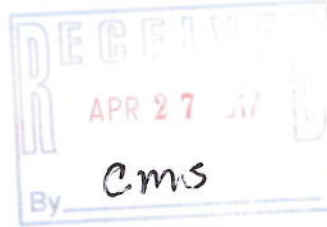


**MPWC****MERCHANTVILLE-PENNSAUKEN WATER COMMISSION**6751 Westfield Avenue • Pennsauken, NJ 08110
Phone: 856.288.2900 • Fax: 856.324.4424 • www.mpwc.com**Karl N. McConnell, General Counsel**

April 27, 2017

VIA Hand Delivery NJ Lawyers ServiceMike Kammer, Chief
Bureau of Rates, Division of Water
Board of Public Utilities
44 S. Clinton Avenue
P.O. Box 350
Trenton, NJ 08625**BOARD OF PUBLIC UTILITIES****APR 27 2017****MAIL RECEIVED****W017040386****Re: MERCHANTVILLE-PENNSAUKEN WATER COMMISSION
Well, Pump and Motor Maintenance Services Agreement pursuant to the New Jersey
Water Supply Public-Private Contracting Act, N.J.S.A. 58:26-19 et seq.
Application for Approval of Water Services Maintenance Contract per 58:26-25**

Dear Messrs. and Madams:

Please find enclosed the following:

- 1) Another ORIGINAL Petition to the BPU pursuant to N.J.S.A. 58:26-19 et seq.; and
- 2) Ten (10) copies of same; and
- 3) The Filing fee in the form of a \$25.00 Check payable to "Treasurer of N.J."

Please be advised that I am the General Counsel to the MERCHANTVILLE-PENNSAUKEN Water Commission ("MPWC"). The MPWC is a regional municipal water authority in Camden County created in 1926 pursuant to NJSA 40:62-108 et seq. in the statutory process required by the New Jersey Water Supply Public-Private Contracting Act, N.J.S.A. 58:26-19 et seq. and submits herewith its application to the Local Finance Board of the NJDCA and the NJ Board of Public Utilities as required by N.J.S.A.58:26-25.

Please accept this letter, along with the ENCLOSED another Original, plus TEN (10) copies of the above application in compliance with N. J.A.C. 14:1-4.2. The first original was filed with the BPU on Monday, April 17, 2017. **Please accept this as a Request to the BPU to waive my failure to file the required number of copies on April 17, 2017, and accept these filed Nunc Pro Tunc to that date.**

Please accept these in furtherance of the N.J.S.A. 58:26-23 Notice received by the BPU on August 29, 2017 (as referenced in Transcript Hearing Exhibit 4 of the MPWC public Hearing, Exhibit D herein. If there is anything further required, please do not hesitate to contact me,

Respectfully Submitted,

Karl N. McConnell

Enclosures

Cc: Mr. M. Saraceni, C.O.O. w/o enclosures

Cms
LEGAL
DPA
RPA
M. MoranM. Kammer
M. Maser
J. Kane
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Karl N. McConnell, General Counsel

April 14, 2017

VIA OVERNIGHT MAIL

New Jersey Department of Community Affairs
Division of Local Government Services
101 S. Broad Street
P.O. Box 803
Trenton, NJ 08625-0803

Director Water System Operations
Department of Environmental Protection
P.O. Box 420
401 East State Street Trenton, NJ 08625

Ms. Patricia Parkin McNamara
Executive Secretary
Local Finance Board
Department of Community Affairs
101 South Broad Street, PO-803
Trenton, NJ 08625-0803

Maria Moran,
Director of Water Division
New Jersey Board of Public Utilities
44 South Clinton Avenue
P.O. Box 350 Trenton, NJ 08625

The Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, N.J. 08625

Re: MERCHANTVILLE-PENNSAUKEN WATER COMMISSION
Well, Pump and Motor Maintenance Services Agreement pursuant to the New Jersey
Water Supply Public-Private Contracting Act, N.J.S.A. 58:26-19 et seq.
Application for Approval of Water Services Maintenance Contract per 58:26-25

Dear Messrs. and Madams:

Please be advised that I am the General Counsel to the MERCHANTVILLE-PENNSAUKEN Water Commission ("MPWC"). The MPWC is a regional municipal water authority in Camden County created in 1926 pursuant to NJSA 40:62-108 et seq. The Commission comes before you in the statutory process required by the New Jersey Water Supply Public-Private Contracting Act, N.J.S.A. 58:26-19 et seq. and submits herewith its application to the Local Finance Board of the

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NJDCA and the NJ Board of Public Utilities as required by N.J.S.A.58:26-25. This letter shall serve as an update to our prior correspondence received by all relevant State agencies on August 29, 2016 wherein we provided the Notice to the Agencies as required by the Act of the intention to engage in this process.¹ The Commission also by copy of all enclosed documents submits its applications for the "review" of the DEP in accordance with NJSA 58:26-24(f).

On August 11, 2016, the Commission passed a Resolution to proceed with a RFP for a long-term Well Maintenance Agreement. Thereafter the MPWC on August 19, 2016 issued a *Request for Qualifications and Proposals for a Well Maintenance Services Agreement* (the "RFQ/RFP") in accordance with the New Jersey Water Supply Public-Private Contracting Act, N.J.S.A. 58:26-19 *et seq.* (the "Act"). That was published on that date on the MPWC website and was as of August 23, 2016 published in the Courier-Post Newspaper. It included Notice of Hearing for December 8, 2016 in accordance with NJSA 58:26-23. Copies were also served on all town clerks in the franchise area. The return date for proposals was October 4, 2016 and the publicized hearing date was noticed for December 8, 2016. The pre-established criteria for the evaluation of proposals included, inter alia, a minimum overall score. The only submission was from the Suez subsidiary, USCI, Inc. who met the criteria in the RFP and exceeded the pre-established minimum score.

On October 13, 2016, the evaluation committee reported the results of its evaluation of the USCI, Inc. proposal to the full Commission. The Commission determined to pass a Resolution making a conditional award subject to negotiations with USCI, Inc. for certain final terms of contract. Thereafter extensive negotiations took place regarding those terms of contract. The proposal itself was published on the Commission website and along with the memorandum of reasons for the USCI selection. The Commission was not satisfied with the contract terms and negotiations were ongoing by the original hearing date of December 8. No one appeared on that

¹ NJSA 58:26-23 requires Notice of Intent be served on the ". . . the board, department and the division. . . ."

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date, and the hearing was postponed. The MPWC caused the hearing to be advertised again for January 12, 2017 at 4pm and the Notice of Hearing was published both on the MPWC website and as of December 22, 2016 was published again in the Courier-Post newspaper.

The Commission was not yet satisfied with the terms in time to accept and properly advertise the draft contract in time for the January 12 hearing date. No one appeared on that January 12, and the Commissioners postponed the hearing again. The negotiations continued and the MPWC negotiating team reported back to the Commissioners in closed session at their monthly meeting on February 9, 2017. Thereafter, the parties came to negotiated terms as included in the contract submitted for approval.

On February 21, 2017, the MPWC published the new Notice of Hearing Date as well as the final terms of the current contract along with the memoranda regarding USCI, Inc. selection. These documents were made available on the website, and the municipal clerks of the franchise area received that same day the Notice of Hearing for March 9, 2017. The Notice was published in Courier-Post newspaper as of February 23, 2017, and physical inspection of the contract and website documents was afforded for the four days prior to the Public Hearing on March 9, 2017. The MPWC held a public hearing on March 9, 2017 at 4:00 PM to solicit public comment concerning the Agreement. Again, no one attended or raised any questions. The record was held open for the requisite comment period however no questions or comments were received. As required by the Act the MPWC is now submitting the attached application to your respective agency for review and approval of the Agreement.

The proposal of USCI, Inc. was the only proposal submitted in response to the RFP advertised on August 19, 2016 and published in the newspaper on August 23, 2016. No others had questions or comments other than a request for documents. As included in the report of the Director of Engineering of November 22, 2016 made a part of the Hearing Transcript, USCI, Inc. met the pre-established criteria. Moreover, as described above, extensive and lengthy negotiations were utilized to arrive at the proposed contract.

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Karl N. McConnell, General Counsel

The contract is for a long-term Well maintenance services contract which the MPWC seeks to sign with USCI, Inc. a wholly owned subsidiary of Suez Water Advanced Solutions. The annual costs to the Commission is One Hundred Ninety-Seven Thousand Three Hundred Forty dollars (\$197,340.00) annually for the first three years with a cap on any increases thereafter capped annually at 5%. The contract is for a ten (10) year base term and obligates USCI to rehabilitate the MPWC's primary 11 wells, as well as accompanying motors and pumps and two booster pumps. In addition, USCI is required to maintain them all at a set performance level. The offer is for technologically superior processes which are proprietary and extensive experience and expertise. In addition, they provide a level of guarantee and a reduction of the risk of larger capital calamities or need for expensive projects and financing. Moreover, they provide it without costs that are incurred with financing. The Commission negotiated liberal termination provisions given the financials involved.

The Commission is seeking the Agencies approval in accordance with the Act. NJSA 58:26-24 (d) et seq. Attached hereto are the documents required by the Act and by the Application forms of the agencies. If there are any questions, requests, explanations or comments required, please do not hesitate to contact me.

I respectfully request also that this letter be included and incorporated by reference in each of the applications.

Respectfully Submitted

Karl N. McConnell

CC: M. Saraceni, C.O.O.

R. Spafford, P.E.

Diana New Riner, Esq., USCI, Inc.

All Members of LFB as listed on Current Service List attached hereto. (Via Overnight delivery)

Encl.