction, it shall promptly repair or replace the meter. In the event of such a malfunction of any meter or other device, the Authority shall use an estimate as to the quantity of flow based on historic data and records pertaining to volumes previously delivered to the Customer. A copy of any such determination shall be provided to the Customer with any billing which relies upon such estimate and shall be conclusively deemed to have been made in accordance with these Rules and Regulations and to be correct within thirty days after issuance by the Authority unless contested within that thirty day period.
8. The Authority will make and keep permanent records of the volumes of potable water delivered and, when ascertained, of the quality thereof. The Authority will keep proper books of records and accounts in which complete and correct entries shall be made of its transactions related to the System, or any part thereof, and which shall be available for inspection by duly authorized representatives of the Customer during regular business hours at the Authority offices. Authority will cause its books to be audited annually and will make available copies thereof to Customers.

Article V

Transmission Main Extensions and Facility Improvements

1. Applications for Transmission Main Extensions and Facility Improvements shall be made to the Authority's Executive Director, at the General Office of the Authority, 214A Center Grove Rd, Randolph, New Jersey 07869. (Dalrymple House)
2. Transmission Mains will be extended in streets, roads, or other public rights of way. The Authority shall require an easement where public rights of way do not exist. Such easements may be obtained or provided by the Customer at no cost to the Authority, or shall be obtained by the Authority with all associated legal, engineering and other costs included in the payment obligation of the Customer.
3. The Authority will provide an estimate for the cost of Transmission Main Extensions and Facility Improvements. The estimate will include construction, engineering, legal and administrative costs. The estimate is for planning and securing financing for the extension. The Customer shall be obligated to reimburse the Authority for the actual costs incurred.
4. All Transmission Main Extensions shall be installed pursuant to agreements with the Authority, and are subject to approval of the Authority's Board. All agreements for Transmission Main Extensions shall include terms and covenants to reimburse the Authority for the actual cost of the extension as follows:
 - A) Within ninety days of extension completion and acceptance by the Authority, the Executive Director shall provide the Customer a certification enumerating all costs incurred by the Authority. Interest expense incurred by the Authority beyond the date of said certification shall continue to accrue as a cost of the project.
 - B) The Customer will have the option of repaying the total cost of the extension advanced by the Authority in a lump sum payment within sixty days of certification or in quarterly annual installments over the period established in the agreement.
 - C) In the event the Customer elects to repay over time, interest shall be paid annually on the total unpaid balance at the same interest rate paid on any bonds issued by the Authority, the rate then being paid on the Authority's funds on deposit at the Authority's official depository or on funds loaned by the County of Morris to the Authority, as applicable, plus 1/8 of 1% per annum. Interest shall be calculated quarterly on the unpaid principal balance. The Customer may at any time pay all or a portion of its outstanding obligation to the Authority without penalty.

5. Each Transmission Main Extension or Facility Improvement shall become part of the transmission system of the Authority, and shall be owned, maintained and controlled by the Authority.
6. The Authority shall have the right at its sole discretion to refuse to make Transmission Main Extensions and Facility Improvements it deems unnecessary or not in the interest of the Authority.
7. The Authority shall have the right to connect additional customers to any Transmission Main Extension. Transmission mains are for the exclusive use of the Authority and no rights other than those contained herein are conferred to Customers.
8. The Authority will apply for appropriate permits but assumes no obligation with regard to obtaining any approvals necessary to proceed with Transmission Main Extensions and Facility Improvements and shall in no way be responsible for failure or inability to secure same. will apply for appropriate permits but assures no obligation to obtain approvals.

Article VI

Tapping Authority Mains

1. Wet taps on Authority mains shall be approved by the Chief Engineer and performed by the Customer or their contractor. Only contractors providing insurance and performance guarantees acceptable to the County of Morris shall be approved to perform work on Authority mains.
2. Corporation stop up to and including 1 inch may be directly tapped into the main or tapped using a service saddle. Service corporations larger than 1 inch shall be tapped using a service saddle.
3. Any wet tap 4 inches or larger shall be made using a tapping sleeve approved by the Authority to complete with appropriate tapping valve. Pipes to be tapped shall be properly cleaned prior to mounting the tapping saddle, tapping saddles shall be tested for leaks prior to making the tap.
4. No wet taps of any kind shall be permitted on pre-stressed concrete cylinder pipe mains.
5. Potable water service taps into Authority transmission mains for potable water service to residential buildings will not be permitted except under existing contracts, or if extension of or connection to existing Distribution Mains is not practical.
6. Applications for service taps on Authority mains shall be made by the Customer on the standard forms of the Authority. The Customer shall complete the forms and return them to the Authority with a check for the appropriate fees at least 72 hours before scheduling the work.
7. All service connection work shall be performed by others. The Customer is solely responsible for the activities and performance of the work as well as securing all necessary permits.
8. The Customer is solely responsible for ownership of the Corporation stop, saddle tap, or wet tap connected to the Authorities transmission main, as well as the lateral or service connection. The Customer is responsible for the maintenance, repair, and/or replacement of these connections.

Article VII

Public Fire Protection

1. Upon application of any Customer within the Service Area, the Authority may approve the installation of fire hydrants for purposes of public fire protection on Authority lines provided:
 - a) that there is no reasonable ability on the part of the Customers to install a hydrant or hydrants on its municipal distribution system; and
 - b) that the hydrant locations are mutually agreeable to representatives of the affected Customer and the Authority.
2. Hydrants installed pursuant to this article shall be owned by the Customer and subject to regular inspection, maintenance, repair, and/or replacement by the Customer. The limit of ownership shall include the branch connection, hydrant isolation valve, hydrant, and all appurtenances.
3. Applicants shall pay the full cost of hydrants installations.
4. Fire hydrants installed during Authority construction projects shall have their cost included in the reimbursement obligation of the Customer.

Article VIII

Emergency Repairs

In the event of a leak or other potable water loss event occurs which sacrifices the MCMUA system integrity or ability to deliver clean and reliable potable water is observed, it shall be the responsibility of the Customer to complete repairs in the timely manner acceptable to the Authority and industry standards. In the event repairs are not made, the Authority will complete these repairs at the cost of the Customer.

Article IX

Water Emergency

A. Purpose

The Statutes and Administrative Code of the State of New Jersey provide for the implementation of potable water use restrictions under various circumstances where a critical shortage of potable water develops. It is anticipated that in the normal course of events, the Service Area will experience the same adverse conditions as are generally being experienced throughout the State and that accordingly, the MCMUA shall implement measures as are promulgated by the Commissioner of the New Jersey Department of Environmental Protection and/or the County of Morris in response thereto. In the event, however, that conditions within the Service Area are more severe than the more generalized conditions prevailing throughout the State, and upon which the Commissioner and/or Morris County rely in the declaration of a water emergency, or if localized conditions such as environmental contamination, equipment failure, or otherwise, give rise to the need to implement measures to ensure the viability and integrity of the public potable water supply source and to protect the public health, safety, and welfare, then the MCMUA shall implement and administer the provisions of these regulations.

Declaration and Phases

B. Water Emergency

1. In the event of a Potable Water Emergency, the Executive Director shall declare the same by determining the severity thereof and implementing the activities specified in the appropriate phases thereof. The MCMUA shall rely upon factors including, but not limited to, well levels, potable water quality conditions, stream flows, ground water levels, and equipment condition in determining the existence of an emergency and the declaration of a phased response denoting the level of restriction of use. In circumstances where time allows, the Executive Director shall give reasonable notice to all Customers of his intention to recommend to the Authority the implementation of the phased responses hereinafter set forth. Upon receipt of the same, any Customer potentially affected thereby can request to be omitted from the requirements of the phase under consideration by filing a petition with the Authority requesting that in the event that a phased response is declared it not apply to that Customer by reason of the factors set forth in Section B(3) or such other factors as it may assert. In implementing any recommendation made by the Executive Director pursuant to Section B(2) the Authority shall consider any such petition filed with it and make a determination with respect thereto in accordance with the standards set forth in Section B(3).
2. Following the receipt of a recommendation from the Executive Director setting forth the reasons in support thereof, the MCMUA shall adopt a resolution which shall determine the

severity of the water emergency and direct the implementation of the activities specified in the appropriate phase or phases outlined below:

Phase I:

- a) Voluntary potable water conservation is encouraged at this phase;
- b) A ban on Adjustable Water Uses may be instituted at this phase.
- c) Within a week after the declaration of a Phase I emergency, and the implementation of a ban on Adjustable Water Uses, each Customer affected thereby shall submit to the MCMUA a potable water supply emergency plan including the following information:
 - . potable water conservation measures implemented;
 - . an inventory of municipal potable water storage, back-up supplies and interconnections;
 - . potable water use restrictions implemented.
- d) Within three weeks after the declaration of a Phase I emergency and every week thereafter, each Customer subject to Phase I measures shall report to the MCMUA as to the reductions in potable water use which have been achieved together with an assessment of the state of the potable water emergency within the Customer served and a recommendation as to whether a Phase II emergency should be declared.

Phase II:

- a) The Customers shall ration potable water such that a maximum daily rate of 50 gallons per person shall be observed for residential users.
- b) The MCMUA shall determine the maximum allocation of potable water to be distributed to each Customer.

Phase III:

- a) The MCMUA shall further restrict allocations to the Customers requiring further rationing of potable water supplied and curtailments to industrial potable water users.

Phase IV:

- a) This is a disaster stage where the public health and safety cannot be guaranteed. The MCMUA may have to interrupt potable water service and direct further rationing and curtailments.
3. Notwithstanding the provisions of this Article IV, the Authority recognizes and acknowledges that its Customers may have available to them, a supply or supplies of potable water other than that supplied by the Authority with the result that over the course of time such Customers may require only relatively minor use of Authority water as a percentage of their total potable water volumes. Conversely, Customers may have contracted with the Authority for the potential delivery of volumes of potable water which significantly exceed their typical use, and which in a time of water shortage or emergency, the Authority is not in a position to deliver. In the implementation of potable water restrictions and curtailments under this section, the MCMUA shall have the discretion to take into consideration various factors and shall not be obliged to implement these measures in a uniform fashion, or ratably, but can vary delivery and the implementation of phased responses based upon considerations, including, but not limited to, availability of alternate sources of potable water to a Customer; the level of good faith effort at compliance on the part of municipal officials, residents, and businesses; the Customer's normal and customary annual average daily use; the criticality of local conditions; and other rational bases.
 4. In the event of the occurrence of a catastrophic situation resulting in contamination of the potable water supply or an interruption in the ability of the MCMUA to deliver potable water to one or more Customers, the Executive Director, shall implement such reasonable measures as are required to meet the emergency pending the convening of a meeting of the MCMUA to deal with the situation.
 5. Any person aggrieved by the actions of the MCMUA under this Article shall have the right to a hearing before the MCMUA at which time they may present such testimony and exhibits as are relevant to the appeal.

C. Compliance

6. The Act authorizes the MCMUA to make and enforce regulations for the management and regulation of its business and affairs and for the use, maintenance, and operation of its System.
7. In the event that the MCMUA shall determine, upon report and recommendation of the Executive Director, that any Customer or person is not in compliance with the restrictions promulgated pursuant to these regulations, then the MCMUA shall enforce the same through the implementation of one or more of the following measures:
 - a) the reduction and curtailment of the delivery of potable water from its System;

- b) the assessment of all costs and charges experienced by the MCMUA as the result of the non compliance;
 - c) the commencement of suit in a court of competent jurisdiction to compel compliance with the restrictions;
 - d) the assessment of fines and penalties as permitted by law;
 - e) such other enforcement actions and corrective measures as shall be equitable under the circumstances.
3. The enforcement actions and remedies under these provisions shall be cumulative and concurrent in the discretion of the MCMUA.

Article X

Rates and Fees

1. **Regular Rates and Surcharges: Schedule 1**
2. **Tapping Fees, Inspections and Other Services: Schedule 2**
3. **Delinquent Charges: Schedule 3**

SCHEDULE 1

REGULAR RATES AND SURCHARGES

The current base wholesale water rate is \$2,624.00/MG

SCHEDULE 2

TAPPING, INSPECTION AND OTHER SERVICE FEES

Applicable to all Authority Transmission Mains

Tapping Fees

<u>Size</u>	<u>Application Fee</u> +	<u>Inspection Fee</u> =	<u>TOTAL</u>
Up to 2"	\$ 50.00	\$ 200.00	\$ 250.00
4"	100.00	250.00	350.00
6"	200.00	300.00	500.00
8" to 12"	500.00	350.00	850.00
14" to 18"	600.00	400.00	1,000.00
20" to 24"	700.00	500.00	1,200.00

Tapping applications shall be made and fees paid by the Authority's Customer who shall be responsible for all work associated with the connection. All Application and Inspection Fees shall be made payable to Morris County Municipal Utilities Authority.

Meter Calibration Fees

When meter calibration is charged to a Customer, the fee shall include the cost of calibration performed by a certified firm or person and the cost of Authority personnel engaged in support of the work.

Labor and Material Fees

When Authority personnel are engaged in work on behalf of or because of a Customer, the Customer will be billed for the cost of labor, material and equipment involved in the work.