

DIVISION OF LOCAL GOVERNMENT SERVICES
SHARED SERVICES AGREEMENT
COVER SHEET

PROVIDER: Merchantville-Pennsauken Water Commission COUNTY: Camden

RECIPIENT: Borough of Collingswood COUNTY: Camden

BRIEF DESCRIPTION OF SERVICE:

Management and operational support of Water Supply System

EFFECTIVE DATE: June 1, 2018

EXPIRATION DATE: May 31, 2023

ESTIMATED COST SAVINGS
TO BE ACHIEVED OVER THE TERM OF THE AGREEMENT None

Please submit this cover sheet with shared service agreement either via email to EGG@dca.state.nj.us or hard copies may be mailed to the Division of Local Government Services at PO Box 803, Trenton, NJ 08625-0803. Mailed correspondence should be sent to the attention of Shared Services.

**SHARED SERVICES AGREEMENT BETWEEN THE
Borough of Collingswood
and
The Merchantville-Pennsauken Water Commission
For Certain Water Utility Management Services**

THIS DOCUMENT constitutes an agreement made by and between the Borough of Collingswood, a body politic and corporate of the State of New Jersey, having its municipal offices at 678 Haddon Avenue, Collingswood, New Jersey 08108 (hereafter the "Borough") and the Merchantville-Pennsauken Water Commission (hereafter "MPWC") a public corporate entity and regional governmental water authority organized under the laws of the State of New Jersey and created by the governing bodies of the Borough of Merchantville and Township of Pennsauken and whose primary offices are located at 6751 Westfield Avenue, Pennsauken, NJ 08110 in Camden County (collectively, the Borough and MPWC shall be referred to as the "Parties"); and

WHEREAS, the Borough currently maintains a water supply system which treats and supplies drinking water to the Borough, Woodlynne and a portion of Haddon Township with 6,000 active service connections serving approximately 21,000 people; and

WHEREAS, the Borough currently obtains its entire water supply from seven ground water wells drilled and sunk into the Raritan Aquifer and their current treatment consist of: aeration, sedimentation; filtration, corrosion control, air stripping and disinfection and all of which MPWC also provides and has personnel expert in such areas; and

WHEREAS, the MPWC has specific expertise regarding such wells and in operating, managing and the related science and engineering involved with potable water treatment and

public distribution, and currently employs at least 5 individuals licensed, experienced and qualified to operate the Borough's water system and as the Borough anticipates that they soon will be without any such licensed and qualified individuals; and

WHEREAS, the Parties seek to identify economies and efficiencies in the operations of their respective roles of local and regional government that will both provide safe, qualified and efficient operation of the Borough's water system and will thereby reduce the tax burden on the respective taxpayers and ratepayers and will improve the effectiveness of services for residents and ratepayers; and

WHEREAS, the Parties have investigated the potential economies and efficiencies that may be created through the sharing of various services; and

WHEREAS, the Parties maintain separate areas of heightened expertise and capability to provide services and maintenance and are willing and able to provide to the other the benefit of its expertise, experience and /or technical and professional staff to provide service, maintenance and/or repairs as needed as more specifically set forth below; and

WHEREAS, the Parties' respective governing officials have authorized the Parties to create, complete and execute this agreement to address the sharing of management services by the Parties: and

WHEREAS, this Agreement between the Parties ("Agreement"), a Shared Services Agreement (SSA) which is authorized pursuant to N.J.S.A. 40A:65-1, *et. seq.*, the Uniform Shared Services and Consolidation Act (the "Act") which permits two local units to enter into a contract for any service or any consideration which any party to the agreement is empowered to render within its jurisdiction: and

WHEREAS, the MPWC and the Borough agree that their mutual public purposes and the ultimate public interest will be promoted by the execution and delivery of this Agreement pursuant to the powers conferred by Act; and

WHEREAS, the term of this Agreement shall be for a period of FIVE (5) years, effective on June 1, 2018; therefore,

IN CONSIDERATION of the mutual covenants and promises herein contained, it is agreed by and between the parties as follows:

1. **PURPOSE AND SCOPE**

The purpose of the Agreement is for the parties to provide each other with the cooperation, services, and considerations listed below.

2. **DUTIES AND RESPONSIBILITIES**

a. The Parties will provide the services and considerations in full for the cost or consideration as set forth in Exhibit A & B, a copy of which is attached hereto and incorporated herein. The Parties agree that they shall require this and no other consideration or cost for the cooperation and consideration listed therein and shall request or require no other during the term of this Agreement for the first two years. The Parties agree and acknowledge that except as explicitly and specifically set forth here or in Exhibit A or B that all other obligations, duties and responsibilities shall remain with the Borough, except for the management services specifically assigned herein to the MPWC.

b. Appointment of Manager; Relationship of the Borough and MPWC.

MPWC shall assign employees to provide management and operational support services to the Borough in the operation of the Borough's water supply system. MPWC shall always, be independent of the Borough. Nothing contained herein shall be deemed to make or render the

Borough a partner, co-venturer or other participant in the business or operations of MPWC, or in any manner to render the MPWC as liable, as principal, surety, guarantor, agent or otherwise for any of the debts, obligations or liabilities of the Borough. Similarly, nothing contained herein shall be deemed to make or render the MPWC as a partner, co-venturer or other participant in the business or operations of the Borough, or in any manner to render the Borough liable, as principal, surety, guarantor, agent or otherwise for any of the debts, obligations or liabilities of the MPWC which are unrelated to the Borough. MPWC shall operate and maintain the assets of the Borough in good repair, order and condition, normal and reasonable wear and tear excepted. Notwithstanding the foregoing, MPWC shall not have the authority, without the express written consent of the Borough, to purchase in the name of or for the Borough, any assets outside the ordinary course of business, or incur any indebtedness on behalf of the Borough outside the ordinary course of business.

c. Obligations of the Borough

- 1) The Borough shall: provide the MPWC with true and correct information relating to all functions for which MPWC has responsibility hereunder, and shall cooperate to foster the MPWC's performance of its duties hereunder;
- 2) Comply with all obligations and directives from all authoritative governmental agencies federal and state, including EPA and DEP, and all appropriate directives, regulations and statutes applicable to it as a municipality and a municipal utility; and
- 3) Provide sufficient support and no less than one full-time supervisor level or assistant supervisor level qualified Borough employee to be subject to the direction of and dedicated to support MPWC's management of the water treatment and supply system; provided, however, that if MPWC is retained for hydrant flushing; then two (2) Borough employees shall be provided to assist during each flushing period.

4) Make timely payments as agreed herein.

3. CONFLICT OF INTEREST

The Parties agree that it will comply with all appropriate standards of conduct required of it and its employees in providing the services set forth in this Agreement and will avoid any actual conflict of interest or the appearance of a conflict of interest while providing said services.

4. TERM AND TERMINATION

a. The term of this Agreement shall be for a period of Five (5) Years commencing June 1, 2018. This agreement shall be binding upon the Parties, their heirs, successors, and assigns. The Parties agree that they shall, no later than in the last year of the Agreement, give notice and commence discussion/negotiations no later than August 30, 2022 regarding a successor agreement or continuation of this Agreement.

b. After the first two years of this Agreement, the compensation and scope of services shall be set by subsequent agreement of the parties. Discussions to such an end shall commence no later than August 30, 2019.

c. Either party may terminate this Agreement for the convenience of government after two years and upon one hundred and eighty (180) days advance written notice, MPWC shall continue to receive the same amount in compensation during any extended period as was in effect at the time the notice to terminate was delivered to the Borough and until a successor agreement is achieved or termination.

d. If MPWC has provided notice of termination to the Borough, and the Borough requires additional time to prepare to undertake responsibility for the operation and maintenance

of the water supply system, upon timely notice to MPWC, the Borough shall be entitled to require up to an additional ninety (90) day period ("Extended Period") for such preparations.

e. If a party violates its obligations to be performed under this Agreement, the other party may terminate the Agreement by sending a ninety (90) day notice of such in writing. Upon receiving such notice, the defaulting party shall have thirty (30) days from the date of such notice to cure any such default. If the default is not cured within the required thirty (30) day period, the party providing notice shall have the right to terminate this Agreement.

5. COMPENSATION, REIMBURSEMENTS AND EXPENSES

a. The recitation of costs to be paid by the Borough shall include only those items specifically included in this Agreement as set forth in the scope of work attached as (Exhibit A and B, the accompanying worksheet). The Parties may agree to additional duties and divisions of labor/responsibilities by written amendment to this Agreement and executed by both Parties.

b. The Borough shall pay and compensate directly to the MPWC the annual sum of Eight hundred thousand (\$800,000.00) for services described herein and as more specifically described in Exhibit A & B. Payments shall be made quarterly in advance of the first day of each quarter as set forth in attached Exhibit C.

c. At any time either party may commence negotiations to modify the duties, costs and compensation as set forth herein for the period following the second year of this Agreement provided that the services to be provided and compensation to be paid shall remain in full force and effect until a written amendment to this Agreement has been executed by the Parties or termination.

6. NOTICES

All notices hereunder shall be in writing and mailed postage prepaid, certified mail, return receipt requested to the parties at the addresses listed as follows for the Merchantville-Pennsauken

Water Commission to the Chief Operating Officer, Merchantville-Pennsauken Water Commission, 6751 Westfield Avenue, Pennsauken, NJ 08110; and for the Borough of Collingswood to the Borough Clerk, Borough of Collingswood, 678 Haddon Avenue, Collingswood, New Jersey 08108, unless and until such formal notice of a change of notice address be given.

7. **MISCELLANEOUS PROVISIONS**

The following miscellaneous provisions shall apply to this Agreement:

a. Construction of this Agreement-The Parties acknowledge that this Agreement was prepared under New Jersey law by two sophisticated parties and agree therefore it shall be interpreted without regard to either party being the author of any provisions or presumptions against either party.

b. Waiver- Failure to enforce any of the provisions of this Agreement by any of the Parties shall not be construed as a waiver of the provisions.

c. Amendment for Modification- This Agreement may not be modified, altered, or amended in any manner, except in writing, signed by the Parties hereto.

d. Heading- This section and any other headings contained in this Agreement are for reference purposes only and shall not affect meaning or interpretation of this agreement.

e. Invalid Clause- The invalidity of any clause contained herein shall not render any other provision invalid and the balance of this Agreement shall be binding upon all Parties hereto.

f. Entire Agreement- This Agreement and its Exhibits shall consist of the entire agreement of the Parties and it is acknowledged that there are no side or oral agreements relating to the understandings set forth herein except as may be an appendix hereto.

g. Assignability - This Agreement and all rights, duties and obligations contained herein may not be assigned without prior written consent from both Parties.

h. Announcement. No publicity release or announcement concerning this Agreement or the transactions contemplated hereby shall be issued without advance approval of the form and substance thereof by both Parties.

i. Affirmative Action- The Parties hereby agree to incorporate the affirmative action language required by N.J.S.A. 10:5-31 et seq. and N.J.A.C. 17:27.

j. Americans with Disabilities- The Parties hereby agree to incorporate the Americans with Disabilities Act language imposed upon both by state law and incorporated by reference herein.

k. Audit- Both Parties agree to permit access to each other and/or their agents may at any time examine any and all past, current and future records relevant to this agreement and they hereby agree they each shall make to the same available upon demand at a reasonable time and place for auditing the records, reports, and documents relative to this agreement as shall become desirable or necessary.

l. Governing Law and Venue- This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of New Jersey, choice of law or conflicts of law notwithstanding. The Parties agree to the exclusive jurisdiction of the Superior Court of New Jersey, Camden vicinage.

m. Binding Agreement- This Agreement shall be binding upon the Parties hereto, and their respective heirs, executors, administrators, successors or herein contractually authorized assigns.

n. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

8. INDEMNIFICATION

a. The Parties shall mutually agree to defend, indemnify and save the other, their officials, employees, officers and agents harmless from and against any and all claims of liability of every nature and whatsoever kind, liabilities, damages, including damage to person or property, losses and judgments, including costs and expenses incident thereto, arising from any negligent act or omissions related to the services being provided by either Party under the terms of this Agreement to the extent permitted by law except insofar as claims involving or arising from their own employees' claims covered by workers compensation insurance. However, the Borough as owner of the water supply system, shall separately indemnify the MPWC as to any and all claims, injuries or costs, including reasonable attorney's fees and costs of defense asserted against the MPWC as a result of its assumption of management services of the water department, or of the Borough's duties and obligations, as well as any involving its employees or their union's actions or union contracts or costs or obligations imposed on the MPWC thereby.

8 a. (2). The parties agree that Collingswood shall indemnify the MPWC, its operators, employees and agents as to any items regarding the Collingswood operation or water system which require modification, upgrade, rehabilitation, or other changes mandated by state or federal law or regulation which have been identified by the MPWC management services team to the Borough and which the Borough has failed to address, fund or remedy. Collingswood separately agrees to protect, defend and indemnify the MPWC as to any and all such claims, injuries or costs, including reasonable attorney's fees and costs of defense, and shall be required to take all necessary and appropriate action to comply with said laws, regulations and/or directives of the appropriate governmental agency and to ensure the MPWC and its personnel do not suffer negative consequences or to its position, licenses, or reputation.

b. If a party entitled to indemnification (the "Indemnitee") receives notice of any claim or the commencement of any action or proceeding with respect to which a party is obligated to provide indemnification (the "Indemnifying Party") pursuant to subsections (a) and (b) of this Section, the Indemnitee shall promptly give the Indemnifying Party notice thereof (Indemnification Notice"). Such Indemnification Notice shall be a condition precedent to any liability of the Indemnifying Party under the provisions for indemnification contained in this Agreement. Except as provided below, the Indemnifying Party may compromise, settle or defend, at such Indemnifying Party's own expense and by such Indemnifying Party's own counsel, any such matter involving the asserted liability of the Indemnitee. In any event, the Indemnitee, the Indemnifying Party and the Indemnifying Party's counsel shall cooperate in the compromise of, or defense against, any such asserted liability. If the Indemnifying Party provides the Indemnitee a defense to a third-party claim at the Indemnifying Party's cost with a qualified attorney, Indemnitee may participate and/or monitor the defense with an attorney of the Indemnitee's selection (at the Indemnitee's own expense). Provided that the Indemnifying Party pays for the full cost of the settlement of any claim, the Indemnifying Party may settle any claim without the consent of the Indemnitee. If the Indemnifying Party chooses to defend any claim, the Indemnitee shall make available to the Indemnifying Party any books, records or other documents within its control that are necessary or appropriate for such defense.

c. The provisions of this paragraph 8 shall survive the expiration or termination of this Shared Services Agreement.

9. INSURANCE.

a. The parties agree that they shall each maintain insurance to the scope of general commercial liability insurance in amounts of no less than \$1 million/3 million and shall each include the other as an "additional insured" on each of their insurance policies with a no cancellation provision without 90 days advance written notice of cancellation to the other party. The Borough

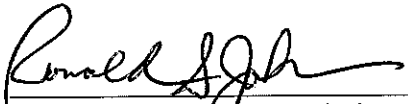
agrees that it will during the term of this Agreement maintain appropriate insurance over all facilities and property to be managed and operated by MPWC such that it includes sufficient coverage to ensure coverage and immediate response to maintain operation of the water treatment and distribution system. The Parties agree that this obligation shall be maintained after the expiration or cancellation of this Agreement for no less than one year.

IN WITNESS WHEREOF, the parties hereto have placed their signatures and appropriate seals on the below 11 pages and three Exhibits on the stated date and year mentioned in this agreement and intending to be legally bound thereby have passed such Resolutions or Ordinances as necessary to legally effectuate this Agreement.

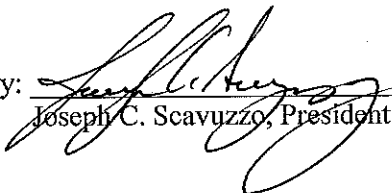
Date: 5/18/18, 2018

FOR THE MPWC:

ATTEST:



Ronald S. Johnson, Commissioner &
Secretary to the MPWC

By: 

Joseph C. Scavuzzo, President

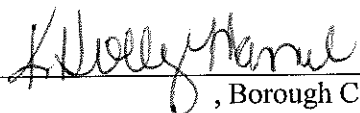
For COLLINGSWOOD BOROUGH:

Date 5/22/2018



Keith Hastings, Borough Administrator

ATTEST



, Borough Clerk

rev.051118

Exhibit A: Scope of Services and Considerations Provided

MERCHANTVILLE-PENNSAUKEN WATER COMMISSION

“PROPOSAL FOR THE SSA FOR MANAGEMENT SERVICES NECESSARY FOR OPERATION OF THE COLLINGSWOOD WATER TREATMENT PLANTS”

BACKGROUND

The Merchantville Pennsauken Water Commission (MPWC) is submitting this proposal to provide management, operation and oversight of the Collingswood Water Treatment Stations and associated operations. The MPWC has the licensed personnel, background and expertise to operate and maintain the two treatment stations, associated tanks and pumps that supply Collingswood's water.

The Collingswood Department of Public Works will continue to maintain the distribution system and all below grade and other repairs of that system, except as specifically set forth below

SCOPE OF SERVICES

MPWC will be responsible for the following:

1. **Plant Administration** – A licensed operator will be assigned to Collingswood to complete all necessary sampling and reporting to the NJDEP. MPWC will supply personnel to operate the plant in addition to the Collingswood employee(s) assigned to the plant operation. Lead personnel would attend all monthly meetings and act as the water department head providing to Mr. Hastings the status of the water system.
2. **Following compliance items:**
 - a. **Hydrant flushing** – MPWC will design a flushing program to inspect and flush every hydrant in the Collingswood system. Necessary repairs will be reported to Collingswood's DPW for repair. The two Collingswood employees currently being utilized for after-hours flushing will continue to be used for this operation.
 - b. **Valve exercising** – Valves are currently not exercised. MPWC has not included this cost therefore responsibility remains with Collingswood DPW.
 - c. **GIS mapping** – Hydrants and valves were reportedly all located using GPS equipment. If this information can be supplied to MPWC, we would contract with Hope Works on Collingswood's behalf to create a full GIS map of the system. Cost to prepare the map would be borne by Collingswood.
 - d. **Main replacement** – 1/150th of the water mains in the system will require replacement annually. All services and main replacement will be completed by Collingswood DPW / Collingswood's engineering consultant at their cost.
 - e. **Asset plan** – MPWC will create an asset management plan for all of Collingswood's treatment plant assets.
 - f. MPWC shall create no less than annually a **Report to Collingswood** of critical items or items they deem that must be addressed by Collingswood
3. **Capital Design / Spending** – In order to maintain continuous improvement of the water system, capital spending will be required each year. MPWC personnel will meet with

MERCHANTVILLE-PENNSAUKEN WATER COMMISSION

“PROPOSAL FOR THE SSA FOR MANAGEMENT SERVICES NECESSARY FOR OPERATION OF THE COLLINGSWOOD WATER TREATMENT PLANTS”

Collingswood management annually to identify priority upgrades and recommend Collingswood's capital budgeting. MPWC would require the following immediate needs:

- a. **Replacement of chlorine gas and tablet style chlorine with liquid sodium hypochlorite.**
- b. **Access to Edmunds and routing of the phone system to our Park Avenue operators to allow better customer interface.**
- c. **Within the first year, installation of Allen Bradley RTUs that are connected to our Park Avenue plant for 24-hour viewing.**

Longer term needs that the MPWC would require to be completed would include:

- a. **Replacement of the greensand filter units with new filter vessels.**
- b. **Actuated valves on the filters for automatic operation at both plants.**
- c. **Well maintenance contract included on all wells.**
- d. **Cameras able to be continuously viewed at our Park Ave plant.**
- e. The MPWC shall produce and Collingswood shall acknowledge receipt of a **Report** no less than annually which details the MPWC's findings regarding critical needs of the water system and findings of deficiencies that must be addressed by Collingswood immediately.

Failure to complete the above referenced requirements of the contract would make the proposed operation of the treatment system more difficult and may be grounds to terminate the contract.

4. **On-call personnel** – Currently, Collingswood uses their internal employees to respond to all calls after hours. MPWC would rotate employees as needed to cover this need. One Collingswood employee would remain in this rotation.
5. **Pool operation / grounds maintenance** – A part time Collingswood employee was hired to tend to the pool grounds along with other miscellaneous projects. MPWC recommends leaving this in place. The plant operations personnel consisting of the MPWC technicians and the Collingswood technicians would continue to maintain the pool filters and chemicals. The external certified pool operator Collingswood currently uses would remain in place.
6. **Chemicals and operations material purchases** – Corrosion control chemicals, chlorine, sludge removal, Generator fuel, DEP fees, chemical analysis, pH adjustment chemicals, hand or any other consumable would not be included. Tools, equipment, vehicles for MPWC employees would be included in the agreement.
7. **DEP / Safety Plans** – MPWC will create all required safety plans for the operation and maintenance of the plants. Newly required sampling or other DEP plans would be created by the licensed operator / engineer supplied by MPWC.
8. **Equipment and building maintenance** – Preventative maintenance (PM) plans are not in place. Repairs are scheduled as needed. MPWC recommends implementing PM plans on air

MERCHANTVILLE-PENNSAUKEN WATER COMMISSION

“PROPOSAL FOR THE SSA FOR MANAGEMENT SERVICES NECESSARY FOR OPERATION OF THE COLLINGSWOOD WATER TREATMENT PLANTS”

- strippers, generators and pumps. Replacement and repair costs are not covered by this agreement but if PM programs were implemented, costs could be identified and reduced.
9. **New Regulations** – Any new regulation / standard created by legislature or the NJDEP would not be covered under this agreement. This could include 1,4 dioxane, PFOA/PFNA, or other potentially regulated contaminants. MPWC engineer / licensed operator would assist in recommending options to become compliant with new regulations.
 10. **Underground Repairs** – main breaks, service renewals, main replacement, underground leak repairs, hydrant replacement, etc. are currently done out of Collingswood DPW. This would remain the same.
 11. **Service calls** - Service turn-ons/offers for Haddon Township and Woodlynne would be included under this agreement.
 12. **Meters** – meter installs, meter reading and billing are handled by Collingswood personnel. This would not change.
 13. **Electric / Natural Gas** – All Utility costs would continue to be paid by Collingswood.
 14. **Compliance** – Collingswood shall agree to make any necessary operational changes to become or remain compliant with all State and Federal drinking water regulations. Failure to become and remain compliant regarding such requirements would make the proposed operation of the treatment system more difficult and are grounds for the MPWC to terminate the contract.

ITEMS AND COSTS INCURRED BY MPWC

- (1) MPWC personnel & annual costs as follows:
 - (a) Engineer and licensed operator;
 - (b) Treatment supervisor;
 - (c) Treatment technician;
 - (d) Safety plans and review;
 - (e) 3 vehicles – fuel, maintenance;
 - (f) MPWC insurance and administrative costs;
 - (g) Park Ave monitoring costs.
- (2) Standby costs
- (3) Hydrant flushing

All other costs shall be retained by Collingswood. MPWC shall initiate purchases of materials through Collingswood's finance office using protocols set up by that office. Payment of costs or reimbursements by Collingswood shall be made as they are incurred by the MPWC.

And Exhibit B: Other Division of Duties worksheet

	A	B	C
2	Duties/Responsibilities - Per Scope of Work - Worksheet		
3	MPWC	Collingswood	
4	Licensed Operator - Dept. Manager	1 Technician	
5	Supervisor - Site Supervisor	Costs of all subcontractors	
6	1 Technician	Underground repair of mains, services, stops	
7	Trucks and hand tools for MPWC employees	Costs for all capital increases	
8	Plan preparation for Safety, DEP, etc.	Utility costs	
9	Service calls out of the plant- Water Quality	"on call" cost unless approving MPWC "on call"	
10	Design / Engineering	valve exercising	
11	Daily plant operation	Meter reading, billing, service calls	
12	Plant Operator Monitoring - TBA	Building and Facility maintenance costs	
13		Unanticipated contracted costs	
14		Design / Engineering costs	
15		Main replacement	
16		Well maintenance costs	
17		Chemical costs	
18		Certified pool operator	
19		Pool operation	
20		WQAA obligations not otherwise listed	
21		all costs and expenses of operation not listed	
22		Service calls out of the plant- Turn On & Off-PW	
23			

Exhibit C Payment Schedule

Exhibit C

Collingwood & MPWC SSA
Compensation
First Two Years-- 06/01/18-05/31/20

Payment will be made quarterly on 1st day of the quarter.

Payment Schedule

Payment Due

June - September	6/1/2018	\$	266,666.64
October - December	10/1/2018	\$	200,000.00
		\$	<u>466,666.64</u>
January - March	1/1/2019	\$	200,000.00
April - June	4/1/2019	\$	200,000.00
July-September	7/1/2019	\$	200,000.00
October-December	10/1/2019	\$	200,000.00
		\$	<u>800,000.00</u>
January - March	1/1/2020	\$	200,000.00
April - May	4/1/2020	\$	133,333.36
		\$	<u>333,333.36</u>
2 year contract		\$	1,600,000.00