

**MORRIS COUNTY**  
**SOLID WASTE MANAGEMENT PLAN AMENDMENT**

**MARCH, 1991**

Amendment Pertaining to Plan Elements  
Arising from the MCTS Rate Case  
Amendment to Settlement Agreement dated February 27, 1991

Prepared for:

**MORRIS COUNTY BOARD OF CHOSEN FREEHOLDERS**  
**MORRIS COUNTY SOLID WASTE ADVISORY COUNCIL**

MORRIS COUNTY BOARD OF CHOSEN FREEHOLDERS

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SOLID WASTE COORDINATOR

Glenn Schweizer

MORRIS COUNTY  
SOLID WASTE MANAGEMENT PLAN AMENDMENT  
MARCH, 1991

Introduction:

In accordance with the requirements of the N.J. Solid Waste Management Act (N.J.S.A. 13:1E-1 et seq.), Morris County has been designated as a solid waste management district along with each of the remaining New Jersey Counties and the Hackensack Meadowlands Development Commission. Each solid waste management district has been charged with the responsibility of developing a long range solid waste management plan.

This Solid Waste Management Plan Amendment has been prepared to amend the July 10, 1985 Morris County Solid Waste Management Plan approved with conditions by the New Jersey Department of Environmental Protection on August 19, 1985 and as subsequently amended from time to time thereafter. This amendment provides for the continued use of the two solid waste transfer stations currently operating in the County until full implementation of the County's resource recovery facility or any selected and approved alternative by adopting the provisions of the attached Settlement Agreement and making the Settlement Agreement a part of the Morris County Solid Waste Management Plan.

Background:

The Morris County Solid Waste Management Plan (Plan) includes a multi-faceted solid waste management strategy incorporating resource recovery in the form of maximum recycling.

The Plan designates two solid waste transfer stations pursuant to the July 28, 1987 Certification by the Commissioner of NJDEP which are currently in operation and which are intended to provide a short term waste disposal solution for Morris County in providing for the hauling of waste to out-of-state landfills. These transfer stations are owned and operated by Morris County Transfer Station Inc., and commenced operations on January 1, 1988. Morris County Transfer Station Inc. is the holder of a franchise for the disposal of solid waste originating within Morris County which was issued to it by the Board of Public Utilities (BPU) of the State of New Jersey. The term of the franchise is from December 1, 1988 to December 31, 1992. In February, 1991, MCTS reapplied to the BPU for an extension for its solid waste franchise.

Morris County has executed a contract with Foster Wheeler Morris County Inc. dated September 14, 1989, which provides, among other things, for the construction and operation of a waste-to-energy facility (Facility) consistent with the long term strategy of the Plan. Copies of the contract are on file and available for public inspection at the Office of the Clerk of the Board of Chosen Freeholders and in the Office of the Executive Director of the Morris County Municipal Utilities Authority. The said contract provides generally for a start-up and testing period for the

Facility followed by full and sustained operation. On January 7, 1991, NJDEP Commissioner Yaskin directed Morris County to adopt a new plan amendment which demonstrates that sufficient processable waste for the Facility is available in the County after achieving a sixty (60%) per cent recycling rate and, if a shortfall exists, that the County pursue the regionalization of solid waste facilities. Such waste characterization analyses are currently being conducted.

The Morris County Board of Chosen Freeholders desire to provide a prudent and effective means for the disposal of solid waste originating within the County in the time period through December 31, 1994. Morris County, the Morris County Municipal Utilities Authority, and Morris County Transfer Station, Inc. have engaged in litigation before the Board of Public Utilities and in the Office of Administrative Law pertaining to the rates proposed to be charged by Morris County Transfer Station, Inc. for the period January 1, 1988 through December 31, 1992. As the result of settlement negotiations undertaken by the parties to that litigation, a Settlement Agreement was formulated on October 24, 1989 which resulted in a Solid Waste Plan Amendment dated November 28, 1989. This Plan Amendment provided for the extension beyond December 31, 1992 of the use of the two existing transfer stations for out-of-state disposal of solid waste generated in the County until commercial operation of the Facility or commercial operation of an approved alternate disposal facility. The November 28, 1989 Plan Amendment adopted, incorporated and was a consequence of the

provisions of a Settlement Agreement which ended litigation between Morris County, the Morris County Municipal Utilities Authority ("MCMUA"), and MCTS before the BPU and the Office of Administrative Law pertaining to the rates proposed to be charged by MCTS for its transfer station operations for the period from January 2, 1988 through December 31, 1992. Commissioner Judith Yaskin on May 10, 1990 issued a Certification of the November 28, 1989 Amendment to the Morris County District Solid Waste Management Plan providing for the continued use of the transfer stations beyond December 31, 1992 as a contingency strategy in the event the planned resource recovery facility or an approved alternative facility was not operational by that date, approving the incorporation of the Settlement Agreement into the plan, and directing the County to reach an interdistrict agreement with another county to insure in-state disposal capacity until other facilities are incorporated into the Plan. Subsequently, the Emergency Solid Waste Assessment Task Force on August 6, 1990 issued recommendations proposing a sixty (60%) per cent recycling rate and regionalized solutions to solid waste disposal in the State.

Morris County and MCTS have agreed to an Amendment to the Settlement Agreement dated February 27, 1991 as specified in Exhibit A attached hereto. On February 27, 1991, the Morris County Board of Chosen Freeholders enacted a Resolution to authorize the execution of the amended agreement with Morris County Transfer Station, Inc. which, subject to the terms and conditions therein sets forth, provides for the implementation of measures leading to

continued operation of the two existing transfer stations. A copy of the Amended Settlement Agreement dated February 27, 1991 is annexed hereto and made a part hereof.

The implementation of this agreement will require the approval of the New Jersey Department of Environmental Protection as to this plan amendment and with respect to extension of the operating permit applicable to the transfer stations and the Board of Public Utilities of the State of New Jersey with respect to extension of the solid waste franchise.

Plan Amendment:

Pursuant to N.J.S.A. 13:1E-1 et. seq., the Morris County Board of Chosen Freeholders propose to provide for a contingency disposal option to assure adequate solid waste disposal service through December 31, 1994 by making the provisions of the Amended Settlement Agreement attached hereto, as Exhibit A, a part of the Morris County Solid Waste Management Plan. This Plan Amendment involves the extension, as required beyond January 1, 1993, of the utilization of the two existing transfer stations for out-of-state disposal of solid waste types 10, 10A, 13, 23, 25 and 27 originating in the County.

This proposed plan amendment is in conformance with the Morris County Solid Waste Management Plan in providing for the disposal of solid waste beyond the current franchise period for the existing transfer stations concluding with the commercial operation of the waste-to-energy Facility by Foster Wheeler or full implementation

of an in-county disposal alternative after December 31, 1992 as further specified in the Amended Settlement Agreement.

Public Participation:

To insure the broadest possible participation by the general public in this process, the Morris County Board of Chosen Freeholders will conduct a public hearing. All County residents, public officials or organizations interested in these actions are encouraged to attend and offer testimony.

Inquiries and written comments concerning this part of the proposed plan amendment may be addressed to:

Morris County Board of Chosen Freeholders  
Administration and Records Building  
CN 900  
Morristown, New Jersey 07963-0900

or

Morris County Municipal Utilities Authority  
CN 900  
Morristown, New Jersey 07963-0900

Attention: Glenn Schweizer, Morris County Solid Waste  
Coordinator



AMENDMENT TO SETTLEMENT AGREEMENT

This Amendment to Settlement Agreement ("Agreement") dated February 27, 1991, by and between Morris County Transfer Station, Inc. ("MCTS"), the County of Morris and the Morris County Municipal Utilities Authority (hereinafter collectively referred to as the "County"), amends the Settlement Agreement executed October 24, 1989 ("Settlement Agreement") among the aforementioned parties as follows:

1. MCTS' existing franchise will be in effect through December 31, 1992. MCTS' franchise will be extended from January 1, 1993 through December 31, 1994. MCTS' extended franchise shall be transferred effective January 1, 1993 to the County or such County Authority as it may designate, provided that the County or the designated County Authority meets all Board of Public Utilities ("BPU") requirements for holding a franchise and further agrees that the newly awarded franchise shall be exercised in such a manner that all county solid waste is directed to the MCTS transfer stations through December 31, 1994, unless as described in paragraph 3 in-county disposal facilities are in operation by the earlier dates therein set forth. MCTS agrees that the County or a designated County authority may designate a system wide disposal fee on or after January 1, 1993, subject to approval by the BPU.

The County or designated County authority agrees that if it sets such a system wide disposal fee on or after January 1, 1993 pursuant to approval of the BPU, such fee will incorporate the disposal rates of MCTS set forth in paragraph 2, which except as

provided in paragraph 3 herein or as a result of a Change in Law under the Settlement Agreement, shall not be subject to modification.

2. Except as provided in paragraph 3, below, or as may be provided with respect to a Change in Law under the current Settlement Agreement, MCTS agrees that it will not notice and implement the rate increases approved by the BPU Final Order Adopting in Part and Modifying in Part Initial Decision Settlement dated March 5, 1990, for solid waste types 10, 13, 23 and 25 for 1993 and 1994. The rates MCTS will notice for 1992, 1993 and 1994 will be as follows, inclusive of all applicable taxes and surcharges:

	<u>WASTE TYPE</u>	
	<u>10, 13, 23, 25</u>	<u>27, 10A<sup>1</sup></u>
1992	131.75	166.98
1993	131.75	171.13
1994	131.75	179.69

3. The Morris County District Solid Waste Management Plan ("County Plan") shall be amended to provide that MCTS' transfer stations will be the exclusive facilities for the processing, handling, transportation, and disposal of solid waste types 10, 13, 23, 25, 27 and 10A generated in the County through December 31, 1994 except and to the extent the County's resource recovery facility being developed by Foster Wheeler Power Systems, Inc. commences commercial operation during that period or any

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<sup>1</sup> Type 10 hospital waste.

lawful in-county disposal alternatives commence commercial operation after December 31, 1992. Where lawful in-county disposal alternatives cannot accept all of the solid waste Types 10, 10A, 13, 23, 25 and 27 generated within the County, such remaining waste shall be processed through MCTS' transfer stations; provided, however, that if such in-county alternatives are solid waste composting facilities, it shall be the County's option in procuring such compost facilities as to whether any residue resulting therefrom must be processed through MCTS' transfer stations.

The County agrees to use its best efforts to secure approval by the Commissioner of the Department of Environmental Protection of the County Plan Amendment described above. MCTS' agreement not to raise its rates for solid waste Types 10, 13, 23 and 25 for 1993 and 1994 as described in paragraph 2 is contingent upon certification by the Commissioner of the DEP of a County Plan Amendment consistent with this paragraph not later than December 31, 1991.

Upon commercial operation subsequent to December 31, 1992 of in-county disposal alternatives consistent with this Agreement which are individually or collectively capable of disposing of all of the County's solid waste Types 10, 10A, 13, 23, 25 and 27, MCTS' transfer stations shall cease operation and MCTS shall not be entitled to seek economic relief and/or legal recourse in any form from the County and/or through the BPU as a result of the termination of its transfer station operations at that time.

4. The County shall be specifically entitled to enter into one or more interdistrict agreements with other counties prior to January 1, 1995. In the event the County enters into any such interdistrict agreements prior to January 1, 1995, MCTS' transfer stations shall continue to operate through December 31, 1994 and shall be utilized to deliver such quantities and types of solid waste to the facility(ies) specified in the interdistrict agreement(s) and waste flow redirection orders implementing such agreements. MCTS will pay the disposal fees applicable to such solid waste types as provided in the interdistrict agreement(s). After December 31, 1994, MCTS' transfer stations shall continue to be utilized for the delivery of solid waste to the facility(ies) provided for in the interdistrict agreement(s) to the extent determined by the County and provided in the County Plan.

In the event that the County enters into an interdistrict agreement prior to January 1, 1995, MCTS' rates, as provided in paragraph 2, shall be adjusted upon the effective date of the redirection order (i.e. a Change in Law) based upon changes in defined transportation and disposal cost factors identified in Exhibit A hereto. In the event that the County provides for the continued operation of MCTS' transfer stations after January 1, 1995 in the context of any such interdistrict agreement(s), MCTS' rates, on or after January 1, 1995 and for so long as such transfer stations continue to be owned by MCTS and included in the County Plan, shall be established by the BPU.

5. In the event the County determines to undertake a system financing in connection with a County-wide solid waste system which includes facilities and assets and involves expenditures in addition to those associated with the MCTS transfer stations, the County and MCTS will cooperate and take actions consistent with this Agreement to implement such a system. Any such action shall place MCTS in the same position financially, and as operator of the MCTS transfer stations, as it would have been in had such action not occurred. An example of such action includes having haulers make payments for disposal services through a system of accounts established by the County for the solid waste system.

6. In order to determine whether to enter into an interdistrict agreement, the County shall have the right to request from MCTS, and MCTS shall be obligated to provide, all information directly and specifically related to enumerated transportation and disposal costs set forth on attached Exhibit A, including contracts, data, information and documents reasonably necessary to verify these costs.

7. All other provisions of the Settlement Agreement between the parties in these dockets will remain in effect, except as modified by the provisions of this Understanding.

8. The enforceability of this Agreement between the County and MCTS shall be contingent upon the receipt by each party of all necessary authorizations to execute the Agreement and receipt of all necessary governmental approvals, including

specifically the approval of the BPU.888 necessary and reasonable steps to achieve these approvals.

9. This Agreement shall be binding on and inure to the benefit of the parties, their heirs, successors and assigns.

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

MORRIS COUNTY TRANSFER STATION, INC.

(SEAL)

Attest:

By: Richard A. Knight

By: Alexander W. Rangos

Name: Richard A. Knight  
Title: Assistant Secretary

Alexander W. Rangos  
Vice President

COUNTY OF MORRIS, NEW JERSEY

(SEAL)

Attest:

By: John O'Keefe

By: Ilena St. John

Name: John O'Keefe  
Title: Freeholder Director

Ilena St. John  
Clerk of the Board of  
Chosen Freeholders

MORRIS COUNTY MUNICIPAL  
UTILITIES AUTHORITY

(SEAL)

Attest:

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: James Souders  
Title: Chairman

Alex Slavin  
Executive Director

## EXHIBIT A

### FACTORS TO BE CONSIDERED IN ADJUSTMENT OF MCTS' RATES DUE TO THE CHANGE IN LAW OCCASIONED BY A WASTE FLOW REDIRECTION ORDER ASSOCIATED WITH AN INTERDISTRICT AGREEMENT

#### A. Transportation Costs

The difference between the average projected per ton transportation cost to be incurred by MCTS over the period of time that Morris County waste is redirected pursuant to an interdistrict agreement and the average per ton transportation cost had such redirection not occurred shall be arrived at by comparing the cost items listed below. The County and other parties may challenge the reasonableness and prudence of any put or pay or other costs which MCTS seeks to recover through said transportation costs except for lease payments to Chambers N.J. Trucking (Cost Item #1 below). This comparison of cost items will be made by computing the average transportation cost per ton associated with delivery of solid waste to the disposal sites being utilized by MCTS over the 90 days prior to the redirection order, taking into account any contractual changes in cost items which will occur during the redirection period, with the average transportation cost per ton associated with delivery of solid waste to the facilities cited in the redirection order, taking into account any contractual costs of MCTS and the best available estimates of other cost items for the redirection period.

#### Cost Items

1. Lease Payment to Chambers N.J. Trucking (Acct. #642)
2. PA Sales Tax - Trucking (Acct. #642)
3. Salaries and Benefits - Trucking (Acct. #622)
4. Subcontracted Hauling - Trucking (Acct. #962)
5. Office Supplies - Trucking (Acct. #640)
6. Fuel - Trucking (Acct. #642)
7. Uniforms & Safety Supplies - Trucking (Acct. #630)
8. Tolls and Lodging Expenses - Trucking (Acct. #627)
9. Registration and Licenses - Trucking (Acct. #627)
10. Insurance - Trucking (Acct. #648)

#### B. Disposal Costs

A calculation will be made of the difference between the average projected per ton disposal cost to be incurred by

MCTS over the period of time when Morris County waste is redirected pursuant to the interdistrict agreement and the average per ton disposal cost had such redirection not occurred. These disposal costs shall be arrived at by taking contractual arrangements which MCTS has in place for the period in which the redirection is to occur for the disposal of Morris County waste, or, in the absence of any such contractual arrangements, by taking into account MCTS' actual disposal costs for such waste types over the previous 12 month period and comparing these costs with the costs associated with the disposal fee(s) at the disposal location(s) designated under the waste flow redirection order(s). The County and other parties may challenge the reasonableness and prudence of any put or pay or other costs which MCTS seeks to recover through said disposal costs.