

JUNE 27, 2018

The Regular Meeting of the Hanover Sewerage Authority, County of Morris and State of New Jersey, was held on Wednesday, JUNE 27, 2018 at 8:30 in the evening, prevailing time, at the Municipal Building, 1000 Route 10, Whippany, New Jersey.

PRESENT: Chairman Dittrick; Members Byrne, Corona, Fashano and Kuehner; Michael C. Wynne, P.E., Executive Director; Christopher Falcon, Esq.; Silvio Esposito, Treasurer and Brian Cahill, Township Liaison

ABSENT: None

STATEMENT OF PRESIDING OFFICER

Adequate notice of this meeting has been provided in accordance with the Open Public Meeting Act by posting written notice and agenda of the meeting on the Bulletin Board in the Municipal Building, 1000 Route 10, in the Township of Hanover, and by informing the following newspapers:

HANOVER EAGLE/REGIONAL WEEKLY NEWS
MORRIS COUNTY DAILY RECORD

(Signed) Chairman
Dennis Dittrick

COMMUNICATIONS

1. MARAZITI FALCON, LLP
 - a. 06/11/2018 Letter re: Contract 38
 - b. 06/11/2018 HSA 2017 Audit
2. MOTT MACDONALD
 - a. 05/25/2018 Email re: Hanover Crossroads Pad 2
 - b. 05/29/2018 Email re: County Bridge Ridgedale Ave
 - c. 06/01/2018 Email re: Novartis Gatehouse
 - d. 06/19/2018 Email re: Lidl
 - e. 06/26/2018 Letter re: Contract 41 Final Payment
3. NJDEP
 - a. 05/23/2018 Letter re: 2018 Non Potable Water Test

- b. 06/01/2018 Letter re: Passaic River Source Trackdown
- c. 06/07/2018 Letter re: Irene Estates TWA extension
- d. 06/12/2018 Letter re: Pretreatment Program Annual Report Technical Review
- e. 06/26/2018 Letter re: Final Consolidated Major Mod Permit

4. LIBERTY MUTUAL SURETY

- a. 06/15/2018 Letter re: Contract 38
- b. 06/15/2018 Letter re: Contract 38

5. GASPERINE, CHRISTINE

- a. 06/13/2018 Letter re: Retirement

RESOLUTIONS

The Executive Director asked for a motion to accept Ms. Gasparine's retirement. The Members and Executive Director noted Christine's contribution to the Authority's success over the years. Member Corona made the motion.

RESOLUTION NO. 34-18

WHEREAS, Christine Gasparine advised the Authority of her intent to retire July 1, 2018 by letter dated June 13, 2018; and

WHEREAS, Ms. Gasparine had previously filed retirement papers with the State Division of Pensions; and

WHEREAS, Ms. Gasparine requested she be granted a non-prorated vacation and be paid for 9.5 unused vacation pursuant to Section 201.26 of the Authority's Employee Handbook; and

WHEREAS, Ms. Gasparine requested she be paid a terminal allowance based on 81.5 unused sick days pursuant to Section 501.4 of the Authority's Employee Handbook; and

WHEREAS, Ms. Gasparine provided less than the 120 day notice required by the Authority's Employee Handbook; and

NOW, THEREFORE, BE IT RESOLVED by the Hanover Sewerage Authority, County of Morris and State of New Jersey, that:

1. The Authority accepts the resignation of Christine Gasparine effective July 1, 2018
2. Ms. Gasparine shall be granted a full non-pro-rated vacation allocation for 2018 (25 days) and be paid for 9.5 unused days even though less than 120 day notice was provided
3. Ms. Gasparine shall be paid a terminal allowance equal to 14.5 day's pay based on 81.5 unused sick days even though less than 120 day notice was provided
4. The approvals and payments contained in paragraphs 2 and 3 are subject to the execution of a release by Ms. Gasparine and Ms. Gasparine remaining employed in good standing until July 1, 2018
5. A copy of this Resolution shall be forwarded to the Treasurer
6. This Resolution shall take effect as provided by law

DATED: June 27, 2018

HANOVER SEWERAGE AUTHORITY
 COUNTY OF MORRIS
 STATE OF NEW JERSEY

Member Kuehner seconded. Ayes: Chairman Dittrick, Member Byrne, Corona, Fashano and Kuehner.
 Nays: None.

The Executive Director asked for a motion to approve the Service Agreements. Member Corona made the motion

RESOLUTION NO. 33-18

BE IT RESOLVED by the Hanover Sewerage Authority in the Township of Hanover, County of Morris and State of New Jersey as follows:

1. The Chairman is authorized and directed to sign new or revised Service Agreements in the form approved by the Authority with the following as shown on the Tax Map of the Township of Hanover.

OWNER

BLOCK/LOT

Godfrey, Donald
 Hanover Commons, LLC

1404 / 21
 1601 / 2.01

2. This Resolution shall take effect as provided by law.

DATED: June 27, 2018

HANOVER SEWERAGE AUTHORITY
 COUNTY OF MORRIS
 STATE OF NEW JERSEY

Member Kuehner seconded. Ayes: Chairman Dittrick, Member Byrne, Corona, Fashano and Kuehner .
 Nays: None.

The Executive Director asked for a motion to approve the following Resolution. Member Corona made the motion.

RESOLUTION NO. 35-18

BE IT RESOLVED by the Hanover Sewerage Authority, County of Morris and State of New Jersey as follows:

- 1) Stephen Jones' employment as an Operator I, pursuant to the Authority's offer letter of May 23, 2018, starting June 25, 2018 is confirmed.
- 2) In accordance with Resolution No. 35-16 and 33-17, Mr. Jones' initial rate of compensation shall be as follows:

<i>EFFECTIVE DATE</i>	<i>GROUP</i>	<i>GUIDE</i>	<i>HOURLY RATE</i>
June 25, 2018	7	A-1	\$29.00

- 3) The above position and salary is effective for a six month probationary period from initial employment. Continuation in the position and at the salary rate shown shall be contingent upon successfully completing the probationary period.

BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the Treasurer for his records and necessary action.

DATED: June 27, 2018

HANOVER SEWERAGE AUTHORITY
COUNTY OF MORRIS
STATE OF NEW JERSEY

Member Kuehner seconded. Ayes: Chairman Dittrick, Member Byrne, Corona, Fashano and Kuehner.
Nays: None

The Executive Director asked for a motion to approve the following Resolution. Member Corona made the motion.

RESOLUTION NO. 36-18

WHEREAS, the Hanover Sewerage Authority (hereinafter the "Authority") has entered into Contract 41, with Meridian Property Services.; and

WHEREAS, the initial contract amount was \$329,930.00; and

WHEREAS, the Authority has reviewed the Request for Change Order filed with the Authority by the Executive Director in support of Change Order No. 3 on Contract 41 in the credit amount of \$5,212.72 to adjust unused allowance amounts; and

WHEREAS, the Authority is satisfied that the proposed Change Order is justified and meets the requirements of N.J.A.C. 5:30-11.8 et seq; and

WHEREAS, the Treasurer has certified that funds are available,

NOW, THEREFORE, BE IT RESOLVED by the Hanover Sewerage Authority in the County of Morris and State of New Jersey on this 27th day of June, 2018 as follows:

1. The Chairman is authorized to execute an amendment to the Contract in the credit amount of \$5,202.72 for the work described in the aforesaid Request for Change Order in the form submitted to the Authority.
2. The time for completion of the contract shall remain unchanged.
3. The contract amount shall be changed to \$344,582.43.
4. This Resolution shall take effect as provided by law.

DATED: June 27, 2018

HANOVER SEWERAGE AUTHORITY
COUNTY OF MORRIS
STATE OF NEW JERSEY

Member Kuehner seconded. Ayes: Chairman Dittrick, Member Byrne, Corona, Fashano and Kuehner .
Nays: None.

The Executive Director asked for a motion to approve the following Resolution. Member Corona made the motion.

RESOLUTION NO. 37-18

BE IT RESOLVED by the Hanover Sewerage Authority in the Township of Hanover, County of Morris and State of New Jersey as follows:

1. The Chairman is authorized and directed to sign new or revised Easement and Encroachment Agreements in the form approved by the Authority with the following as shown on the Tax Map of the Township of Hanover.

OWNER

BLOCK/LOT

HANOVER RIDGEDALE LLC

1702 / 12.03

2. This Resolution shall take effect as provided by law.

DATED: June 27, 2018

HANOVER SEWERAGE AUTHORITY
COUNTY OF MORRIS
STATE OF NEW JERSEY

The Executive Director asked for a motion to approve the following Resolution. Member Corona made the motion.

RESOLUTION 38-18 SELECTING NON-BINDING MEDIATION AS THE SPECIFIC TYPE OF ALTERNATE DISPUTE RESOLUTION (ADR) TO BE UTILIZED IN AN ADR PROCEEDING AS BETWEEN SPECTRASERV, INC. AND HANOVER SEWERAGE AUTHORITY REGARDING CONTRACT NO. 38, REHABILITATION OF PRIMARY DIGESTER NO. 2 AND MISCELLANEOUS IMPROVEMENTS, STATE LOAN PROJECT NO. S340388-05

WHEREAS, the Hanover Sewerage Authority (“HSA”) awarded Contract No. 38 for the “Rehabilitation of Primary Digester No. 2 and Miscellaneous Improvements” to Spectraserv, Inc. (“Spectraserv”) as the lowest responsible bidder in accordance with the Local Public Contracts Law, N.J.S.A. 40A:11-1 et seq., in the bid amount of \$6,582,000, having a final completion date of 630 consecutive calendar days after the issuance of the Notice to Proceed; and

WHEREAS, on July 9, 2013, HSA and Spectraserv entered into the contract for the “Rehabilitation of Primary Digester No. 2 and Miscellaneous Improvements, New Jersey State Loan Project No. S340-388-05, Contract No. 38” (hereinafter Contract No. 38); and

WHEREAS, the surety, Liberty Mutual Insurance Company (“Liberty Mutual”) issued Performance Labor and Material Payment Bond NO. 015037490 in the amount of \$6,582,000, executed on March 11, 2013 for Contract No. 38; and

WHEREAS, HSA issued the Notice to Proceed to Spectraserv on July 11, 2013 and thereafter approved ~~one~~-two contract modifications that increased the contract value by \$101,786.76 and extended the contract duration by 56 days, thereby requiring final contract completion by May 28, 2015; and

WHEREAS, on May 2, 2018, HSA adopted Resolution No. 31-18 entitled “Resolution Authorizing Issuance of Notice to Spectraserv, Inc. and Liberty Mutual Insurance Company of Intent to Terminate Contract No. 38 And Unless Within Ten Days After Serving Such Notice, Arrangements For The Correction And Cure Of The Delay Or Default Satisfactory To Hanover Sewerage Authority Are Made, The Executive Director Is Authorized To Terminate Contract No. 38 In Accordance with Article XLIII Of Said Contract And Commence The Process For The Surety To Complete The Remaining Work”; and

WHEREAS, on May 7, 2018, the Notice of Intention to Terminate authorized by Resolution No. 31-18 was sent certified mail to Spectraserv and Liberty Mutual; and

WHEREAS, the Notice of Intention to Terminate stated, among other things, that “Spectraserv shall have ten (10) days to make arrangements satisfactory to the HSA

to correct and cure the deficiencies in the performance of this Contract. In the event that Spectraserv is unable within ten (10) days to make suitable arrangements to complete the Contract, HSA Contract 38 shall be terminated.”; and

WHEREAS, on the date that the Notice of Intention to Terminate was sent certified mail, Spectraserv had exceeded the contractual date for final completion by 1,075 days; and

WHEREAS, by letter dated May 16, 2018 Spectraserv contested the Notice of Intention to Terminate and failed to provide the required plan to remedy the deficiencies; and

WHEREAS, by letter dated June 14, 2018, sent certified mail to Spectraserv and Liberty Mutual, HSA issued its Notice of Termination and included in the Notice of Termination a detailed response to the aforementioned letter from Spectraserv; and

WHEREAS, by letter dated June 15, 2018, Liberty Mutual acknowledged receipt of the Notice of Termination and has requested a meeting and numerous documents for their investigation into the matter, for which the Authority will respond by separate correspondence; and

WHEREAS, by letter dated June 20, 2018, Spectraserv, among other things, demands that the HSA identify the method of dispute resolution pursuant to Article XLVIII of Contract No. 38; and

WHEREAS, Contract No. 38 and the Local Public Contracts Law, N.J.S.A. 40A:11-50, require that disputes (excluding injunctive relief, declaratory relief, and disputes concerning bid solicitation, award, bid withdrawal and formation of contracts and subcontracts entered into pursuant to the Local Public Contracts Law) arising under the contract shall be submitted to “alternative dispute resolution practices, such as mediation, binding arbitration or non-binding arbitration pursuant to industry standards, prior to being submitted to a court of adjudication.”

NOW, THEREFORE, BE IT RESOLVED by the Hanover Sewerage Authority in the County of Morris and State of New Jersey on the 27th day of June, 2018, as follows:

1. Non-binding mediation is selected as the specific type of alternate dispute resolution to be utilized for disputes pursuant to Article XLVIII of Contract No. 38.
2. With the exception of approving any settlement agreement, the Executive Director is authorized to take all actions in connection with proceeding with non-binding mediation in this matter, including mediator selection.
3. Mott MacDonald is authorized to participate in the non-binding mediation as a non-party.
4. This Resolution shall take effect immediately.

HANOVER SEWERAGE AUTHORITY
COUNTY OF MORRIS
STATE OF NEW JERSEY

DATED:

Member Kuehner seconded. Ayes: Chairman Dittrick, Member Byrne, Corona, Fashano and Kuehner .
Nays: None.

Member Corona moved the following reports be accepted and filed as received; Member Kuehner seconded. Ayes: Chairman Dittrick, Members Byrne, Corona and Kuehner . Nays: None.

REPORTS

Plant Operations Report – dated May 17 – June 20, 2018
Mott MacDonald Report – dated June 22, 2018
Collection System Status Report – dated May 17 – June 20, 2018
Treasurers Report – dated May 31, 2018
Superintendents Report No. 779 – dated May 2018

Member Corona moved payment of the following bills be approved or confirmed; Member Kuehner seconded; there was unanimous approval. Absent: None

JUNE 2018

<u>REVENUE FUND 117</u>	\$ 14,911.10
<u>REVENUE FUND 118</u>	\$903,759.84
<u>REVENUE FUND 201</u>	\$ 0.00
<u>PLANT EXPANSION FUND 301</u>	\$244,590.05
<u>PLAN REVIEW FUND 401</u>	\$ 0.00
<u>PAYROLL</u>	\$199582.35

July bills will be confirmed in August.

OTHER BUSINESS

OPEN TO PUBLIC

ADJOURNMENT The Chairman accepted a motion to adjourn the meeting. Member Corona made the motion, Member Kuehner seconded; there was unanimous approval. Absent: None. The meeting adjourned at 8:33 p.m.

Respectfully submitted,

Michael C. Wynne, P.E.
Executive Director