

# MORRIS COUNTY IMPROVEMENT AUTHORITY

MINUTES of the Special Board Meeting held on April 20, 2016 at 3:00 p.m.,  
Knox Conference Room  
Administration and Records Building, Morristown, New Jersey

At 3:00 p.m., John Bonanni, Chairman to the Morris County Improvement Authority called the meeting to order. The following persons were in attendance:

John Bonanni, Chairman  
Scott Gallopo, Commissioner – Via Conference Call  
Joseph Kovalcik, Commissioner  
Christina Ramirez, Commissioner – Via Conference Call  
Ellen Sandman, Commissioner – Via Conference Call  
Heather Litzebauer, NW Financial – Via Conference Call  
Matt Jessup, Esq., McManimon, Scotland and Baumann, LLC  
Tom Brys, Matrix New World – Via Conference Call  
Deborah Smith, Freeholder Liaison to the Improvement Authority – Via Conference Call  
Larry Ragonese – Morris County Public Information Officer

1. Commissioner Bonanni, Chairman, asked for the reading of the public statement in accordance with the Open Public Meetings Act which was then read by the Recording Secretary, Cynthia Rueter.
2. Commissioner Bonanni, Chairman, asked for “roll call” for the Authority, Commissioners Bonanni and Kovalcik were in attendance; Commissioners Ramirez, Sandman and Gallopo called in to the meeting via conference call; a quorum was established.
3. Executive Session - Commissioner Gallopo made a motion to enter into Executive Session to discuss contractual issues related to Solar II. Commissioner Kovalcik seconded the motion. At 3:08 p.m., the Board entered Executive Session.

At 3:22 p.m., Commissioner Gallopo made a motion to come out of Executive Session. Commissioner Kovalcik seconded the motion.

4. Possible Actions after Executive Session – Counsel for the Authority, Matt Jessup advised the Commissioners of the following:

The Procurement and Construction Contract presented to the Authority, already executed by Sunlight General Morris Solar, LLC and HESP Construction, LLC:

- The Contract price is \$6,791,743. In addition, the Authority will pay for Deck equipment and kiosks obtained by Owner for not to exceed \$178,400. Total Project cost is \$6,970,143.
- The Contract requires Contractor to provide a Construction Performance Bond to the Authority and Owner in an amount equal to the Contract price within 5 days of the Owner providing Notice to Proceed. The Authority does not make any milestone payments to the Contractor until the Construction Performance Bond has been delivered.
- The Contract also requires the Contractor to provide a Construction Payment Bond in an amount equal to the Contract price, to cover any payments to subcontractors.
- Each site commences with the Owner providing a Notice to Proceed to the Contractor. There is no risk to Authority if Notice to Proceed for a site is not issued, other than a \$1,000 payment. The schedule calls for Notice to Proceed to be issued for 5 SGFs by 4/27, 2 SGFs by 6/8 and 2 SGFs by 7/8.
- The Contract provides for a Milestone Schedule by which certain milestones in the project need to be completed – Commencement, Panel Installation, Inverter Installation and Substantial Completion. Authority and Owner have right to default Contractor if dates are missed and not cured. This allows the Owner and Authority more control in the timetable to ensure completion before year end.

- Substantial Completion, which triggers application to JCP&L for "Permission to Operate", which is needed to make 1603 Grant applications, is scheduled as follows: 3 SGFs by 9/8, 3 SGFs by 10/8 and 3 SGFs by 11/14. There are delay and early completion payments of \$75/day/site.
  - Each SGF will be required to pass agreed to performance and production testing. If any SGF fails either test and the failure is a product of the Contractor's performance, the Contractor will remedy. In addition, Contractor is providing 60 month warranty on work. This is in addition to warranties provided by vendors, manufacturers and subcontractors.
  - There are two types of Change Orders – Change Orders for Time and Change Orders for money. Certain Change Orders for Time are automatic – If Owner does not give Notice to Proceed by dates set forth above, Contractor gets day-for-day extension on milestone and completion dates. All Change Orders for money have to be approved by Authority.
  - All Progress/Final Payment requisitions will require lien waiver certification from the subcontractors. IN addition, there is the Construction Payment Bond to protect the Authority.
  - Authority Authorized Representative, Matrix New World Engineering, represented by Tom Brys, will sign off on all work completed by Contractor to ensure construction pursuant to Design Drawings, prior to payment to Contractor.
5. Agenda item 4(i) was discussed - Resolution authorizing execution of an EPC Contract related to the construction of the remaining Solar II unbuilt sites. Commissioner Sandman made a motion to adopt this resolution, Commissioner Gallopo seconded the motion. Roll was called. The resolution was approved unanimously No. 16-15 " RESOLUTION OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY AUTHORIZING EXECUTION OF A PROCUREMENT AND CONSTRUCTION CONTRACT PROVIDING FOR CONSTRUCTION OF CERTAIN RECOMMENDED SERIES 2011 LOCAL UNIT PROJECTS IN FURTHERANCE OF THE COUNTY OF MORRIS GUARANTEED RENEWABLE ENERGY PROGRAM, SERIES 2011 AND CERTAIN OTHER MATTERS RELATED THERETO" (No. 16-15) was adopted.
  6. Discussion - Nothing at this time.
  7. Further Official Action - Nothing at this time.
  8. Additional Reports – Nothing at this time.
  9. The public portion of the meeting was opened - No Public in attendance.
  10. Adjournment - Commissioner Kovalcik made a motion to adjourn the meeting. Commissioner Gallopo seconded the motion.

The April 20, 2016 meeting of the Morris County Improvement Authority was adjourned at 3:30 p.m.

The next Improvement Authority meeting will be held on **Wednesday, May 11, 2016.**

Respectfully submitted,

Cynthia Rueter  
Recording Secretary  
Morris County Improvement Authority