

Minutes of Meeting #533, May 31, 2016 – Stony Brook Regional Sewerage Authority

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

MEMBERS PRESENT: Compton, Downey, Goldfarb, Morehouse, Patel

MEMBERS ABSENT: Bartolini

CONSULTANTS: Alexander, Fitzpatrick, Metcalfe, Ponte, Scerbo

STAFF PRESENT: Carlino, Hess, Ireland, Kantorek, Kunert, Pchola, Rahimi, Redding, Roga, Sears

533.01 Vice Chairperson Downey indicated that 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 Bulletin Board and on the Authority's website.

533.02 Approval of Minutes

Vice Chairperson Downey asked for comments and/or questions regarding the minutes from the April 25, 2016 Board meeting. Mr. Kantorek indicated that one change was made to the minutes. On page 13, under Plant Influent Flow Meter, the first sentence read "... the repaired high-side transmitter is schedule to be shipped..." was corrected to read "...the repaired high-side transmitter is scheduled to be shipped..." The minutes, as amended, were approved on a motion by Mr. Patel, seconded by Mr. Compton and passed by a vote of 5 to 0.

Vice Chairperson Downey indicated that several consultants were in attendance, therefore, the agenda will be modified to address the three consultants: Mr. Ryan Scerbo, Esq., (Solar Project), Mr. Manuel Ponte and Mr. Tom Metcalfe, R3M (Force Main Assessment) and Ms. Crystal Fitzpatrick, WithumSmith+Brown, PC (audit). Therefore these items will be moved forward in the agenda. Once these items are addressed SBRSA will return to the regular agenda.

533.03 Board Related Activities

Resolution 2016-43, Amendment No. 1 to the Solar Power Purchase Agreement

Mr. Ryan Scerbo, Esq. from Decotiis, Fitzpatrick & Cole, LLP, explained that Stony Brook Regional Sewerage Authority approved a Power Purchase Agreement (PPA) with Princeton and Geopeak Energy for Solar Power. One of the conditions of the agreement was the repair and maintenance of the Princeton landfill cap which was mandated by the NJDEP prior to issuing RFPs for the project. Princeton has been working towards completing the maintenance which originally was to be completed by the end of April 2016, but has not yet completed all the work. Princeton has asked the developer for a time extension to complete

their work by July 1, 2016. The developer has agreed to Princeton's time extension as long as SBRSA also agrees to a time extension for completion of their work. The developer has been moving forward with the project by obtaining permits and approvals.

These two provisions have been included in Amendment No. 1 to the PPA with the developer revising one other provision. The original agreement indicated that if the developer assigns the contract to a third party, the developer would remain responsible for the project. The developer has revised that provision with new language which says that if the developer assigns the project to a third party they are no longer responsible for the project. Prior to assigning the project to a third party, the developer would need written approval of both SBRSA and Princeton. The revision also states that the third party would be equal in credit worthiness on the day of signing. If the third party is not of equal credit worthiness, the developer would provide credit support in the form of bonds, cash or some other type of security. SBRSA and Princeton can request that the new company be vetted and require the developer to pay for that vetting process.

Mr. Scerbo noted that Geopeak has no current plans to assign the project. Mr. Scerbo also feels that this is a reasonable request by the developer.

Ms. Alexander, Counsel for the Authority, asked where is the provision in the PPA stating that the developer will pay for the vetting of the third party. Mr. Scerbo indicated that it is implied in the PPA though not word for word, but indicated that he could ask for specific language to be included in the revised agreement.

Dr. Downey asked for a motion for Resolution 2016-43, Amendment No. 1 to the PPA. Mr. Goldfarb made a motion for Resolution 2016-43; Mr. Compton seconded the motion.

A lengthy discussion followed regarding the assignee of a third party. SBRSA's main concern is that the project is built and that there is an entity to operate the facility. The cost savings to SBRSA from solar power is substantial.

The Board also discussed the risk and vetting costs associated with assigning the project to a third party. Mr. Scerbo indicated that the risk to Princeton and SBRSA was no greater than the risk of awarding the project to Geopeak. The Board indicated that language be added to ensure that the developer assumes the costs for vetting the third party.

Mr. Scerbo indicated that he will work on new language for the Resolution and will provide a copy to SBRSA.

Resolution 2016-43 was then approved subject to a revision to Amendment No. 1 to include language stating to the effect that should the developer assign the project to a third party, the developer will pay a specific dollar amount (up to \$3,000) to vet the third party's credit worthiness by a roll call vote of 5 to 0. Resolution 2016-43 follows.

**THE BOARD OF THE STONY BROOK REGIONAL SEWERAGE AUTHORITY
AUTHORIZING THE EXECUTION OF AMENDMENT No. 1 TO THE POWER
PURCHASE AGREEMENT BY AND BETWEEN PRINCETON, STONY BROOK
REGIONAL SEWERAGE AUTHORITY AND GEOPEAK ENERGY IN
CONNECTION WITH THE PRINCETON-STONY BROOK REGIONAL
SEWERAGE AUTHORITY SOLAR INITIATIVE**

Resolution No. 2016-43

WHEREAS, the Princeton and Stony Brook Regional Sewerage Authority (the “Authority”), collectively, previously expressed their desire to work cooperatively together to obtain proposals from private solar developers for the financing, design, construction, installation, operation and maintenance of a solar renewable energy project (“Renewable Energy Project”) to be located on certain lands owned by Princeton and servicing certain facilities owned by the Authority by entering into a Shared Services Agreement, dated April 27, 2015; and

WHEREAS, Princeton, on behalf of the Authority administered a procurement process pursuant to the competitive contracting provisions of the Local Public Contracts Law, N.J.S.A. 40A:11-1 et seq., by issuing a Request for Proposals for a Developer of Photovoltaic Systems on Lands Owned by Princeton and Serving Stony Brook Regional Sewerage Authority, Princeton, Mercer County, New Jersey, dated May 8, 2015 (the “RFP”); and

WHEREAS, following the completion of a detailed evaluation of the proposals received in response to the RFP, as well as interviews with each respondent, the Evaluation Team developed the Evaluation Report, dated July 23, 2015; and

WHEREAS, the Evaluation Report recommended that the team of Geopeak Energy / Altec Building Solutions / Eznergy be selected as the Successful Respondent to the RFP under proposal Option 1b; and

WHEREAS, via a Resolution dated July 27, 2015, the Board authorized the Evaluation Team to complete a Power Purchase Agreement and a Lease Agreement as well as any other ancillary documents necessary to effectuate the intent of this resolution; and

WHEREAS, via a Resolution dated September 28, 2015, the Board authorized the execution of the Power Purchase Agreement and the Lease Agreement as well as any other ancillary documents necessary to effectuate the intent of said resolution; and

WHEREAS, as a result of the need for Princeton to undertake certain landfill cap maintenance activities required by the New Jersey Department of Environmental Protection, it is necessary for the parties to the Power Purchase Agreement to enter into an amendment which, among other things, provides Princeton with additional time to address the necessary landfill cap maintenance;

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

1. The aforesaid recitals are incorporated herein as if set forth at length.
2. The Executive Director is hereby authorized and directed, on behalf of the Authority, subject to the advice and counsel of the Authority’s legal counsel, Princeton’s Special Energy Counsel and Princeton’s Energy Consultant, to execute Amendment No. 1 to the Power Purchase Agreement in a form substantially similar to the form attached hereto as Exhibit A, as well as any other ancillary documents necessary to effectuate the intent of this resolution.

BE IT FURTHER RESOLVED that this resolution shall take effect immediately.

The foregoing resolution was adopted by the following roll call vote:

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

The Board thanked Mr. Scerbo.

Resolution 2016-40, Authorizing the Award of a “No Political Contributions Allowed” Contract for Engineering Services Related to the Condition Assessment of the Millstone Force Main

Mr. Kantorek indicated that the Millstone Force Main, which is approximately 18,000 linear feet, was constructed using prestressed concrete cylinder pipe (PCCP) manufactured in the late 70’s by Interpace. This particular pipe has had catastrophic failures in both water and wastewater applications due to issues with the prestressing wires. Staff had been searching for methods to inspect the pipe, to determine its condition relative to the prestressing wires, while the force main is in operation. The force main cannot be taken out of service for inspection since there is no backup to this line. If the force main failed it would have catastrophic effects for the surrounding area and waterways. R3M provided staff with information regarding a firm (Pure Technologies) that specifically provides condition assessments of force mains while in service and in particular can determine the condition of prestressing wires by determining the number of broken wires thereby providing an assessment of the pipe integrity.

However Mr. Kantorek indicated that prior to Pure Technology performing their assessment of the pipeline a preliminary condition assessment needs to be performed. R3M has

submitted a proposal to perform a condition assessment of the force main in the amount of \$44,825.

Mr. Kantorek then introduced Mr. Ponte and Mr. Metcalfe from R3M to explain their assessment process.

Mr. Ponte indicated that the Millstone Force Main was constructed in the 1970s using PCCP. This type of pipe has been in existence since the 1950s. However, PCCP manufactured by Interpace has been plagued with premature failure due to defects in their prestressing wire design. When those pipes were installed for pressured flow applications, the defects can result in the catastrophic failure of the pipeline and undesirable discharges to the environment.

R3M will review available information obtained from SBRSA. This information will include design information and information from the construction of the force main. Also included in the proposal, R3M will inspect the equipment at the pump stations, locate the force main and conduct a site inspection of that area and review the physical pipe layout/location.

Mr. Metcalfe explained the pipe was constructed using prestressing. These wires together with the concrete gives the pipe its strength. When the wire deteriorates the pipe becomes weaker and the risk of failure increases. Pure Technologies will conduct an internal inspection of the pipe to determine the condition of the wire and if there are any breaks, Pure Technologies equipment can provide the location of the break. The potential risk of a pipe failure can be evaluated.

Vice Chairperson Downey explained that Mr. Ponte and Mr. Metcalfe were in attendance at the Construction Committee meeting and provided an overview of the services related to the condition assessment of the force main. Dr. Downey indicated that it was discussed at length at the Construction Committee. R3M will locate the pipe and assess the soil surrounding it and will determine existing assess points and required points necessary for Pure Technologies to conduct an internal inspection of the pipe.

As Chairman of the Construction Committee Dr. Downey moved for approval of Resolution 2016-40, Authorizing the Award of a “No Political Contributions Allowed” Contract for Engineering Services Related to the Condition Assessment of the Millstone Force Main. Mr. Goldfarb seconded the motion. Mr. Goldfarb commented that the consequences of a failure are so great that SBRSA needs to move forward with the project. The resolution was passed by a roll call vote of 4 to 0. Mr. Morehouse abstained. Resolution 2016-40 follows.

Resolution Authorizing the Award of a “No Political Contributions Allowed” Contract for Engineering Services Related to the Condition Assessment of the Millstone Force Main

Resolution No. 2016-40

WHEREAS, the Stony Brook Regional Sewerage Authority “Authority” has a need for a condition assessment of the Millstone force main; and

WHEREAS, the Millstone force main was constructed in 1978-1979 using prestressed concrete cylinder pipe (PCCP) manufactured by Interpace; and

WHEREAS, the Interpace pipe was installed for the Millstone and South Brunswick force mains utilizing a specific class of prestressing wire; and

WHEREAS, the PCCP with the specific class of prestressing wire has had structural failures throughout the country resulting in major water and wastewater leaks; and

WHEREAS, due to the fact that the force main cannot be taken out of service for inspection and that this type of pipe as manufactured by Interpace has had pipe failure issues, it is prudent for the Authority to assess the condition of the pipeline; and

WHEREAS, R3M has submitted a proposal dated May 23, 2016 to conduct the initial assessment of the force main as detailed in the proposal's eleven (11) Tasks at a cost not to exceed \$44,825 without written authorization from the Authority; and

WHEREAS, the qualified purchasing agent, Diane Redding has determined and certified in writing that the value of the work will exceed \$17,500; and,

WHEREAS, R3M Engineering, Inc. submitted a Business Entity Disclosure Certification on May 23, 2016 which certifies that R3M Engineering, Inc. its subsidiaries, assigns or principals controlling in excess of 10% of the company has neither made a contribution that is reportable pursuant to the Election Law Enforcement Commission pursuant to N.J.S.A. 19:44A-8 or 19:44A-16, in the one (1) year period preceding the award of the contract that would, pursuant to P.L. 2004, c.19, affect its eligibility to perform this contract, nor will it make a reportable contribution during the term of the contract to a municipal political party committee of a governing body that appoints members to the Authority including, Princeton, South Brunswick Township, West Windsor Township, Hopewell Borough, Hopewell Township, and Pennington Borough, when the contract is awarded, or to any municipal candidate committee of any candidate for or holder of municipal elective public office of any such municipality when the contract is awarded, and

WHEREAS, the Stony Brook Regional Sewerage Authority has Funds available in retained earnings.

NOW THEREFORE, BE IT RESOLVED that the Board of the Stony Brook Regional Sewerage Authority authorizes the Chairman to enter into a contract with R3M Engineering, Inc. as described herein with a contract start date of June 3, 2016 which is 10 days after the receipt of the business Entity Disclosure Certification forms; and,

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

Recorded Vote:

	AYE	NO	ABSTAIN	ABSENT
Robert A. Bartolini				X
Harry Compton	X			
Gale D. Downey	X			
David A. Goldfarb	X			
C. Schuyler Morehouse			X	
Bharat Patel	X			

Resolution 2016-36, Certifying Member Review of the 2015 Audit

Vice Chairperson Downey indicated that included in the Board books was a draft copy of the Financial Statements, November 30, 2015 and 2014 With Independent Auditors' Reports.

Ms. Crystal Fitzpatrick from WithumSmith + Brown was in attendance to present the report. Ms. Fitzpatrick indicated that the report is presented as a draft copy to allow for any changes that the Board may request. If there are no changes this will become the official report and will be dated May 31, 2016.

Ms. Fitzpatrick indicated that the report is later than normal due to Governmental Accounting Standards Board (GASB) No. 68 Accounting and Financial Reporting for Pensions. This is a new requirement for Authorities, Municipalities and School Districts that participate in the Public Employees State Pension System (PERS) to show the proportionate share of the net pension liability. These figures were released by the State in April.

Ms. Fitzpatrick explained WithumSmith + Brown conducted its audit in accordance with Generally Accepted Auditing Standards. Ms. Fitzpatrick indicated that two audits were performed: Financial Statements and Compliance with Federal and State Awards; and New Jersey Environmental Infrastructure Trust Program (NJEITP).

Ms. Fitzpatrick noted that the report issued was unmodified which means that the Financial Statements are fairly stated. Ms. Fitzpatrick indicated that there were no material weaknesses identified, no significant deficiencies identified and no non-compliance material to the financial statements.

Ms. Fitzpatrick reviewed the Statements of Revenues, Expenses and Changes in Net Position. Ms. Fitzpatrick indicated that Total Operating Revenue in 2015 was \$15.1 million compared to \$15.3 million in 2014. This change was due to the loss of sludge cake revenue from Bayshore Regional Sewerage Authority (BRSA). Operating income for 2015 was \$898,493 compared to \$1,266,667 which again is due to the revenue loss from BRSA. Ms. Fitzpatrick noted the new line item Pension expense Net which is \$335,818 in 2015 compared to \$60,447 in 2014. Ms. Fitzpatrick noted that most of that is a non-cash item and is a difference in the performance of the plan itself. Ms. Fitzpatrick indicated that the change in net position for 2015 is \$144,733 compared to \$342,254 in 2014. Net position at end of year for 2015 was \$33.7 million compared to \$33.6 million for 2014. Ms. Fitzpatrick noted that the Restatement

change in accounting principle (GASB 68) for 2014 is \$8,562,732 which was the net pension liability in 2014. Ms. Fitzpatrick noted that in the Statements of Net Position the net pension liability for 2015 was \$10,401,913 compared to \$8,380,614 in 2014. Ms. Fitzpatrick indicated that even with the new GASB 68 requirement, the Authority continues to maintain a positive unrestricted balance. The total liabilities, deferred inflows of resources and net position for 2015 was \$72,057,669.

Mr. Goldfarb asked if the Deferred Inflows and Outflows of Resources were all pension related. Ms. Fitzpatrick indicated that it is pension related.

Mr. Goldfarb asked if there was anything that could have been done better that was not indicated in the audit report. Ms. Fitzpatrick indicated that there were none.

Mr. Goldfarb questioned what assumptions were used in the pension calculation i.e. is it assumed that all employees will retire from SBRSA. Ms. Fitzpatrick indicated that the assumptions are determined by actuarial valuation. Note 12 of the audit report provides an explanation of the new requirement but Ms. Fitzpatrick indicated that she would need to contact the State to obtain that particular information.

Mr. Morehouse indicated that when the Finance Committee met to review the Audit Review there was no definitive answer as to whether GASB 68 would have a negative impact on credit ratings; has a decision been made. Ms. Fitzpatrick noted that currently it will not have an impact on credit ratings.

Mr. Morehouse questioned the reason why GASB 68 is being reported at this level rather than the State. Mr. Sears explained that the financials stated in this format gives potential bond holders a picture of our current financial position.

Ms. Fitzpatrick thanked staff for their assistance during the audit.

The Board thanked Ms. Fitzpatrick.

Resolution 2016-36, Certifying Member Review of the 2015 Audit

Mr. Goldfarb moved for approval Resolution 2016-36, Certifying Member Review of the 2015 Audit. The motion was seconded by Mr. Compton. Mr. Goldfarb noted that the sections of the audit report titled "General Comments" and "Recommendation" listed "None." The resolution was then passed by a roll call vote of 5 to 0. Resolution 2016-36 follows.

RESOLUTION Certifying Member Review of the 2015 Audit

Resolution No. 2016-36

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

WHEREAS, the annual report for the fiscal year ended **November 30, 2015** has been completed and will be filed with the State of New Jersey, Division of Local Government Services, Department of Community Affairs, Bureau of Authority Regulation, Local Finance Board pursuant to N.J.S.A. 40A:5A-15, and

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

NOW, THEREFORE, BE IT RESOLVED that the governing body of the **Stony Brook Regional Sewerage Authority** hereby certifies to the Local Finance Board of the State of New Jersey that each governing body member has personally reviewed the annual audit report for the fiscal year ended **November 30, 2015**, and specifically has reviewed the sections of the audit report entitled “General Comments” and “Recommendations”, and has evidenced same by group affidavit in the form prescribed by the Local Finance Board.

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

I HEREBY CERTIFY THAT THIS IS A TRUE AND ACCURATE COPY OF THE RESOLUTION PASSED AT THE MEETING OF THE STONY BROOK REGIONAL SEWERAGE AUTHORITY HELD ON MAY 31, 2016.

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			
David A. Goldfarb	X			
C. Schuyler Morehouse	X			
Bharat Patel	X			

Consultant List

The consultant list was provided for information.

533.04 Planning and Administration

Mr. Kantorek reported that the most current 12-month average daily River Road plant flow is 8,442,478 gpd with 787,017 gpd of approved but inoperative flow for a total committed flow

of 9,229,495 gpd with 3,830,505 gpd or 29.33% of available capacity. The most current 12-month average daily flow at the Hopewell Plant is 212,391 gpd with no inoperative flow, for a total committed flow of 212,391 gpd with 29.20% or 87,609 gpd of available capacity. The Pennington Plant presently has 234,774 gpd as the most current 12-month average daily flow, with 19,049 gpd of approved but inoperative flow, for a total committed flow of 253,823 gpd, with 15.39% or 46,177 gpd of available capacity. Mr. Kantorek noted that most of the inoperative flow total for the Pennington Plant is the unused portion of Bristol-Meyers Squibb approved flow.

Mr. Kantorek noted that the lower than average rainfall is increasing the calculated available capacity at the Pennington STP.

Monthly Flow Transmittal

The monthly flow transmittal for April was provided for information.

All meters were within $\pm 5\%$ which is the revised acceptable limit for meter adjustments however, there were issues that required meter adjustments.

The flow rates from April 1st through April 3rd at the Princeton Pump Station were uncharacteristically high when compared to the remainder of the month, the continuation of the flow data from the previous month, comparison of the meter data from the other sites, and review of the rainfall data. Therefore the meter data for these three (3) days were replaced with the average of the meter data from March 31st and April 4th.

There was an issue with the meter signal on April 19th and the recorded data in the early morning hours was reading low. The SBRSA instrumentation technician cleaned the diaphragms on the meter and the issues seemed to be resolved. On April 20th the same issue occurred where the recorded data was low. Further investigation from our instrumentation technician indicated an additional issue with the meter. The meter was fixed and the issue resolved. The meter data for April 19th and 20th was replaced with the average of the meter data from April 18th and April 21st.

At Meter Station No. 7 the flow data on April 26th was uncharacteristically low and therefore the meter data for that day was replaced with the average of April 25th and April 27th.

The Princeton Forrestal meter chamber lost power from April 3rd at 5 am through April 4th at 9:15 am. The data for those days were compared to the Millstone Pump Station (MPS) flow data. The Princeton Forrestal (PF) flow goes through the MPS and is included in the metered data at the MPS. This flow is also metered at the PF Meter Chamber and subsequently subtracted from the MPS flow data. The PF flow also has a consistent pattern on weekdays and weekends. The PF flow is approximately 19% of the MPS flow on weekends and approximately 22% on weekdays. Therefore the meter data was replaced with 19% of the MPS flow for April 3rd (Sunday) and 22% of the MPS flow for April 4th (Monday).

533.05 Approval Requests and Actions

TWA-1 Approvals

Snowden Lane & Van Dyke Road Sewer Line Extension, Princeton

Ms. Pchola reported that on April 28, 2016 SBRSA received the Findings of Fact for the site plan application for seven (7) of the fourteen (14) proposed single family homes for the TWA that was previously submitted at the April Board meeting. The TWA application was modified to include the nine (9) existing single family homes (on septic) and seven (7) new single family homes for a total flow of 4,800 gpd (previous request was for 6,900 gpd). The TWA was signed by SBRSA.

Time Extensions

None.

NJPDES Enforcement Requested

None.

Water Quality Management Plan Amendments

None

Allocated Flow Update

Ms. Pchola explained that at the April Board meeting Mr. Goldfarb indicated that two projects in Princeton were completed. Ms. Pchola reported that Mr. Hough from PSOC was contacted and confirmed that both projects were 100% occupied. The Total Inoperative Flow for River Road has been adjusted as listed below.

- Added 4,800 gpd for the Snowden Lane & Van Dyke Road sewer extension project.
- Removed Princeton U Hibben-Magie for a flow rate of 23,550 gpd (100% occupied as confirmed by R. Hough, PSOC)
- Removed Princeton U Andlinger Center for a flow rate of 9,326 gpd (100% occupied as confirmed by R. Hough, PSOC)

533.06 Regulatory Report

Discharge Monitoring Report (DMR)

Mr. Rahimi reported that the Discharge Monitoring Reports for the month of April 2015 were submitted to NJDEP. No violations were reported.

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

Residuals Discharge Monitoring Report (RDMR)

Mr. Rahimi indicated that the February and March 2016 RDMRs were submitted to NJDEP. All River Road parameters were compliant with the Authority's Air Permit requirements.

Air Reporting

Mr. Rahimi reported that the Relative Accuracy Test Audit (RATA) for the continuous emission monitoring systems (CEMS) has been scheduled with Pace Environmental for the week of June 20th. The first RATA will be conducted on the CEMS for Incinerator No. 1 and then Incinerator No. 2 which will be kept in operation following the test.

Mr. Rahimi indicated that on May 5, 2016 staff forwarded all the requested data to complete 2015 Emission Statement to KEMS.

Mr. Rahimi reported that the settlement agreement for the violations (SO₂ and particulates) during the 2012 stack test for a total of \$3,000 has been signed and submitted to NJDEP.

Mr. Rahimi noted that staff has submitted two (2) affirmative defense letters to NJDEP for two separate incidents while operating the incinerator.

Mr. Rahimi indicated that on May 1, 2016 Motor Control Center (MCC) No. 1 tripped causing the connected loads including the instrument air compressor to shut down. As a result the bypass stack damper opened while sludge was being fed to the furnace. Sludge feed was stopped within the minute however with the new EPA regulations SBRSA must be in compliance even during a burnout condition. It is estimated that it takes thirty (30) minutes to completely burnout (no sludge combustion). Staff was able to connect to a backup instrument air compressor to close the damper. The damper was opened for twenty-eight (28) minutes. SBRSA's affirmative defense was that this incident was caused by an equipment malfunction.

Mr. Rahimi reported that on May 4, 2016 the Induced Draft (ID) Fan shut down causing the bypass damper to open (interlocked). Sludge feed was stopped one (1) minute later and the burnout procedure started. The bypass damper closed eight (8) minutes later. Upon investigation of the incident, there was no conclusive evidence as to why the ID Fan shut off. Staff was in the MCC room with the contractor working on the repair of Incinerator No. 2 and were locking-out the system for Incinerator No. 2. SBRSA's affirmative defense was an unexplained equipment malfunction.

Mr. Rahimi explained that the Authority's current Title V permit allows for the "Use of the bypass stack during sludge feed.....only during the following conditions:

- a. Loss of power or air pressure;
- b. Loss of scrubber water or scrubber flooding;
- c. ID fan failure, and
- d. Other conditions which may pose a potential dangerous situation to the health and/or safety of SBRSA employees if the bypass stack is not used. [N.J.A.C. 7:27-2216(e)]” as indicated under OS2 Incinerator #1 bypass, Ref. #1 -3 with maximum duration of 80 minutes during sludge feed in a calendar day or 88 hours in a calendar year with corresponding recordkeeping and submittal requirements.

However the Federal Plan Requirements for Sewage Sludge Incinerators Constructed on or Before October 14, 2010 40 CFR part 62 that was published in the Federal Register on April 29, 2016 indicates that:

“Section 62.15955 of 40 CFR part 62 states that emissions limits and standards apply at all times the unit is operating and during periods of malfunction. The emission limits and standards apply to emissions from a bypass stack or vent while sewage sludge is in the combustion chamber (i.e., until the sewage sludge feed to the combustor has been cut off for a period of time not less than the sewage sludge incineration residence time).”

In addition as stated: “The federal plan would apply to the owner or operator of an existing SSI unit that was constructed on or before October 14, 2010, and that is not already regulated by an approved and effective state plan as of the effective date in this notice. The federal plan will become effective 30 days after final promulgation.” The State of New Jersey does not have a plan.

Mr. Rahimi stated that historically equipment malfunctions would be an acceptable cause for getting an affirmative defense. However, based on the new EPA regulations effective May 29, 2016, equipment malfunctions may not be acceptable cause for an affirmative defense. Therefore, SBRSA also indicated in both affirmative defense letters submitted to the NJDEP on May 11, 2016 that it believed that the new EPA regulations were not in effect when the May 1, 2016 and May 4, 2016 incidents occurred.

Mr. Goldfarb indicated that SBRSA’s affirmative defense is based on the fact that the State did not have a plan. However, in the future SBRSA will not be able to use that defense and any equipment failure that results in the bypass damper opening will cause the Authority to be in violation. Ms. Pchola noted that a meeting with KEMS is scheduled for June 2nd to address the incinerator interlock issues. Mr. Kantorek indicated that the Authority has a complicated set of interlocks which were setup based on SBRSA’s Title V permit from the State. Now some of the federal regulations have changed and staff needs to examine each interlock to determine which can be eliminated. Mr. Kantorek noted that the Authority meets all the federal standards for emissions but the operation of the incinerator has become more complicated under the new regulations. It will take time to resolve all the issues regarding the operation of the incinerator.

Mr. Rahimi explained that staff is also in the process of preparing another affirmative defense regarding an incident that occurred on May 13, 2016. The incinerator was burned out for work to be conducted on the Trace computer (running the incinerator data acquisition system). When the computer was restarted it triggered a scrubber malfunction alarm causing the bypass damper to open. Although there was no sludge combustion in the incinerator, the burners were lit while the bypass damper was open, which is also a potential violation of the EPA regulations. The bypass damper was opened for five (5) minutes.

Mr. Rahimi indicated that on May 20, 2016 staff was in the process of replacing a switch which caused a communication issue and a scrubber malfunction alarm which in turn caused the bypass damper to open. At the time that the work was being conducted we were feeding sludge to the incinerator. The bypass damper was open for five (5) minutes while sludge was being fed to the incinerator.

A brief discussion continued regarding the SSI rules and their effect on SBRSA. It was also noted that if the Affirmative Defenses are not granted this may result in violations.

Laboratory

Mr. Rahimi reported that the laboratory has achieved acceptable results for all parameters in the NJDEP 2016 Proficiency Testing (PT) study from ERA (PT provider). The NJDEP Office of Quality Assurance (OQA) needs to validate the results.

Miscellaneous

Mr. Rahimi indicated that the annual sandblast waste disposal profile renewal application was submitted to Waste Management of Pennsylvania (WM) on May 5, 2016. WM will renew SBRSA's profile when the waste is generated and the required analytical testing is performed.

533.07 Safety

Ms. Pchola reported that there were no lost time accidents/injuries for this reporting period.

Ms. Pchola noted that as of May 24, 2016 Stony Brook Regional Sewerage Authority has gone 1720 consecutive days without a "Lost Time Accident".

Ms. Pchola indicated that the fire alarm monitoring contract documents have been completed. Hopewell Township has indicated that they will review the documents once the contractor has submitted the building permit.

Ms. Pchola reported that on February 22, 2016 the Authority received notification from the Department of Community Affairs (DCA) Bureau of Fire Code Enforcement via invoices that it was in violation for failure to pay the annual "Life Hazard Use Registration" fee for Hopewell and Pennington Plants. The Authority has appealed the fines through an

administrative hearing. On April 29, 2016 staff received an e-mail from the DCA offering a compromise by reducing the penalty from \$994.00 to \$100.00.

Ms. Pchola noted that the Authority has received the Governor's Award for four consecutive years without a Lost Time Accident. A copy of the letter was provided to the Board. The award was on the table.

Ms. Pchola reported that on May 6, 2016 Survivor Fire decommissioned the halon suppression system internal to the enclosure for the existing generator at the South Brunswick Pump Station due to the generator replacement project.

Training for this reporting period included:

- Bloodborne Pathogens refresher training was provided in-house on April 28, May 12, and May 19, 2016 for twenty-five (25) employees.
- Fire Safety training was provided in-house on April 28 and May 19, 2016 for thirteen (13) employees.
- Fall Protection training was provided in-house on May 12, 2016 for seven (7) employees.
- Storm Prevention Control and Counter-measure and Storm Water Pollution training was provided in-house on May 12 and 19, 2016 for fifteen (15) employees.

Mr. Goldfarb explained that the violation for the Life Hazard Use Registration fee was due to the timing of the invoice and the Board meeting. There was discussion to institute a blanket authority for staff to issue payment (non-negotiable fees) to certain government agencies with a dollar limit in order to avoid penalty fees. The item would still be included on the monthly bill list at the next Board meeting. The Board set a not to exceed limit of \$3,000.

Vice Chairperson Downey made a motion to authorize the payments of non-negotiable governmental fees in an amount not to exceed \$3,000 prior to a Board meeting. The payment of these fees will be included in the following month's bill list. The motion was seconded by Mr. Goldfarb and passed by a vote of 5 to 0. The motion will be effective immediately.

A resolution for this matter will be presented at the June Board meeting.

533.08 Litigation

The Litigation Report was provided for information.

River Road Wastewater Concerns

Ms. Alexander reported that the Authority received its final NJPDES permit on May 27, 2016. The final permit includes all the contested issues that staff had commented on in the draft permit. SBRSA will request a Stay for Nitrates and an Adjudicatory Hearing for the contested provisions in the final permit. In addition, the NJDEP has eliminated the plant blending line in the final permit. If the blending line were to be utilized during excessive wet weather events, an Affirmative Defense would need to be submitted to NJDEP. The Affirmative Defenses would be evaluated by NJDEP on a case by case basis. Use of the blending line could be used but at a risk for a permit violation.

A discussion regarding Combined Sewer Overflows (CSOs) and blending lines took place. Mr. Goldfarb asked if the Authority was being held to a higher standard than CSOs. Ms. Alexander indicated that some CSOs have submitted No Feasible Alternatives Analysis to address the use of blending lines. Mr. Kantorek indicated that some municipalities are eliminating CSOs. Mr. Kantorek noted that Somerset Raritan Valley Sewerage Authority is building a small Stormwater Plant for periods of high flow. The plant will have a primary clarifier, filtration and disinfection. Ms. Alexander noted that it has its own permit and limits.

Mr. Morehouse asked when the last time the blending line was used. Mr. Kantorek indicated that the blending line has been used approximately 1.3 times per year.

533.09 Operations Report

River Road Facility

Mr. Kunert reported that Two Rivers Water Reclamation Authority began bringing liquid sludge on May 2, 2016 as opposed to the 300 cubic yards of sludge cake that they normally bring. This will continue for approximately 4 to 6 months while their Belt Filter Presses and Schwing Pumps are being replaced.

Mr. Kunert indicated that the Industrial Furnace Company was on site May 3, 2016 to begin repairing Incinerator #2. This work should be completed by the end of May.

Mr. Kunert explained that, as reported last month, on April 7, 2016 staff had to partially bypass the filter building at the River Road Facility due to an infestation of water fleas. A Hotline call was made to the NJDEP. The flea population was decreasing as they approached the end of their life cycle. However; the water fleas reappeared during the month of May which is unusual but not unheard of. Staff is backwashing the filters more often in an effort to prevent another bypass of the Filter Building.

Mr. Kunert reported that staff dewatered and hosed all four Chlorine Contact Tanks. Staff also dewatered, removed the algae growth, then chlorinated and hosed all four Re-Aeration Tanks. All eight tanks are back in service.

Mr. Kunert noted that three tours were given, one to Rider University Students and two to Lawrenceville Prep students who came in two separate groups. In total approximately 100 students toured the River Road WWTP.

Upstream Facilities

Mr. Kunert reported that after many years of chlorinating using oxidation-reduction potential (ORP) to control the output of the sodium hypochlorite pumps, staff decided to control the output of these pumps using the effluent flow signal. There were too many factors involved to comfortably chlorinate using the ORP signal without constant attention and requiring many adjustments. Now that the process is being run differently, the chlorine demand of the effluent is fairly constant making flow pacing of the Hypochlorite Pumps much more reliable and less labor intensive. Staff will be implementing the same process at the Pennington Facility shortly.

Odor Report

Mr. Kunert reported that staff received no odor complaints during the month of May and no odor complaints for the partial month of May 2016.

Customer Septage and Sludge Deliveries

The quantities of liquid sludge and sludge cake exceeded their budgeted amounts while the quantity of gray water was below its budgeted amount for the month April.

Resolution 2016-38, Authorizing the Approval of Change Order No. 1 to the River Road STP Multiple Hearth Incinerator No. 2 Repairs Contract

Mr. Kunert explained that this Change Order is for unforeseen work that was not included in the Repair Recommendations section specified in the contract as per the inspection report from Chavond-Barry Engineering. The need for this additional work was discussed with Chavond-Barry Engineering. The cost for the additional work is \$3,636. The total contract amount \$201,526.00.

Mr. Kunert recommended approval of Resolution 2016-38, Authorizing the Approval of Change Order No. 1 to the River Road STP Multiple Hearth Incinerator No. 2 Repairs Contract. So moved by Mr. Goldfarb, seconded by Mr. Compton and passed by a roll call vote of 5 to 0. Resolution 2016-38 follows.

Resolution Authorizing the Approval of Change Order #1 to the River Road STP Multiple-Hearth Incinerator #2 Repairs Contract

Resolution No. 2016-38

WHEREAS, the Stony Brook Regional Sewerage Authority at the April 25, 2016 Board Meeting awarded the River Road STP Multiple-Hearth Incinerator #2 Repairs Contract to the Industrial Furnace Company, Inc.; and

WHEREAS, there was additional unforeseen work which was not included in the original bid repair recommendations within the Inspection report furnished by Chavond-Barry Engineering; and

WHEREAS, the additional unforeseen work was discussed with Chavond-Barry Engineering and deemed necessary with the description and pricing listed below:

Description and amount of change order:

\$ 1,006.00	Add-on price to supply/install 5 extra air tubes on the Hearth 2 Burner #3
\$ 1,113.00	Add-on price to supply/install 6 extra air tubes on Hearth 3 Burner #1
\$ 100.00	Add-on price to supply/install a total of (4) new “main air flange gasket” for 2 burners and hearths 2 and 3 + 2 burners at afterburner area.
\$ 1,407.00	Add-on pricing for labor and material to install new rolled 316L steel section measuring 2’ wide x 16’ long x ¼”
\$ 3,626.00	Total Change Order Request

WHEREAS, this change order will change the original contract amount of \$197,900.00 to \$201,526.00; 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 approves this change order as described above to the River Road STP Multiple-Hearth Incinerator #2 Repairs Contract;

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:

	AYE	NO	ABSTAIN	ABSENT
Robert A. Bartolini				X
Harry Compton	X			
Gale D. Downey	X			
David A. Goldfarb	X			
C. Schuyler Morehouse	X			
Bharat Patel	X			

533.10 Maintenance

Mr. Ireland reported that Motor Control Center (MCC) #1 failed on May 1, 2016 at approximately 23:29 hours for unknown reasons. This caused the loss of instrumentation air to the incinerator equipment and the process drain bubbler system which controls the wet well level. This failure allowed the incinerator by-pass damper to open during operation and allowed the process drain wetwell to overflow in the rear parking lot for several minutes. This spill was contained and a DEP Hotline call was made. After investigating the cause of the failure and finding no indication as to why it failed, all equipment on MCC #1 was shut down so the substation breaker could be reset and all the equipment could be placed back into service. Once all of the equipment was reset normal operation resumed.

Mr. Ireland indicated that the Millstone Pump Station Sewage Pump #4 was removed from service on May 6, 2016 to install a new chain wheel operator on the discharge valve. The existing chain wheel made it very difficult to open and close the valve during preventive maintenance.

Mr. Ireland reported that Filter #1 at the Pennington Treatment Plant was taken offline to replace a 6-inch backwash supply valve that was not seating properly when in the closed position. This allowed water from the stand pipe to leak through the valve and not maintain a proper level in the stand pipe. A new valve was installed and the filter was placed back into service.

Mr. Ireland indicated that new upper and lower belts were installed on Belt Press #1 on May 17, 2016 due to poor performance. After installation and the break-in period, the press was placed back into service.

Mr. Ireland reported that the number of open work requests stand at twenty (20). The preventive maintenance graphs show that SBRSA is currently averaging one (1) day overdue and the number of overdue units is approximately eighteen (18).

Dr. Downey noted that it seems that the Instrumentation Department work requests remain at a high level. Mr. Ireland indicated that that Instrumentation Department is small, that it takes longer for parts to be received and their jobs are more involved.

Mr. Kantorek explained that the new Maintenance Management system tracks the work requests from start to completion. When people see that things are getting fixed there is a tendency to submit more work requests.

533.11 Construction Report

Upstream Facilities Process Evaluation/Planning Study

Ms. Pchola reported that the Hopewell WWTP Facilities Process Evaluation/Planning Study is complete. Kleinfelder expects to provide SBRSA with the draft report for review by mid-June.

Phosphorus Impact Modeling Study

Ms. Pchola reported that Somerset Raritan Valley Sewerage Authority's (SRVSA) approved their portion of the modeling study and Kleinfelder has begun work on the modeling study.

2016 Annual Inspection

Ms. Pchola indicated that Kleinfelder completed the inspection of all SBRSA facilities during the last week in April. AECOM will conduct their inspection the first week in June.

Odor Sampling and Evaluation

Ms. Pchola explained that at the request of staff, TRC submitted a proposal to conduct a two-day odor sampling at the River Road Wastewater Treatment Plant and one off site location and evaluation of the sampling. A copy of the proposal was provided to the Board. TRC has provided this service for several years. This data is used as a historical benchmark for the levels of odors around the plant site. The sampling has been tentatively scheduled for August 15th and 16th. The cost for this work is \$17,500. TRC has provided the required Pay-to-Play forms.

Staff recommended approval of this contract as indicated in Resolution 2016-34, Authorizing the Award of a "No Political Contributions Allowed" Contract to TRC for Odor Sampling and Analysis at the River Road Wastewater Treatment Plant. So moved by Mr. Morehouse, seconded by Mr. Patel and passed by a roll call vote of 5 to 0. Resolution 2016-34 follows.

Resolution Authorizing the Award of a "No Political Contributions Allowed" Contract to TRC for Odor Sampling and Analysis at the River Road STP

Resolution No. 2016-34

WHEREAS, the Stony Brook Regional Sewerage Authority (SBRSA) has a need for the continuation of odor sampling in the summer of 2016 at the River Road STP and one off-site location; and

WHEREAS, the analysis will be used as a comparison to the analysis that was conducted in 2009 through 2015 to determine the odor characteristics at the River Road STP; and

WHEREAS, TRC has conducted this sampling and analysis in 2009 through 2015 and for continuity and consistency of the data TRC should conduct the sampling and analysis in 2016; and

WHEREAS, the qualified purchasing agent, Diane Redding has determined and certified in writing that the value of the work for this contract may exceed \$17,500; and

WHEREAS, the term of this contract will take place during SBRSA's FY 2016; and,

WHEREAS, TRC has submitted a proposal dated May 13, 2016 indicating they will provide the sampling and analysis on a time and materials basis not to exceed \$17,500 without prior written approval from SBRSA; and

WHEREAS, TRC has submitted a Business Entity Disclosure Certification which certifies that TRC its subsidiaries, assigns or principals controlling in excess of 10% of the company has neither made a contribution that is reportable pursuant to the Election Law Enforcement Commission pursuant to N.J.S.A. 19:44A-8 or 19:44A-16, in the one (1) year period preceding the award of the contract that would, pursuant to P.L. 2004, c.19, affect its eligibility to perform this contract, nor will it make a reportable contribution during the term of the contract to a municipal political party committee of a governing body that appoints members to the Authority including, Princeton, South Brunswick Township, West Windsor Township, Hopewell Borough, Hopewell Township, and Pennington Borough, when the contract is awarded, or to any municipal candidate committee of any candidate for or holder of municipal elective public office of any such municipality when the contract is awarded; 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 SBRSA authorizes the Chairman to enter into a contract with TRC as described herein; and

Recorded Vote:

	AYE	NO	ABSTAIN	ABSENT
Robert A. Bartolini				X
Harry R. Compton	X			
Gale D. Downey	X			
David A. Goldfarb	X			
C. Schuyler Morehouse	X			
Bharat Patel	X			

Information Technology Management Services

Ms. Pchola reported that staff requested that EMA provide an amendment to our agreement for IT Management Services. Staff requested the proposal in an effort to continue with our IT

progress and to have EMA assist in the transition to the new SBRSA IT Manager. A copy of the proposal was provided to the Board. It is anticipated that SBRSA will have a new IT Manager by mid-July. The cost for EMA's additional services is \$31,305.

Staff recommended approval of Resolution 2016-39, Authorizing the Award of Amendment No. 1 to EMA as a "No Political Contributions Allowed" Contract for Information Technology Management Services in an amount not to exceed \$31,305. So moved by Mr. Morehouse, seconded by Mr. Patel and passed by a roll call vote of 5 to 0. Resolution 2016-39 follows.

Resolution Authorizing the Award of Amendment No. 1 to the "No Political Contributions Allowed" Contract to EMA for Information Technology Management Services

Resolution No. 2016-39

WHEREAS, the Stony Brook Regional Sewerage Authority ("Authority") currently has a contract in place with EMA as a "No Political Contributions Allowed Contract" for Information Technology Management Services; and

WHEREAS, the Authority has a need to continue these services for the temporary IT Manager and requested a proposal from EMA for these service as indicated in their proposal dated May 24, 2016; and

WHEREAS, the original contract with EMA in the amount of \$105,820 has been expended; and

WHEREAS, the additional services under Amendment No. 1 is in the amount of \$31,305 for a total contract amount of \$137,125; and

WHEREAS, EMA has on file with SBRSA a Business Entity Disclosure Certification which certifies that EMA its subsidiaries, assigns or principals controlling in excess of 10% of the company has neither made a contribution that is reportable pursuant to the Election Law Enforcement Commission pursuant to N.J.S.A. 19:44A-8 or 19:44A-16, in the one (1) year period preceding the award of the contract that would, pursuant to P.L. 2004, c.19, affect its eligibility to perform this contract, nor will it make a reportable contribution during the term of the contract to a municipal political party committee of a governing body that appoints members to the Authority including, Princeton, South Brunswick Township, West Windsor Township, Hopewell Borough, Hopewell Township, and Pennington Borough, when the contract is awarded, or to any municipal candidate committee of any candidate for or holder of municipal elective public office of any such municipality when the contract is awarded; and

WHEREAS, the Stony Brook Regional Sewerage Authority has sufficient funds in the capital budget for this work.

NOW THEREFORE, BE IT RESOLVED that the Board of the Stony Brook Regional Sewerage Authority authorizes Amendment No.1 in the amount of \$31,305 for the Information Technology Management Services as described herein.

Recorded Vote:

	AYE	NO	ABSTAIN	ABSENT
Robert A. Bartolini				X
Harry Compton	X			
Gale D. Downey	X			
David A. Goldfarb	X			
C. Schuyler Morehouse	X			
Bharat Patel	X			

Contract 16-1 Schwing Pump Replacement Project

Ms. Pchola reported that staff is in the process of responding to comments from NJDEP regarding the NJEIFP application. Staff expects to complete the review of the contract documents prepared by GHD by mid-June.

Contract 16-3, Fire Alarm System for Hopewell and Pennington WWTP

Ms. Pchola reported that Kleinfelder and their electrical sub-consultant Keystone Engineering have completed the contract drawings. On May 24, 2016 staff spoke with the Hopewell Township building official and reviewed the project. According to the building official, the Township construction department will perform a plan review upon receipt of the building permit application to ensure the proposed project complies with local, State, and Federal code requirements. This project will be advertised for bid on June 1st, the pre-bid meeting is scheduled for June 9th, and bids will be received on June 22nd. It is anticipated that this project will be awarded at the July Authority Board meeting.

Pennington WWTP Upgrade and Expansion

Ms. Pchola indicated that Kleinfelder has started the initial work on this project.

Contract 10-1 Headworks Project

Ms. Pchola indicated that on May 9, 2016 staff received via fax, Tomar's response through their attorney in a letter dated April 8, 2016 declining the Authority's proposed settlement plan. Tomar's letter was forwarded to Counsel for review. The next step in the process is to jointly agree on a mediator.

Ms. Pchola indicated that staff received information on May 31, 2016 that our attorney sent Tomar's attorney a letter as to SBRSA's choice for a mediator. Tomar has agreed on the selected mediator and staff is waiting to schedule.

Contract 14-1, SBRSA Emergency Generator Project

Ms. Pchola reported that as of Pay Estimate No. 6 this project stands at 51% complete. During the past reporting period Thomas Controls, Inc. (TCI) completed the installation, start-up, and testing of the Millstone Pump Station generator and on May 9, 2016 the new Millstone Pump Station generator was placed into service. On May 10, 2016 TCI installed the temporary generator at the South Brunswick Pump Station, completed the demolition and removal of the existing turbine generator and all appurtenant equipment, received and installed the new diesel generator, and began the mechanical and electrical installation of the new generator. At the River Road site, TCI excavated and installed the underground 6-inch natural gas pipeline for the new generator, completed the leak testing for the gas line, and began backfilling the pipe trench. In addition TCI completed the control conduits to the generator control panel, installed the new overhead door, and completed 90% of the new lighting and receptacles in the Chemical Building Generator Room.

Ms. Pchola indicated that the NJDEP General Permit application for the new Millstone Pump Station Emergency Generator was submitted electronically on April 25, 2016. NJDEP was notified (via fax application form) on May 9, 2016 that temporary generator for the Millstone Pump Station was disconnected.

Ms. Pchola noted that on May 3, 2016 staff provided NJDEP with the “Notification to Temporarily Replace Permitted Source Operations Shutdown During Construction, Repair, and Maintenance Activities” for the installation of the temporary emergency generator for the South Brunswick Pump Station while the new emergency generator is being installed. The General Permit for the new South Brunswick Pump Station emergency generator was submitted on May 13, 2016.

Contract 15-3, Ash Handling System Improvements

Ms. Pchola reported that as of Pay Estimate No. 5 this project is approximately 86% complete. During the past reporting period, BR Welding completed the installation of the building extension walls, roof, trim, gutters, etc., installed the support steel and the two new screw conveyors, completed the start-up and testing of the PLC control system, installed the overhead door, and placed into service the new ash handling system. On May 24, 2016 training on the new PLC control system was held and vendor training on the new equipment has been scheduled for June 2, 2016.

Ms. Pchola indicated that during the installation of the two (2) new screw conveyors, it was decided to rotate the orientation of the screw conveyors 180° to improve access to the screw drives for maintenance. A consequence of the change in orientation was that the rear discharge port of the conveyor (each screw conveyor has three discharge ports, front, middle and rear) was closer to the rear edge of the dumpster preventing the rear of the dumpster to be completely filled and causing some of the ash to fall behind the dumpster. Installation of stainless steel chutes at the rear discharge port will direct ash further away from the rear of the dumpster and improve the filling of the dumpster.

In addition it is very difficult for the drivers that pick up and deliver the dumpsters to and from the ash garage to navigate through the new overhead doors. Discussions with the drivers suggested two additions to the ash garage modifications:

- Installation of steel guard rails to prevent the dumpster from accidentally hitting the overhead door side rails during the dumpster delivery process; and
- Adding dumpster floor guides to the garage floor to help keep the dumpster centered under the two screw conveyors.

Ms. Pchola noted that the suggestions were reviewed by staff and it was agreed that the two (2) additions would be an improvement to the project. GHD was also on site to observe an issue that staff is having with ash bridging in the chute. They are currently evaluating the issue.

Staff recommended approval of Resolution 2016-41, Authorizing Change Order No. 1 to Supply and Install Stainless Steel Chutes, Guard Rails and Dumpster Floor Guides for Contract 15-3 in the amount of \$5,897.84. So moved by Mr. Morehouse, seconded by Mr. Patel and passed by a roll call vote of 5 to 0. Resolution 2016-41 follows.

**Resolution Authorizing the Approval of Change Order No. 1 to
Supply and Install Stainless Steel Chutes, Guard Rails, and Dumpster Floor Guides for
Contract 15-3**

Resolution No. 2016-41

WHEREAS, on July 21, 2015, the Stony Brook Regional Sewerage Authority (SBRSA) issued a Notice to Bidders seeking the receipt of sealed public bids for the “Ash Handling System Improvements Project, Contract 15-3”; and

WHEREAS, the SBRSA at its August 24, 2015 meeting awarded the Ash Handling System Improvements Project, Contract 15-3 to BR Welding, Inc. (BRW) in the amount of \$411,540; and

WHEREAS, additional unforeseen work which was not included in the original bid specifications is required to provide labor, materials, and equipment to supply and install two (2) stainless steel chutes for the new screw conveyors, steel guard rails, and dumpster floor guides not previously identified in the Contract documents; and

WHEREAS, the abovementioned changes to Contract 15-3 are incorporated within the May 24, 2016 Contract Change Order #1 document in the amount of \$5,897.84 resulting in an adjusted contract amount of \$417,437.84; and

WHEREAS, the contract completion date for the project shall remain unchanged as a result of Change Order No.1; and

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

1. The Executive Director is authorized and directed to execute Change Order #1 with BR Welding, Inc. in the amount of \$5,897.84 resulting in an adjusted contract amount of \$417,437.84.
2. This Resolution shall take effect immediately; and

BE IT FUTHER 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:	AYE	NO	ABSTAIN	ABSENT
Robert A. Bartolini				X
Harry Compton	X			
Gale D. Downey	X			
David A. Goldfarb	X			
C. Schuyler Morehouse	X			
Bharat Patel	X			

Contract 15-4, Instrument Air Compressor Replacement

Ms. Pchola indicated that as of Pay Estimate No. 1 this project stands at 63% complete. During the past reporting period Derstine completed the relocation of the existing air receiver, all electrical work, the delivery and installation of the two new compressors and air dryer and all associated piping. On May 18, 2016 representatives of the equipment manufacturer, Kaeser, completed the start-up and testing of the new compressors and air dryer and on May 19, 2016 the new compressed air system was placed into service. Training on the new system was held on May 19, 2016.

MA Effluent Channel Mixers

Ms. Pchola indicated that Kleinfelder has submitted the draft contract documents to SBRSA, which are currently under staff review.

Incinerator Center Shaft Drive Replacement

Ms. Pchola reported that on May 25, 2016 Chavond Barry Engineering (CBE) submitted draft plans and specifications for staff review.

Process Control/SCADA

Ms. Pchola indicated that the monthly flow meter verification was conducted on May 2, 2016. Preventative maintenance was completed for all field devices and process control loops.

CEMS Carbon Monoxide Analyzer Replacement

Ms. Pchola reported that the two carbon monoxide analyzers have been received. The new units will be installed on June 13, 2016 and the 7-day calibration drift test will commence on June 16, 2016. The second quarter RATA has been scheduled for the week of June 20, 2016.

Plant Influent Flow Meter

Ms. Pchola indicated that the repaired high-side transmitter has been re-installed and field calibrated. In early May the instrument technicians discovered a problem with the new digital manometer. The unit was returned to the manufacturer, which is under warranty, for evaluation and repair or replacement. After being told that the repair/replacement would take two weeks, the technician was later informed that the repair/replacement would take an estimated 4 to 6 weeks. Staff is waiting for the return of the digital manometer to continue the evaluation of the plant influent flow meter system.

Information Technology

Mr. Hess reported that the staff is continuing to upgrade all users from Microsoft Office 2013 to 2016 with 5 users upgraded and 27 remaining.

Mr. Hess indicated that there were 32 IT Helpdesk tickets created in the month of April. Of those, 29 tickets were completed and closed with 3 tickets still open. There were 33 tickets created between May 1st and May 25th with 22 tickets completed and closed and 11 still open.

533.12 Finance Report

Payment of Bills and Claims

Mr. Morehouse moved for approval of Resolution 2016-35 for the payment of bills and claims in the amount of \$1,884,297.65 with two signatures instead of three. The motion was seconded by Mr. Patel and passed by a roll call vote of 5 to 0. Resolution 2016-35 follows.

Resolution Regarding Payment of Bills and Claims

Resolution No. 2016-35

WHEREAS, the Stony Brook Regional Sewerage Authority received certain claims against it by way of voucher, and

WHEREAS, the staff and Authority members have reviewed said claims,

NOW, THEREFORE, BE IT RESOLVED by Stony Brook Regional Sewerage Authority that these claims in the total amount of **\$1,884,297.65** be approved for payment with checks bearing two authorized signatures instead of three authorized signatures.

<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 A. Goldfarb	X			
C. Schuyler Morehouse	X			
Bharat Patel	X			

Treasurer’s Report

Mr. Sears reported for the five-month period ending April 30, 2016 net income stands at \$180,377. Revenues are over budget by \$231,376 largely due to additional revenue from sludge cake received from Somerset Raritan Valley Sewerage Authority (SRVSA). The Authority has total cash and investments of \$17,174,198 at an average interest rate of 0.23%. The current construction projects balance is \$15,957,595 Mr. Sears noted there are sufficient funds for these projects. The outstanding bond principal balance is \$22,591,559. The New Jersey Cash Management Fund yield is 0.15%.

Monthly Sludge Business Analysis

Mr. Sears reported that net income for the month of April is \$138,333 and the cumulative net income is \$527,124. Mr. Sears noted that the remaining “simple payback” for the RTO project has been removed from the report.

Mr. Kantorek noted that the Authority went from a net loss of approximately \$100,000 to a net gain of \$180,377 in approximately one and a half months due to the sludge business.

533.13 Personnel Report

The Personnel Report was provided for member information.

Mr. Kantorek noted that an offer was made to a potential candidate for the IT Manager position. Mr. Kantorek stated that four (4) candidates were interviewed. It was staff’s intention to interview six (6) candidates but two candidates lived out of State, and under New Jersey’s Rules they would have had to move to New Jersey within a year. These two candidates did not want to move. The interviews were conducted by Mr. Kantorek, Ms. Pchola and Mr. Bob Reilly, EMA Inc.

533.14 Correspondence

For information.

533.15 Old Business

None

533.16 New Business

Award of Contracts

Resolution 2016-37, Awarding Contract for the Hauling of Incinerator Ash

Mr. Kunert reported that on Wednesday, May 11, 2016 sealed bids for the hauling of incinerator ash were received. SBRSA went out to bid for an eight (8) month contract as opposed to the usual twelve (12) and twenty-four (24) month contract. The contract with the Authority's current landfill (Pollution Financing Control Authority (PFCA)) expires in eight months. Because PFCA recently had a high increase in their disposal fee this will provide staff time to investigate other alternatives for disposal prior to the expiration of the current contract. Two bids were received and the results are shown as follows:

	<u>8 - Month Contract</u>
	Unit cost / Total
Gary W. Gray Trucking Inc.	\$442.00 / \$74,256.00
Russell Reid Company	\$547.00 / \$91,896.00

The last contract was a two-year contract awarded to Gary Gray Trucking, at a unit cost of \$362.00/container for a two-year contract total of \$196,000.00.

Mr. Kunert recommended that an 8-month contract be awarded to the lowest responsive bidder, Gary W. Gray Trucking Inc. in the amount of \$74,256. So moved by Mr. Morehouse, seconded by Mr. Patel and passed by a roll call vote of 5 to 0. Resolution 2016-37 follows.

**RESOLUTION AWARDING CONTRACT FOR THE HAULING OF
INCINERATOR ASH**

Resolution No. 2016-37

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 hauling of incinerator ash; and

WHEREAS, the following sealed competitive bids were received by the Authority on May 11, 2016, as more fully set forth in the attached Bid Tabulation Sheet:

	<u>8-Month Contract</u>
Gary W. Gray Trucking Inc.	\$442.00 / \$74,256.00
Russell Reid Company	\$547.00 / \$91,896.00

WHEREAS, the Authority has determined that the bid of Gary W. Gray Trucking Inc. is the lowest bid; and

WHEREAS, the bidder, Gary W. Gray Trucking Inc. submitted a bid in the amount of \$74,256.00 (\$442.00 per container) for an 8-month total; 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 the same have been determined to be in order; and

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

NOW, THEREFORE, BE IT RESOLVED by the Stony Brook Regional Sewerage Authority that it hereby awards an 8-month contract for the hauling of incinerator ash to Gary W. Gray Trucking Inc., the lowest responsive bidder; and

BE IT FUTHER 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:	AYE	NO	ABSTAIN	ABSENT
Robert A. Bartolini				X
Harry Compton	X			
Gale D. Downey	X			
David A. Goldfarb	X			
C. Schuyler Morehouse	X			
Bharat Patel	X			

Resolution 2016-42, Awarding Contract for the Hauling of Liquid Sludge (Re-bid)

Mr. Kunert reported that on Wednesday, May 25, 2016 sealed bids for the Hauling of Liquid Sludge were received. The unit cost is on a per gallon basis for an estimated 3,000,000 gallons of sludge hauled from the Upstream Facilities per year. Three bids were received and the results are as follows:

	12 Month Contract Unit cost / Total	24 Month Contract Unit cost / Total
Accurate Waste Systems, Inc.	\$0.0345 / \$103,500.00	\$0.0345 / \$103,500.00 (1st year) \$0.0352 / \$105,600.00 (2nd year) Total 2 year = \$209,100.00
Russell Reid	\$0.0647 / \$194,100.00	\$0.0647 / \$194,100.00 (1st year) \$0.0647 / \$194,100.00 (2nd year) Total 2 year = \$388,200.00
Franc Environmental Inc.	\$0.033 / \$99,000.00	\$0.033 / \$99,000.00 (1st year) \$0.0334 / \$100,200.00 (2nd year) Total 2 year = \$199,200.00

Mr. Kunert indicated that the last contract was a two-year contract awarded to Accurate Waste Systems Inc. at a unit cost of \$0.0342/gallon for the first year and \$0.0345/gallon for the second year for a two year contract total of \$206,100.00.

Mr. Kunert explained that after reviewing the Franc Environmental Inc. bid package, it was determined that the dollar amount of their Bid Bond only covered the one-year bid price. Therefore their two year bid price was determined to be non-responsive. Accurate Waste Systems, Inc.'s bid was found to be in order. Therefore, the only two choices are to award a one-year contract to Franc Environmental (lowest responsive one-year bidder) or a two-year contract to Applied Waste System (lowest responsive two year bidder).

Given that the energy costs are relatively low at this time but not known for the future, Mr. Kunert recommended that a two-year contract be awarded to the lowest two year responsive bidder Accurate Waste Systems at a two year total cost of \$209,100. So moved by Mr. Morehouse, seconded by Mr. Patel and passed by a roll call vote of 5 to 0. Resolution 206-42 follows.

RESOLUTION AWARDING CONTRACT FOR THE HAULING OF LIQUID SLUDGE (Re-Bid)

Resolution No. 2016-42

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 hauling of liquid ash; and

WHEREAS, the following sealed competitive bids were received by the Authority on May 25, 2016 as more fully set forth as follows:

	<u>12 Month Contract</u> Unit cost / Total	<u>24 Month Contract</u> Unit cost / Total
Accurate Waste Systems, Inc.	\$0.0345 / \$103,500.00	\$0.0345 / \$103,500.00 (1st year) \$0.0352 / \$105,600.00(2ndyear) Total 2 year = \$209,100.00
Russell Reid	\$0.0647 / \$194,100.00	\$0.0647 / \$194,100.00 (1st year) \$0.0647 / \$194,100.00 (2nd year) Total 2 year = \$388,200.00
Franc Environmental Inc.	\$0.033 / \$99,000.00	\$0.033 / \$99,000.00 (1st year) \$0.0334 / \$100,200.00 2nd year) Total 2 year = \$199,200.00

WHEREAS, the Authority has determined that the dollar amount of the bid bond submitted with the Franc Environmental Inc. bid only covers the one year bid price and therefore the two year bid price was determined to be non-responsive by Authority Counsel; and

WHEREAS, Franc Environmental Inc. submitted the lowest one year bid price in the amount of \$99,000.00 (\$0.033 per gallon); and

WHEREAS, the Accurate Waste Systems bid was found to be in order; and

WHEREAS, Accurate Waste Systems submitted the lowest responsive two year bid in the amount of \$209,100 (\$0.0345 per gallon in the first year and \$0.0352 per gallon in the second year; and

WHEREAS, energy prices are relatively low at this time but not known for the future; and

WHEREAS, the Authority believes that awarding a two year bid at this time is in the public's best interest; and

WHEREAS, the bid of Accurate Waste Systems 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 the same have been determined to be in order; and

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

NOW, THEREFORE, BE IT RESOLVED by the Stony Brook Regional Sewerage Authority that it hereby awards a two year contract to Accurate Waste Systems Inc., the lowest responsive bidder for the hauling of liquid sludge; and

BE IT FUTHER 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:	AYE	NO	ABSTAIN	ABSENT
Robert A. Bartolini				X
Harry Compton	X			
Gale D. Downey	X			
David A. Goldfarb	X			
C. Schuyler Morehouse	X			
Bharat Patel	X			

533.17 Open to the Public

None.

533.18 And Such Other Issues as May Come Before the Board

None.

531.19 Executive Session

The Board entered into Executive Session at 9:04 pm to discuss a Personnel matter on a motion by Mr. Morehouse, seconded by Mr. Patel and passed by unanimous vote.

Return From Executive Session

The Board returned from Executive Session at 9:50 pm on a motion by Mr. Morehouse, seconded by Mr. Patel and passed by unanimous vote.

533.20 Adjournment

As there was no further business to come before the Board, the meeting was adjourned at 9:51 p.m. on a motion by Dr. Downey, seconded by Mr. Compton and passed by unanimous vote.

Respectfully Submitted,

John Kantorek
Secretary

Recorded and Written by
Patricia Carlino
June 10, 2016