

Minutes of Meeting #487, July 23, 2012 – Stony Brook Regional Sewerage Authority

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

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

MEMBERS ABSENT: Compton, McKinnon

CONSULTANTS: Alexander

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

487.01 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.

487.02 Approval of Minutes

The minutes of the June 25, 2012 Board meeting were approved as presented on a motion by Dr. Downey, seconded by Mr. Morehouse and passed by a vote of 5 to 0.

487.03 Board Related Activities

Consultant List

The consultant list was provided for information. Mr. Kantorek noted that one contract is pending award tonight.

487.04 Planning and Administration

Mr. Kantorek reported that the most current 12-month average daily River Road plant flow is 10,046,348 gpd with 851,326 gpd of approved but inoperative flow for a total committed flow of 10,897,674 gpd with 2,162,326 gpd or 16.56% of available capacity. The most current 12-month average daily flow at the Hopewell Plant is 245,932 gpd with no inoperative flow, for a total committed flow of 245,932 gpd with 18.02% or 54,068 gpd of available capacity. The Pennington Plant presently has 257,201 gpd as the most current 12-month average daily flow, with 12,106 gpd of approved but inoperative flow, for a total committed flow of 269,307 gpd, with 10.23% or 30,693 gpd of available capacity. Mr. Kantorek noted that the inoperative flow total for the Pennington Plant is the unused portion of Bristol-Meyers Squibb approved flow.

Mr. Kantorek noted that the low flows this month are relatively close to last month's and most likely will continue for August and September. Mr. Kantorek noted that the Authority will be replacing two (2) wetter twelve million gallons per day month (July and August 2011) flows with drier month flows. Mr. Kantorek indicated that if the current dry weather conditions continue, the twelve month average flows for August and September will decrease substantially.

Monthly Flow Transmittal

The monthly flow transmittal for May was provided for information.

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

The meter verification conducted on July 2, 2012 at the Hopewell STP indicated that the influent meter was reading high by 4.43%. During the meter certification conducted on June 1, 2012, the influent meter was adjusted to -0.06%. Therefore the influent meter data was adjusted down by 2.185% which is the average of the meter certification and verification conducted in June and July, respectively.

487.05 Approval Requests and Actions

TWA-1 Approvals

None.

Time Extensions

None.

NJPDES Endorsements Requested

None.

Water Quality Management Plan Amendments

None.

487.06 Regulatory Report

Discharge Monitoring Report (DMR) and NJPDES Compliance

Mr. Rahimi reported that Discharge Monitoring Reports for the month of May were submitted to the NJDEP. No violations were reported.

Mr. Rahimi noted that staff is reviewing the June 2012 DMR.

Mr. Rahimi indicated that the quarterly bioassays were run in June for all three facilities and were reported to NJDEP. The results for River Road, Hopewell and Pennington were >100%.

Mr. Rahimi reported that the River Road semi-annual Phosphorus Compliance Report was submitted to NJDEP. A copy of the report was provided to the Board.

Residual Discharge Monitoring Reports

Mr. Rahimi indicated that the April Residuals Discharge Monitoring Reports were submitted to the NJDEP. All River Road parameters were compliant with the Air Permit requirements.

Mr. Rahimi noted that SBRSA received a new NJPDES permit for sludge quality on December 23, 2011 with an effective date of January 1, 2012. As required by this permit within 180 days of the effective date, SBRSA must submit monitoring reports online. Therefore the May Residuals Discharge Monitoring Report for River Road facility will be completed through NJDEP Electronic Data Interchange (EDI). Mr. Rahimi indicated that all new permits will require monitoring reports to be submitted online.

Air Reporting

Mr. Rahimi indicated that staff is preparing the 2nd quarter 2012 Excess Emissions and Monitoring Report. No excess emissions were noted during this monitoring period.

Mr. Rahimi reported that the federal 40 CFR 60 Subpart O Semi-annual Report has been prepared for the incinerators and is ready for submission.

Mr. Rahimi indicated that preparation of the Semi-annual Title V Compliance report is currently in progress.

Mr. Rahimi reported that the stack test for both incinerators is scheduled for the second week of August through the first week of September 2012. A copy of the schedule was provided to the Board.

Mr. Rahimi noted that on July 9, 2012 Lauren Keltos, NJDEP Air Enforcement, notified SBRSA that the affirmative defense related to the RTO leak was accepted by NJDEP; therefore there will not be a penalty fee associated with that incident.

Miscellaneous

Mr. Rahimi reported that the renewal application for grit waste disposal was submitted to Waste Management of Pennsylvania.

Safety

Mr. Irizarry reported that there were no accidents or injuries to report for the month of June.

Mr. Irizarry indicated that the Second quarter Safety Incentive Program Report (SIP) was submitted.

Mr. Irizarry reported that the 2011 Right to Know Survey was submitted. A full survey is required every five years. This is an update year. The only changes to our chemical inventory is the addition of CES PACI 2000 and CES PACI 2105 which are used for settling enhancement in the Orbal tanks at the Hopewell and Pennington plants.

Mr. Irizarry noted that a Fire Inspection was conducted at the Millstone Pump Station. No citations were issued.

Mr. Irizarry reported that the Safety Committee met on July 10, 2012. A copy of the meeting minutes was provided to the Board.

Mr. Irizarry reported that training for this reporting period included:

- Bloodborne Pathogens initial training (1) conducted by JIF
- Respirator Fit Test with classroom training (27) conducted by Certified Health and Safety Services
- Personal Protective Equipment (1) conducted by JIF
- Fall Protection Awareness (1) conducted by JIF
- Hazard Communication with Right to Know Awareness (1) conducted JIF

Mr. Irizarry noted that the training was held for the new employee in the Operations Department with the exception of the respirator fit test.

Mr. Irizarry reported that staff is continuing work presently or completed the following projects:

- 1) The paging system repairs are complete.
- 2) MCC and panel board updates are continuing.
- 3) Grating replacement/repair is being undertaken at both the Hopewell and Pennington plant influent chambers. The new grating is scheduled to be shipped on July 20, 2012
- 4) Staff is currently looking into removing the vinyl asbestos tiles on the first floor hallway.
- 5) The bilco doors at the Millstone Pump Station were misaligned which presented a trip and fall hazard. The doors have been replaced. Photographs were provided to the Board.
- 6) OSHA has revised its Hazard Communication Standard. This new revision

will be fully implemented by the year 2016. It includes Hazard Classification, Labeling, obtaining Safety Data Sheets and providing information and training to all employees. The training must be completed by December 1, 2013 and the labeling completed by June 1, 2015.

487.07 Litigation

The Litigation Report was provided for information with the following change since the last Board meeting.

Bakker vs. Stony Brook Regional Sewerage Authority

Ms. Alexander reported that all claims and cross claims against Heidi McLaughlin have been dismissed with prejudice by consent of all parties (Stipulation of Dismissal). Additionally, Defendant C&H Industrial Services, Inc. has filed a motion for summary judgment. The motion is based upon the employer immunity afforded by the Workers Compensation Act. Likewise a motion for summary judgment has been filed on behalf of SBRSA. The motion is based upon the fact that C&H was solely responsible for job site safety and that owners are not responsible for safeguarding independent contractors from the very risks inherent in their work, as well as, Tort Claims Act immunity from liability afforded public entities and their employees. Both motions are scheduled to be heard on August 10th.

487.08 Operations Report

Mr. Kunert indicated that as reported last month, staff had been working diligently on taking one clarifier off-line at each upstream facility and having them dewatered and cleaned out so the submerged metals may be painted. However, it was determined by staff, that SBRSA could not operate on one clarifier and still meet its effluent permit parameters.

Mr. Kunert reported that on July 5, 2012, the emergency generators at the River Road WWTP and the Princeton Pumping Station ran for approximately five hours. Commercial power was lost due to a severe thunderstorm.

Mr. Kunert indicated that the four chlorine contact tanks and re-aeration tanks have been pumped out, cleaned, and placed back on line. During the summer months the algae in the re-aeration tanks grows much quicker than in the winter months and must be cleaned more frequently.

Odor Report

The staff received no **Odor Complaints** from our surrounding area during the month of June. Staff received one odor complaint during the partial July 2012 reporting period. The full July number will be reported in August 2012.

Customer Septage and Sludge Deliveries

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

Dr. Bartolini noted that totals for outside liquid sludge have been decreasing and asked staff the cause of the decrease. Mr. Kantorek indicated that the outside sludge business continues to be more competitive. A brief discussion regarding the outside sludge business followed.

Maintenance Report

Mr. Ireland reported that three worn bearings were replaced on the drive side of the cake storage bin live bottom feed screws. In addition, new oil was installed in the chain cover and new packing for each screw. This work was performed by Shafts and Sleeves Inc.

Mr. Ireland indicated that on July 5, 2012, a severe thunderstorm passed through our area causing a commercial power failure and resulting in the generator coming on. During the restarting of equipment at the sludge station odor control building, the starter for the Pepcon 401 arced and the unit was unable to operate during the July 4th holiday weekend. This is one of two units that continuously remove odors from the sludge mix tank and thickeners. During the down time of this unit the weather was extremely hot and one odor complaint was received. A DEP HOTLINE call was made and once the new starter was purchased and installed the unit was put back into operation.

Mr. Ireland indicated that the suction housing, material tubes and rams were replaced and the poppet cylinders were rebuilt on Schwing Pump #5. Also, the hydraulic hoses were replaced due to sludge and oil leaks. This unit is back in operation.

Mr. Ireland noted that Mr. Coleman continues to monitor the progress of the Millstone generator work.

Mr. Ireland reported that the number of open work requests stand at eleven (11) with approximately four (4) requests issued on a daily basis. The Preventative Maintenance graphs show that SBRSA is currently averaging six (6) days overdue and the number of overdue units is approximately fifty-five (55).

487.09 Construction Report

Pennington STP Upgrade and Expansion

Ms. Pchola reported that as of this report SBRSA has not received the final NJPDES permits for the Hopewell and Pennington Plants. Although not confirmed NJDEP could be holding the permits until the nitrate and TDS limits are resolved, as we requested.

NJPDES 2012 Permit Advice

Ms. Pchola reported that as previously indicated the Hopewell and Pennington discharge permits have proposed limits for copper. These limits are based on default parameters and not on site-specific data. In the past Omni has conducted site specific sampling and analysis for other treatment facilities that justified relaxed copper limits compared to those proposed by NJDEP based on their default parameters.

As the new proposed limits may result in treatment upgrades or process changes staff requested that Omni provide a proposal to conduct the required sampling, analysis and report to determine if the proposed copper limits could be relaxed or potentially removed from the upstream permits.

Ms. Pchola noted that the work as proposed would be conducted in two phases. The first phase would consist of the conducting the Water-Effect Ratio (WER) study. The cost associated with this phase is \$35,000. However if additional data is needed to provide justification for a more favorable relaxed limit then the second phase to calculate the translator value will be implemented. The cost to conduct both phases is \$68,000 as outlined in the attached proposal from Omni dated July 12, 2012.

Staff recommended approval Resolution 2012-31, Amendment No. 1 to the 2012 NJPDES Advice Contract with Omni Environmental, LLC in an amount not to exceed \$68,000. So moved by Dr. Downey, seconded by Dr. Miller and passed by a roll call vote of 5 to 0. Resolution 2012-31 follows.

Resolution Authorizing Award of Amendment No. 1 to the 2012 NJPDES Advice Contract with Omni Environmental, LLC

Resolution No. 2012-31

WHEREAS, Stony Brook Regional Sewerage Authority (SBRSA) has a current agreement with Omni Environmental LLC (Omni) to provide advice relating to our NJPDES Discharge to Surface Water permit issues in the amount of \$30,000 and

WHEREAS, SBRSA has the need for additional work associated with this Contract to provide engineering services associated with the copper limits in the draft discharge permits for both the Hopewell and Pennington STPs; and

WHEREAS, SBRSA has the need to conduct a Copper Water-Effect Ratio (WER) Study and Translator Study in an effort to obtain relaxed copper limits for the NJPDES permits at both the Hopewell and Pennington STPs; and

WHEREAS, the current draft permit limits may require treatment plant upgrades and/or operational changes; and

WHEREAS, the Work will be conducted in two phases; and

WHEREAS, the first phase is the WER at a cost of \$35,000 as indicated in the supporting amendment request documentation dated July 12, 2012; and

WHEREAS, based on the results of the WER, a need to determine a “translator” value by conducting additional sampling and evaluation may be required as the second phase of the Work as indicated in the supporting amendment request documentation dated July 12, 2012; and

WHEREAS, if both phases are required the cost of the Work is \$68,000 as indicated in the supporting documentation dated July 12, 2012; and

WHEREAS, the Stony Brook Regional Sewerage Authority has funds available in its current budget.

NOW THEREFORE, BE IT RESOLVED that the Board of the Stony Brook Regional Sewerage Authority authorizes Amendment No. 1 to 2012 NJPDES Advice Contract with Omni Environmental, LLC in the amount of \$68,000 as described herein.

Recorded Vote:

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

SBRSA Facilities 2012 Annual Inspection

Ms. Pchola reported that AECOM provided staff with an electronic copy of the draft Annual Inspection Report on July 13, 2012. Staff is in the process of reviewing the report.

Odor Control

Ms. Pchola reported that the Odor Sampling with TRC has been scheduled for July 31st and August 1st.

Trace Data Acquisition System (DAS) Support

Ms. Pchola reported that staff had requested Trace Environmental Systems, Inc. to provide a proposal for remote services and support for our DAS software. In the past SBRSA has had this type of service agreement with Trace for system/software support and to provide answers to questions. This was discussed at the Construction Committee meeting and the Committee requested staff to obtain additional information from Trace prior to taking any action. Resolution 2012-32 was tabled.

Relative Accuracy Test Audits (RATA)

Ms. Pchola indicated that the draft RATA reports were submitted by Avogadro on July 16, 2012 and all units passed. Staff is currently reviewing the draft reports and expects to have the final reports before the end of July

Incinerator Emission Compliance Testing Assistance

Ms. Pchola reported that CBE received proposals from five (5) firms that provide stack testing services. Of the five (5) firms that provided proposals, Avogadro provided the lowest cost at \$155,650. Avogadro's quote from 2011 was \$157,775. Therefore Avogadro will be conducting the stack test. The start of the test is scheduled for the week of August 13th and will continue through the week of September 3rd. It is expected that the actual test for each operating scenarios will take approximately three days (30 hours).

Sludge Thickener No. 1 Improvements

Ms. Pchola indicated that staff has just received the needed information from the dome manufacturer. Staff will now move forward with completing the contract documents.

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

Ms. Pchola reported that during the month of June Bionomic Industries (BI) completed the following tasks:

1. Repaired the purge air fan low flow switch and set the purge air flow rate to each insulator compartment to design conditions.
2. Completed additional pressure drop measurements across the perforated plates with devices in the proper range for the pressure readings expected.
3. Completed additional carryover sampling on the WESP outlet*.

*Due to a process interruption during the carryover sampling, BI is scheduled to complete another set of samples on July 19, 2012.

Ms. Pchola indicated that based on the revised pressure drop measurements, BI has decided to remove the existing perforated plates and replace them with new plates with smaller openings to achieve the desired pressure drop and resultant air flow distribution.

The following tasks remain:

1. Pressure wash and complete an internal inspection of the WESP.
2. Remove and replace the perforated plates.
3. Maximize the performance of the preconditioning system.

Contract 10-1, Headworks Project

Ms. Pchola reported that as of Pay Estimate No. 16 this project is 42% complete. Over the past reporting period Tomar completed the form work, reinforcing, and placed approximately 64 cubic yards of concrete for the three grit removal tank walkways, completed the excavation of unsuitable material and placed and compacted controlled fill for two precast concrete chambers (Grit Slurry Pump Chamber and Grit Slurry Valve Chamber). Tomar also began the installation of reinforcing and form work for the Headworks Building walls, began the rough assembly of site piping and the installation of the influent slide gates.

Ms. Pchola indicated that on July 9, 2012 Tomar Construction received formal acceptance from the Burlington County Department of Solid Waste for the disposal of the landfill material. Tomar plans to begin screening and transporting the material within the next two weeks. Omni Environmental discussed the landfill material disposal plan with the NJDEP Division of Solid Waste and NJDEP views this as a positive development, i.e. beneficial use as landfill cover versus simply consuming valuable landfill space.

Contract 11-1, Fly Ash Slurry Pump (FAS) Rehabilitation Project

Ms. Pchola reported that the recoating of the suction and discharge piping has been completed and staff is in the process of closing out the project. SBRSA staff is continuing discussions with AECOM regarding the fly ash piping system stresses. AECOM's recommendation is to leave the piping as is.

Contract 12-2 SBRSA Facilities Painting Project

Ms. Pchola noted that as reported by Mr. Kunert, the submerged metals in the upstream clarifiers will not be painted and this work has been removed from the contract. Allied Painting is expected to mobilize by the end of July.

487.10 Finance Report

Payment of Bills and Claims

Dr. Miller moved the approval of the payment of bills and claims in the amount of \$1,196,044.58 with two signatures instead of three; seconded by Dr. Downey and passed by a vote of 5 to 0.

Treasurer's Report

Mr. Neuhof reported that net income for the seven-month period stands at \$303,768. This represents an increase of \$81,140 from the prior month. The Authority has total cash and investments of \$17,139,561 at an average interest rate of 0.25%. The balance of current construction projects is \$11,808,038. Mr. Neuhof noted that there are sufficient funds for these projects. The New Jersey Cash Management Fund yield remains at 0.05%.

Resolution 2012-30, Relating to the General Bond Resolution of the Stony Brook Regional Sewerage Authority Determining the Form of Not in Excess of \$8,500,000 Revenue Refunding Bonds (Series 2012) and Determining Certain Details in Connection Therewith

Mr. Neuhof reported that the Authority continues to move forward on the Refunding Bonds. Mr. Robert Beinfield, Bond Counsel for the Authority, was present tonight to explain Resolution 2012-30 and the bond refunding.

Mr. Beinfield explained that the Authority is moving forward with the bond refunding. Thus far the Authority made an application to the Local Finance Board (LFB) for the refunding and received their approval ten days ago. Also, the Board last month approved a resolution authorizing the bonds. Resolution 2012-30 is needed to finalize the refunding bonds. Mr. Beinfield indicated that the market right now is favorable for the Authority. The standard threshold to move forward with the refunding is 3% savings. Mr. Beinfield noted that right now the Authority is slightly above 5% savings or approximately \$450,000 gross savings net of all costs associated with the refunding process. Mr. Beinfield reported that the Authority had its rating call on Thursday, July 19th and possibly will have its rating by the end of the month.

Dr. Miller agreed that the time is right for the Authority to do the refunding. A brief discussion regarding the Authority's rating and the rating of the bonds followed.

Dr. Miller made a motion to approve Resolution 2012-30. The motion was seconded by Dr. Downey and passed by a roll call vote of 5 to 0. Resolution 2012-30 follows.

Supplemental Resolution No. 2012-30 Relating to the General Bond Resolution of the Sony Brook Regional Sewerage Authority Determining the Form of Not in Excess of \$8,500,000 Revenue Refunding Bonds (Series 2012) and Determining Certain Details in Connection Therewith

Resolution No. 2012-30

BE IT RESOLVED BY THE STONY BROOK REGIONAL SEWERAGE AUTHORITY, and the members and commissioners thereof, AS FOLLOWS:

Section 1. Short Title. This resolution may hereafter be cited by the Authority, and is hereinafter sometimes referred to as "Supplemental Resolution No. 2012-30".

Section 2. Authority for Supplemental Resolution No. 2012-30. Supplemental Resolution No. 2012-30 supplements the General Bond Resolution and is adopted pursuant to the provisions of the Act and pursuant to the General Bond Resolution. The Authority has ascertained and hereby determines that adoption of Supplemental Resolution No. 2012-30 is necessary to carry out the powers, purposes and duties expressly provided in the Act, that each and every act, matter, thing or course of conduct as to which provision is made herein is necessary in order to promote, carry out and effectuate the purposes of the Authority in accordance with the Act and to carry out

powers expressly given in the Act, and that the powers of the Authority herein exercised are in each case exercised in accordance with the provisions of the Act and the General Bond Resolution and in furtherance of the purposes of the Authority.

Section 3. Definitions and Interpretation. Wherever used or referred to in Supplemental Resolution No. 2012-30, all words or terms which are defined or referred to in the General Bond Resolution, except the words or terms which are defined in paragraph (B) of this Section, shall, unless a different meaning clearly appears from the context, have the meanings given or ascribed to such words and terms, respectively, in Section 105 of the General Bond Resolution.

(B) In this Supplemental Resolution No. 2012-30, unless a different meaning clearly appears from the context:

“2012 Bonds” means any of the \$8,500,000 principal amount of Revenue Refunding Bonds (Series 2012) authorized by Supplemental Resolution No. 2012-25.

“Authority Officer” means the Chairman, Vice-Chairman, Treasurer, Secretary and Assistant Secretary of the Authority.

“Code” means the Internal Revenue Code of 1986, as amended.

“Continuing Disclosure Agreement” shall have the meaning ascribed to such term in Section 17(A) hereof.

“DTC” shall have the meaning ascribed to such term in Section 8(A) hereof.

“Escrow Deposit Agreement” shall have the meaning ascribed to such term in Section 20 hereof.

“General Bond Resolution” shall mean the bond resolution of the Authority adopted September 19, 1977, entitled: “Resolution Authorizing the Issuance of Revenue Bonds of the Stony Brook Regional Sewerage Authority”, as amended and supplemented.

“Refunded Bonds” means any of the Series 2004 Bonds.

“Series 2004 Bonds” means any of the Authority’s \$6,695,000 outstanding principal amount of Revenue Bonds (Series 2002), dated May 15, 2004, and being those bonds maturing on and after December 1, 2016.

“SLGS” shall have the meaning ascribed to such term in Section 19 hereof.

“Supplemental Resolution No. 2012-25” shall mean the resolution of the Authority adopted June 25, 2012, entitled: “Supplemental Resolution No. 2012-25 Relating to the General Bond Resolution of the Stony Brook Regional Sewerage Authority and Authorizing the Issuance of a Series of Revenue Bonds Pursuant Thereto”.

“Supplemental Resolution No. 2012-30” shall have the meaning ascribed to such term in Section 1 hereof.

“Underwriter” shall have the meaning ascribed to such term in Section 13 hereof.

(C) Articles and Sections mentioned by number alone and without qualification by the word “hereof” are the respective Articles and Sections of the General Bond Resolution so numbered. The terms “herein”, “hereunder”, “hereby”, “hereto”, “hereof” and any similar terms refer to Supplemental Resolution No. 2012-30. The term “heretofore” means before the date of adoption of Supplemental Resolution No. 2012-30. The term “hereafter” means after the date of adoption of Supplemental Resolution No. 2012-30. Words importing the masculine gender include every other gender. Words importing persons include firms, associations and corporations. Words importing the singular number include the plural number and vice versa.

Section 4. Captions and Index. Any captions, titles or headings preceding the text of any section herein and any table of contents or index attached hereto or any copy hereof are solely for convenience of reference and shall not constitute part of Supplemental Resolution No. 2012-30 or affect its meaning, construction or effect.

Section 5. Purpose of 2012 Bonds. Pursuant to the provisions of Section 318(1)(c) of the General Bond Resolution and Section 6 of Supplemental Resolution No. 2012-25, the Authority established, provided for and authorized the issuance of not exceeding \$8,500,000 2012 Bonds for purposes of refunding the Refunded Bonds.

Section 6. Principal Amounts, Maturities, Interest Rates and Titles. The 2012 Bonds shall mature on such dates and in such principal amounts and shall bear interest at such rates, all as shall be determined by an Authority Officer; provided, however, that (i) the aggregate principal amount of the 2012 Bonds shall not exceed \$8,500,000, (ii) the final maturity of the 2012 Bonds shall be no later than December 1, 2033 and (iii) the interest rates on the 2012 Bonds shall allow the Authority to realize a net (i.e., after payment of the costs of issuance of the 2012 Bonds) present value debt service savings of at least 3% of the aggregate principal amount of the Refunded Bonds. Notwithstanding anything contained in Supplemental Resolution No. 2012-25 to the contrary, each 2012 Bond shall be entitled: “Revenue Refunding Bond (Series 2012)” and shall have such other words incorporated in its title as may be determined by an Authority Officer.

Section 7. Denominations, Dates, Interest Payment Dates and Manner of Payment. The 2012 Bonds are issuable in fully registered form without coupons and payable to a named person or registered assigns, and each in the denomination of \$5,000 principal amount or any whole multiple of \$1,000 in excess thereof. On original issuance each 2012 Bond shall be dated as of and shall bear or accrue interest from such date as shall be determined by an Authority Officer. Interest on the 2012 Bonds shall be payable semi-annually in each year until maturity or earlier redemption, on such dates as shall be determined by an Authority Officer, by check or bank draft mailed (unless other arrangements have been made with any securities depository) to the registered owners thereof whose names appear on the registration books of the Authority held by the Trustee or the Registrar as of the record dates, such record dates to be determined by an

Authority Officer. Principal or Redemption Price, if any, of the 2012 Bonds shall be payable upon presentation and surrender (unless other arrangements have been made with any securities depository) of the 2012 Bonds at the office of the Paying Agent. Principal or Redemption Price, if any, of and interest on the 2012 Bonds shall be payable in lawful money of the United States of America on the record dates determined by an Authority Officer.

Section 8. Book-Entry Bonds. ■ Except as provided in subsection (C) below, the holder of all of the 2012 Bonds shall be The Depository Trust Company, New York, New York (“DTC”) and the 2012 Bonds shall be registered in the name of Cede & Co., as nominee for DTC. Payment of interest for any 2012 Bond registered in the name of Cede & Co. shall be made by wire transfer of New York Clearing House or equivalent same day funds to the account of Cede & Co. on the interest payment date for the 2012 Bonds at the address indicated for Cede & Co. in the registration books of the Authority kept by the Trustee or the Registrar.

(B) The 2012 Bonds shall be initially issued in the form of a separate single authenticated fully registered certificate for each maturity of the 2012 Bonds. Upon initial issuance, the ownership of the 2012 Bonds shall be registered in the registration books of the Authority kept by the Trustee or the Registrar in the name of Cede & Co., as nominee of DTC. The Trustee, the Registrar, the Paying Agent and the Authority may treat DTC (or its nominee) as the sole and exclusive holder of the 2012 Bonds registered in its name for the purposes of payment of the principal, Sinking Fund Installments or Redemption Price of or interest on the 2012 Bonds, selecting the 2012 Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under Supplemental Resolution No. 2012-30 or the General Bond Resolution, registering the transfer of 2012 Bonds, obtaining any consent or other action to be taken by holders of the 2012 Bonds and for all other purposes whatsoever; and neither the Trustee, the Registrar, the Paying Agent, nor the Authority shall be affected by any notice to the contrary. Neither the Trustee, the Registrar, the Paying Agent nor the Authority shall have any responsibility or obligation to any DTC participant, any person claiming a beneficial ownership interest in the 2012 Bonds under or through DTC or any DTC participant, or any other person which is not shown on the registration books of the Authority as being a holder, with respect to the accuracy of any records maintained by DTC or any DTC participant; the payment of DTC or any DTC participant of any amount in respect of the principal, Sinking Fund Installments or Redemption Price of or interest on the 2012 Bonds; any notice which is permitted or required to be given to Bondholders under Supplemental Resolution No. 2012-30 or the General Bond Resolution; the selection by DTC or any DTC participant of any person to receive payment in the event of a partial redemption of the 2012 Bonds; or any consent given or other action taken by DTC as Bondholder. The Paying Agent shall pay all principal of, Sinking Fund Installments and Redemption Price, if any, and interest on the 2012 Bonds only to or “upon the order of” DTC (as that term is used in the Uniform Commercial Code as adopted in the State of New Jersey), and all such payments shall be valid and effective to fully satisfy and discharge the Authority’s obligations with respect to the principal of, Sinking Fund Installments and Redemption Price, if any, and interest on the 2012 Bonds to the extent of the sum or sums so paid. Except as otherwise provided in subsection (C) below, no person other than DTC shall receive an authenticated 2012

Bond certificate evidencing the obligation of the Authority to make payments of principal of, Sinking Fund Installments and Redemption Price, if any, and interest pursuant to Supplemental Resolution No. 2012-30 or the General Bond Resolution. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions of the General Bond Resolution with respect to transfers of 2012 Bonds, the word “Cede & Co.” in Supplemental Resolution No. 2012-30 shall refer to such new nominee of DTC.

(C) In the event the Authority determines that it is in the best interest of the beneficial owners of the 2012 Bonds that they be able to obtain 2012 Bond certificates, the Authority may notify DTC and the Trustee, whereupon DTC will notify the DTC participants, of the availability through DTC of 2012 Bond certificates. In such event, the Authority shall prepare and shall execute and the Trustee shall issue, transfer and exchange 2012 Bond certificates as requested by DTC in appropriate amounts within the guidelines set forth in Supplemental Resolution No. 2012-30 and the General Bond Resolution. DTC may determine to discontinue providing its services with respect to the 2012 Bonds at any time by giving written notice to the Authority and the Trustee and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the Authority and the Trustee shall be obligated to deliver 2012 Bond certificates as described in Supplemental Resolution No. 2012-30 and the General Bond Resolution. In the event 2012 Bond certificates are issued, the provisions of Supplemental Resolution No. 2012-30 and the General Bond Resolution shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of, Sinking Fund Installments, Redemption Price, if any, and interest on such certificates. Whenever DTC requests the Authority and the Trustee to do so, the Authority will direct the Trustee in writing (at the sole cost and expense of the Authority) to cooperate with DTC in taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the 2012 Bonds to any DTC participant having 2012 Bonds credited to its DTC account or (ii) to arrange for another securities depository to maintain custody of certificates evidencing the 2012 Bonds.

(D) Notwithstanding any other provision of Supplemental Resolution No. 2012-30 and the General Bond Resolution to the contrary, so long as any 2012 Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal of, Sinking Fund Installments, and Redemption Price, if any, and interest on such 2012 Bond and all notices and tenders with respect to such 2012 Bond shall be made and given, respectively, to DTC as provided in the Blanket Issuer Letter of Representation executed by the Authority.

(E) In connection with any notice or other communication to be provided to holders of the 2012 Bonds pursuant to Supplemental Resolution No. 2012-30 and the General Bond Resolution by the Authority or the Trustee with respect to any consent or other action to be taken by such Bondholders, the Authority shall establish a record date for such consent or other action and give DTC notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible. Such notice to DTC shall be given only when DTC is the sole holder of the 2012 Bonds.

(F) Neither the Authority, the Paying Agent, the Registrar nor the Trustee will have any responsibility or obligations to the DTC participants or the beneficial owners of the 2012 Bonds with respect to (1) the accuracy of any records maintained by DTC or any DTC participant, (2) the payment by DTC or any DTC participant of any amount due to any beneficial owner of the 2012 Bonds in respect of the principal amount, Sinking Fund Installment, Redemption Price or interest on the 2012 Bonds, (3) the delivery by DTC or any DTC participant of any notice to any beneficial owner of the 2012 Bonds which is required or permitted under the terms of Supplemental Resolution No. 2012-30 or the General Bond Resolution to be given to holders of the 2012 Bonds, (4) the selection of the beneficial owners of the 2012 Bonds to receive payment in the event of any partial redemption of the 2012 Bonds or (5) any consent given or other action taken by Cede & Co. as the nominee of DTC as registered owner of the 2012 Bonds.

(G) So long as Cede & Co. is the registered owner of the 2012 Bonds, as nominee of DTC, references herein to the holders of the 2012 Bonds or registered holders of the 2012 Bonds shall mean Cede & Co. and shall not mean the beneficial owners of the 2012 Bonds.

(H) For so long as the holder of all of the 2012 Bonds shall be DTC, and all 2012 Bonds shall be registered in the name of Cede & Co. as nominee for DTC, unless all 2012 Bonds are being redeemed or retired in whole, 2012 Bonds shall not be required to be presented to the Trustee.

Section 9. Redemption. The 2012 Bonds shall be subject to redemption at such times, on such dates and in such amounts as may be determined by an Authority Officer; provided, however, that (i) the redemption price payable in connection with any mandatory sinking fund redemption shall not exceed 100% of the principal amount of the 2012 Bonds redeemed, plus accrued interest to the redemption date and (ii) the redemption price payable in connection with any optional redemption shall not exceed 101% of the principal amount of the 2012 Bonds redeemed, plus accrued interest to the redemption date.

(B) Notice of redemption shall be given by first-class mail, postage prepaid, to the registered owners of the 2012 Bonds or portions thereof to be redeemed, not less than thirty (30) days nor more than sixty (60) days prior to the redemption date, but such mailing shall not be a condition precedent to such redemption and failure so to mail any such notice shall not affect the validity of any proceedings for the redemption of 2012 Bonds. If notice of redemption shall have been given as aforesaid, the 2012 Bonds or portions thereof specified in said notice shall become due and payable at the redemption price on the redemption date therein designated and if, on the redemption date, moneys for payment of the redemption price of all the 2012 Bonds to be redeemed, together with the interest to the redemption date, shall be available for such payment on said date, then from and after the redemption date interest on such 2012 Bonds shall cease to accrue and become payable. Less than all of a 2012 Bond in a denomination in excess of \$5,000 may be so redeemed, and in such case, upon the surrender of such 2012 Bond, there shall be issued to the registered owner thereof, without charge therefor, for the unredeemed balance of the principal amount of such 2012 Bond, 2012 Bonds of like series, designation, maturity and interest rate in any of the authorized denominations.

Notwithstanding anything in the General Bond Resolution to the contrary, so long as the 2012 Bonds are registered bonds the Authority shall not be required to publish any notice of redemption relating to the 2012 Bonds.

Section 10. Designation of 2012 Bonds. The 2012 Bonds are hereby designated or deemed designated as “qualified tax-exempt obligations” pursuant to and for the purposes of Section 265(b)(3) of the Code. In connection with the foregoing designation, the Authority hereby determines, declares, recites and states, that, as of the date hereof, the reasonably anticipated amount of tax-exempt obligations (other than current refunding obligations and private activity bonds, as referred to and defined in Section 141 of the Code) which will be issued by the Authority and all subordinate entities and on behalf of issuers thereof during calendar year commencing January 1, 2012 does not exceed \$10,000,000.

Section 11. Appointment of Trustee, Paying Agent, Escrow Agent and Registrar. The Authority does hereby appoint U.S. Bank National Association, Morristown, New Jersey as Trustee, Paying Agent, Escrow Agent and Registrar for the 2012 Bonds.

Section 12. Form of 2012 Bonds. The 2012 Bonds shall be in substantially the form attached hereto as Exhibit A and by this reference incorporated as if set forth in full herein, with such changes, insertions and omissions as may be approved by the Chairman or Vice Chairman of the Authority. The execution of the 2012 Bonds by the Chairman or Vice Chairman of the Authority shall be conclusive evidence of any approval required by this Section.

Section 13. Sale of the 2012 Bonds. Subject to the terms of and the limitations set forth in Supplemental Resolution No. 2012-30, an Authority Officer is hereby authorized to award and sell the 2012 Bonds, at one time or from time to time, to RBC Capital Markets, Florham Park, New Jersey (the “Underwriter”); provided, however, that (a) the underwriter’s discount does not exceed \$6.50 per \$1,000 of 2012 Bonds sold and the 2012 Bonds are sold no later than July 11, 2013 (i.e., one year from the date that the New Jersey Local Finance Board issued its positive findings with respect to the 2012 Bonds).

Section 14. Purchase Contract. An Authority Officer is hereby authorized and directed to execute and deliver a contract for the sale of the 2012 Bonds with the Underwriter, in substantially the form of the Bond Purchase Contract submitted to this meeting, with such changes therein as shall be approved by the officer or officers executing the same, the execution thereof by such officers to constitute conclusive evidence of the approval required by this Section.

Section 15. Delivery of the 2012 Bonds. The 2012 Bonds, in registered form, shall be numbered and lettered for identification purposes, in such manner as shall be determined by an Authority Officer and in accordance with the General Bond Resolution, and shall, as soon as practicable, be prepared, executed and delivered in definitive form to the Underwriter at the expense of the Authority in accordance with the provisions of

the General Bond Resolution and Supplemental Resolution No. 2012-30, and upon payment in full of the purchase price for the 2012 Bonds.

Section 16. Preliminary Official Statement; Official Statement. The distribution of the Preliminary Official Statement and the final Official Statement of the Authority relating to the sale of the 2012 Bonds to prospective purchasers and the use thereof by the Underwriter in connection with the offering of the 2012 Bonds are hereby authorized. An Authority Officer, or any one or more of them, are hereby jointly and severally authorized and directed to (i) deem the Preliminary Official Statement “final” as of its date, within the meaning of Rule 15c2-12 of the Securities and Exchange Commission and (ii) execute and deliver to the Underwriter in the name and on behalf of the Authority the final Official Statement, in substantially the form of the Preliminary Official Statement submitted to this meeting, with such changes therein as shall be approved by the officer or officers executing the same, the execution thereof by such officers to constitute conclusive evidence of the approval of the form of the final Official Statement.

Section 17 Continuing Disclosure Agreement. (A) The substance and form of the continuing disclosure agreement submitted to this meeting (the “Continuing Disclosure Agreement”) to be dated the date of delivery of and payment for the 2012 Bonds, between the Authority and the Trustee, are hereby approved, adopted and agreed to by the Authority with such modifications, additions or deletions as may hereafter be approved by an Authority Officer. An Authority Officer, or any one or more of them, are hereby jointly and severally authorized and directed to execute and deliver the Continuing Disclosure Agreement and to carry out the transactions contemplated thereby. The execution of the Continuing Disclosure Agreement by an Authority Officer shall be conclusive evidence of any approval required by this Section.

(B) The Authority hereby covenants with the holders from time to time of the 2012 Bonds that it will, and hereby authorizes the appropriate officers and employees of the Authority to take all action necessary or appropriate to, comply with and carry out all of the provisions of the Continuing Disclosure Agreement as amended from time to time. Notwithstanding any other provision of the General Bond Resolution or Supplemental Resolution No. 2012-30, failure of the Authority or the Trustee to perform in accordance with the Continuing Disclosure Agreement shall not constitute a default or an event of default under the General Bond Resolution or Supplemental Resolution No. 2012-30, and the rights and remedies provided by the General Bond Resolution upon the occurrence of such a default or an event of default shall not apply to any such failure, but the Continuing Disclosure Agreement may be enforced only as provided therein.

Section 18. Redemption and Defeasance of the Refunded Bonds. (A) The Authority hereby irrevocably elects to redeem, in accordance with the General Bond Resolution, the Refunded Bonds on December 1, 2015 at a Redemption Price of 100% of the principal amount thereof, plus interest accrued thereon to such redemption date. Upon delivery of the 2012 Bonds, the Authority hereby gives to the Trustee irrevocable instructions to mail and publish, if applicable, as provided in the General Bond Resolution (including, in particular, the supplemental resolutions determining the details of the Refunded Bonds) and in the Escrow Deposit Agreement notice of redemption of

the Refunded Bonds at the time set forth therein. Such notice of redemption shall be substantially in the form attached to the Escrow Deposit Agreement, with such modifications, additions or omissions as are deemed necessary or desirable by the Authority and the Trustee.

(B) The Authority hereby irrevocably elects to defease and pay, in accordance with Section 1201 of the General Bond Resolution, the Refunded Bonds and all interest installments appertaining thereto. The Authority hereby further irrevocably elects to discharge and satisfy the pledge of the Revenues and other moneys, securities and funds pledged pursuant to the General Bond Resolution and the covenants, agreements and other obligations of the Authority to the holders from time to time of the Refunded Bonds under the General Bond Resolution. The Authority Officers are each hereby authorized and directed to deliver to the Trustee certificate of an Authority Officer, for purposes of Section 120(1) for the General Bond Resolution, expressing such election upon the issuance of the 2012 Bonds. A copy of Supplemental Resolution No. 2012-30 certified by the Secretary of the Authority shall constitute the above-mentioned Officer's Certificate and said Secretary is hereby authorized and directed to so deliver such copy of Supplemental Resolution No. 2012-30, so certified, to the Trustee. The Authority hereby gives the Trustee irrevocable instructions to mail, as soon as practicable after the issuance of the 2012 Bonds, as provided in the Escrow Deposit Agreement notice of defeasance of the Refunded Bonds at the time set forth therein. Such notice of defeasance shall be substantially in the form attached to the Escrow Deposit Agreement, with such modifications, additions or omissions as are deemed necessary or desirable by the Authority and the Trustee.

(C) The elections set forth in this Section shall be effective upon the issuance of the 2012 Bonds.

Section 19. Purchase of Escrow Securities. The Authority Officers are each hereby authorized and directed, if necessary, to execute an initial and final Subscription for Purchase and Issue of United States Treasury Securities-State and Local Government Series Time Deposit Securities ("SLGS"), and any related certification, each in form and substance satisfactory to bond counsel to the Authority. The Trustee, the Underwriter and bond counsel to the Authority are each hereby authorized and directed, if necessary, to execute said initial and final SLGS subscription on behalf of the Authority. In addition, the Authority Officers are hereby authorized and directed, if necessary, to execute and delivery any agreement relating to the purchase of securities for deposit in the escrow account established by the Escrow Deposit Agreement.

Section 20. Escrow Deposit Agreement. The substance and form of the escrow deposit agreement presented to this meeting (the "Escrow Deposit Agreement") to be dated the date of delivery of and payment for the 2012 Bonds, by and between the Authority and the Trustee (as escrow agent thereunder) are hereby approved, adopted and agreed to by the Authority with such modifications, additions or deletions as may hereafter be approved by the Chairman or Vice Chairman of the Authority and bond counsel to the Authority. An Authority Officer, or any one or more of them, are hereby jointly and severally authorized and directed to execute and deliver the Escrow Deposit Agreement and to carry out the transactions contemplated thereby. The execution of the

Escrow Deposit Agreement by an Authority Officer shall be conclusive evidence of any approval required by this Section.

Section 21. Appointment of Verification Agent. The Authority does hereby appoint Hutchins, Farrell, Meyer & Allison, P.A., New Jersey, as verification agent with respect to the 2012 Bonds. The verification agent shall, among other things, deliver a report verifying (a) the yield on the 2012 Bonds for arbitrage purposes and (b) the sufficiency of the escrow deposit to accomplish the refunding of the Refunded Bonds.

Section 22. Transfer of Funds. Simultaneously with the issuance of the 2012 Bonds, the Authority Officers are each hereby authorized, after consultation with and upon the advice of bond counsel to the Authority, to direct the Trustee to deposit in the escrow account established by the Escrow Deposit Agreement and in the account of the Bond Reserve Fund established for the 2012 Bonds moneys held by the Trustee in the funds or accounts established by the General Bond Resolution, including without limitation (a) moneys in the Bond Service Fund representing interest accrued on the Refunded Bonds from the last interest payment date thereon to the date of issuance of the 2012 Bonds and (b) moneys in the account of the Bond Reserve Fund representing the Bond Reserve Requirement with respect to the Refunded Bonds.

Section 23. Amendment of Supplemental Resolution No. 2012-30. Prior to issuance of any of the 2012 Bonds and notwithstanding anything contained in the General Bond Resolution (including Article IX thereof) and except for the limitations described in the proviso clauses set forth in Sections 6, 9(A) and 13 hereof, the Authority may by resolution of the Authority or by a certificate executed by an Authority Officer modify or amend or add to or delete any of the terms or provisions of the 2012 Bonds or of Supplemental Resolution No. 2012-30 in any respect or for any purpose.

Section 24. Actions to be Taken on Behalf of the Authority. The various members and officers of the Authority are hereby authorized and directed to execute the 2012 Bonds on behalf of the Authority and to do all matters necessary, useful, convenient or desirable to accomplish the sale, issuance and delivery of the 2012 Bonds and the refunding and redemption of the Refunded Bonds all in accordance with the provisions of the authorizing General Bond Resolution and Supplemental Resolution No. 2012-30, including the execution of an arbitrage and use of proceeds certificate certifying that, among other things, the Authority, to the extent it is empowered and allowed under applicable law, will do and perform all acts and things necessary or desirable to assure that interest paid on the 2012 Bonds is excludible from gross income under Section 103 of the Code.

Section 25. Prior Action. All action taken to date by Authority officials, employees and professionals with respect to the authorization, sale and issuance of the 2012 Bonds, including the preparation of a Preliminary Official Statement with respect thereto, be and the same hereby are ratified, approved, confirmed and adopted in all respects.

Section 26. Effective Date. This resolution shall take effect immediately and as provided in Article VIII of the General Bond Resolution.

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

EXHIBIT A

FORM OF 2012 BOND

**THE STONY BROOK REGIONAL SEWERAGE AUTHORITY REVENUE
REFUNDING BOND (SERIES 2012)**

Number: R-
Principal Sum: \$ _____
Interest Rate: __%
Issue Date: _____, 2012
Maturity Date: December 1, ____
CUSIP: 862070
Registered Owner: Cede & Co.

The **STONY BROOK REGIONAL SEWERAGE AUTHORITY** (the “Authority”), a public body corporate and politic organized and existing under and by virtue of the laws of the State of New Jersey, acknowledges itself indebted and for value received hereby promises to pay to the above-stated registered owner, or registered assigns, the above-stated principal sum, on the above-stated maturity date, unless redeemed prior thereto as hereinafter provided, upon presentation and surrender hereof, and to pay to the registered owner hereof interest on such principal sum from the date hereof until the Authority’s obligation with respect to the payment of such principal sum shall be discharged at the above-stated interest rate per annum, payable semi-annually in each year on June 1 and December 1 commencing December 1, 2012. This bond, as to principal and redemption price, if any, when due, will be payable at the corporate trust office of U.S. Bank National Association, Morristown, New Jersey, a paying agent of the Authority, or of its successor as such paying agent, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Interest on this bond will be payable by check or draft mailed to the registered owner hereof whose name shall appear on the books of the Authority maintained by the Registrar hereinafter mentioned, on the May 15 and November 15 next preceding any interest payment date of the 2012 Bonds hereinafter mentioned.

This bond is a direct and general obligation of the Authority and is one of the Revenue Refunding Bonds of the Authority (the “Bond”) issued or to be issued under and by virtue of the Sewerage Authorities Law, constituting Chapter 138 of the Pamphlet

Laws of 1946, of the State of New Jersey, approved April 23, 1946, and the acts amendatory thereof and supplemental thereto (the "Act"), and under and in accordance with a resolution of the Authority adopted September 19, 1977 (the "General Bond Resolution"), entitled "Resolution Authorizing the Issuance of Revenue Bonds of the Stony Brook Regional Sewerage Authority", as the same from time to time has been or may be amended or supplemented by further resolutions of the Authority (such General Bond Resolution and any and all such further resolutions being herein collectively called the "Resolution").

As provided in the General Bond Resolution, the Bonds may be issued from time to time in one or more series in various principal amounts, may mature at different times, may bear interest at different rates, and may otherwise vary as provided in the Resolution, and the aggregate principal amount of Bonds which may be issued is not limited except as provided in or pursuant to the Act or the General Bond Resolution. All Bonds issued and to be issued under the Resolution are and will be equally secured by the pledge and covenants made therein, except as otherwise expressly provided or permitted in or pursuant to the Resolution.

This bond is one of a Series of the Bonds designated as "Revenue Refunding Bonds (Series 2012)" (the "2012 Bonds"), originally delivered with an Issue Date (as defined in the Resolution) of July 23, 2012, and duly issued under and by virtue of the Act and under and pursuant to the Resolution, and constituting part of an authorized issue of the Bonds limited to the aggregate principal amount of \$_____. Copies of the General Bond Resolution are on file at the office of the Secretary of the Authority, and at the corporate trust office of U.S. Bank National Association, Morristown, New Jersey, as trustee under the General Bond Resolution (said trustee and any successor thereto under the General Bond Resolution being herein called the "Trustee"), and reference to the General Bond Resolution and any and all resolutions supplemental thereto and modifications and amendments thereof and to the Act is made for a description of the nature and extent of the security for the Bonds, the funds and revenues pledged, the nature, manner and extent of enforcement of such pledge, the rights and remedies of the registered owners of the Bonds with respect thereto, the terms and conditions upon which the Bonds are issued and may be issued thereunder, and a statement of the rights, duties, immunities and obligations of the Authority and the Trustee. Such pledge and other obligations of the Authority under the Resolution may be discharged at or prior to the maturity or redemption of the Bonds upon the making of provision for the payment thereof on the terms and conditions set forth in the Resolution.

To the extent and in the respects permitted by the Resolution, the provisions of the General Bond Resolution or any resolution amendatory thereof or supplemental thereto may be modified or amended by action on behalf of the Authority taken in the manner and subject to the conditions and exceptions prescribed in the General Bond Resolution.

In the event of a default, the Bonds may be declared due and payable whether or not in advance of maturity, and any such declaration and its consequences may be annulled, as provided in the Act.

This bond is transferable, as provided in the Resolution, only upon the books of the Authority kept for that purpose at the corporate trust office of U.S. Bank National Association, Morristown, New Jersey, a registrar of the Authority, or its successor as such registrar (the "Registrar"), by the registered owner hereof in person or by his attorney duly authorized in writing, upon surrender hereof to the Registrar together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or such duly authorized attorney, and thereupon the Authority shall issue in the name of the designated transferee or transferees a new fully registered Bond or Bonds of the same aggregate principal amount and series, designation, maturity and interest rate as the surrendered bond as provided in the Resolution and upon the payment of the charges therein prescribed. The Authority, the Trustee, the Registrar and any paying agent of the Authority may treat and consider the person in whose name this bond is registered upon the books of the Registrar as the holder and absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes whatsoever and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Authority, the Trustee, the Registrar nor any paying agent of the Authority shall be affected by any notice to the contrary.

The 2012 Bonds are issuable in the form of registered Bonds without coupons in the denomination of \$5,000 or any integral multiple of \$1,000 in excess thereof. Bonds, upon surrender thereof at the corporate trust office in Morristown, New Jersey, of the Registrar with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner thereof or by his attorney duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same series, designation, maturity and interest rate of any of the authorized denominations, in the manner, subject to the conditions and upon the payment of charges provided in the Resolution.

The 2012 Bonds, maturing prior to December 1, 20__, are not subject to redemption prior to maturity. The 2012 Bonds due on or after December 1, 20__ are subject to redemption at the option of the Authority, prior to maturity and upon notice as hereinafter set forth, as a whole or in part at any time, in any order of maturity and by lot within a single maturity, on or after December 1, 20__ at redemption prices equal to one hundred percent (100%) of the principal thereof, together with interest accrued, if any, to the date fixed for redemption.

If less than all of the 2012 Bonds of like maturity outstanding at any time are to be redeemed, the particular 2012 Bonds to be redeemed shall be selected by lot as provided in the Resolution. Notice of redemption shall be mailed, postage prepaid, not less than thirty days nor more than sixty days prior to the redemption date, to the registered owner of any 2012 Bond all or a portion of which is to be redeemed, at his last address (if any) appearing upon the registry books. If notice of redemption shall have been mailed as aforesaid, the 2012 Bonds or portions thereof specified in said notice shall become due and payable at the applicable redemption price on the redemption date therein designated, and if, on the redemption date, moneys for the payment of the redemption price of all the 2012 Bonds to be redeemed, together with interest to the

redemption date, shall be available for such payment on said date, then from and after the redemption date interest on such 2012 Bonds shall cease to accrue and become payable. Less than all of a 2012 Bond in a denomination in excess of \$5,000 may be so redeemed, and in such case, upon the surrender of such 2012 Bond, there shall be issued to the registered owner thereof, without charge therefore, for the unredeemed balance of the principal amount of such 2012 Bond, 2012 Bonds of like series, designation, maturity and interest rate in any of the authorized denominations, all as more fully set forth in the Resolution.

The Act provides that neither the members of the Authority nor any person executing bonds of the Authority shall be liable personally on said bonds by reason of the issuance thereof.

The 2012 Bonds are not and shall not be in any way a debt or liability of the State of New Jersey or of any county or municipality and do not and shall not create or constitute any indebtedness, liability or obligation of said State, or of any county or municipality, either legal, moral or otherwise.

It is hereby certified and recited that all conditions, acts and things required by the Constitution or statutes of the State of New Jersey or the Resolution to exist, to have happened or to have been performed precedent to or in the issuance of this bond exist, have happened and have been performed and that the issue of the 2012 Bonds, together with all other indebtedness of the Authority, is within every debt and other limit prescribed by said Constitution or statutes.

This bond shall not be entitled to any security, right or benefit under the Resolution or be valid or obligatory for any purpose, unless the certificate of authentication hereon has been duly executed by the Registrar.

IN WITNESS WHEREOF, the **STONY BROOK REGIONAL SEWERAGE AUTHORITY** has caused this bond to be signed in its name and on its behalf by the manual or facsimile signature of its Chairman or Vice Chairman, and its corporate seal to be affixed, imprinted or reproduced hereon and attested by the manual or facsimile signature of its Secretary or Assistant Secretary, all as of the Issue Date hereinabove mentioned.

**STONY BROOK REGIONAL
SEWERAGE AUTHORITY**

(SEAL)

Robert Bartolini, Chairman

ATTEST:

John Kantorek
Secretary

CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds described in the within-mentioned Resolution and is one of the Revenue Refunding Bonds (Series 2012) of the Stony Brook Regional Sewerage Authority.

U.S. Bank National Association, as Registrar

By: _____
Authorized Signature

Date of Authentication: _____, 2012

The following abbreviations, when used in the inscription on the face of this Note, shall be construed as though they were written out in full according to applicable laws or regulations (additional abbreviations may also be used though not in the following list):

TEN COM	-	as tenants in common	UNIF GIFT MIN ACT
TEN ENT	-	as tenants by the entireties	_____ Custodian _____
JT TEN	-	as joint tenants with right of survivorship and not as tenants in common	(Cust) _____ (Minor) under Uniform Gifts to Minors Act _____ State

Assignment

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto
PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF
ASSIGNEE

(FOR COMPUTER RECORD ONLY)

(Please Print or Typewrite Name and Address of Transferee)

the within Note, and all rights thereunder, and hereby irrevocably constitutes and appoints

_____ Attorney, to transfer the within Note on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Note in every particular, without alteration or enlargement or any change whatever.

CERTIFICATE

I, **JOHN KANTOREK**, Secretary of the Stony Brook Regional Sewerage Authority (the “Authority”), a public body politic and corporate of the State of New Jersey, **HEREBY CERTIFY** that the foregoing resolution entitled: “Supplemental Resolution No. 2012-30 Relating to the General Bond Resolution of the Stony Brook Regional Sewerage Authority Determining the Form of Not in Excess of \$8,500,000 Revenue Refunding Bonds (Series 2012) and Determining Certain Details in Connection Therewith” is a true copy of an original resolution which was adopted at a meeting of the Authority which was duly called and held on July 23, 2012, and at which a quorum was present and acted throughout, and that said copy has been compared by me with the original resolution officially recorded in the records of the Authority and that it is a true, correct and complete transcript thereof and of the whole of said resolution, and that said original resolution has not been altered, amended or repealed, but is in the form attached as of the date hereof in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Authority this 23rd day July, 2012.

(SEAL)

John Kantorek
Secretary

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 June is \$88,750 and the cumulative net income is \$673,010. Gas usage for the month of June was 69,833 therms. The simple remaining payback for the RTO is 3.0 years.

History of Natural Gas

Mr. Neuhof explained that at the June Board meeting a discussion regarding natural gas purchases had taken place. Mr. Neuhof provided the Board a summary of the purchases made by the Authority from December 2005 through November 2015 and market pricing for the remainder of SBRSA’s contract through July of 2017.

487.11 Personnel Report

The Personnel Report was provided for member information.

Mr. Kantorek noted that one employee was terminated. The Authority now has 45 employees and one vacancy.

487.12 Correspondence

For information

487.13 Old Business

None.

487.14 New Business

Resolution 2012-33, Awarding Contract for the Supply of Liquid Caustic

Mr. Kunert reported that sealed bids for the supply of liquid caustic soda were received on July 11, 2012. Five (5) bids were received.

	<u>12 Months</u>	<u>24 Months</u>
Kuehne Chemical Co., Inc.	\$1.1666/gal/\$23,332.00	\$1.1666/gal / \$23,332.00 (Yr. 1) \$1.20/ gal / \$24,000.00 (Yr.2) TOTAL = \$47,332.00
Buckmans Inc.	\$1.18/gal / \$23,600.00	No Bid
Main Pool & Chemical Inc.	\$1.24/gal / \$24,800.00	\$1.24/gal / \$24,800.00 (Yr. 1) \$1.44/gal / \$28,800.00 (Yr. 2) TOTAL = \$53,600.00
JCI Jones Chemicals, Inc.	\$1.33/gal / \$26,600.00	\$1.33/gal / \$26,600.00 (Yr. 1) \$1.33/gal / \$26,600.00 (Yr. 2) TOTAL = \$53,200.00
Univar USA Inc.	\$1.35/gal / \$27,000.00	No Bid

Mr. Kunert reported that the last contract was a one-year contract awarded to Univar USA Inc. at a unit cost of \$1.12 per gallon for a one year total of \$22,400.00.

Mr. Kunert recommended approval of Resolution 2012-33, awarding a two-year contract to Kuehne Chemical Co., Inc. at a total two year price of \$47,332.00. So moved by Dr.

Downey, seconded by Dr. Miller and passed by a roll call vote of 5 to 0. Resolution 2012-33 follows.

**Resolution Awarding Contract for the
Supply of Liquid Caustic Soda**

Resolution No. 2012-33

WHEREAS, the Authority advertised for the receipt of sealed competitive bids in accordance with the requirements of the Local Public Contracts Law, N.J.S.A. 40A:11-1 et seq. for the supply of liquid caustic soda; and

WHEREAS, the following sealed competitive bids were received by the Authority on July 11, 2012 as more fully set forth as follows:

	<u>12-Month</u>	<u>24-Month</u>
Kuehne Chemical Co., Inc.	\$1.1666/gal/\$23,332.00	\$1.1666/gal / \$23,332.00 (Yr. 1) \$1.20/ gal / \$24,000.00 (Yr.2) TOTAL = \$47,332.00
Buckmans Inc.	\$1.18/gal / \$23,600.00	No Bid
Main Pool & Chemical Inc.	\$1.24/gal / \$24,800.00	\$1.24/gal / \$24,800.00 (Yr. 1) \$1.44/gal / \$28,800.00 (Yr. 2) TOTAL = \$53,600.00
JCI Jones Chemicals, Inc.	\$1.33/gal / \$26,600.00	\$1.33/gal / \$26,600.00 (Yr. 1) \$1.33/gal / \$26,600.00 (Yr. 2) TOTAL = \$53,200.00
Univar USA Inc.	\$1.35/gal / \$27,000.00	No Bid

WHEREAS, the Authority has determined that the bid of Kuehne Chemical Co. Inc. is the lowest 24-month bid; and

WHEREAS, the bidder, Kuehne Chemical Co. Inc. submitted a bid at \$1.1666 per gallon for a the first year and \$1.20 per gallon for a the second year for a two year total of \$47,332.00; and

WHEREAS, the bid has been reviewed by the Authority to determine compliance with the bid specifications in accordance with the Local Public Contracts Law N.J.S.A. 40A:11-1 et seq. and has been determined to be in order; and

WHEREAS, there are sufficient funds to provide funding for the contract amount.

NOW, THEREFORE, BE IT RESOLVED by the Stony Brook Regional Sewerage Authority that it hereby awards a 24-month contract to Kuehne Chemical Co. Inc., the lowest responsive bidder for the supply of liquid caustic soda in the estimated amount of \$47,332.00; and

BE IT FURTHER RESOLVED that the Executive Director, staff and consultants are authorized to take all appropriate measures to ensure that all appropriate documents are provided by the Contractor.

<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 2012-34, Award of Contract for the De-slagging and Cleanout of the SBRSA Incinerators

Mr. Kunert reported that sealed bids for Incinerator de-slagging and cleanout were received on July 19. Two bids were received.

	<u>12 Months</u>
Industrial Furnace Company, Inc.	\$21,400.00
Albertus Energy Inc.	\$33,800.00

Mr. Kunert explained that the past several years the Authority has gone out for bid for the inspection, maintenance and emergency repairs to the Authority’s incinerators. The bid specifications contained a myriad of scenarios regarding repairs to the incinerators even though not all would be performed. This has created some conflicts between the vendor and the Authority. Therefore, staff decided to bid only the de-slagging and cleanout of the incinerators. Once that is completed the incinerators will be inspected by CBE. The Authority will then bid the specific repairs needed.

Following a brief discussion Resolution 2012-34 was approved on a motion by Dr. Downey, seconded by Mr. Patel and passed by a roll call vote of 5 to 0. Resolution 2012-34 follows.

**Resolution Authorizing the Award of a Contract for the De-slagging and Cleanout
of the SBRSA Incinerators**

Resolution No. 2012-34

WHEREAS, the Stony Brook Regional Sewerage Authority (Authority) advertised for the receipt of sealed competitive bids in accordance with the requirements of the Local Public Contracts Law, NJSA 40A:11-1 et seq. for the de-slagging and cleanout of the Authority’s incinerators; and

WHEREAS, the following sealed competitive bids were received by the Authority on July 19, 2012 as more fully set forth as follows:

Industrial Furnace Company, Inc.	\$ 21,400.00
Albertus Energy	\$ 33,800.00;

and

WHEREAS, the Authority has determined that the bid of Industrial Furnace Company is the lowest bid in the amount of \$21,400.00; and

WHEREAS, the bid has been reviewed by the Authority and has been determined to be in compliance with the bid specifications in accordance with the Local Public Contracts Law NJSA 40A:11-1 et seq; and

WHEREAS, the Stony Brook Regional Sewerage Authority has sufficient funds available in its current budget.

NOW THEREFORE, BE IT RESOLVED by the Stony Brook Regional Sewerage Authority that it hereby awards a twelve (12) month contract to Industrial Furnace Company, the lowest responsive bidder for the de-slagging and cleanout of the Authority’s incinerators.

BE IT FURTHER RESOLVED that the Executive Director, staff and consultants are authorized to take all appropriate measures to ensure that all appropriate documents are provided by the Contractor.

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			

487.15 Adjournment

As there was no further business to come before the Board, the meeting was adjourned at 8:20 p.m. on a motion by Mr. Morehouse and seconded by Dr. Downey and passed by unanimous vote.

Respectfully Submitted,

John Kantorek
Secretary

Recorded and Written by
Patricia Carlino
July 27, 2012