

Minutes of Meeting #482, February 27, 2012 – Stony Brook Regional Sewerage Authority

LOCATION: Conference Room, River Road Plant, Princeton, NJ

MEMBERS PRESENT: Bartolini, Downey, Compton, McKinnon, Miller, Morehouse, Patel

MEMBERS ABSENT:

CONSULTANTS: Alexander

STAFF PRESENT: Bixby, Carlino, Coleman, Hess, Ireland, Irizarry, Kantorek, Kunert, Neuhof, Pchola, Rahimi, Redding

482.01 Pursuant to Section 13 of the Open Public Meetings Act, adequate notice of the time and place of this meeting was given by filing with the Authority's official newspapers, each Clerk of each municipality and by being posted on the Princeton Borough Hall Bulletin Board.

482.03 Board Related Activities

Oaths of Office

Chairman Bartolini indicated that he and Mr. McKinnon have been reappointed to the Board. Chairman Bartolini represents West Windsor Township and he will serve from February 1, 2012 to January 31, 2017. Mr. McKinnon was reappointed as Princeton Township's representative and will serve from January 1, 2012 to December 31, 2012.

Ms. Carlino administered the Oath of Office.

Report of the Nominating Committee

Mr. Morehouse presented the recommendation of the Nominating Committee the following slate of Officers to be elected to serve in 2012:

Dr. Robert Bartolini – Chairman
Dr. Gale D. Downey – Vice Chairman
Dr. David Miller – Treasurer
Mr. John Kantorek – Secretary
Ms. Patricia Carlino – Assistant Secretary

So moved by Mr. McKinnon, seconded by Mr. Patel and passed by unanimous vote.

Committee Assignments

Chairman Bartolini reviewed the rules governing appointments to the Committees. Chairman Bartolini made the following Board member Committee appointments for 2012:

Construction Committee

Dr. Gale D. Downey, Chairperson
Mr. James McKinnon
Mr. C. Schuyler Morehouse

Finance Committee

Dr. David Miller, Treasurer
Mr. Bharat Patel
Mr. Harry Compton

Personnel Committee

Mr. C. Schuyler Morehouse, Chairperson
Mr. Bharat Patel
Mr. Harry Compton

Oversight Committee Liaison

Mr. James McKinnon

Resolution 2012-07, To Authorize the Defense and Indemnification of the Members and Employees of the Stony Brook Regional Sewerage Authority

Mr. Kantorek recommended approval of Resolution 2012-07, authorizing the defense and indemnification of the members and employees of the Stony Brook Regional Sewerage Authority. The resolution states that it will automatically expire unless it is re-authorized at each annual reorganization meeting. The resolution was moved by Dr. Downey, seconded by Dr. Miller and passed by a roll call vote of 7 to 0. Resolution 2012-07 follows.

RESOLUTION TO AUTHORIZE THE DEFENSE AND INDEMNIFICATION OF THE MEMBERS AND EMPLOYEES OF THE STONY BROOK REGIONAL SEWERAGE AUTHORITY

Resolution No. 2012-07

WHEREAS, there exists a need to protect each past and present member and employee of the Stony Brook Regional Sewerage Authority ("SBRSA") from the monetary costs of fines, penalties, damages, settlements, costs and legal fees associated

with the defense of any civil or criminal actions which may be brought against the SBRSA, or any such member or employee, as the result of any action(s) or omission(s) relating to the duties of such member or employee to the SBRSA; and

WHEREAS, the SBRSA desires to provide such protection for each past and present member and employee from the financial consequences of any such civil or criminal action to the extent permitted by law and, therefore, provided that such alleged action or omission does not constitute actual fraud, actual malice, willful misconduct or an intentional wrong in the judgment of the SBRSA;

NOW, THEREFORE, BE IT RESOLVED by the Stony Brook Regional Sewerage Authority as follows:

1. The SBRSA shall, to the extent permitted by law, provide a defense and indemnification to the past and present members and employees of the SBRSA and, therefore, shall pay or otherwise reimburse each past and present member and employee of the SBRSA for all fines, penalties, damages, costs and legal fees associated with any civil or criminal action which may be brought against such member or employee based upon an act or omission of that member or employee arising out of and directly relating to the lawful exercise of his or her official duties or under color of his or her authority.

2. In any case where the SBRSA provides a defense to a member or employee, it is authorized and directed to make direct payments to counsel or reimburse the member or employee for the costs associated with his or her defense upon the approval by the SBRSA of proper vouchers submitted therefore, but in no case shall the SBRSA be authorized to pay or reimburse for legal fees and expenses exceeding those customarily charged for legal services in the defense of such actions.

3. For the purpose of this Resolution, the term “member” shall include any and all persons appointed by the governing bodies of the constituent municipalities pursuant to N.J.S.A. 40:14A-4

4. Any person seeking the provision of a defense and indemnification under the policy enunciated in this Resolution shall give prompt notice to the SBRSA of the pendency of any such civil or criminal action for which payment or reimbursement is sought, at which time the SBRSA shall by Resolution implement the provisions set forth herein.

5. It is within the sole discretion of the SBRSA, in any action where the provision of such a defense and indemnification is sought by a member or employee, to:

- a.** Provide a defense by an attorney chosen by the SBRSA;
- b.** Provide a defense by an attorney of the member or employee's choosing;
or
- c.** Assert the SBRSA's right under any appropriate insurance policy which requires the insurer to defend and indemnify.

6. Notwithstanding the foregoing, the SBRSA may refuse to provide for the defense or to indemnify any past and present member or employee of the SBRSA in any action referred to above or may recover any amounts paid on behalf of such member or employee for such defense if in its sole discretion it has reason to conclude that the act or omission was:

a. Not within the scope of such member or employee's duties or was carried out in an individual capacity;

b. The subject matter of any action brought by the SBRSA against the member or employee;

c. A violation of the Local Government Ethics Law (P.L. 1991, c. 29); or

d. Due to actual fraud, actual malice, willful misconduct or an intentional wrong.

7. In the event a contested matter, to which this Resolution is applicable, is resolved by way of settlement, the SBRSA may take into account the facts, circumstances and allegations which led to the settlement in its determination of whether it may, subject only to the provisions of paragraph 6, indemnify such past and/or present member(s) and/or employee(s) against whom such settled claims had been made.

8. It is the intention of this Resolution to set forth the policy of the SBRSA with respect to the defense and indemnification of persons associated with the SBRSA in the management of its affairs and businesses to the maximum extent permitted by law, and if any provision hereof or the application hereof to any person or circumstance is held invalid by a court of competent jurisdiction, such invalidity shall not affect other provisions of this Resolution and to this end the provisions hereof are declared to be severable.

9. The policy set forth in this Resolution shall take effect immediately, but shall automatically expire unless re-authorized at each annual reorganization meeting of this Authority.

<u>Recorded Vote:</u>	<u>AYE</u>	<u>NO</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
Robert A. Bartolini	X			
Harry Compton	X			
Gale D. Downey	X			
James McKinnon	X			
David Miller	X			
C. Schuyler Morehouse	X			
Bharat Patel	X			

Consultant List

The consultant list was provided for information. Mr. Kantorek noted that no contracts were pending award tonight.

482.02 Approval of Minutes

Chairman Bartolini asked for comments/questions regarding the minutes of the January 23, 2012 Board meeting. Mr. Kantorek noted that on page 5, paragraph 3 line 2 reads "...to the recent WESP testing results and not meeting the performance..." should read "...to the recent WESP testing results that did not meet the performance..." In addition, under Contract 10-1, Headworks Project the second paragraph will become the first paragraph and the first paragraph will become the second paragraph under that heading. The minutes were then approved, as amended, on a motion by Dr. Downey, seconded by Mr. McKinnon and passed by a vote of 7 to 0.

482.04 Planning and Administration

Mr. Kantorek reported that the most current 12-month average daily River Road plant flow is 11,223,130 gpd with 805,721 gpd of approved but inoperative flow for a total committed flow of 12,028,851 gpd with 1,031,149 gpd or 7.90% of available capacity. The most current 12-month average daily flow at the Hopewell Plant is 297,132 gpd with no inoperative flow, for a total committed flow of 297,132 gpd with 0.96% or 2,888 gpd of available capacity. The Pennington Plant presently has 298,463 gpd as the most current 12-month average daily flow, with 11,722 gpd of approved but inoperative flow, for a total committed flow of 310,185 gpd, exceeding capacity by 3.40% or 10,185 gpd. Mr. Kantorek noted that the inoperative total for the Pennington Plant is the unused portion of Bristol-Meyer Squibb approved flow.

Mr. Kantorek noted that over the past ten (10) months, two (2) million gallons have been added to the 12-month average daily flow at River Road WWTP. This is a result of replacing relatively dry months with relatively wet month flows. Staff anticipates that the 12-month average flows will decrease over next several months.

Mr. Compton indicated that over the past several months flows at the Pennington STP have been increasing and asked for an explanation. Mr. Kantorek responded that it is the 12-month average flows that have been increasing and this is due to replacing relatively dry months with wet month flows. A brief discussion followed.

Monthly Flow Transmittal

The monthly flow transmittal for January was provided for information.

Mr. Kantorek noted that one adjustment was made for the month.

Review of the meter data indicated that the Pennington STP Influent meter reached its maximum capacity on January 12, 2012 from 7 am through 9 pm. The effluent meter did not reach its maximum capacity on the 12th and therefore the influent meter data for January 12th was replaced with the effluent meter data for that day.

Oversight Committee Meeting Minutes

Mr. Kantorek reported that the Oversight Committee met on February 6, 2012. The Committee has a new member representing Princeton Borough, Mr. Kevin Wilkes. The main topics of discussion were: the draft NJPDES permits for the Hopewell and Pennington STPs; the meetings with the Assistant Commissioner of the NJDEP and some members of his staff; the penalty for switching the oxygen analyzers in the CEMS cabinet; the odor evaluation results and modeling (2008 vs. 2011); and the status of the Headworks Project.

482.05 Approval Requests and Actions

TWA-1 Approvals

None.

Time Extensions

None.

NJPDES Endorsements Requested

None.

Water Quality Management Plan Amendments

None.

482.06 Regulatory Report

Discharge Monitoring Report (DMR) and NJPDES Compliance

Mr. Rahimi reported that the December 2011 DMRs were submitted to the NJDEP. No violations were reported. The January 2012 DMRs were also submitted to NJDEP. No violations were reported.

The River Road Quarterly Effluent Surface Water Discharge Waste Characterization Report was submitted to NJDEP. This report details the priority pollutants that have been historically present in the facility effluent. All values were at the expected levels.

Residual Discharge Monitoring Reports

Mr. Rahimi reported that the November RDMRs were submitted to the NJDEP. All River Road parameters were compliant with the Air Permit requirements.

Mr. Rahimi indicated that the December RDMR is currently being reviewed prior to submission to NJDEP.

Mr. Rahimi reported that the NJDEP has issued General Permits for Residuals which became effective January 1, 2012. All sludge monitoring requirements in our NJPDES Discharge to Surface Water Permit will be deactivated.

Mr. Rahimi also noted that within 180 days after the effective date of the permit, as required by N.J.A.C. 7:14C-1.7(b), the permittee must enroll in the Department's Electronic Data Interchange (EDI) On-line System to submit monitoring report forms electronically.

Mr. Rahimi indicated that as required, Form R with our sludge sampling plan has been submitted to NJDEP.

Air Reporting

Mr. Rahimi reported that the 4th quarter 2011 Incinerator Sludge Metals Report was submitted to NJDEP. There were no exceedances of the monthly or 12-month rolling metals concentration limits or the 12-month rolling lead or mercury emission limits.

Mr. Rahimi indicated that SBRSA staff submitted the 4th quarter 2011 Excess Emissions and Monitoring Report. There were no excess emissions during this monitoring period.

Mr. Rahimi reported that the semi-annual 40 CFR 60, Subpart O report for the last six months of 2011 was submitted by SBRSA staff. There were no excess emissions during this monitoring period.

SBRSA staff submitted the federal annual 40 CFR 503 Subpart E report to EPA and NJDEP. The 40 CFR 503 limits were not exceeded for the five reported metals: arsenic, cadmium, chromium, lead, and nickel. This report is quite extensive and also supplies daily and monthly averages for combustion hearth temperatures, afterburner temperature, pressure drop, CO, and oxygen.

Mr. Rahimi reported that SBRSA staff submitted the Title V 2011 Combined 2nd Half Semi-Annual Deviation Report/Annual Compliance Certification to NJDEP. This report included the events in April 2011 regarding oxygen analyzers and the air leak on the bottom of the RTO chamber.

Mr. Rahimi indicated that NJDEP contacted staff regarding the implementation of a Supplemental Environmental Project (SEP). A SEP can be funded in part by up to 75% of an imposed penalty (in our case the penalty is \$12,000 and therefore SBRSA would be entitled to redirect \$9,000 of that money towards a SEP). By the NJDEP definition "A

SEP is an environmentally beneficial project that a respondent voluntarily agrees to perform as a condition of settling an enforcement action. A SEP is an activity that the respondent would not otherwise have been required to perform, and in which the public or the environment is the primary beneficiary. Once included in the settlement document, completion of the SEP becomes a binding requirement and if not completed as required, could be subject to stipulated penalties.”

Staff is looking into the possibility of purchasing a hybrid vehicle as a SEP.

D. Safety

The following safety training was provided:

<u>Date</u>	<u>Training</u>	<u>Provider</u>	<u>Number of Employees</u>
02/10/12	Risk Management	JIF	9 (Management)

E. Miscellaneous Regulatory

Mr. Rahimi noted that an application for the annual National Association of Clean Water Agencies (NACWA) Peak Performance Award for the River Road plant was submitted on February 22, 2012. Although none of the three plants experienced any NJPDES violation for 2011, River Road is the only facility which can apply for the award; both Hopewell and Pennington are below the minimum MGD eligibility limit.

482.07 Litigation

The Litigation Report was provided for information.

Bakker vs. Stony Brook Regional Sewerage Authority

Ms. Alexander reported that on February 22, 2012, SBRSA received a Release seeking to discharge C&H Industrial Services Inc. from liability for Counts I-V of the Plaintiff's Complaint. The Release is currently under legal review. Upon completion of legal review, a recommendation will be forwarded relevant to execution of the same. A copy of the Release was provided to the Board.

482.08 Operations Report

Mr. Kunert reported that SBRSA has switched from M.A. Clarifier #2 to Clarifier #1. Clarifier #2 was taken off-line to remove the rag buildup at the center influent well. This task will need to be performed routinely due to the volume of rags that enter the clarifiers since the installation of the new aerators.

Mr. Kunert indicated that Incinerator #2 was put on-line. Incinerator #1 was taken off-line to be cleaned out and inspected. A written report will be provided to staff regarding

any repairs that may be needed. Albertus Energy is performing the work in accordance with our Incinerator Maintenance Contract.

Mr. Kunert explained that on February 9, 2012, the Princeton Pump Station was shut down for approximately thirty (30) minutes. This was necessary in order for Tomar Construction to inspect the clamp that was installed on the temporary by-pass line and to tighten any bolts if needed.

Mr. Kunert indicated that on February 12, 2012, SBRSA switched to the afterburners so the RTO could be taken off-line for the annual inspection.

Mr. Kunert reported that both main backwash supply valves in the basement of the filter room at the Pennington STP were replaced. This work was performed in-house.

Mr. Kunert explained that a need exists for the use of Sodium Hydroxide at the Hopewell STP to maintain the proper pH level in the Orbal Aeration Tanks. For the past several years, this chemical has been added to the influent well. Recently the chemical usage has significantly increased prompting staff to try a different feed point. Sodium Hydroxide is now being added into the Return Sludge line and has been working well for several weeks. Usage has decreased by approximately 50% which is most likely due to the fact that a portion of the alkalinity is not being lost through sedimentation in the Primary Tanks, which are prior to the aeration tanks in the treatment process.

Mr. Kunert noted that the authority is losing Lambertville as a sludge cake customer. Lambertville's truck is old and is in need of replacement. They do not want to purchase a new truck. Atlantic County Municipal Utility Authority (ACMUA) will haul (in their truck) Lambertville's sludge to their facility. Lambertville brought approximately 1,100 cubic yards of cake per year to SBRSA.

A discussion regarding the loss of Lambertville as a sludge customer took place. Mr. Kantorek noted that ACMUA is also a solid waste disposal facility and has many of its own trucks. Although the loss of revenue is only \$10,000 to \$15,000 annually, Chairman Bartolini cautioned that there remains the need to maintain the Authority's existing customers as well as to solicit new sludge customers.

Odor Reports

Mr. Kunert reported that staff received no odor complaints from our surrounding area during the month of January. Two odor complaints were received thus far for the month of February. The full February number will be reported in March.

Customer Septage and Sludge Deliveries

The quantities of liquid sludge and gray water were below the budgeted amounts for the month of January while the quantity of sludge cake exceeded the budget amount.

Maintenance Report

Mr. Ireland reported that Fly Ash Pump #2 has been refurbished and installed. The pump has been in service for three weeks with no operational problems. Fly Ash Pump #1 is scheduled to be removed from service the week of February 27th and sent out to be refurbished.

Mr. Ireland indicated that the stator and rotor were replaced on Sludge Pump #4. This was done to obtain more efficient pumping.

Mr. Ireland noted that staff is reviewing all of the Motor Control Circuits and panel boards starting with the Operations building to ensure all equipment and breakers are labeled correctly.

Mr. Ireland reported that the number of work requests currently open stands at nineteen (19) with approximately seven (7) requests issued on a daily basis. On the Preventative Maintenance graphs SBRSA is currently averaging four (4) days overdue and the number of overdue units is approximately thirty-eight (38).

482.09 Construction Report

Odor Control

Ms. Pchola reported that TRC has provided a summary of the updated odor modeling with the data that was collected in August 2011. The result of the updated model was compared to the model utilizing the data collected in 2008 with the following results:

- **MA Tanks:** The 2011 affected area is less with no impact on the residential areas.
- **Nitrification Tanks:** Essentially the same area is affected with no impact on the residential areas.
- **Biofilters:** The 2011 data indicates that the impact area has increased slightly to the north but still no impact on the residential areas. The biofilter media was changed out in 2009 and we added media to each biofilter in March 2011.
- **Hypochlorite Scrubbers:** There is a significant increase in the 2011 area affected for the hypochlorite scrubbers. However based upon the number of odor complaints received in 2011 this does not seem to be an issue. Staff will continue to monitor the units. Staff continues to add caustic to the unit to optimize pH. Staff will continue to monitor the results when we conduct the sampling next August and rely on the odor complaints for effectiveness.
- **Carbon Adsorber:** As indicated on the Figures, the 2011 impact area has increased. As reported previously, the media was changed out in late June 2011 and by August odor breakthrough was detected. Staff had a sample of the carbon media tested in October to determine the loading on the carbon. It was determined that the carbon was still “near virgin”. Staff has noticed more recently that there are minimal odors now being emitted from the unit. As always the odors never seem to carry far from the unit. Staff will continue to monitor the

odors from the unit. Ms. Pchola indicated that, in an effort to extend the life of the media, the Construction Committee suggested that staff look at additional odor control units that could work in conjunction with the Carbon Adsorber. Staff will investigate odor control devices to determine a viable alternative at a reasonable cost.

- **Belt Press Room:** The 2011 area of influence has increased and is close to Herrontown Road. There is no explanation for this increase but it may be due to the type of sludge being belt pressed at the time of the odor sampling.

A discussion regarding odor control projects, the odor evaluation report and modeling followed.

Ms. Pchola noted that as indicated in the 2009 Odor Identification/Evaluation Study prepared by TRC the modeling utilizes a combination of weather data (wind speed and atmospheric stability) that is extremely conservative.

Mercer County Waste Water Management Plan

Ms. Pchola indicated that as reported at an AEA meeting that staff attended on February 17, 2012, there is new legislation regarding the Wastewater Management Plan (WMP) regulations. As reported the January 17, 2012 modifications include:

- Provides 180 days for counties to submit sewer service area (SSA) maps (no buildout analysis is required now).
- Allows property to be included in the SSA, even if exceeds capacity of the WWTP.
- Authorizes NJDEP to process site specific amendments for property within the SSA once adopted.
- Expires in two (2) years.

Dr. Downey asked what expires in two years. Mr. Kantorek indicated that the old legislation stated that if you did not have an approved WMP in place for a certain sewer service area without service, the State would take the area away. The new legislation provides counties two years to complete their WMP. If after the two years there still is no plan, then that service area could be taken away, although the State could extend the time period for completing a WMP.

Mr. Kantorek indicated that on Wednesday, February 29, 2012 he and Ms. Pchola will be attending a meeting at the NJDEP. They are looking for input on future legislation regarding WMPs. A discussion followed regarding the future legislation.

Contract 07-1, River Road STP Regenerative Afterburner (RTO)

Ms. Pchola reported that Dürr was on-site February 14 through February 17, 2012 to complete repairs to the RTO. Dürr completed the following:

- High pressure washed the unit, forced draft fan, and valve housing. Seal welded the entire length of lower seam along the outside of the chamber, replaced the valve

thrust bearing, installed new PTFE tape gasket on the valve housing, replaced severely corroded hardware, and performed a valve alignment.

- Removed exhaust fan inlet and outlet flex joints. Cleaned flange surfaces as necessary and reinstalled with PTFE tape gasket. Removed fresh air damper and fan inspection door, cleaned flange surfaces as necessary and reinstalled with PTFE tape gasket. Replaced all severely corroded hardware.
- Removed all thermocouples, cleaned threads and reinstalled with new PTFE tape.
- Performed a complete off-line inspection of unit. The on-line portion of the annual inspection of the unit still needs to be completed.

Ms. Pchola reported that SBRSA staff completed an inspection of the unit after being placed back into service. Some minor deficiencies were found with the repairs. Dürr was contacted and they are scheduled to return the week of March 5, 2012.

Contract 10-1, Headworks Project

Ms. Pchola indicated that as of Pay Estimate No. 11 this project is 22% complete. Over the past reporting period Tomar completed the installation of the reinforcing steel and placement of the concrete for the grit removal tanks base slab and two sections of the grit removal tanks walls. Photos of the Grit Removal Tanks construction progress were provided to the Board.

Contract 11-1, Fly Ash Slurry Pump Rehabilitation Project

Ms. Pchola reported that AC Schultes reinstalled and completed start-up of FAS Pump #2 the week of January 23, 2012. The final pump, FAS #1 is scheduled to be removed for rework the week of February 27, 2012

Contract 11-2 Outdoor Motor Control Center Replacement Project

Ms. Pchola indicated that the contractor has resubmitted the shop drawings for motor control center.

482.10 Finance Report

Payment of Bills and Claims

Dr. Miller moved the approval of the payment of bills and claims in the amount of \$1,368,190.45 with two signatures instead of three; seconded by Dr. Downey and passed by a vote of 7 to 0.

Treasurer's Report

Mr. Neuhof reported that net income for the second month of the fiscal year stands at \$41,994. This increase is largely attributed to additional sludge cake revenue. The Authority has total investments of \$15,968,852 at an average interest rate of 0.34%. The balance for current construction projects is \$13,884,912. Mr. Neuhof indicated that there

are sufficient funds for these projects. The New Jersey Cash Management Fund yield remains at 0.05%.

Resolution 2012-05, Award of a “No Political Contributions Allowed” Contract for Lawn Maintenance Services for FY 2012 to Szuls Landscaping

Mr. Neuhof indicated that staff received the following quotes for lawn maintenance services:

Szuls Landscaping	\$27,512
Lorenzi Lawn and Landscape	\$29,390
Pro Design, LLC	\$29,925

Mr. Neuhof reported that Szuls Landscaping submitted the lowest cost quote and that they have completed and submitted a Business Entity Disclosure Certification which certifies that the vendor has not made any reportable contributions to a political or candidate committee served by SBRSA in the previous year.

Mr. Neuhof recommended approval of Resolution 2012-05. So moved by Dr. Miller, seconded by Mr. McKinnon and passed by a roll call vote of 7 to 0. Resolution 2012-05 follows.

Resolution Authorizing the Award of a “No Political Contributions Allowed” Contract for Lawn Maintenance Services

Resolution No. 2012-05

WHEREAS, the Stony Brook Regional Sewerage Authority has a need to acquire Lawn Maintenance services as a no political contribution contract pursuant to the provisions of N.J.S.A. 19:44A-20.4 or 20.5 as appropriate; and,

WHEREAS, the purchasing agent, Stuart Neuhof has determined and certified in writing that the value of this contract (by purchase order) will exceed \$17,500; and,

WHEREAS, the anticipated term of this contract is for fiscal 2012 (1 year) and may be extended as approved by this governing body; and,

WHEREAS, the following quotes were received: Szuls Landscaping, \$27,512; Pro Design, LLC \$29,925; Lorenzoni Lawn and Landscape, \$29,390 and,

WHEREAS, Szuls Landscaping has submitted the lowest cost quote in the amount of \$27,512; and,

WHEREAS, Szuls Landscaping has completed and submitted a Business Entity Disclosure Certification which certifies that this vendor has not made any reportable contributions to a political or candidate committee served by the Stony Brook Regional Sewerage Authority in the previous one year, and that the contract will prohibit this vendor from making any reportable contributions through the term of the contract; and,

WHEREAS, the Authority has Funds available in its current budget.

NOW THEREFORE, BE IT RESOLVED that the Stony Brook Regional Sewerage Authority authorizes the above vendor to enter into contracts by purchase order; and,

BE IT FURTHER RESOLVED that the Business Disclosure Entity Certification and the Determination of Value be placed on file with this resolution.

<u>Recorded Vote:</u>	<u>AYE</u>	<u>NO</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
Robert A. Bartolini	X			
Harry Compton	X			
Gale D. Downey	X			
David Miller	X			
James McKinnon	X			
C. Schuyler Morehouse	X			
Bharat Patel	X			

Resolution 2012-06, Certifying Member Review of the 2011 Audit

Mr. Neuhof reported that the Finance Committee met on February 14, 2012 to review the 2011 Audit report and Financial Statements. Mr. Neuhof highlighted some of the key points of the Audit.

The Independent Audit Report indicates that the financial statements are fairly presented in accordance with Generally Accepted Accounting principles.

Mr. Neuhof reported that total assets increased by \$4.2 million for a total of \$73.3 million. This was largely due to the New Jersey Environmental Infrastructure Trust (NJEIT) financing that closed on December 2, 2010. Total Liabilities increased by \$3.6 million due to the issue of bonds for the financing through the NJEIT. Net assets increased by \$614,867 to \$40,374,467.

The Statement of Cash Flows on page 11 shows the services and costs during the year. Mr. Neuhof noted that the pension employee plan contributions increased by 1% from 5.5% to 6.5% beginning July 1, 2011. Employee contributions will increase an additional 1% prorated over the next seven (7) years starting July 1, 2012. Mr. Neuhof also noted that SBRSA's contribution for 2011 was \$336,275, which is a 50% increase over a two-year period. The 2012 contribution will only be approximately \$3,000 more.

Mr. Neuhof reported that the Authorities deposits are insured through either the Federal Deposit Insurance Corporation (FDIC) (up to \$250,000) or New Jersey's Governmental Unit Deposit Protection Act (GUPDA).

Mr. Neuhof reviewed the Long Term Debt Schedule which totals \$26,548,431. Mr. Neuhof explained that the Authority began the year with Long Term debt of \$24,901,938. Additional Trust Debt of \$6,220,000 was added and \$2,785,021 was adjusted or paid.

Mr. Neuhof noted that the 2009 NJEIT/ARRA Financing was closed out. Mr. Neuhof explained that two days into the 2011 fiscal year, the Authority closed on the final portion of the Headworks project financing. This included \$2.5 million in principal forgiveness, a bond coupon rate of 5% and a bond premium of \$623,000. With the interest free portion of the financing, staff estimates a twenty (20) year savings of approximately \$4.4 million.

Mr. Neuhof explained that the budget versus actual shows excess revenues of \$179,000 largely due to additional sludge cake receipts. Operating expenditures decreased by approximately \$414,000 largely due to decreases in natural gas and chemical costs.

Mr. Neuhof noted that there were no audit comments or recommendations.

Chairman Bartolini thanked staff for a job well done.

Mr. Neuhof recommended approval of Resolution 2012-06, Certifying Member Review of the 2011 Audit. So moved by Dr. Miller, seconded by Dr. Downey and passed by a roll call vote of 7 to 0. Resolution 2012-06 follows.

RESOLUTION
Certifying Member Review of the 2011 Audit

Resolution No. 2012-06

WHEREAS, N.J.S.A. 40A:5A-15 requires the governing body of each local authority to cause an annual audit of its accounts to be made, and

WHEREAS, the annual report for the fiscal year ended **November 30, 2011** has been completed and will be filed with the State of New Jersey, Division of Local Government Services, Department of Community Affairs, Bureau of Authority Regulation, Local Finance Board pursuant to N.J.S.A. 40A:5A-15, and

WHEREAS, N.J.S.A. 40A:5A-17 requires that the governing body of each authority, within 45 days of receipt of the annual audit, certify by resolution to the Local Finance Board that each member thereof has personally reviewed the annual audit report, and specifically the sections of the audit report entitled “General Comments” and “Recommendations” in accordance with N.J.S.A. 40A:5A-17.

NOW, THEREFORE, BE IT RESOLVED that the governing body of the **Stony Brook Regional Sewerage Authority** hereby certifies to the Local Finance Board of the State of New Jersey that each governing body member has personally reviewed the annual audit report for the fiscal year ended **November 30, 2011**, and specifically has reviewed the sections of the audit report entitled “General Comments” and “Recommendations”, and has evidenced same by group affidavit in the form prescribed by the Local Finance Board.

BE IT FURTHER RESOLVED that the Secretary of the Authority is hereby directed to promptly submit to the Local Finance Board the aforesaid group affidavit, accompanied by a certified true copy of this Resolution.

Recorded Vote:

	<u>AYE</u>	<u>NO</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
Robert A. Bartolini	X			
Harry Compton	X			
Gale D. Downey	X			
James McKinnon	X			
David Miller	X			
C. Schuyler Morehouse	X			
Bharat Patel	X			

Resolution 2012-08, Authorizing the Award of a “No Political Contributions Allowed” Contract for Non-Professional Service Vendors

Mr. Neuhof indicated that when the Authority anticipates spending more than \$17,500 but less than the bid threshold of \$36,000, the Authority is required to pass a resolution authorizing a “No Political Contributions Allowed” contract with the vendors.

Mr. Neuhof recommended approval of Resolution 2012-08, awarding a “No Political Contributions Allowed” contract(s) for non-professional service vendors. So moved by Dr. Miller, seconded by Dr. Downey and passed by a roll call vote of 7 to 0. Resolution 2012-08 follows.

Resolution Authorizing the Award of a “No Political Contributions Allowed” Contract(s) for Non-Professional Service Vendors

Resolution No. 2012-08

WHEREAS, the Stony Brook Regional Sewerage Authority has a need to acquire goods or services as a no political contribution contract pursuant to the provisions of N.J.S.A. 19:44A-20.4 or 20.5 as appropriate; and,

WHEREAS, the purchasing agent Stuart Neuhof has determined and certified in writing that the value of each contract (by purchase orders) will likely exceed \$17,500; and,

WHEREAS, the anticipated term of this contract is for fiscal 2012 (1 year) and may be extended as approved by this governing body; and,

WHEREAS, the attached list of vendors has completed and submitted a Business Entity Disclosure Certification which certifies that each vendor has not made any reportable contributions to a political or candidate committee served by the Stony Brook Regional Sewerage Authority in the previous one year, and that the contract will prohibit the (attached list of vendors) from making any reportable contributions through the term of the contract; and,

WHEREAS, the Authority has Funds available in its current budget.

NOW THEREFORE, BE IT RESOLVED that the Stony Brook Regional Sewerage Authority authorizes the attached list of vendors to enter into contracts by purchase order; and,

BE IT FURTHER RESOLVED that the Business Disclosure Entity Certification and the Determination of Value be placed on file with this resolution.

Year 2012 No Political Contribution Contracts:	
Company Name	Service
Carbonite Filter Corp	Filters
CDI Inc.	Electrical Work
Enviro-Care	Flowminutor
GKD-USA, Inc.	Belts (Filter & Press)
Hesco Electrical Supply	Electrical Supplies
Lincoln Supply LLC	Supplies
Lockwood's Electrical Motor	Electric Motor Repairs
Marshall Industrial Technologies, Inc.	Welding and Fabricating
Miracle Chemical Co.	Chemicals
Waters & Bugbee, Inc.	General Contractors

<u>Recorded Vote:</u>	<u>AYE</u>	<u>NO</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
Robert A. Bartolini	X			
Harry Compton	X			
Gale D. Downey	X			
David Miller	X			
James McKinnon	X			
C. Schuyler Morehouse	X			
Bharat Patel	X			

Monthly Sludge Business Analysis

The monthly Sludge Business Tracking for FY 2012 was provided to the Board. Mr. Neuhof reported that net income for the month of January is \$129,777 and cumulative net income is \$229,760. Gas usage for the month of January was 71,626 therms. The simple remaining payback for the RTO is 3.5 years.

482.11 Personnel Report

The Personnel Report was provided for member information.

482.12 Correspondence

For information

482.13 Old Business

None.

482.14 New Business

None.

482.15 Executive Session

The Board entered into Executive Session at 8:50 pm to discuss the Pennington and Hopewell STPs NJPDES permit issues on a motion by Dr. Downey, seconded by Mr. McKinnon and passed by unanimous vote.

482.16 Adjournment

As there was no further business to come before the Board, the meeting was adjourned at approximately 10:00 p.m. on a motion by Mr. Patel and seconded by Mr. McKinnon and passed by unanimous vote.

Respectfully Submitted,

John Kantorek
Secretary

Recorded and Written by
Patricia Carlino
March 5, 2012