

**AGREEMENT BY AND BETWEEN THE PLAINFIELD MUNICIPAL UTILITIES
AUTHORITY AND ERIC C. WATSON REGARDING
SETTLEMENT OF EMPLOYEE CONTRACT ISSUES**

WHEREAS, after some discussion between the parties, in March, 2011 the Authority's Executive Director, Eric C. Watson and Assistant Executive Director, David Ervin, together with the Board of the Plainfield Municipal Utilities Authority, jointly announced the employees separation from the Authority; and

WHEREAS, Mr. Watson has served the Authority since its creation and has played a significant role in its growth and in the establishment of comprehensive solid waste and sewer systems that serve the residents of the City of Plainfield; and

WHEREAS, at the time of the separation announcement, and now, at the time of the execution of this Agreement, Mr. Watson is midway through his employment contract with the Authority; and

WHEREAS, the parties are not in agreement with respect to the extent of Mr. Watson's benefit entitlement under the terms and conditions of his employment contract; and

WHEREAS, in an effort to amicably resolve the differences between the parties, the Board, on June 14, 2011 by Resolution No. 48-2011, agreed to utilize certain severance funds that have been allocated in its budgets, at the recommendation of the Authority's Auditor/Financial Advisor, to be available to the Authority in the event of potential payout liabilities under this and other contracts. These funds total approximately \$275,000, and the Board agreed to allocate \$151,000 of such funds to Mr. Watson, in partial settlement of his stated compensation claims under his employment contract; and

WHEREAS, Mr. Watson has agreed to accept this partial payment to allow the Authority to continue its business under new leadership and to pursue his remaining contract claims under his employment contract through arbitration; and

WHEREAS, as set forth in Resolution No. 48-2011, the use of these budgeted funds for this purpose will not adversely affect the Authority's budget or the rates of the Authority's ratepayers, which was critical in the Board's decision to utilize these allocated funds. The Board further agreed that any further claims of Mr. Watson regarding any additional monies that he claims under his employment contract, and any other related issues, should be presented to and addressed by a third party neutral arbitrator to be mutually selected by the parties; and

WHEREAS, the Board further approved and agreed that the last working day for Mr. Watson as Executive Director of the Authority, shall be June 30, 2011. After that date, Mr. Watson shall remain as an employee until the exhaustion of all of his remaining accrued vacation and sick days.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. The Board hereby agrees to make payment in the amount of \$151,000 to Mr. Watson within 10 days of execution of this Agreement;

2. The parties agree that the payment of such funds by the Authority to Mr. Watson, is being made in partial settlement due to a disagreement among the parties as to the extent of Mr. Watson's compensation entitlement under his employment contract with the Authority;

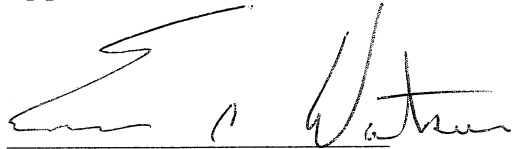
3. The parties agree to submit to arbitration, any and all additional claims Mr. Watson may have for review and determination;

4. The parties agree that the arbitrator shall be mutually selected and acceptable to all parties, and be ~~versed in public sector employment and contract law, and that the matter shall be referred to the selected arbitrator within no more than 20 days from the execution of this Agreement.~~ The determination of the arbitrator shall be non-binding. Either party shall have the right to appeal the decision of the arbitrator to Superior Court, whose decision shall be binding on the parties. In the event either party decides to appeal the decision of the arbitrator, that party shall be responsible for the full

costs of the appeal should that party not be successful in its appeal.

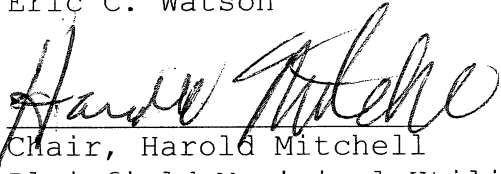
5. The parties agree that the last working day at the Authority for Mr. Watson as Executive Director, shall be June 30, 2011. However, Mr. Watson shall remain as an employee of the Authority, after that date, until the exhaustion of any unused accrued vacation and sick days that remain owed to him as of June 30, 2011.

5. The parties agree that time is of the essence and agree to expeditiously pursue arbitration, and if applicable, any appeal.



Eric C. Watson

Date: 6-22-11



Chair, Harold Mitchell

Plainfield Municipal Utilities Authority

Date: 6/24/2011