

DORSEY & SEMRAU LLC

714 Main Street

Boonton, NJ 07005

(973) 334-1900

(973)334-3408 (fax)

fcs@dks-law.comcmcguire1esq@optonline.net

Attorneys for Borough of Franklin Lakes

NEW JERSEY DEPARTMENT OF ENVIRONMENTAL PROTECTION, THE COMMISSIONER OF THE NEW JERSEY DEPARTMENT OF ENVIRONMENTAL PROTECTION AND THE ADMINISTRATOR OF THE NEW JERSEY SPILL COMPENSATION FUND,	:	SUPERIOR COURT OF NEW JERSEY LAW DIVISION -ESSEX COUNTY
	:	
Plaintiffs,	:	DOCKET NO. ESX-L-9868-05 (PASR)
	:	
vs.	:	BOROUGH OF FRANKLIN LAKES'S ANSWER TO DEFENDANT MAXUS ENERGY CORPORATION'S AND TIERRA SOLUTIONS, INC.'S THIRD PARTY COMPLAINT "A"
OCCIDENTAL CHEMICAL CORPORATION, TIERRA SOLUTIONS, INC., MAXUS ENERGY CORPORATION, REPSOL YPF, S.A., YPF, S.A., YPF HOLDINGS, INC., AND CLH HOLDINGS,	:	
Defendants.	:	
	:	
MAXUS ENERGY CORPORATION and TIERRA SOLUTIONS, INC.	:	
	:	
Third-Party Plaintiffs,	:	
	:	
vs.	:	
	:	
BAYONE MUNICIPAL UTILITIES AUTHORITY,	:	
	:	
BOROUGH OF CARTERET,	:	
BOROUGH OF EAST NEWARK,	:	
BOROUGH OF EAST RUTHERFORD,	:	
BOROUGH OF ELMWOOD PARK	:	
BOROUGH OF FAIRLAWN,	:	
BOROUGH OF FANWOOD,	:	
BOROUGH OF FRANKLIN LAKES,	:	
BOROUGH OF GARWOOD,	:	
BOROUGH OF GLEN RIDGE,	:	
BOROUGH OF GLEN ROCK,	:	

BOROUGH OF HALEDON,	:	
BOROUGH OF HASBROUCK HEIGHTS,	:	
BOROUGH OF HAWTHORNE;	:	
BOROUGH OF KENILWORTH,	:	
BOROUGH OF LODI,	:	
BOROUGH OF MOUNTAINSIDE,	:	
BOROUGH OF NEW PROVIDENCE,	:	
BOROUGH OF NORTH ARLINGTON,	:	
BOROUGH OF NORTH CALDWELL,	:	
BOROUGH OF NORTH HALEDON,	:	
BOROUGH OF PROSPECT PARK,	:	
BOROUGH OF ROSELLE PARK,	:	
BOROUGH OF ROSELLE,	:	
BOROUGH OF RUTHERFORD,	:	
BOROUGH OF TOTOWA,	:	
BOROUGH OF WALLINGTON,	:	
BOROUGH OF WEST PATERSON,	:	
BOROUGH OF WOOD-RIDGE,	:	
CITY OF BAYONNE,	:	
CITY OF CLIFTON,	:	
CITY OF EAST ORANGE,	:	
CITY OF ELIZABETH,	:	
CITY OF GARFIELD,	:	
CITY OF HACKENSACK,	:	
CITY OF JERSEY CITY,	:	
CITY OF LINDEN,	:	
CITY OF NEWARK	:	
CITY OF ORANGE,	:	
CITY OF PASSAIC,	:	
CITY OF PATERSON,	:	
CITY OF RAHWAY,	:	
CITY OF SUMMIT,	:	
CITY OF UNION CITY,	:	
HOUSING AUTHORITY OF THE CITY OF NEWARK,	:	
JERSEY CITY MUNICIPAL UTILITIES AUTHORITY,	:	
JOINT MEETING OF ESSEX AND UNION COUNTIES,	:	
LINDEN ROSELLE SEWERAGE AUTHORITY	:	
PASSAIC VALLEY SEWERAGE COMMISSIONERS;	:	
PORT AUTHORITY OF NEW YORK AND NEW JERSEY,	:	
RAHWAY VALLEY SEWERAGE AUTHORITY,	:	
THE NEW JERSEY DEPARTMENT OF AGRICULTURE,	:	

THE NEW JERSEY DEPARTMENT OF TRANSPORTATION,	:	
THE STATE OF NEW JERSEY,	:	
TOWN OF BELLEVILLE,	:	
TOWN OF HARRISON,	:	
TOWN OF KEARNY,	:	
TOWN OF NUTLEY,	:	
BOROUGH OF FRANKLIN LAKES,	:	
TOWN OF WOODBRIDGE,	:	
TOWNSHIP OF BERKELEY HEIGHTS,	:	
TOWNSHIP OF BLOOMFIELD,	:	
TOWNSHIP OF CEDAR GROVE,	:	
TOWNSHIP OF CLARK,	:	
TOWNSHIP OF CRANFORD,	:	
TOWNSHIP OF HILLSIDE,	:	
TOWNSHIP OF IRVINGTON,	:	
TOWNSHIP OF LITTLE FALLS,	:	
TOWNSHIP OF LIVINGSTON,	:	
TOWNSHIP OF LYNDHURST,	:	
TOWNSHIP OF MAPLEWOOD,	:	
TOWNSHIP OF MILLBURN,	:	
TOWNSHIP OF MONTCLAIR,	:	
TOWNSHIP OF ORANGE,	:	
TOWNSHIP OF SADDLE BROOK,	:	
TOWNSHIP OF SCOTCH PLAINS	:	
TOWNSHIP OF SOUTH HACKENSACK,	:	
TOWNSHIP OF SOUTH ORANGE VILLAGE,	:	
TOWNSHIP OF SPRINGFIELD,	:	
TOWNSHIP OF UNION,	:	
TOWNSHIP OF WEST ORANGE,	:	
TOWNSHIP OF WINFIELD PARK,	:	
TOWNSHIP OF WYCKOFF,	:	
VILLAGE OF RIDGEWOOD,	:	
	:	
Third-Party Defendants	:	
	:	

Third-party Defendant Borough of Franklin Lakes, with its principal address at 480 DeKorte Drive, Franklin Lakes, New Jersey, by way of Answer to the Third-Party Complaint "A" brought by Defendants Maxus Energy Corporation and Tierra Solutions, Inc., says:

ANSWER

Third-Party Defendants

1. The Borough of Franklin Lakes admits with respect to ¶62 that it is a public body and a municipality of the State of New Jersey with its principal place of business at 480 DeKorte Drive, Franklin Lakes, New Jersey. The Borough of Franklin Lakes further admits that it is a contributing municipality of the Passaic Valley Sewerage Commissioners Service District ("PVSC"). All other allegations against the Borough of Franklin Lakes are denied. The Borough of Franklin Lakes is without sufficient knowledge or information to form a belief as to the truth of the allegations contained in paragraphs 1 through 1147, denies the allegations, and leaves Third-Party Plaintiffs to their proofs at the time of trial.

WHEREFORE, the Borough of Franklin Lakes demands judgment dismissing the Third-Party Complaint, awarding of attorney fees and costs of suit, and such other relief as the Court may deem just and equ

FIRST COPY

New Jersey Spin Comp

Control Not

N.J.S.A. 58:10-23.1(a)(1)

2. The Borough of Franklin Lakes repeats and re-alleges its answers contained in

¶62 set forth at length herein

3. The Borough of Franklin Lakes is without knowledge or information to form a belief as to the truth of the allegations contained in paragraphs 1148 through 1158, denies the allegations, and leaves Third-Party Plaintiffs to their proofs at time of trial.

WHEREFORE, the Borough of Franklin Lakes demands judgment dismissing the Third-Party Complaint, awarding of attorney fees and costs of suit, and such other relief as the Court may deem just and equitable.

SECOND COUNT

(Statutory Contribution)

4. The Borough of Franklin Lakes repeats and re-alleges its answers contained in paragraphs 1-3 as if set forth at length herein.

5. The Borough of Franklin Lakes is without sufficient knowledge or information to form a belief as to the truth of the allegations contained in paragraphs 1159-1160, denies the allegations, and leaves Third-Party Plaintiffs to their proofs at time of trial.

WHEREFORE, the Borough of Franklin Lakes demands judgment dismissing the Third-Party Complaint, awarding attorney's fees and costs of suit, and such other relief as the Court may deem just and equitable.

THIRD COUNT

(Enforcement of N.J.S.A. 58:14-7 and N.J.S.A. 58:14-8 and Environmental Rights Act Claim)

6. The Borough of Franklin Lakes repeats and re-alleges its answers contained in paragraphs 1-5 as if set forth at length herein.

7. The Borough of Franklin Lakes is without sufficient knowledge or information to form a belief as to the truth of the allegations contained in paragraphs 1161-1186, denies the allegations, and leaves Third-Party Plaintiffs to their proofs at time of trial.

WHEREFORE, the Borough of Franklin Lakes demands judgment dismissing the Third-Party Complaint, awarding attorney's fees and costs of suit, and such other relief as the Court may deem just and equitable.

FOURTH COUNT

(Nuisance)

8. The Borough of Franklin Lakes repeats and re-alleges its answers contained in paragraphs 1-7 as if set forth at length herein.

9. The Borough of Franklin Lakes is without sufficient knowledge or information to form a belief as to the truth of the allegations contained in paragraphs 1187-1195, denies the allegations, and leaves Third-Party Plaintiffs to their proofs at time of trial.

WHEREFORE, the Borough of Franklin Lakes demands judgment dismissing the Third-Party Complaint, awarding attorney's fees and costs of suit, and such other relief as the Court may deem just and equitable.

FIFTH COUNT

(Breach of the Public Trust)

10. The Borough of Franklin Lakes repeats and re-alleges its answers contained in paragraphs 1-9 as if set forth at length herein.

11. The Borough of Franklin Lakes is without sufficient knowledge or information to form a belief as to the truth of the allegations contained in paragraphs 1196-1229, denies the allegations, and leaves Third-Party Plaintiffs to their proofs at time of trial.

WHEREFORE, the Borough of Franklin Lakes demands judgment dismissing the Third-Party Complaint, awarding attorney's fees and costs of suit, and such other relief as the Court may deem just and equitable.

DEFENSES

1. The Third Party Complaint "A" fails to state a claim upon which relief may be granted.
2. The Third Party Complaint "A" must be dismissed for failure to join necessary and indispensable parties.
3. The Borough of Franklin Lakes is not liable pursuant to the New Jersey Tort Claims Act, N.J.S.A. 59:1-1 to 12.3.
4. Third-Party Plaintiffs have failed to provide notice in accordance with N.J.S.A. 59:8-1 et seq.
5. Third-Party Plaintiffs lack standing.
6. Third-Party Plaintiffs have failed to exhaust administrative remedies.

7. Any wrongful conduct alleged in the Third-Party Complaint "A" resulted from and was proximately caused by the conduct of persons other than the Borough of Franklin Lakes or by the conduct of persons over whom the Borough of Franklin Lakes had no control, or by the superseding intervention, criminal, illegal or tortuous acts of others outside the control of the Borough of Franklin Lakes.
8. Without admitting any liability, if it is determined that the Borough of Franklin Lakes engaged in any of the activities alleged in the Third Party Complaint "A", such activities were *de minimis*.
9. Any damages were caused by an Act of God.
10. The claims asserted in the Third Party Complaint "A" are barred, in whole or in part, by the applicable statutes of limitations.
11. Plaintiffs' and Defendants/Third-Party Plaintiffs' costs incurred or to be incurred at the site are unreasonable, duplicative, not cost effective, and not consistent with the National Contingency Plan.
12. To the extent that the Borough of Franklin Lakes is found liable in this matter, joint and several liability is inappropriate because there are distinct harms or a reasonable basis for apportionment of the harm suffered.
13. At all times relevant, the Borough of Franklin Lakes complied with all applicable laws, regulations or standards and government approvals.
14. Plaintiffs and Defendants/Third-Party Plaintiffs failed to provide notice to the Borough of Franklin Lakes that it was considered a potentially responsible party prior to undertaking numerous response actions relating to the site, which has precluded the Borough of Franklin Lakes from commenting upon or participation in the selection of the remedial action at the site. This has resulted in a deprivation of the Borough of Franklin Lakes' substantive and procedural due process rights under the Federal and State Constitutions.

15. Plaintiffs' and Defendants/Third-Party Plaintiffs' Complaints include costs not yet expended. The New Jersey Spill Compensation and Control Act ("Spill Act"), N.J.S.A. 58:10-23.11 et seq., does not authorize Plaintiffs and/or Third Party Plaintiffs to recover future costs. Therefore, any claims are premature and not yet ripe for adjudication.
16. The Third-Party Complaint "A" is an unauthorized retroactive application of the Spill Act and other applicable case law.
17. The Borough of Franklin Lakes has at all times acted in good faith.
18. To the extent that this action is brought pursuant to the Spill Act, the Borough of Franklin Lakes is not liable because any release or threat of release of any hazardous substance was an omission of a third party other than an employee or agent of the Borough of Franklin Lakes. The Borough of Franklin Lakes exercised due care with respect to any such alleged hazardous substance, in light of all relevant facts and circumstances. The Borough of Franklin Lakes took precautions against foreseeable acts or omissions of any such third party and the consequences that could foreseeably result from such acts or omissions. Consequently, the Borough of Franklin Lakes is not liable under the Spill Act.
19. Plaintiffs' and Defendants/Third Party Plaintiffs' claims for relief are barred by waiver, estoppel and/or laches.
20. In the event Plaintiff's and/or Defendants/Third Party Plaintiffs' claims are not barred by their own conduct, then any recovery by these parties should be reduced in the proportion that such parties' acts or omissions bear to the acts or omissions that caused the alleged injuries or damages.
21. Plaintiffs and Defendants/Third Party Plaintiffs have failed to comply with the necessary conditions precedent for the maintenance of a claim under the Spill Act.
22. The Borough of Franklin Lakes is not a "responsible party" under the Spill Act.

23. Certain of the costs incurred or to be incurred by the Plaintiffs and/or

Defendants/Third Party Plaintiffs in connection with the site are not "response costs", recoverable from the Borough of Franklin Lakes, within the meaning of section 101 (23), (24) and (25) of CERCLA, 42 U.S.C 9601 (23), (24) and (25), as applied to the Spill Act.

24. Certain of the actions taken to date by Plaintiffs and/or Third Party Plaintiffs for which Third Party Plaintiffs are making a claim against the Borough of Franklin Lakes were not consistent with the National Contingency Plan because, among other things, the [redacted] of Franklin Lakes was not provided with notice or an opportunity to comment.

25. The Borough [redacted] reasonably [redacted] [redacted] as herein. Consequently, it is not [redacted] Plaintiffs or Defendants/Third Party Plaintiffs under the common law or any statutory theory of recovery averred herein.

The claim

[redacted] Plaintiffs' claims against the Borough of Franklin Lakes are [redacted], in whole or in part, by Section 107(b)(3) of CERCLA, 42 U.S.C. § 9607(b)(3) because

[redacted], attributable [redacted] Borough of Franklin Lakes, an alleged [redacted] Borough of Franklin Lakes denies, were caused by the acts or omissions of third parties other than the Borough of Franklin Lakes' employees or agents, or other than one with [redacted] from the [redacted] Franklin Lakes had a direct or indirect [redacted] relationship, and [redacted] Borough of Franklin Lakes [redacted] [redacted] respect to the alleged hazardous substances taking into consideration the characteristics thereof, in light of all the relevant facts and circumstances, and took precautions against foreseeable

acts or omissions of any such third party and the consequences that could foreseeably result from such act or omissions.

28. Third Party Plaintiffs have not paid more than their fair share of any damages, costs or other relief sought by the Plaintiffs, New Jersey Department of Environmental Protection, the Commissioner of the New Jersey Department of Environmental Protection, and the Administrator of the New Jersey Spill Compensation Fund, and are, therefore, not entitled to contribution from the Borough of Franklin Lakes.
29. Third-Party Plaintiffs' claims for indemnification are barred because any alleged liability of the Borough of Franklin Lakes, liability the Borough of Franklin Lakes denies, would be secondary, indirect, passive, precarious, constructive, technical and/or imputed, and the liability of all or some of the Defendants/Third-Party Plaintiffs are direct, active and primary.
30. Third-Party Plaintiffs are not entitled to recover attorney's fees or costs, or fees of any kind.
31. Third Party Plaintiffs are not entitled to recovery for any alleged unjust enrichment as there exists an adequate remedy at law to redress Third-Party Plaintiffs' claims.
32. Third-Party Plaintiffs' claims are barred by the statutory defenses to liability provided by the Spill Act.
33. Third-Party Plaintiffs' claims are barred to the extent they seek relief for conduct occurring, or damages incurred, before the effective date of the Spill Act.
34. Third-Party Plaintiffs' claims are barred to the extent they seek recovery for any punitive damages as such claims are barred by public policy and applicable laws.
35. To the extent that Third-Party Plaintiffs' claims against the Borough of Franklin Lakes are subject to contribution or any reduction or offset from other parties, any damages recovered against the Borough of Franklin Lakes shall be reduced accordingly.

36. The Borough of Franklin Lakes hereby asserts and adopts all other defenses which have been or will be asserted at any time by any other party in this action, to the extent said defenses are applicable to the Borough of Franklin Lakes.
37. The Borough of Franklin Lakes reserves the right to assert additional defenses that may be uncovered during the course of this action.

COUNTERCLAIMS AND CROSSCLAIMS

In accordance with Case Management Order V, the Borough of Franklin Lakes is not asserting any counter claims or cross claims at this time and reserves its rights to do so as specified by the Court's Order.

DESIGNATION OF TRIAL COUNSEL

In accordance with R. 4:25-4, Fred Semrau and Carolyn M. McGuire are designated as trial counsel.

CERTIFICATION PURSUANT TO R. 4:5-1

It is hereby certified in accordance with R. 4:5-1 that the specific matter in controversy is not, to my knowledge, the subject of any action pending in any Court, nor of any pending arbitration proceeding. Other than the above referenced actions, there are no other actions or arbitration proceedings in existence or contemplated at this time; and I know of no other New Jersey party who should be joined in this action. There may be New York parties identified as discovery proceeds. I hereby certify that these statements made by me are true and that I am aware that if any of these statements is willfully false, I am subject to punishment.

FILING CERTIFICATION

I certify that the original and copy of the within Answer and Affirmative Defenses have been sent by overnight mail for filing to the Clerk of the Superior Court of New Jersey, Law Division, Essex County, at the Veterans Courthouse, 50 W. Market Street,

Newark, NJ 07102, and a copy of the same has been sent *via* electronic posting and overnight mail this date to Third-Party Plaintiffs' attorneys as follows:

William L. Warren, Esq.
Drinker, Biddle & Reath, LLP
105 College Road East, Suite 300
Princeton, NJ 08542-0627

Thomas E. Starnes, Esq.
Andrews Kurth, LLP
1350 I Street NW – Suite 1100
Washington, DC 20005

I certify that a copy of said document has been posted on the electronic platform provided by Defendants. (<http://njdepvocc.sfile.com>), and/or served via the email service list and/or served regular mail as indicated by the Special Master.

DORSEY & SEMRAU LLC

By:



Carolyn M. McGuire, Esq.

Dated: October 16, 2009