

**Addendum Number 2 to
Request for Proposals for
Sale of Water and Wastewater Systems
Issued by the West Milford Municipal Utilities Authority
on June 30, 2016**

**Addendum Number 2 Issued
July 29, 2016**

West Milford Municipal Utilities Authority
Request for Proposals – Sale of Water and Wastewater Systems
Addendum Number 2

Section 1: The attached Appendix 1 contains written questions to the RFP received by the Authority and the Authority's responses to such questions. Note that several responses state "To be provided." The Authority will issue a follow up Addendum containing the responses to these questions as well as responses to additional questions that may come in.

Section 2. The Authority's Tank Inspection Reports can be viewed in the "WMMUA Addendum No. 2" folder in the Dropbox account.

Section 3. GIS maps for the water and wastewater systems can be viewed in the "WMMUA Addendum No. 2" folder in the Dropbox account.

Section 4. The Authority's 2015 Audit Report can be viewed in the "WMMUA Addendum No. 2" folder in the Dropbox account.

NOTE: An email invitation to view the Dropbox folder has been sent to each company that is registered with the Authority. If you have not received an email invitation by the end of the day on July 29, 2016, please send an email to mfeliciano@hawkins.com.

APPENDIX 1

VENDOR QUESTIONS AND AUTHORITY RESPONSES

Question 1: Would you be able to divide some of the financials between water and wastewater? In particular: (1) 2014 and 2015 revenues on p. 41, Schedule 3; (2) 2015 Expenses on Schedule 3; (3) For the various bonds discussed in Note 9, p. 30, could you estimate the portion of each that is allocated to water and wastewater?; (4) Could you tell us how much the write-offs are for uncollected water and wastewater sales?

Response: **[NOTE: To be provided.]**

Question 2: For each water system, please provide:

- Q: The count of water customers.
R: 1,727
- Q: The count of fire hydrants.
R: 121
- Q: Which water systems provide fire protection?
R: None. The hydrants are for maintenance and flushing only. They are not rated for fire protection.
- Q: Copies of any ISO reports regarding fire protection.
R: There are no ISO reports regarding fire protection.
- Q: The length of pipe in each system by size and material.
R: **[NOTE: To be provided.]**
- Q: The rated well capacity of each well.
R: See the 2016 Water Allocation Permit, which is included in the "WMMUA Addendum No. 2" folder in the Dropbox account. An email invitation to view the Dropbox folder has been sent to each company that is registered with the Authority.
- Q: A listing of all tanks including hydro pneumatic tanks.
R: The requested information is included in the Tank Inspection Reports. See the "WMMUA Addendum No. 2" folder in the Dropbox account. Parkway and King Arthur Court (OM7) are the only hydro pneumatic tanks in the system.
- Q: Does the Township own all of the well lots and the tank lots?
R: **[NOTE: To be provided.]**
- Q: Copies of water system distribution maps.
R: See the "WMMUA Addendum No. 2" folder in the Dropbox account.
- Q: Is there any antenna revenue?
R: No.
- Q: Raw water quality data from each well.
R: This information can be found on the NJDEP Drinking Water Watch website utilizing the ID numbers provided in Appendix D (Description of Systems) of the RFP.
- Q: Site plans for each water tank and well station.
R: **[NOTE: To be Provided.]**
- Q: Any easements for each water facility and any system pipe.
R: **[NOTE: To be Provided.]**
- Q: Copies of the CCRs.
R: The CCR's are posted on the Authority's website: <https://www.westmilfordmua.org/>.
- Q: Please provide a copy of the Water Allocation Permit.
R: The 2016 Water Allocation permit is in the "WMMUA Addendum No. 2" folder in the Dropbox account.
- Q: Please provide a copy of the BSDW open construction permits.
R: There are no open construction permits.
- Q: Copies of billed gallon reports for 2015 documenting actual customer consumption.

- R. **[NOTE: To be provided.]**
 Q. Copy of a proposed franchise map.
 R. *The Authority does not have a proposed franchise map. Maps of the systems are included in the "WMMUA Addendum No. 2" folder in the Dropbox account.*
 Q. Copies of GIS files required by NJDEP for permit applications.
 R. *See the "WMMUA Addendum No. 2" folder in the Dropbox account.*
 Q. Copies of logs of water main and service line breaks for the past 3 years.
 R. **[NOTE: To be provided.]**
 Q. Inspection reports on the storage tanks.
 R. *Tank inspection reports are located in the "WMMUA Addendum No. 2" folder in the Dropbox account.*
 Q. Any information on lead services or lead goosenecks in the system.
 R. **[NOTE: To be provided.]**
 Q. Do any of the water systems have any booster stations?
 R. *Olde Milford (22 Rolling Ridge), Continental Road Transfer Station.*

For each sewer system, please provide:

- Q. The count of sewer customers.
 R. 1,496.
 Q. The count of manholes.
 R. **[NOTE: To be provided.]**
 Q. The length of pipe in each system by size and material, gravity and force mains.
 R. **[NOTE: To be provided.]**
 Q. Copies of sewer system conveyance maps.
 R. *See the "WMMUA Addendum No. 2" folder in the Dropbox account.*
 Q. Copies of logs of sewer main overflows for the past 3 years.
 R. **[NOTE: To be provided.]**
 Q. Copies of logs for sewer complaints for backups for the past 3 years.
 R. **[NOTE: To be provided.]**
 Q. Copies of CCTV inspections, smoke testing, I&I reports and manhole inspection reports.
 R. **[NOTE: To be provided.]**
 Q. Copies of flow schematics from each sewer plant.
 R. *Flow schematics were included in the wastewater treatment plant permits which were attached to the RFP in Appendix M.*
 Q. Site plans for each sewer plant and lift station.
 R. **[NOTE: To be provided.]**
 Q. Any easements for each sewer facility and any system pipe.
 R. **[NOTE: To be provided.]**
 Q. Copy of a proposed franchise map.
 R. *The Authority does not have a proposed franchise map. Maps of the systems are included in the "WMMUA Addendum No. 2" folder in the Dropbox account.*
 Q. Master planning documents for the build out of sewer.
 R. *The Authority does not have master planning documents.*
 Q. Copies of Passaic County WQMP for West Milford.
 R. *The Authority does not have a copy of the Passaic County WQMP in-house. Potential proposers should obtain such document from the County.*
 Q. Engineer's Report on the Awosting WWTP.
 R. *There are several reports that are too voluminous to attach to this Addendum. Potential proposers can come to the Authority's office to review these documents in person.*

- Q. Any other design reports available for WWTPs.
R. *The Authority has some old mapping, but there are no official design reports.*
- Q. History of maintenance repairs on the WWTP equipment for the past 3 years.
R. **[NOTE: To be provided.]**
- Q. History of any system jetting over the past 3 years.
R. **[NOTE: To be provided.]**

Question 3: Please provide copies of any AOs for years prior to 2015.

Response: There are no AOs for years prior to 2015.

Question 4: If the Authority receives NJDEP fines for the AOs and/or NOVs currently outstanding between now and the Closing date, who is responsible for paying such fines?

Response: **[NOTE: To be provided.]**

Question 5: If the Purchaser offers employment to one of the Authority's current employees and that employee fails a company mandated drug test, does the Purchaser then have to pay the Employment Termination (severance) Payment?

Response: No.

Question 6: What is the status of the acquisition of the new wastewater system?

Response: The acquisition has been pending for approximately fifteen years. Construction of the project has not begun and approvals have not been obtained by the developer yet. The proposer's base proposal should not assume that the new wastewater system will be included in the Purchase Price. Proposal Form 3 to the RFP has a separate line item to reflect an addition to the Purchase Price if the system is added prior to Closing.

Question 7: Please provide more information about the makeup of the potential additional wastewater system.

Response: **[NOTE: To be provided.]**

Question 8: Have there been any major recent upgrades to any of the systems?

Response: None of the systems have been overhauled with the exception of the Awosting Sewer Plant.

Question 9: Are all of the assets located within West Milford Township?

Response: Yes.

Question 10: Can the Authority provide a map of all of the systems?

Response: See the "WMMUA Addendum No. 2" folder in the Dropbox account.

Question 11: Is the information on GIS?

Response: Some, but not all of the systems are on GIS. See the “WMMUA Addendum No. 2” folder in the Dropbox account.

Question 12: Will the Municipal Consent require a vote of the residents of the Township?

Response: No. The Township Council will have to pass a municipal ordinance, but the Township residents will not vote on it.

Question 13: Will there be one or two public hearings?

Response: The Authority will hold one public hearing on the proposed Agreement of Sale.

Question 14: Is the Township of West Milford in favor of the sale?

Response: The Mayor has been quoted in the newspaper as being in favor of a sale.

Question 15: Will the Township dissolve the Authority after the sale?

Response: If a sale occurs, it is anticipated that the Township will dissolve the Authority following the sale.

Question 16: Are Authority Commissioners appointed by the Township?

Response: Yes.

Question 17: Can the municipal ordinance (Municipal Consent) be approved at one public meeting?

Response: **[NOTE: To be provided.]**

Question 18: What is the Authority’s outstanding debt for?

Response: Various capital improvements and the Awosting sewer lines and plant overhaul.

Question 19: Was any of the money provided through the NJEIT?

Response: Yes.

Question 20: Is the 2015 Audit Report available?

Response: The 2015 Audit Report can be viewed in the “WMMUA Addendum No. 2” folder in the Dropbox account.

Question 21: If a proposer needs clarification on the draft Agreement of Sale, should it request such clarification prior to the 8/5/16 deadline for questions.

Response: Yes.

Question 22: Would a proposal for a long term lease that met the objectives of the Authority be acceptable?

Response: A proposal for a lease would not be responsive to the objectives set forth in the RFP.

Question 23: Is there any way that the Authority can pay any outstanding fines that may be imposed by the NJDEP prior to Closing?

Response: **[NOTE: To be provided.]**

Question 24: Do the companies have permission to contact the NJDEP to discuss the Authority and potential fines?

Response: The Authority cannot prevent the companies from contacting the NJDEP.

Question 25: If there is a surplus in the purchase price, can the surplus funds be used by the Authority to pay off any fines?

Response: **[NOTE: To be provided.]**

Question 26: Will the Authority extend the Proposal due date by one month?

Response: **[NOTE: To be provided.]**