

Minutes of Meeting #488, August 27, 2012 – Stony Brook Regional Sewerage Authority

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

MEMBERS PRESENT: Bartolini, Compton, Downey, Patel

MEMBERS ABSENT: McKinnon, Miller, Morehouse

CONSULTANTS: Alexander

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

488.01 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.

Dr. Bartolini indicated that the Authority did not yet have a quorum. It was noted that one Board member would be arriving late. Until that Board member arrives the meeting would proceed but no items that require a vote would be discussed until there was a quorum.

488.03 Board Related Activities

Consultant List

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

488.04 Planning and Administration

Mr. Kantorek reported that the most current 12-month average daily River Road plant flow is 9,978,418 gpd with 851,326 gpd of approved but inoperative flow for a total committed flow of 10,829,744 gpd with 2,230,256 gpd or 17.08% of available capacity. The most current 12-month average daily flow at the Hopewell Plant is 244,381 gpd with no inoperative flow, for a total committed flow of 244,381 gpd with 18.54% or 55,619 gpd of available capacity. The Pennington Plant presently has 257,123 gpd as the most current 12-month average daily flow, with 11,945 gpd of approved but inoperative flow, for a total committed flow of 269,068 gpd, with 10.31% or 30,932 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 indicated that the flows for August and September 2011 were in excess of twelve (12) million gpd. Mr. Kantorek noted that if the dry weather conditions continue the 12-month average daily flow at River Road will likely decrease by approximately 300,000 to 400,000 gpd for August and September 2012. Mr. Kantorek reported that the Authority will be replacing two (2) wetter twelve (12) million gallons per day month (August and September 2011) flows with drier month flows.

Monthly Flow Transmittal

The monthly flow transmittal for July was provided for information.

Mr. Kantorek noted that several adjustments were made for the month.

The meter verification conducted on August 2, 2012 at the Princeton Pumping Station indicated that the low range meter was reading low by 2.98%. The meter verification conducted on July 2, 2012 indicated that the meter was reading low by 0.91%. Therefore the meter data from July 2nd to July 31st was adjusted upward by 1.945% which is the average of the meter verification conducted in July and August.

In addition the August 2nd meter verification indicated that the high range meter was reading low by 4.04%. However review of the hourly flow data indicated that the average hourly flow did not exceed the low range meter (4.5 mgd) and therefore no adjustments were necessary. The high range meter was adjusted to within the 2% accuracy

At Meter Chamber No. 7, staff replaced the existing Eastech meter with a new ISCO meter on July 23, 2012. At the end of the day on the 23rd we lost the signal from the new meter. Staff was troubleshooting the equipment with the assistance from the meter manufacturer's technical support and the meter was put back on line on the 24th. On the 25th staff indicated that there were still issues with the signal. After several attempts to put the meter on line with the help from the manufacturer the results were unacceptable and the "old" Eastech meter was reinstalled on July 31st.

Therefore the meter data from July 23rd to the 31st was suspect. The meter data for those days were replaced with the average percent flow of Meter Chamber No. 7 to the Millstone Pumping Station. Meter Chamber No. 7 flow is approximately 31% of the Millstone Pumping Station flow.

The meter verification conducted on August 1, 2012 at the Pennington STP indicated that the influent meter was reading high by 3.82%. The meter verification conducted on July 2, 2012, indicated that the influent meter was reading low by 0.32%. Therefore the influent meter data from July 2nd to July 31st was adjusted downward by 1.76% which is the average of the meter verifications conducted in August and July with the exception of July 19th and 20th. An alternative method was used to provide this data as follows.

On July 19th and 20th staff was in the process of modifying the process at the Pennington STP by taking one clarifier off-line in an attempt to have the off-line clarifier's submerged metal painted. As a result, the flow in the influent structure backed-up thus artificially increasing the influent flow. Staff replaced the influent flow data for July 19th and 20th with the effluent flow data.

488.06 Regulatory Report

Discharge Monitoring Report (DMR) and NJPDES Compliance

Mr. Rahimi reported that the Discharge Monitoring Reports for the months of June and July were submitted to NJDEP. No violations were reported for those months.

Mr. Rahimi indicated that the River Road Quarterly Effluent Surface Water Discharge Waste Characterization Report was submitted for the quarter ending July 31, 2012. This report provides data for a select list of nine priority pollutants which have been historically detected in the plant's effluent.

Residual Discharge Monitoring Reports

Mr. Rahimi reported that the May Residuals Discharge Monitoring Reports were submitted to NJDEP. All River Road parameters were compliant with the Air Permit requirements. For the first time the River Road RDMR was completed through the NJDEP Electronic Data Interchange (EDI).

Mr. Rahimi indicated that staff is reviewing the June RDMR.

Air Reporting

Mr. Rahimi reported that the 2nd quarter Incinerator Sludge Metals Report was submitted to NJDEP. No exceedances were reported for the monthly and rolling 12-month averages for metals in the sludge fed to the incinerators.

Mr. Rahimi indicated that the 2nd quarter 2012 Excess Emissions and Monitoring Report was prepared by staff and submitted to NJDEP. There were no excess emissions during this monitoring period.

Mr. Rahimi reported that staff prepared and submitted the federal 40 CFR 60 Subpart O Semi-annual Report.

Mr. Rahimi noted that staff prepared and submitted the Semi-annual Title V Compliance report. The incident of the sludge fed to Incinerator No. 1 for a 3-minute period with the RTO temperature below 1500° F on June 10, 2012 was reported. Also included was the back-up data supporting why "we believe" that no sludge incineration took place during those three (3) minutes.

Mr. Rahimi reported that the stack test for incinerator #1 using the afterburner was conducted on August 14 through August 16, 2012.

Mr. Rahimi noted that in a letter dated July 12, 2012 Lauren Keltos (NJDEP Air Enforcement) notified SBRSA that the affirmative defense related to the RTO leak was accepted by NJDEP therefore no monetary penalty will be assessed to that incident. A copy of the letter was provided to the Board.

Miscellaneous

Mr. Rahimi indicated that the renewal application for grit waste disposal (2012-2013) was approved by the Waste Management of Pennsylvania.

Mr. Rahimi reported that as of May 7, 2012 new rules have gone into effect regarding remediation of past or future discharges from Underground Storage Tanks (UST). These new rules are summarized in a letter received from NJDEP. A copy of the letter was provided to the Board.

Safety

Mr. Rahimi reported that training for this reporting period included Lock-Out/Tag-out for nine (9) employees. The training was conducted by the New Jersey Department of Labor.

Mr. Rahimi noted that staff is continuing work presently or has completed the following projects:

- 1) MCC and panel board updates are continuing.
- 2) Grating replacement/repair for the Hopewell and Pennington plant influent chambers is complete.
- 3) The annual inspection of the fire alarms for the River Road Plant and the Princeton Pump Station was completed.
- 4) A fire alarm with strobe light was installed to allow employees to disseminate a Lab area alarm. In this case, if verified, employees are to exit the building and call emergency services. This is due to the numerous chemicals housed in the lab.
- 5) JIF conducted a "Loss Control" inspection on July 24, 2012 (see attached report) of the Pennington Plant. One suggestion was recommended (label the load capacity of the trolley beam). This item has been completed.
- 6) The National Fire Protection Association (NFPA) 70E 2012 requires labeling with more in depth information for MCC's and panel boards. The River Road

Plant and the Princeton Pump Station survey have been completed. The labels are being produced and will be placed on the panels soon. A sample of the old label and the new label were provided to the Board.

488.07 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 on August 10th the summary judgment motions were heard before Judge Pedro J. Jimenez, Jr. JSC. The motion brought on behalf of C&H Industrial Services, Inc. was denied; as the Judge found that factual issues existed warranting a trial. With respect to the motion brought on behalf of the SBRSA, the Judge granted the motion for summary judgment and dismissed all claims and cross-claims against the SBRSA, with prejudice.

The Plaintiffs have 45 days to file an appeal of the Judge's decision, which period can be extended up to 75 days with leave of court.

488.08 Operations Report

Mr. Kunert indicated that on July 26, 2012, the emergency generator at the River Road Facility ran for approximately two (2) hours due to the loss of commercial power during a thunderstorm. The temporary Generator at the Millstone Pump Station was needed for approximately three (3) hours on August 13, 2012, when a car hit a utility pole in that area.

Mr. Kunert reported that SBRSA switched from MA Clarifier Tank #1 to #2. MA Clarifier #1 was cleaned in preparation for sandblasting and painting by contractors.

Mr. Kunert indicated that the sodium hypochlorite and the sodium bisulfite storage tanks have all undergone acoustical emissions testing. This was performed by an outside contractor. Staff is waiting for the results report.

Mr. Kunert reported that stack testing of our Incinerator began on the week of August 13, 2012 and should be completed by September 7, 2012. Mr. Kunert indicated that there have been several issues with the testing and staff is working to resolve the problems.

Mr. Kunert indicated that the new sodium hypochlorite tanks for the Hopewell Facility arrived. They will be scheduled for installation which will be done in-house.

Odor Report

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

Customer Septage and Sludge Deliveries

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

Maintenance Report

Mr. Kunert reported that Thickened sludge pump #2 was taken out of service due to seal leaks. This created a slip hazard for personal working in the area. The pump was sent to Shafts and Sleeves to have a new housing and shaft machined along with a new seal. This pump was put back into service on July 26, 2012.

Mr. Kunert indicated that the Millstone Pump Station generator exhaust parts arrived on July 26, 2012. During the installation of the exhaust parts it was discovered that three of the exhaust piping parts were fabricated incorrectly. Staff returned the parts to the manufacturer (Natco) located in Texas to have the corrections made according to specifications. The exhaust parts arrived on August 20, 2012, for the second time and during the off loading of the exhaust parts, it was discovered that two of the exhaust parts had pin holes in the weld around the flanges. Dennis Coleman called Natco and informed them of the imperfections in the weld. Natco suggested that SBRSA hire a welder for the repairs and that they will pay for the repairs. Later in the week the exhaust insulation was delivered.

Mr. Kunert reported that on August 10, 2012, during routine surveillance the operator on duty found that the motor for MA Aerator #6 had been making an unusual noise. After further investigation it was determined that the motor bearing and the bell housing that supports the motor bearing was worn. The motor was sent to Lockwood for repair and was back in service on August 12, 2012.

Mr. Kunert reported that two new six (6) inch suction valves were installed in the sludge header in the operations building basement. The existing valves were worn and difficult to operate.

Mr. Kunert indicated that the number of open work requests stand at six (6) with approximately eight new requests issued on a daily basis. The Preventive Maintenance graphs show that SBRSA is currently averaging five (5) days overdue and the number of overdue units is approximately sixty (60).

Mr. Patel arrived at 7:50 pm. The Authority now had an official quorum.

488.02 Approval of Minutes

The minutes of the July 23, 2012 Board meeting were approved as presented on a motion by Dr. Downey, seconded by Mr. Patel and passed by a vote of 4 to 0.

488.05 Approval Requests and Actions

TWA-1 Approvals

Ms. Pchola reported that a TWA application was received for the construction of sixteen (16) four (4)-bedroom residential dwellings including a sanitary sewer extension consisting of 1,264 linear feet of 8-inch diameter PVC gravity sewer for a total flow of 4,800 gallons per day.

$$16 \text{ four-bedroom residential dwellings} \times 300 \text{ gallons per day per unit} = 4,800 \text{ gpd}$$

The TWA application was endorsed by the South Brunswick Township Engineer on August 15, 2012.

Staff recommended approval of this application at the requested flow. So moved by Mr. Patel, seconded by Dr. Downey and passed by a vote of 4 to 0.

Time Extensions

None.

NJPDES Endorsements Requested

None.

Water Quality Management Plan Amendments

None.

488.09 Construction Report

Pennington STP Upgrade and Expansion

Ms. Pchola noted that the Authority has not received the final NJPDES permits for the Hopewell and Pennington Plants however NJDEP has indicated that they are still working on them.

Ms. Pchola indicated that the concept of the tiered drinking water use was presented to the Water Supply Advisory Council (WSAC) on June 15, 2012 and the Clean Water Council (CWC) on July 10, 2012 with positive feedback. The Chief of the Bureau of Water Quality Standards and Assessment has indicated that they will fast track the tiered use amendment.

Odor Control

Ms. Pchola reported that TRC was on site July 31st and August 1st and proceeded with the air sampling at the twelve locations. A summary of the odor evaluation from TRC dated August 13, 2012 was provided to the Board. Ms. Pchola indicated that the results show an increase in the odor intensity of the carbon adsorber upper outlet. This odor appears to be an on-site issue. Staff provided the Board with copies of the summarized odor sampling data from 2008 to present.

Trace Data Acquisition System (DAS) Support

Ms. Pchola referred discussion of the Trace Data Acquisition System (DAS) Support to Dr. Downey.

Dr. Downey reported that the DAS Support was discussed at the August Construction Committee meeting. At that time, the Committee had asked staff to obtain additional information. Dr. Downey indicated that the DAS Support will be a separate contract and will be handled on a purchase order basis the same way the Authority handles other software support contracts. Staff will then request a proposal from Trace on two specific items. Once Trace responds with a proposal, it will be presented to the Board.

Sludge Thickener No. 1 Improvements

Ms. Pchola indicated that this project was advertised on August 17, 2012. There will be a site visit on September 5th and bids will be received on September 19th. To date, ten (10) potential bidders have obtained the specifications for this project.

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

Ms. Pchola reported that on August 22, 2012 staff received an email from Bionomic Industries indicating that the perforated plate fabricator had a problem with a computer program for the hole drilling and that the fabrication of the plates should be completed by August 24, 2012 and shipped on or before August 27, 2012 (the plates were originally scheduled for shipment on August 21, 2012). Once received, Bionomic Industries along with C&H Industrial will install the plates. The internal cleaning and inspection of the WESP will be conducted during the plate installation.

Contract 10-1, Headworks Project

Ms. Pchola reported that as of Pay Estimate No. 17 this project is 46% complete. Tomar has placed the concrete for the exterior walls of the headworks building, excavated, backfilled, and installed two grit slurry pre-cast concrete chambers, began screening and stockpiling the landfill material prior to transporting to Burlington County Landfill, consolidated and demobilized concrete form work, cleaned the work site and installed additional safety measures, completed placement of backfill for the dumpster room foundation and interior of the headworks building, installed form work and reinforcing for the building influent channel slab, roughed-in all conduits from the MCC room to equipment locations, placed fill concrete in GRT #1 & #2 and partial concrete fill in GRT#3, installed the floor drain piping for the dumpster room and building, and began installation of weir gates in the GRT's.

Ms. Pchola noted that Tomar has begun screening the landfill material for disposal removing trash and rocks which is required by the Burlington County Landfill. The "trash" will be disposed of through Waste Management.

Ms. Pchola indicated that staff has received a revised schedule for the project from Tomar. It is anticipated that the Grit Removal System will be on-line by the end of December and construction will be totally completed by March 2013.

As a result of several factors, Omni Environmental has exceeded their contract budget for services during construction and will be requesting an amendment to their contract at the September Board meeting. It is expected that the amendment amount will be significant; in the range of 30% to 35% over the original contract budget of \$498,500. Omni will provide details and issues in their amendment request next month.

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

Ms. Pchola noted that this project is 100% complete and A. C. Schultes has provided a maintenance bond.

Ms. Pchola reported that during the removal of the three (3) fly ash slurry pumps, the discharge piping connected to each pump moved. This movement was caused by the existing piping system being under considerable stress due to the misalignment of the piping system. When the piping was disconnected from the pump(s) the stress was relieved. In order to properly reinstall the rebuilt pumps, A.C. Schultes had to remove a small section from each of the three horizontal discharge header connectors which was not originally anticipated. As a result the Contractor spent additional time modifying the existing discharge piping system and has submitted a change order for that work.

Staff recommended approval of Change Order No. 1 for the modification of the existing pump discharge piping to accommodate the piping misalignment in the amount of \$840. The Change Order was moved by Dr. Downey and seconded by Mr. Patel. Following a

brief discussion regarding the modification, Change Order No. 1 was approved by a vote of 4 to 0.

Contract 12-2 SBRSA Facilities Painting Project

Ms. Pchola noted that Allied Painting, Inc. has completed the preparation blasting and recoating of MA Settling Tank No.1, surface preparation and painting of all exterior equipment and handrails at the two Upstream facilities, and is 75% complete with the preparation and painting of the piping, pumps, and motors at the Millstone Pump Station. As indicated last month the submerged metals for the upstream clarifiers cannot be accomplished due to process constraints. Staff has requested that contractor “exchange” this work with the preparation and recoating of the MA, Nitrification, and Final Tank aerators.

488.10 Finance Report

Payment of Bills and Claims

Mr. Neuhof recommended approval of the payment of bills and claims in the amount of \$1,237,382.70 with two signatures instead of three; so moved by Mr. Patel, seconded by Dr. Downey and passed by a vote of 4 to 0.

Treasurer’s Report

Mr. Neuhof reported that net income for the eight-month period stands at \$388,734. This represents an increase of \$84,966 from the prior month. The Authority has total cash and investments of \$17,462,120 at an average interest rate of 0.22%. The balance of current construction projects is \$11,387,153. Mr. Neuhof noted that there are sufficient funds for these projects. The New Jersey Cash Management Fund yield remains at 0.05%.

Introduction of the 2013 Budget

Mr. Neuhof indicated that the Finance Committee met on August 10, 2012 to review the 2013 Authority budget.

Mr. Neuhof reported that the total 2013 budget request is in the amount of \$14,600,848. This represents a decrease of \$273,710 or 1.8% less than the 2012 Budget. The Participant’s charge of \$12,124, 848 is a decrease of \$11,267 or 0.1%. Mr. Neuhof noted that this is the fourth consecutive budget without an increase to the Participants.

Mr. Neuhof reviewed the significant changes in the budget.

Mr. Neuhof reported that salaries are expected to increase by 2.2% including promotions, longevity and license adjustments. Pension is anticipated to increase by 10% and the State Health Benefits are expected to increase by 7%. Mr. Neuhof noted that on July 1,

2012, phase 2 (for non-union staff) of the State mandated health insurance payroll deductions took effect. Phase 1 for Union employees will begin at the expiration of their negotiated agreement which will be December 1, 2012. The increase in payroll deductions is expected to more than off-set the increase in premiums.

Mr. Neuhof indicated that Administrative expenses are anticipated to decrease by 16.7% or approximately \$141,000. The large decrease is due to the fact that the next stack test will be performed in 2016. The amount included in the 2012 budget was \$230,000. Professional Services are projected to decrease by 1.1%.

Mr. Neuhof indicated that operating costs in total will decrease by 1.2% largely due to savings in natural gas (10.2%) and electricity (9.3%). The savings in electricity costs is due to the new contract which took effect on June 1, 2012 which represents a 20% decrease from the prior price. Savings in natural gas is due to lower commodity cost of approximately 10.8% or \$91,000 compared to the 2012 budget.

Since the Regenerative Thermal Oxidizer Project was completed in August 2009, the Authority is saving approximately 50% in the quantity of gas consumed. The reduction in quantity and the lower commodity costs are saving the Authority over \$1 million dollars per year.

Mr. Neuhof reported that chemical costs are anticipated to increase 2.2% mainly due to increases in contract prices.

Mr. Neuhof indicated that Maintenance and Supplies has historically been under budgeted. In the 2013 Budget an additional \$73,000 has been added to maintain an aging plant.

Mr. Neuhof noted that Spare Parts is another line item that has been under budgeted in the past. These items are for maintaining the equipment. Approximately \$52,000 has been added to this item.

Mr. Neuhof indicated that debt service is decreasing by 37.6%. This decrease is due to the 1993B refunding bonds final payment in 2012.

Due to the savings in debt service, the Authority intends to provide a 2012 contribution to retained earnings of \$1.1 million to fund future small capital projects.

Mr. Neuhof indicated that outside sludge revenues are anticipated to be 4.2% lower due to lower quantities of liquid sludge.

Mr. Neuhof noted that interest income is budgeted at the same amount as the 2012 Budget. Interest rates are anticipated to be about the same in 2013.

Mr. Neuhof noted that the participants charge will decrease 0.1% for 2013.

Mr. Neuhof then reviewed the History of the Participant Service Charges from 2002 to 2012.

Mr. Neuhof then briefly reviewed the 10-year Budget Projections. Mr. Neuhof indicated that the Authority likely will maintain a zero percent participant increase through the 2014 budget. After that, there will likely be small increases due to inflation.

Update on the 2012 Bond Refunding

Mr. Neuhof reported that the pricing of the Bonds took place on August 9, 2012 with closing on August 30, 2012. The net present value savings from the refunding bonds is \$317,965.32 which is 4.75% of the refunded bonds and well above the 3% required by the Local Finance Board.

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 July is \$80,348 and the cumulative net income is \$749,015. Gas usage for the month of June was 61,117 therms. The simple remaining payback for the RTO is 3.0 years.

488.11 Personnel Report

The Personnel Report was provided for member information.

Mr. Kantorek noted that one employee retired bringing the number of employees to forty-four (44). Mr. Kantorek indicated that another employee will be retiring February 2013. Mr. Kantorek noted that staff has hired two (2) Operator IV's with start dates in September.

488.12 Correspondence

For information

488.13 Old Business

None.

488.14 New Business

None.

488.15 Adjournment

As there was no further business to come before the Board, the meeting was adjourned at 8:27 p.m. on a motion by Mr. Patel and seconded by Dr. Downey and passed by unanimous vote.

Respectfully Submitted,

John Kantorek
Secretary

Recorded and Written by
Patricia Carlino
September 12, 2012