

Minutes of Meeting #524, August 24, 2015 – Stony Brook Regional Sewerage Authority

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

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

MEMBERS ABSENT: Patel

CONSULTANTS: Alexander

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

524.01 Chairman Bartolini 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.

524.02 Approval of Minutes

The minutes from the July 27, 2015 Board meeting were approved as presented on a motion by Dr. Downey, seconded by Mr. Goldfarb and passed by a vote of 5 to 0.

524.03 Board Related Activities

Princeton-Stony Brook Solar Initiative

Mr. Kantorek indicated that he spoke to Mr. Scerbo and Mr. Gabel-Frank regarding the Power Purchase Agreement (PPA). Mr. Scerbo and Mr. Gabel-Frank reviewed the first version of the PPA and submitted their comments to Geopeak. They are waiting for the resubmittal from Geopeak.

Consultant List

The consultant list was provided for information. Mr. Kantorek indicated that there are no contracts pending award.

524.04 Planning and Administration

Mr. Kantorek reported that the most current 12-month average daily River Road plant flow is 9,067,880 gpd with 981,541 gpd of approved but inoperative flow for a total committed flow

of 10,049,421 gpd with 3,010,579 gpd or 23.05% of available capacity. The most current 12-month average daily flow at the Hopewell Plant is 218,823 gpd with 1,200 gpd of inoperative flow, for a total committed flow of 220,023 gpd with 26.66% or 79,977 gpd of available capacity. The Pennington Plant presently has 237,096 gpd as the most current 12-month average daily flow, with 18,481 gpd of approved but inoperative flow, for a total committed flow of 255,577 gpd, with 14.81% or 44,423 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.

### Monthly Flow Transmittal

The monthly flow transmittal for July was provided for information.

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

Upon review of the daily meter data at the Princeton Forrestal Meter Chamber, SBRSA's lead instrumentation mechanic noticed that there were times when the meter data was unusually high for this site. On several occasions staff visited the site to check for clogs in the Parshall flume however there were no apparent clogs. Staff spoke with Mr. Scott Cevera of South Brunswick Township to see if he was aware of any unusual circumstances in the system. Mr. Cevera suggested that staff speak with Mr. Robert Tweed from Princeton Medical Center. Discussions with Mr. Tweed indicated that from July 12<sup>th</sup> through August 2<sup>nd</sup> there was an issue with their cooling tower at the power plant for the hospital that required additional cooling water. As a result there was excess flow in the overflow of the unit resulting in higher than normal discharge. Staff will have further discussion with Princeton Medical Center to get a better understanding of this system.

A discussion followed regarding cooling towers, blow down from maintenance and what mechanism if any does the Authority have to deal with these issues. Staff will look into this matter to determine how many cooling towers are in the service area and if the cooling towers pose a problem.

The meter verification conducted on July 1, 2015 at the Hopewell STP indicated that the meter was reading low by 0.93%. The meter verification conducted on July 31, 2015 indicated that the meter was reading high by 4.89%. The meter data for the month of July was adjusted down by 1.98% which is the average of the July 1<sup>st</sup> and the July 31<sup>st</sup> meter verifications.

A discussion regarding the Authority's policy that all SBRSA meters that are out of calibration by more than  $\pm 2\%$  be adjusted. Staff will propose an alternative to the 2% adjustment for discussion at a future meeting.

524.05 Approval Requests and Actions

TWA-1 Approvals

**High Point Estates, Block 93.12, Lot 26.15, South Brunswick Township**

Ms. Pchola reported that this application is for sewer service for the construction of five (5) new single family structures and one existing single family structure and the construction of approximately 660 linear feet of 8-inch diameter PVC gravity sewer.

5 single family units	300 gpd/unit	1,500 gpd
1 existing single family unit	300 gpd/unit	300 gpd
<b>Total Flow</b>		<b>1,800 gpd</b>

Ms. Pchola noted that the TWA has been endorsed by the South Brunswick Township Engineer and approved by Resolution by the South Brunswick Board of Adjustment.

Staff recommended approval of this application at the requested flow. So moved by Mr. Goldfarb, seconded by Dr. Downey and passed by a vote of 5 to 0.

Time Extensions

None.

NJPDES Enforcement Requested

None.

Water Quality Management Plan Amendments

None.

524.06 Regulatory Report

Discharge Monitoring Report (DMR)

Mr. Rahimi reported that the Discharge Monitoring Reports for the month of June were submitted to NJDEP. No violations were reported. Staff is currently reviewing the July DMR's.

Mr. Rahimi indicated that the River Road Quarterly Effluent Surface Water Discharge Waste Characterization Report was submitted to NJDEP for the quarter ending July 31, 2015. This

report provides data for a select list of nine priority pollutants which have been historically detected in the plant's effluent.

#### Residuals Discharge Monitoring Report

Mr. Rahimi reported that the May Residuals Discharge Monitoring Reports were submitted to NJDEP. All River Road WWTP parameters were compliant with the Authority's Air Permit requirements.

Mr. Rahimi noted that staff is in the process of preparing the June RDMR.

#### Air Reporting

Mr. Rahimi reported that the 2nd quarter 2015 Excess Emissions and Monitoring Report was prepared by staff and submitted to NJDEP. Incinerator #1 operating with the afterburner (AB) (OS1) had 5.08 hours of excess oxygen emissions (below 3%). A low oxygen average alone is not the basis for violation unless the carbon monoxide (CO) concentration is above 100 ppmv at 7% oxygen during the same periods. The CO concentration was less than 100 ppmv during the period when the oxygen fell below 3%.

Mr. Rahimi indicated that the semi-annual 40 CFR 60, Subpart O report for the first six months of 2015 was submitted to NJDEP and EPA. No excess emissions were reported during this monitoring period.

Mr. Rahimi reported that the Semi-annual Title V Compliance report was prepared by staff and submitted to NJDEP. One deviation was reported for weekly visual emission inspection in February 2015. Staff has added a recurring weekly reminder on the computer system as a corrective action.

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

#### Laboratory

Mr. Rahimi noted that the laboratories at Hopewell and Pennington plants have been granted certification for pH, temperature, and chlorine. However the chlorine method is not sufficiently sensitive enough to meet the EPA requirements as indicated in a letter from the NJDEP dated August 20, 2015 for both the Hopewell STP and the Pennington STP. A copy of Hopewell's letter was provided to the Board. Staff is currently looking into alternative options to comply with this requirement.

#### 524.07 Safety

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

Ms. Pchola noted that as of August 14, 2015 Stony Brook Regional Sewerage Authority has gone 1436 consecutive days without a “Lost Time Accident”.

Ms. Pchola reported that on July 31st and August 3rd the annual fire alarm inspection was conducted for River Road WWTP and Princeton Pump Station. Staff is waiting for the report from Princeton.

Ms. Pchola indicated that on August 14, 2015 the annual fire alarm inspection was conducted at Millstone Pump Station. There were no issues found and the annual permit was granted.

Ms. Pchola noted that staff is looking into having fire alarm monitoring added to both Upstream Plants. Currently there is only security monitoring at both facilities.

Training for this reporting period included:

- Industrial Power Truck/Forklift classroom training was provided by the New Jersey Department of Labor on July 30, 2015 for 8 employees. The practical portion of the training will be conducted on August 27, 2015.
- Respiratory Protection training with fit test was provided by Certified Health and Safety on August 19, 2015 for 26 employees.

#### 524.08 Litigation

The Litigation Report was provided for information.

Ms. Alexander indicated that there were no changes this month to the Litigation Report.

#### 524.09 Operations Report

##### River Road Facility

Mr. Kunert reported that as indicated last month, mechanical bar screen #2 at the Headworks facility was down due to a problem with the grinder/auger. The electrical problem that was causing the mechanical screen to fail has been repaired and the unit is back in service.

Mr. Kunert indicated that Incinerator #1 repairs, which are being performed by Albertus Energy, are still ongoing. These repairs should be complete by the end of August.

Mr. Kunert reported that the fecal coliform test, performed by SBRSA’s on-site lab, has been revealing a higher than normal count since the beginning of June. Staff spent several weeks investigating this unusual problem. As a result of the investigation, staff is of the opinion that the 20-inch secondary pipe that runs from the Modified Aeration Clarifier Tank Effluent

Launders down to the Operations Building basement may be leaking. Staff planned and executed a plant shutdown to remove the gate valves within the launders, place an airbag in the 20-inch line, and cut/cap the 20-inch pipe between the two Modified Aeration Clarifiers. The cutting and capping of the line was performed by an outside contractor while Authority personnel performed the remainder of the required work. The job began at 3:00 a.m. on August 13, 2015 and was completed in approximately six (6) hours. Since then the fecal coliform count has dropped significantly. If the count should rise again staff will continue to investigate until the problem is resolved.

Mr. Kunert indicated that the four Chlorine Contact Tanks and the four Re-Aeration Tanks were taken off line one at a time. The tanks were dewatered, cleaned, and placed back into service.

#### Upstream Facilities

Mr. Kunert indicated that the installation of the new chemical feed equipment to accommodate 15% sodium hypochlorite at the Hopewell STP is approximately 95% complete. The remaining work involves piping installation from a sump pump within the containment area back to the storage tanks. Instrumentation work has started at the Pennington STP.

Mr. Kunert reported that the Primary Settling Tank at the Hopewell STP was taken off line. This was done to repair the shaft that connects the valve operator to the gate valve at the bottom. This is one of four valves that needs to be opened manually each day in order to waste primary sludge to the Sludge Holding Tank.

#### Odor Report

Staff received one odor complaint from our surrounding area during the month of July. No odor complaints were received for the partial month of August.

#### Customer Septage and Sludge Deliveries

The quantity of liquid sludge and sludge cake exceeded their budgeted amounts for the month of July. The quantity of grey water was below its budgeted amount.

### 524.10 Maintenance

Mr. Ireland reported that on July 20, 2015 Belt Press #3 was taken out of service to replace a failed hydraulic pump. This pump is used to control the steering and supplies pressure to the tension rollers for the belts. Once the pump was replaced the system was tested and placed back into service.

Mr. Ireland indicated that on August 3, 2015 Air Blower #2 located in the M.A. Odor Control Building was removed from service because the grit lift station located at the Headworks

Building overflowed. This allowed debris and small stones to enter the duct work and completely clog the blower filters. Once the filters were removed, new filter frames were made from stainless steel and reinforced with a stronger screen to improve performance and durability.

Mr. Ireland reported that on August 7, 2015 Belt Press #1 was removed from service to replace the upper and lower belts due to wear and tear. After installing the new belts and completing the required eight hour break in period, the press was placed back into service.

Mr. Ireland indicated that on August 8, 2015 the Ash Shuttle Conveying System failed during operation because the drive chain had broken due to a worn link. A new chain was installed and the conveying system was placed back into service.

Mr. Ireland noted that a Risk Assessment of all the transformers located at the River Road WWTP was conducted. SBRSA currently has seventeen (17) transformers in operation. Six are original from 1978 and one from 1981. Of the seven transformers four have a high risk rating of thirteen (13); one has a rating of twelve (12); one with a rating ten (10) and the 1981 has a rating of eleven (11). Staff is in the process of obtaining quotes, and looking to replace these transformers over the next two years. The cost per transformer is approximately \$7,000. A copy of the assessment was provided to the Board.

The number of open work requests stand at ten (10). The Preventive Maintenance graphs show that SBRSA is currently averaging two (2) days overdue and the number of overdue units is approximately thirty-five (35).

#### 524.11 Construction Report

##### Upstream Facilities Process Evaluation/Planning Study

Ms. Pchola indicated that Kleinfelder continues to work on the evaluation/planning study.

##### 2015 Annual Inspection

Ms. Pchola reported that on August 18, 2015 Kleinfelder submitted the 2015 Annual Inspection Report. Staff is in the process of reviewing the report.

##### Odor Sampling/Evaluation

Ms. Pchola noted that the odor sampling for the 2015 evaluation was completed on August 17<sup>th</sup> and 18<sup>th</sup>.

##### Information Technology Management Services

Ms. Pchola reported that EMA's IT Manager Mr. Bob Reilly continues to be on site in accordance with the scheduled dates working closely with Mr. Ron Hess. In addition, at the

request of SBRSA Mr. Reilly has directed some of his focus on the IT infrastructure which includes wiring, fiber, location of servers, switches, etc. Mr. Reilly has provided staff with a draft IT Policy which is currently under review.

#### Contract 15-3 Ash Handling System Improvements

Ms. Pchola reported that bids for this project were received and opened on August 19, 2015. Of the seven (7) potential bidders, six (6) bids were received. The bids ranged in price from \$411,540.00 to \$536,311.72 with BR Welding Inc. providing the lowest bid.

Ms. Pchola explained that after the bid opening, there was a question regarding plumbing work and naming of a plumbing subcontractor (BR Welding did not name a plumbing subcontractor). Staff indicated to the contractors that the supply water to the ash pelletizer was final effluent water (the contract drawings indicated “Connect existing water lines to pelletizer spray nozzles...”). However after a field investigation staff determined that the supply water to the ash pelletizer designated for replacement utilizes potable water. Further investigation indicated that the pelletizer is downstream of the certified backflow preventer on the water supply line to the ash pelletizer. Discussion with our attorney indicated that SBRSA needed to get a definition of plumbing work which is typically designated by the design engineer. Staff contacted the design engineer. However, GHD had no additional information to offer. Staff reviewed the plumbing code which indicated that the following work may be performed by both licensed master plumbers and individuals who are not licensed master plumbers... “the installation, maintenance and repair of water piping to mechanical equipment downstream from an approved backflow prevention device or assembly...”. Staff then contacted a representative of the New Jersey Department of Community Affairs (NJDCA), Division of Code Assistance. The representative indicated that if the service water connection point to the ash pelletizer is downstream of a backflow prevention device and if there is no other fixtures connected to the line, then the line can be considered non-potable water use and does not require a licensed plumber to work on the piping. Staff reviewed the plant drawings and found that the 1-inch potable water line supply to the ash pelletizer does not have any potable water fixtures connected to the pipe and the pipe is downstream of the backflow prevention device. Therefore the service water line can be considered non-potable water use and we do not need a licensed plumber to make the minor modifications to the pelletizer water supply line.

BR Welding, Inc. provided all required documentation with their bid. BR Welding, Inc. has successfully completed work for the Authority in the past and therefore staff recommended award of Contract 15-3 Ash Handling System Improvements to BR Welding, Inc. in the amount of \$411,540 through Resolution 2015-46. So moved by Dr. Downey, seconded by Mr. Compton and passed by a roll call vote of 5 to 0. Resolution 2015-46 follows.

**Resolution Authorizing the Award of Contract 15-3  
Ash Handling System Improvements to  
BR Welding Inc.**

**Resolution No. 2015-46**



**WHEREAS**, the Stony Brook Regional Sewerage Authority (Authority) advertised for the receipt of sealed competitive bids in accordance with the requirements of the Local Public Contracts Law, N.J.S.A. 40A:11-1 et seq. for the “Ash Handling System Improvements, Contract 15-3”; and

**WHEREAS**, sealed competitive bids were received by the Authority on August 19, 2015, as more fully set forth as attached; and

**WHEREAS**, the Authority has determined that the bid of BR Welding, Inc. is the lowest bid in the amount of \$411,540; and

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

**WHEREAS** the Stony Brook Regional Sewerage Authority has Funds available in its current capital budget.

**NOW, THEREFORE, BE IT RESOLVED** by the Stony Brook Regional Sewerage Authority that it hereby awards the contract to BR Welding, Inc., the lowest responsive bidder; for Ash Handling System Improvements, Contract 15-3 in the amount of \$411,540; 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.

**STONY BROOK REGIONAL SEWERAGE AUTHORITY  
CONTRACT 15-3 ASH HANDLING SYSTEM IMPROVEMENTS  
BID SUMMARY**

<i>Bidder</i>	<i>Bid Amount</i>
BR Welding, Inc. 3 Brook Road Howell, NJ 07731	\$411,540.00
Centerpoint Associates, Inc. 47 Coles Road Blackwood, NJ 08012.	\$427,427.00
Iron Hills Construction Co., Inc. 17 Alpine Drive Wayne, NJ 07470	\$464,000.00
B&H Contracting, Inc. 1022 Black Horse Pike Folsom, NJ 08037	\$469,300.00

Stone Hill Contracting Inc. 252 West Swamp Road, Suite 19 Doylestown, PA 18901	\$508,519.00
C&H Industrial Services, Inc. 542 Penny Street Franklinville, NJ 08322	\$536,311.72

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 10-1 Headworks Project

Ms. Pchola indicated that there has been no change to the status of this project this month. Due to lack response to SBRSA’s letter of April 2015, staff prepared a letter to Tomar regarding the project closeout. The letter was reviewed by SBRSA’s Counsel and mailed to Tomar on August 24, 2015.

Contract 14-1 SBRSA Emergency Generator Project

Ms. Pchola reported that as of August 19, 2015 Thomas Controls, Inc. (TCI) has received approval of the electrical, HVAC, and building sub-codes for the Princeton building permit application. The plumbing sub-code application remains open. TCI expects to receive the plumbing and final approved permit by the end of August. TCI is awaiting additional structural information before the re-submittal of the building permit applications for the two pump stations can be completed.

Ms. Pchola indicated that on July 30, 2015 Mechanical Dynamics and Analysis (MD&A) of Latham, New York was on-site and inspected the existing generator prior to submitting a quote for the installation of the shear coupling. After the site visit the MD&A representatives discussed the project with their senior management and elected not to quote on the project.

The table below lists the results of staff’s attempts to obtain a second quote for the shear coupling installation.

<b>Company</b>	<b>Response</b>	<b>Notes</b>
Highlands Industrial Turbine Service	Submitted Proposal	Has completed a similar install
Mechanical Dynamics & Analysis	Submitted No Bid	Completed site visit. MD&A usually works on larger turbines.
Worldwide Turbines	Cannot Bid	Work on Pratt & Whitney turbines only
BHI Energy	No Response	Located in South Carolina

Ms. Pchola reported that based on the information provided in the table and the need to install a shear coupling on the existing emergency generator, staff recommends award of the project to Highlands Industrial Turbine Service, Inc. (HITS) in the estimated amount of \$20,175. The price quoted from HITS is estimated since it is difficult to quantify the labor hours needed to install the coupling. HITS estimated labor price is based on past similar projects.

Staff recommended approval of Resolution 2015-47, Authorizing the Award of a “No Political Contributions Allowed” Contract for the Installation of the Emergency Generator Shear Coupling to Highlands Industrial Turbine Service, Inc. in the amount of \$20, 175. So moved by Dr. Downey, seconded by Mr. Goldfarb.

A discussion regarding the cost exceeding the bid threshold since the quote from HITS was an estimated amount and the need for a temporary emergency generator during the installation of the coupling took place.

The resolution was then passed by a roll call vote of 5 to 0. Resolution 2015-47 follows.

**Resolution Authorizing the Award of a “No Political Contributions Allowed” Contract  
for  
Installation of Emergency Generator Shear Coupling to  
Highlands Industrial Turbine Service, Inc.**

**Resolution No. 2015-47**

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

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

**WHEREAS**, the anticipated term of this contract is for fiscal year 2015 and may be extended as approved by this governing body; and

**WHEREAS**, four (4) quotes were initially solicited for the supply and installation of a shear coupling assembly on the existing River Road wastewater treatment plant NATCO emergency generator; and

**WHEREAS**, Worldwide Turbines could not provide a quote because Worldwide Turbines does not service NATCO generators; and

**WHEREAS**, Mechanical Dynamics and Analysis (MD&A) performed a site visit and elected not to provide a quote because the NATCO generator is much smaller than the units MD&A normally services; and

**WHEREAS**, Highlands Industrial Turbine Service, Inc. (HITS) provided a quotation in the estimated amount of \$20,175; and

**WHEREAS**, BHI Energy did not respond; and

**WHEREAS**, as part of the Emergency Generator Project, Contract 14-1 the supplier for the new natural gas fired emergency generator (ENER-G Rudox) has recommended that SBRSA install a shear coupling on the existing gas turbine emergency generator; and

**WHEREAS**, the shear coupling will prevent a catastrophic failure of the gas turbine in the event the two generators are connected to the emergency bus out of phase with each other; and

**WHEREAS**, AECOM's electrical engineer was in agreement with the recommendation from Ener-g Rudox; and

**WHEREAS**, there are numerous safeties and interlocks in the paralleling gear to prevent a catastrophic failure from happening, but the shear coupling would act as a failsafe; and

**WHEREAS**, the Stony Brook Regional Sewerage Authority has a need for the supply and installation of a shear coupling assembly on the existing NATCO emergency generator; and

**WHEREAS**, Highlands Industrial Turbine Service, Inc. has completed and submitted a Business Entity Disclosure Certification on August 20, 2015 which certifies that Highlands Industrial Turbine Service, Inc. (vendor) has not made any reportable contributions to a political or candidate committee served by the Stony Brook Regional Sewerage Authority in the previous one year, and that the contract will prohibit the Highlands Industrial Turbine Service, Inc. from making any reportable contributions through the term of the contract; and

**WHEREAS**, the Authority has Funds available in retained earnings for 2015 small capital projects; and

**WHEREAS**, in compliance with the provisions of N.J.S.A. 19:44A-20.26 Highlands Industrial Turbine Service, Inc. and the Stony Brook Regional Sewerage Authority shall enter into a contract by purchase order on or after August 30, 2015 (ten days from receipt of Business Entity Disclosure Certification); and

**NOW THEREFORE, BE IT RESOLVED** that the Stony Brook Regional Sewerage Authority shall enter into a contract by purchase order with Highlands Industrial Turbine Service, Inc.; 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

Contract 14-6 Wireless Fire Alarm Communication System

Ms. Pchola indicated that the communication issue at the River Road site reported last month has been resolved. The final inspection by the Princeton Construction Department took place on August 24, 2015. The system has been placed in operation.

Contract 15-1 Scrubber Procurement

Ms. Pchola reported that as discussed at last month’s Board meeting, during the installation of Scrubber No.1 staff noted an alignment problem of the internal components within the venturi section of the scrubber. EnviroCare Inc. (ECI) was contacted and reviewed the issue. ECI attributed the alignment problem to an error in the fabrication process. ECI developed a fix for the misalignment and arranged for a local fabrication shop to implement the fix. During the weeks of August 10th and August 17th, BR Welding completed the repair to both scrubber units at no additional cost to the Authority.

Contract 15-2, Scrubber Installation

Ms. Pchola reported that as of Pay Estimate No. 4 this project is approximately 27% complete. Over the past reporting period Centerpoint Associates, Inc. (CPA) completed welding the scrubber sections together, continued the installation of the high pressure and low pressure scrubber water supply piping, began the piping modifications to the existing sodium hydroxide (NaOH) system, installed the ECI supplied pump skid, and took delivery of four (4) VFD’s, and two (2) low pressure scrubber water supply pumps.

Ms. Pchola indicated that in addition, CPA began excavating for the tie-in of the 20-inch secondary effluent (SE) line and the 20-inch final effluent (FE) line. While excavating to expose the two lines it was discovered that an existing electrical ductbank is running over top and in line with the 20-inch SE line. In order to avoid this conflict, two additional locations were considered for the tie-in point, each with its own pros and cons. Further excavation at the original tie-in location, which is the preferred location, determined that adequate clearance can be achieved between the bottom of the ductbank and the top of the SE line. The current plan is for the Contractor to continue to excavate and install the tie-in at the original location. It is anticipated that Centerpoint Associates will submit a proposed change order request for additional costs associated with the excavation.

#### Instrument Air Compressor Replacement

Ms. Pchola reported that AECOM is in the process of finalizing the design and bid documents. Once completed, AECOM will forward the draft documents for staff review and comment.

#### MA Effluent Channel Mixers

Ms. Pchola indicated that Kleinfelder continues the preliminary design work for this project. SBRSA has been providing additional information as it is requested.

#### Pavement Replacement

Ms. Pchola indicated that staff contacted the contractor on August 19, 2015. R.T. Barrett indicated that the paving work to the entrance of the South Brunswick Pumping Station will be completed during the first week in September.

#### Process Control/SCADA

Ms. Pchola indicated that staff received two quotations for the Performance Specification Test (PST) protocol and the required certification testing for the new carbon monoxide analyzers. A purchase order will be issued to the testing firm with the lowest quote, PACE Environmental and the vendor will begin developing the PST protocol.

#### Information Technology

Ms. Pchola reported that the River Road SCADA upgrade screen development is now 100% complete. Staff is now developing Pennington and Hopewell screens and is 30% complete.

Ms. Pchola indicated that an order was placed for 10 new Dell desktop computers. These computers will enable staff to deploy the newly developed SCADA screens and also provide computers to the maintenance personnel for their use of the new maintenance management system (MPulse). This purchase was also the first step in an effort to standardize on one type of desktop computer which will improve the task of computer deployment as well as maintenance.

Ms. Pchola noted that staff continues to work with EMA on improving IT policies and procedures.

524.12 Finance Report

Payment of Bills and Claims

Mr. Morehouse moved for approval Resolution 2015-45, for the payment of bills and claims in the amount of \$1,055,338.11 with two signatures instead of three. The motion was seconded by Dr. Downey and passed by a roll call vote of 5 to 0. Resolution 2015-45 follows.

**Resolution Regarding Payment of Bills and Claims**

**Resolution No. 2015-45**

**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 \$1,055,338.11 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. Neuhof reported that net income for the eight-month period ending July 31, 2015 is \$669,841. This represents a decrease of \$12,203 over the prior period. The Authority has total cash and investments of \$18,032,780 at an average interest rate of 0.19%. The current construction projects balance is \$18,421,142. Mr. Neuhof noted there are sufficient funds for these projects. The outstanding bond principal balance is \$23,649,523 and represents a decrease of \$684,336 due to a July principal payment. The New Jersey Cash Management Fund yield is 0.10%.

## Introduction of the 2016 Budget

Mr. Neuhof indicated that the Finance Committee met on August 19, 2015 to review the 2016 Authority budget. Mr. Neuhof then reviewed some of the highlights of the budget.

Mr. Neuhof reported that the total 2016 budget request is in the amount of \$14,941,101. This represents an increase of \$145,699 or 1.0% greater than the 2015 Budget.

Mr. Neuhof indicated that Total Operating Expenses are increasing by \$399,935 or 3.4%. Salaries are expected to increase by \$96,897 due to the addition of an Information Technology Manager. Regulatory Fees are increasing by \$104,311 due to a \$100,000 stack test to be in compliance with the new scrubber.

Mr. Neuhof indicated that electricity is anticipated to increase by \$86,184 or 4.4%. The Authority's current two-year contract for electricity will expire in May 2016. Mr. Neuhof noted that the Authority has already seen a 2.5% tariff increase. The Princeton-Stony Brook Regional Sewerage Authority Solar Initiative was not factored into this budget since completion of the project is anticipated at the end of 2016.

Mr. Neuhof reported that repairs on equipment will increase by \$78,192. Chemical costs are anticipated to increase by 10.6% or \$73,486 in the 2016 Budget due to increased usage of magnesium hydroxide to control pH and increased usage of odor control chemicals.

Mr. Neuhof indicated that there is no anticipated change in outside revenues in 2016 Budget.

Mr. Neuhof noted that the Authority plans to add \$425,000 to the Capital Plan for several small capital projects. This is a 50% decrease from the 2015 Budget amount of \$850,000.

Mr. Neuhof indicated that the Participants charge of \$12,372,101 will increase by \$145,699 or 1.2%. The Participants charge average increase over the past five (5) years was 0.5% and 1.5% over the past ten (10) years.

Mr. Neuhof then reviewed various charts, tables and graphs. Mr. Neuhof noted that the graph illustrates that the budget and the participants charge have remained relatively flat over the last several years.

Mr. Neuhof explained that debt service in 2006 was approximately \$4.0 million and in 2015 debt service is approximately \$2.1 million. Mr. Goldfarb asked if the reduction in debt service was due to lower spending or lower interest rates or both. Mr. Neuhof indicated that a significant amount of debt has been paid off, and several refunding bond issues also helped decrease the amount of debt service. Mr. Goldfarb commented that the use of retained earnings to fund capital projects should be reflected in the pie charts. Mr. Neuhof noted that fiscal year 2015 (November 30, 2015) is the final year of adding new debt service to the Project Debt Service. However, payment installments will continue through 2022.



### Future Facilities Improvements Plan

Ms. Pchola indicated that the 2015 Future Facilities Improvements Plan was reviewed by the Construction Committee and the Finance Committee. Ms. Pchola highlighted the changes from the previous year's plan.

Ms. Pchola reported that the Emergency Generator Project has gone out to bid and the cost estimate for the Project has decreased by \$3.0 million.

Ms. Pchola explained that initially SBRSA planned to replace the Schwing Pumps in two phases however, the first phase of the project was pushed back. Conducting the projects in two phases would have overlapping construction contracts/periods. As a result SBRSA has decided to include all the pumps into one contract providing savings in design and construction costs. A new revenue bond has been added for this project.

Ms. Pchola indicated that SBRSA has moved the Comminutor Project to 2017 until the grease issue in the Millstone Pump Station wetwell can be resolved.

Ms. Pchola reported that the assessment of the Force Main has been added to the 2015 Future Facilities Improvements Plan. An analysis and condition assessment is critical to determine SBRSA's risk of future pipe failure. This project's estimated capital cost is \$478,000.

Ms. Pchola indicated that SBRSA received final permits for both the Hopewell and the Pennington STPs and as a result moved the projects up on the schedule in the 2015 plan. Pennington will be funded from the existing 2004 bonds and Hopewell will likely be funded through the NJEIT.

Mr. Neuhof, referring to Table 3 of the Plan, noted that there are three major funding sources: Debt Service, Retained Earnings and 2004 Construction Funds. Under Retained Earnings, the current construction projects are listed along with the costs for each project. In an attempt to answer Mr. Goldfarb's question regarding Retained Earnings Mr. Neuhof explained that in 2015 SBRSA began the year with approximately \$11.0 million in retained earnings. The table illustrates the additions to retained earnings and the expenditures for these projects from retained earnings.

Mr. Goldfarb indicated that the pie charts should include all expenditures from retained earnings. This would provide a more realistic picture of capital project costs. A discussion regarding the budget and capital spending took place.

Mr. Neuhof then reviewed Table 4 showing the impact of changes in debt service and capital contributions and the Impact on Participant charges through 2020. Table 5 shows the impact on participant charge assuming a 2.5% annual increase in O&M expenditures in addition to the table 4 charges in debt service and capital contributions. The project annual increase from 2016 through 2020 range from 1.2% to 3.1%.

A discussion followed regarding the project debt service adjustment projections, projected flows and the 5 Year Capital Projects.

Monthly Sludge Business Analysis

Mr. Neuhof reported that net income for the month of July is \$99,983 and the cumulative net income is \$1,128,389. Gas usage for the month of June was 76,312 therms. The remaining simple payback for the RTO project is 2.15 years.

524.13 Personnel Report

The Personnel Report was provided for member information.

524.14 Correspondence

For information.

524.16 New Business

None.

524.17 Open to the Public

None.

524.18 And Such Other Issues as May Come Before the Board

None.

524.19 Executive Session

The Board entered into Executive Session at 9:07 pm to discuss Non-Union annual salary adjustments and a personnel issue on a motion by Dr. Downey, seconded by Mr. Goldfarb and passed by unanimous vote.

524.20 Return to Public Session

The Board returned from Executive Session at 10:12 pm and approved the Non-Union annual salary adjustments as per the attached spreadsheet that was presented to the Board during the Executive Session.

524.21 Adjournment

As there was no further business to come before the Board, the meeting was adjourned at 10:13 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  
September 11, 2015