

Minutes of Meeting #537, September 26, 2016 – Stony Brook Regional Sewerage Authority

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

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

MEMBERS ABSENT: Compton

CONSULTANTS: Carney

STAFF PRESENT: Bixby, Carlino, Hess, Ireland, Irizarry, Kantorek, Kunert, Pchola, Redding, Roga, Sears, Thomas

537.01 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.

537.02 Approval of Minutes

Chairman Bartolini asked for questions/comments on the minutes from the August 22, 2016 Board meeting. Mr. Kantorek noted that several changes were made. On page 4, paragraph 1, line 2 reads "The attorney indicated that..." was changed to read "The attorney for the project indicated that ...". On page 4, paragraph 5 was rewritten for clarity. On page 4, paragraph 6, the first sentence read "The discussion continued regarding the Board's concern about technical defensible reasons..." was changed to read "The discussion continued regarding the availability of other technical defensible basis..." On page 12, paragraph 4, line 2 reads "...of the study is to assess the condition the existing..." has been changed to read "...of the study is to assess the condition of the existing ...". The minutes were then approved as amended on a motion by Dr. Downey, seconded Mr. Goldfarb and passed by a vote of 5 to 0.

537.03 Board Related Activities

PlanSmart 2016 Annual Dinner

Mr. Kantorek noted that the 2016 Annual PlanSmart dinner will take place on November 3, 2016. The Authority has four tickets available. Any Board member interested in going should contact John Kantorek.

Consultant List

Mr. Kantorek noted that one contract for Chavond Barry Engineering is pending award tonight and will be discussed in the Construction section of the meeting.

537.04 Planning and Administration

Mr. Kantorek reported that the most current 12-month average daily River Road plant flow is 8,538,077 gpd with 808,747 gpd of approved but inoperative flow for a total committed flow of 9,346,824 gpd with 3,713,176 gpd or 28.43% of available capacity. The most current 12-month average daily flow at the Hopewell Plant is 218,676 gpd with no inoperative flow, for a total committed flow of 218,676 gpd with 27.11% or 81,324 gpd of available capacity. The Pennington Plant presently has 234,450 gpd as the most current 12-month average daily flow, with 18,347 gpd of approved but inoperative flow, for a total committed flow of 252,797 gpd, with 15.73% or 47,203 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 low 12-month average daily flows are the result of approximately four years of below normal rainfall and that these flow totals are not indicative of normal rainfall conditions.

Monthly Flow Transmittal

The monthly flow transmittal for August was provided for information.

The meter certifications were conducted by W. G. Malden on September 1, 2016. All billing meters were within $\pm 5\%$

Mr. Kantorek noted that there was a problem with the Princeton Farms pumps cycling on and off so therefore the meter certification could not be conducted. The meter certification will be conducted by W. G. Malden when they are in the area.

537.05 Approval Requests and Actions

TWA-1 Approvals

Heritage at Pennington, Block 102, Borough of Pennington

Mr. Kantorek indicated that at the August Board meeting the Heritage at Pennington project was tabled for discussion. Mr. Kantorek stated in a letter to American Properties that they had two options: attend the September 26, 2016 Board meeting in order to discuss/defend your request for the full 22,800 gpd; or file a new application for a project that requires 11,400 gpd of flow. Representatives from American Properties are present tonight.

Mr. Kantorek summarized the project. The project consists of eighty (80) residential units for a total flow of 22,800 gpd. The total flow was calculated using the required NJDEP guidelines as is done for all TWA applications.

Staff provided the Board with a report which discussed the following: what it means when the Executive Director certifies a TWA application, NJPDES effluent limitations, Pennington STP design capacity, and available capacity recommendations. American Properties has also submitted information defending their application to the Board.

Mr. Kantorek indicated that staff recommended that the Board not approve the TWA application at the requested flow of 22,800 gpd and that the applicant submit a new application that requires approximately 11,400 gpd of flow (Phase I) and submit a separate application for Phase II at a later date when flow capacity is available at the Pennington STP.

Mr. Kantorek explained that by signing the TWA “Certification by Wastewater Treatment Facility Owner” for the Authority there are several certifications being made. The Executive Director is certifying that there is available capacity and that the new project will not exceed the permitted design capacity. More importantly, staff is certifying that the Authority is currently in compliance with all of its NJPDES effluent limits and that the Authority anticipates that it will continue to do so with the additional flow from the proposed project. Mr. Kantorek noted that the Pennington STP is a relatively small plant with a rated capacity of 300,000 gpd and that the proposed flow of 22,800 gpd is approximately 7.50% of the full capacity.

Mr. Kantorek indicated that SBRSA has very stringent summer (May 1 through October 31) effluent limits. The critical limits are Biochemical Oxygen Demand (BOD) 5 mg/l, Suspended Solids (SS) 5 mg/l and ammonia 1 mg/l. Mr. Kantorek also noted that there are load limits for each of these parameters based on the permitted flow of 300,000 gpd. If the flows are too high on the dates that the effluent samples are taken, it is possible to have effluent load violations even if the concentration limits have not been violated. Both the concentration and load limits must be met each month. Mr. Kantorek noted that it is also possible to receive both concentration and loading violations at the same time.

Mr. Kantorek stated that the design capacity of the existing Pennington STP is 300,000 gpd. The Authority had the plant evaluated in 2001 and more recently in 2016. The current capacity was confirmed in the Upstream Facility Planning Study prepared by Kleinfelder dated March 2016. The study also evaluated and made recommendations for upgrading/expanding the plant to 445,000 gpd.

Mr. Kantorek then discussed available capacity. Mr. Kantorek stated that based on the TWA certifications, the available capacity is evaluated based on both flow and the ability to meet permit effluent limits.

Mr. Kantorek explained that the available capacity equals the design capacity minus the 12-month average flow minus total inoperative flow. The inoperative flow for the Pennington STP is predominately the unused Bristol Myers Squibb (BMS) flow, which averages approximately 17,000 gpd. BMS has a current 12-month average flow of approximately 8,000 gpd. A contract for the reserve capacity was negotiated between BMS and SBRSA when the Pennington STP was built and the property was secured.

Mr. Kantorek reported that the 3-month average flows with and without the BMS reserve capacity exceed the Pennington STP 300,000 gpd design capacity for several months nearly every year, including the last four (4) years which were relatively dry. In addition, there are many months in which the 3-month average flows were significantly below the design capacity. Therefore, the 3-month average flows cannot be reliably used to determine available capacity due to the variability. This was illustrated in Figure 1 which was provided to the Board.

However, the use of 12-month average flows with and without the BMS reserve capacity demonstrate they are more stable than the 3-month average flows and more appropriate for use in determining available capacity. This was illustrated in Figure 2, which was provided to the Board.

Mr. Kantorek then reviewed Table 2, which showed the available capacity for the last ten (10) years. Due to the effects of rainfall in any given year or combination of consecutive years there is a significant difference in perceived available capacity. The last two years have been much drier than average and it appears from the flow numbers that there is about 30,000 gpd of available capacity. Pennington Borough has indicated that there has not been any extensive I/I work or significant population decrease in the last four years. Therefore, there is no reason other than less than average rainfall that can explain the low flows of 2013, 2015 and 2016.

Mr. Kantorek indicated that by evaluating a period of several years with both wet and dry years staff can arrive at an available capacity that makes more sense. Because three of the last four years were dry, we must include some of the previous wet and average years. The average available capacities of years 2007 through 2012 ranged from 6,800 to 14,400 gpd.

Mr. Kantorek explained that the Authority could have determined several years ago that there was no available capacity, but did not. Instead the Authority chose to closely monitor the flows and plant performance while steps were being taken to increase the plant's capacity.

Mr. Kantorek explained that the available capacity is based not only on flow but also the ability to meet its effluent permit limits. Mr. Kantorek provided the Board with a copy of a report (from SBRSA sampling) with actual BOD and TSS results at the Pennington STP. As previously stated, the Authority has a very stringent BOD limit of 5 mg/L, from May 1 through October 31. Mr. Kantorek noted that several results from the stringent summer limit period were very close to violating the Authority's permit limit.

Mr. Kantorek recommended that the Heritage at Pennington project be submitted in two phases at approximately 11,400 gpd each. Mr. Kantorek noted that the Authority bases its available capacity (10,000 to 15,000 gpd) utilizing the conservative NJDEP flow allowances and not on any other calculation.

Mr. Frank Petrino, Eckert Seaman Attorneys at Law, was in attendance representing American Properties. Mr. Petrino presented information on different methods of calculating the flow. Mr. Petrino indicated that although the TWA application is for 22,800 gpd the actual flow would be much less than the requested flow.

Chairman Bartolini explained that the Authority must use the design flows which are set by the NJDEP when considering TWA applications. These design flows are based on the number of bedrooms or per square footage for office buildings. The Authority cannot deviate from the calculations/criteria set by the NJDEP, without their pre-approval.

Mr. Petrino indicated that if the Authority were to endorse a TWA application for 15,000 gpd the actual flow would be significantly less. With approval of 15,000 gpd it would allow all of Phase I to be built and approximately 12 units in Phase II for a total of 50 units. In addition, the project is an inclusionary development (contains affordable housing).

Mr. Petrino also noted that the existing per capita wastewater flow rates included in the Pennington Borough Wastewater Management Plan (WMP) were much less than what is stated in the TWA application. Mr. Petrino stated that using RSIS, which is based on water consumption, the flows are again less than the flows in the TWA application. Mr. Petrino indicated that “you can’t flush more than you take in”.

Mr. Goldfarb noted that is possible to have more flow than what is taken in through Infiltration and Inflow (I&I). I&I must be taken into consideration since I&I is counted towards the flow and is counted as flow in our permit limits.

A brief discussion regarding the calculations for flow, financing for the project and completion time of the project continued.

Mr. David Smith, Engineer for American Properties asked Mr. Kantorek what the straight lines from 1995 to present on the graphs in Figure 2 represented. Mr. Kantorek indicated they are the least squares numbers (trend line) using the 12-month average flows. Mr. Kantorek noted that the line ends in a very dry period and therefore the trend line slopes downward.

The WMP’s use of the 50 gallons per person for the existing population does not include existing infiltration. When existing infiltration is included the number is 75 gallons per individual. Mr. Kantorek noted that all future development is based on the NJDEP design flows which are the flow numbers used for the TWA application. The numbers in the WMP are not representative of the wettest months but are based on the fact that the NJDEP wanted to keep the flow numbers as low as possible and would only approve the WMP using those numbers.

Mr. Goldfarb indicated that there is a significant amount of I&I in the Pennington system and asked Mr. Smith how the Authority can be assured that the connections for this development are going to be significantly less leaky than the Pennington system on a whole. Mr. Smith indicated that you would have to make sure the construction is sound and test the system. Mr. Goldfarb indicated that the Authority has no responsibility for the construction nor the testing of the system, that would be the responsibility of Pennington Borough.

Mr. Goldfarb commented that Pennington Borough has assured the applicant that there is sufficient sewer capacity when in reality it appears there is not.

Dr. Bartolini noted that Pennington Borough does not have to answer to the NJDEP. Pennington Borough also does not have the responsibility of meeting the limits of the Pennington STP NJPDES permit. That responsibility lies with the Authority. If the Authority violates the limits in its permit, the violations carry monetary penalties. Dr. Bartolini stated that the Authority has a commitment to its member municipalities to ensure that it is financially sound and monetary fines are a concern.

Dr. Downey asked when American Properties anticipates completion of the project. Dr. Downey noted that if this were a wet year, the Board would be saying no to this project. In addition the Pennington facility will be in operation during construction of the upgrade/expansion which will be a challenge in itself. Mr. Petrino indicated that the plan is for construction to begin in the spring of 2017 with the first closing/certificate of occupancy (CO) in December 2017. However, Mr. Petrino commented that it is more realistic to assume that the first closing will take place in the first quarter of 2018.

Mr. Greg Kanter, American Properties, indicated that the development has approximately six months of road and infrastructure work to complete. If the project moves forward as planned the completion of the first phase would be mid-year 2019.

Dr. Downey stated that at this point she would be comfortable approving the application for the 11,400 gpd. American Properties could submit a TWA application for the remaining flow at a later date. The Board would be able to make a better determination as to capacity once the Pennington STP expansion is closer to completion.

Dr. Bartolini indicated that in 1992, through Resolution, the Authority developed a process which provides guidelines for the Board to approve TWA applications. The Resolution provides a fair and equitable process for both its member municipalities and the developers. The Authority follows this procedure for each and every application it receives. The Authority has to operate its plants within its permitted parameters, and to modify its operation when necessary.

Mr. Carney, Counsel for the Authority, stated that we understand the legal implications of this inclusionary development and the town's obligation to satisfy their fair share of the regional needs/obligations. What is being expressed here tonight follows along with that obligation in the sense that it is a recommendation to submit a new TWA for 11,400 gpd so it can be reviewed by staff. Then when the plant that is to be built comes on line submit for Phase 2 and that is not stopping the affordable housing needs or obligation.

Mr. Kanter indicated for the past three years they have discussed the available capacity at the Pennington Plant with Mr. Kantorek and Ms. Pchola. The Authority has been consistent with the fact that there is approximately 10,000 gpd to 15,000 gpd of available capacity. Mr. Kanter asked if there was a higher number that American Properties can submit an application for.

A discussion as to available capacity took place. The capacity assurance regulations were discussed. Mr. Carney, Counsel for the Authority, indicated that the Authority could be below its capacity but could still be in jeopardy of violating its permit. The discussion continued.

Dr. Downey noted that according to the minutes from the August 22, 2016 Board meeting, there is no affirmative defense for not meeting the permit based on meeting the Capacity Assurance Program and accepting more flow.

Mr. Carney indicated that is true and also the four things that John mentioned earlier as to what he is certifying to when he signs a TWA. I don't think he could sign a TWA for the full flow with that as the premise.

Dr. Downey also noted that if the Authority were to exceed the 300,000 gpd capacity, the new effluent limits for the 445,000 gpd would go into effect which the Authority could not meet without the upgrade/expansion. The Authority continues to negotiate this condition of the permit with NJDEP.

Dr. Bartolini asked staff if they would be comfortable with approving a higher capacity for this application. Mr. Kantorek indicated that the preference is to approve the application for 11,400 gpd. Mr. Kanter asked the Board to consider 12,600 gpd. This capacity would allow the developer to construct two buildings which would be more desirable from the perspective of marketing. Mr. Kantorek indicated that 12,600 gpd would be acceptable.

Dr. Downey made a motion to reject the TWA application for 22,800 gpd due to concerns of SBRSA meeting its NJPDES permit prior to the Pennington STP upgrade/expansion and recommended a new TWA application for a lesser amount, 12,600 gpd, be submitted which would be reviewed through the normal approval process procedure. Seconded by Mr. Goldfarb and passed by a roll call vote of 5 to 0 as follows.

| 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 | | | |

Stanton Girard Site, Block 96, Lot 29.01 Township of South Brunswick-Middlesex County

Ms. Pchola reported that the proposed project is for the construction of 120 units consisting of 1, 2, and 3 bedroom units for a total projected flow rate of 27,450 gpd. The property in question was removed from the sewer service area in the Middlesex County Wastewater Management Plan mapping due to the fact that there are environmentally sensitive areas (ESA) on the property i.e. wetlands. The applicant is requesting that Middlesex County put this property back into the sewer service area.

Ms. Pchola indicated that the applicant has had discussions with NJDEP and they have taken the position that because the site has wetlands, it is an "environmentally sensitive area". The request to be put back into the sewer service first requires a waiver from EPA in order to initiate the

process. The EPA waiver request must be submitted by SBRSA as a result of a condition in our original EPA Grant Agreement (Project No. C-34-400-02) for the construction of our interceptors and force mains. A condition of the grant states that “No capacity has been provided to serve future development on wetlands, floodplains, and other critical areas” A copy was provided to the Board.

A brief discussion took place explaining the need for SBRSA to request the waiver. Mr. Kantorek explained that when SBRSA accepted construction grants, some of the grants state that the Authority cannot service any property that has wetlands.

Ms. Pchola explained that the applicant has requested that SBRSA provide the request for the waiver from EPA. In no way does the request for the waiver endorse the project. Staff has had discussions with NJDEP regarding this project and they have indicated that the EPA waiver will allow the project to be reviewed/evaluated by NJDEP and that without the waiver from EPA the project cannot be considered by NJDEP. Staff has indicated to the applicant that if SBRSA provides the waiver request; request for capacity at the River Road STP must be obtained through the TWA process. In addition, the applicant has to provide all the information to SBRSA for us to apply for the waiver.

Dr. Downey made a motion for approval for staff to seek a waiver from the EPA for the condition that no capacity has been provided to serve future development on wetlands, floodplains, and other critical areas for the Stanton Girard Site, Block 96, Lots 29.01 and 29.02 in the Township of South Brunswick in Middlesex County. The motion was seconded by Mr. Morehouse and passed by a vote of 4 to 0. Mr. Patel abstained.

NJPDES Enforcement Requested

None.

Water Quality Management Plan Amendments

None

Allocated Flow Update

SBRSA added 4,030 gpd for the Forrestal Professional Center II.

537.06 Regulatory Report

Discharge Monitoring Report (DMR)

Ms. Pchola indicated that the Discharge Monitoring Reports for the months of July and August were submitted to the NJDEP. No violations were reported.

Ms. Pchola reported that the Hopewell and Pennington semi-annual and annual Surface Water Discharge Characterization Reports (SWDWCR) were submitted. The results were within the expected ranges for these facilities.

Residuals Discharge Monitoring Report (RDMR)

Ms. Pchola indicated that the June Residuals Discharge Monitoring Reports were submitted to the NJDEP. All River Road parameters were compliant with the Authority's Air Permit requirements.

Ms. Pchola reported that staff is currently reviewing the July 2016 RDMR.

Air Reporting

Ms. Pchola indicated that six (6) Affirmative Defense letters were submitted to the NJDEP for potential permit violations. Of the six (6), five (5) were due to the loss of commercial power.

- June 14, 2016 – There were two events that occurred:
 - Incinerator No. 1 (OS27): a momentary commercial power interruption caused several pieces of equipment to shut down which caused the valve from the RTO to close and opened the valve to the afterburner. Sludge feed stopped but there was sludge combustion in the incinerator venting through the afterburner below 1500 degrees F.
 - Incinerator No. 2 Dry Out: a momentary commercial power interruption caused the induced draft (ID) fan to shut off resulting in the bypass damper to open while the burners were lit for the refractory dry out process. There was no sludge combustion in the incinerator.
- July 26, 2016 – Incinerator No. 2 (OS28) - There was a commercial power interruption (08:37 to 09:10) resulting in the bypass damper opening with sludge combustion in the incinerator (sludge feed ceased at 08:38).
- August 7, 2016 – Incinerator No. 2 (OS28) – The basket strainer clogged causing a low scrubber water alarm which shut off the ID fan resulting in the bypass damper opening at 16:40. Sludge feed stopped at 16:41.
- August 17, 2016 – Incinerator No. 2 (OS28) – A momentary commercial power interruption occurred at 06:43 resulting in the WESP and RTO burner to shut off. The lower RTO temperature (1560 deg. F at 06:46) caused sludge feed to stop. The RTO temperature was below 1500 deg. F for nine (9) minutes (06:51 to 07:00) with no sludge feed but sludge combustion in the incinerator.
- August 23, 2016 – Incinerator No. 2 (OS28) – There was a commercial power interruption starting at 20:18 and ending at 21:24. The equipment to the incinerator shut down resulting in the bypass damper opening at 20:18. Sludge feed stopped at 20:19.

Miscellaneous

Ms. Pchola reported that the Quarterly Capacity Assurance Program report for the period June 1, 2016 through August 31, 2016 was submitted on September 21, 2016. A copy of the report was provided to the Board.

Ms. Pchola indicated that on September 12, 2016 an amendment to the Incinerator Slag disposal was approved by Waste Management of Pennsylvania. This amendment increased the approved limit of 39 tons to 100 tons per year.

537.07 Safety

Mr. Irizarry reported that the employee who fractured his toe on June 8, 2016 while attempting to remove a belt filter press belt from its packaging was re-evaluated and has returned to work with no restrictions.

Mr. Irizarry noted that as of September 20, 2016 Stony Brook Regional Sewerage Authority has gone 76 consecutive days without a "Lost Time Accident".

Mr. Irizarry indicated that on August 9, 2016 CNA Insurance conducted the boiler and pressure vessel inspections for the River Road, Hopewell and Pennington Plants and Millstone and South Brunswick Pump Stations. All boilers and vessels passed inspection.

Mr. Irizarry reported that on September 7, 2016 staff met with Traffic Plan to discuss the details for traffic control necessary for the Millstone Force Main Inspection project. Due to projected costs, staff will also be meeting with Flagger Force to discuss the same.

Mr. Irizarry indicated that on September 13, 2016 the West Windsor Fire Department conducted their annual inspection of the Millstone Pump Station. No issues were found and the annual permit was granted.

Mr. Irizarry noted that there were no training sessions for this reporting period.

Mr. Kantorek indicated that the Litigation Report has been moved to the end of the meeting. This is because part of the Report needs to be done in closed session.

537.09 Operations Report

River Road Facility

Mr. Kunert reported that Gravity Sludge Thickeners Nos. 1 and 2 have been dewatered, cleaned, inspected and put back into service. The inspection of Thickener No. 2 revealed that the sludge collection arms, the scum beach, and the drive mechanism are in need of replacement. Staff is in the process of inspecting Thickener No. 3.

Mr. Kunert indicated that Nitrification Clarifier No. 4 and Modified Aeration Clarifier No. 1 were taken off line, dewatered, cleaned, and inspected. They will remain off-line due to low flows.

Mr. Kunert reported that on August 29, 2016, at 0430 hours the plant process was shutdown in order to take measurements in our sub-station as part of the generator project. Staff began putting the plant back on-line at 0600 hours. Two more shutdowns will be needed as the generator project nears completion.

Mr. Kunert indicated that on September 18, 2016 an RTO bake out was completed. The RTO and the WESP will be off-line from September 23rd through September 28th for the annual inspection. The afterburners will be used during this period of time.

Mr. Kunert reported that the inspection of Incinerator No. 1 was completed by Chavond-Barry. Staff has received the inspection report.

Upstream Facilities

Mr. Kunert stated that as reported last month, the Orbal Aeration Tanks at the Pennington Facility were developing foam due to Nocardia which feed on fats, oils, and greases (FOG). Staff has been seeing a decrease in the amount of FOG entering the process which started to decrease a few weeks after speaking with Rick Smith, head of Pennington's DPW. The Nocardia foam is steadily decreasing too. Mr. Kunert indicated that he has been in contact with Mr. Smith and Mr. Smith stated that he had discussions with key people in an effort to work towards a solution and that he began inspecting the collection system and suspect restaurants.

Odor Report

Mr. Kunert reported that staff received three odor complaints during the month of August and as of September 26, 2016 eight odor complaints for the partial month of the September 2016 reporting period. All of these complaints are from the same homeowner.

Dr. Downey indicated that this was discussed in the Construction Committee meeting. Mr. Seglem's home, which is in Montgomery Woods, is the closest one to our facility. In between the home and SBRSA is the Princeton Public Works grounds which is collecting deer carcasses.

Mr. Goldfarb indicated that he will address this issue at the next PSOC meeting. Mr. Goldfarb noted that the Construction Committee suggested that Mr. Kantorek invite Mr. Seglem for a tour of the plant and invite him to attend one of SBRSA's Board meetings.

Dr. Downey noted that the first course of action should be to invite him for a tour of the plant. In addition, this has been a very dry period with low flows. It is a similar pattern as last year when there were complaints of chlorine odors.

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 of August.

537.10 Maintenance

Mr. Ireland reported that the safety railing for the steps leading up to Nitrification Clarifier No.4 had become detached from its base and was laying on the ground. The railing was re-welded to the base and remounted to the concrete wall with stronger anchors on July 28, 2016.

Mr. Ireland indicated that during routine operation of Incinerator No. 2 on August 9, 2016 it was found that burner 303-A was not responding to the temperature controller. After further investigation, the motor that controls the air output had failed and was replaced with a rebuilt motor. Once installed and the proper adjustments made, the burner was placed back into service.

Mr. Ireland reported that Schwing Pump No. 2 was removed from service on August 11, 2016 because the feed screws were excessively leaking sludge cake. Once the pump was broken down, it was confirmed that the screws and gear box were badly worn. The worn parts were removed and two new twelve foot screws, a new gear box and a screw bearing housing with a transition piece were installed. In addition, during the down time staff took the opportunity to overhaul the pump and install rebuilt poppet cylinders, new seats, discs and rams. All of the parts used for this repair were taken from inventory and will be restocked. The mechanics worked two very long days in the sludge cake basement to make the necessary repairs and did an excellent job returning this pump back into operation in a timely manner and with no loss of revenue.

Mr. Ireland indicated that Nitrification Return Sludge Pump No. 2 was put back in service on August 24, 2016 after being reconditioned and installed by Shaft & Sleeves. The pump was outfitted with a new impeller, shaft, bearing housings, mechanical seal and a wear ring for the volute that needed to be machined and installed. The pump was tested and placed back into operation.

Mr. Ireland reported that the current monthly open work requests stand at nineteen (19). The preventive maintenance graphs show that SBRSA is currently averaging two (2) days overdue and the number of overdue units is approximately twenty-seven (27).

537.11 Construction Report

Final 2016 Future Facilities Improvements Plan

Ms. Pchola indicated that a copy of the Final 2016 Future Facilities Improvements Plan was provided to the Board.

Phosphorus Impact Modeling Study

Ms. Pchola reported that Kleinfelder has finalized the boundary conditions for the model, prepared the model input files, and developed the model scenarios. They have begun the model calibration process.

2016 Annual Inspection

Ms. Pchola stated that staff received the 2016 Annual Inspection Report on September 6, 2016. Staff is in the process of reviewing the report.

Information Technology Management Services

Ms. Pchola noted that EMA was on site August 30th through September 1st to work with Mr. Matt Thomas, IT Manager.

Data Center

Ms. Pchola noted that going forward Mr. Thomas will report on the Data Center in his report.

Millstone Force Main Condition Assessment

Ms. Pchola indicated that staff met with Pure Technologies and their pumping subcontractor, Global Pump, to discuss the inspections of the Millstone force main. A copy of a memo from Pure Technologies dated August 31, 2016 summarizing the meeting was provided to the Board.

Ms. Pchola reported that staff is currently in the process of reviewing/evaluating flow data to determine if SBRSA will need a supplemental source of water for the advancement of the equipment through the Millstone Force Main. Currently under the low flow conditions the velocity in the pipe is less than 1.5 feet per second (fps). Discussions with Pure Technologies indicate that 2 fps would be ideal however 1.4 fps could also work for the PipeDiver and 1.1 fps for the SmartBall. If we have this velocity under normal conditions (i.e. during a “normal” rainfall year), then we will wait until the spring to conduct the evaluation (if we are moving out of the drought condition). If review of the flow data indicates that we do not have the necessary flow rate during normal conditions then we will pursue the necessary requirements to provide a supplemental water source. R3M has had initial discussions with the New Jersey Water Supply Authority (NJWSA) indicating that we would need approximately 900,000 gallons (2,000 to 3,000 gallons per minute for approximately 4 to 5 hours). The NJWSA has indicated that we would need to obtain a short-term water use permit by rule (Form BWA-003) from NJDEP. NJWSA indicated that most likely we would not be charged for the water however the water use would need to be coordinated with the NJWSA when there is sufficient water in the D&R Canal.

River Road Filtration/Disinfection Byproducts Compliance

Ms. Pchola indicated that Kleinfelder is in the initial phase of this project and has requested flow data from staff. Staff is in the process of obtaining that information.

Pennington WWTP Upgrade and Expansion

Ms. Pchola reported that Kleinfelder continues to work on the upgrade and expansion and coordinate the mechanical, structural and electrical design. Staff met with Kleinfelder at the Pennington Plant on September 13, 2016 to discuss instrumentation/control aspects of the design.

Contract 14-4, Pump Station Comminutor Project

Ms. Pchola indicated that the design of the project has been completed and based on the Draft 2016 Future Facilities Improvements Plan this project has been scheduled for bid in 2017.

Contract 10-1, Headworks Project

Ms. Pchola reported that this will be discussed in the Litigation Section.

Contract 14-1, SBRSA Emergency Generator Project

Ms. Pchola indicated that as of Pay Estimate No. 10 this project stands at 87% complete. During the past reporting period Thomas Controls, Inc. (TCI) completed the following work at the River Road facility: SBRSA provided a plant shutdown to enable TCI to obtain dimensions and measurements for the sub-station modifications, completed the installation and pressure testing of the natural gas generator coolant piping, completed the termination of control wires in the switchgear, generator main control panel, MCC-12, and generator local control panel, completed the interior natural gas piping to the new generator, partially completed the installation of the new doors, hardware, and rooftop access ladder at the Chemical Building, and began the installation of the new generator exhaust piping.

Ms. Pchola reported that at the Millstone Pump Station (PS), TCI completed the installation of the insulation for the supply air ductwork and the generator exhaust piping. At the South Brunswick PS, TCI completed the insulation of the supply air ductwork and began the installation of the insulation for the generator exhaust piping.

Ms. Pchola indicated that on September 12, 2016 SBRSA, Kleinfelder, and AECOM met with the Princeton Construction Department electrical sub-code officials to review the electrical sub-station modifications. The electrical engineer from AECOM detailed the specifics of the original design highlighting its conformance to the National Electrical Code (NEC). After some discussion, the Princeton officials were unconvinced that the original design conformed to the NEC and stated that the modified design for the electrical sub-station, approved under the building permit, would need to be implemented. In addition, Princeton believes that the work to the sub-station will void its Underwriters Laboratory (UL) listing and that a field evaluation or factory certification by UL or another third party agency will be required.

Ms. Pchola noted that following the meeting with Princeton, SBRSA staff contacted the vendor completing the design for the modifications to the sub-station, Siemens, and asked about the UL certification. Siemens stated that they have performed re-certifications previously and can provide a re-certification for this project. TCI was asked to include the re-certification of the sub-station in their change order proposal. It is anticipated that this change order will be approximately \$125,000 and will add approximately two (2) months to the construction schedule.

Dr. Downey indicated that an appeal to Princeton was discussed at the Construction Committee meeting. The appeal process will add additional time to the project and there is no guarantee that SBRSA will win the appeal. The project is close to completion and the Committee feels that the Authority should go through with the modifications as requested by the Princeton Electrical sub-code official.

Ms. Pchola indicated that there are six (6) change order proposals totaling \$45,108.23. Table A below provides a summary of the six change orders. To date the value of all change orders submitted for this project including approved and proposed is \$93,026.71 or 2.7% of the original contract amount.

Table A

| CO No. | Description | Amount |
|--------|---------------------------------------------------------------|--------------|
| 3 | Adjustments to the Chemical Bldg. Door Modifications | (\$3,018.81) |
| 4 | Various Modifications to the South Brunswick Pump Station | \$11,730.65 |
| 5 | Various Modifications to the Millstone Pump Station | \$16,470.44 |
| 6 | Generator Exhaust Supports and Insulated Thimbles | \$11,836.29 |
| 7 | Deletion of the Natural Gas Flow Meter (FIT-121) | (\$4,567.89) |
| 8 | Additional RRWWTP Electrical Ductbank & Site Lighting Repairs | \$12,657.55 |

Ms. Pchola stated that the six change order proposals have been thoroughly negotiated by SBRSA staff. Staff recommended approval of Resolution 2016-57, Authorizing Change Order Nos. 3, 4 and 5 for Various Changes in the Scope of Work for the Emergency Generator Project Contract 14-1 and Resolution 2016-62, Authorizing Change Order Nos. 6, 7 and 8 for Various Changes in the Scope of Work for the Emergency Generator Project, 14-1. The Resolutions were moved by Dr. Downey, seconded by Mr. Goldfarb and passed by a roll call vote of 5 to 0. Resolutions 2016-57 and 2016-62 follow.

Resolution Authorizing the Approval of Change Order Nos. 3, 4, and 5 for Various Changes to the Scope of Work for the Emergency Generator Project, Contract 14-1

Resolution No. 2016-57

WHEREAS, on November 4, 2014, the Stony Brook Regional Sewerage Authority (SBRSA) issued a Notice to Bidders seeking the receipt of sealed public bids for the “Emergency Generator Project, Contract 14-1”; and

WHEREAS, the SBRSA at its December 15, 2014 meeting awarded the Emergency Generator Project, Contract 14-1 to Thomas Controls, Inc. (TCI) in the amount of \$3,400,000; and

WHEREAS, the SBRSA at its December 21, 2015 meeting approved Change Order No. 1 in the amount of \$20,417.69 and at its March 28, 2016 approved Change Order No. 2 in the amount of \$27,500.79 resulting in an adjusted contract amount of \$3,447,918.48; and

WHEREAS, adjustments to the original bid specifications for the Chemical Building door modifications required by actual field conditions resulted in a credit to the Contract; and

WHEREAS, the abovementioned changes to Contract 14-1 are incorporated within the September 13, 2016 Contract Change Order # 3 document in the amount of (\$3,018.81) resulting in an adjusted contract amount of \$3,444,899.67; 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 various modifications to the Project scope of work at the South Brunswick Pump Station not previously identified in the Contract documents; and

WHEREAS, the abovementioned changes to Contract 14-1 are incorporated within the September 13, 2016 Contract Change Order # 4 document in the amount of \$11,730.65 resulting in an adjusted contract amount of \$3,456,630.32; 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 various modifications to the Project scope of work at the Millstone Pump Station not previously identified in the Contract documents; and

WHEREAS, the abovementioned changes to Contract 14-1 are incorporated within the September 13, 2016 Contract Change Order # 5 document in the amount of \$16,470.44 resulting in an adjusted contract amount of \$3,473,100.76; and

WHEREAS, the contract completion date for the project shall be extended by nine (9) days as a result of Change Order Nos. 3, 4, 5; and

WHEREAS, the new completion date for Contract 14-1 is May 30, 2016; and

WHEREAS, this project is funded through the New Jersey Environmental Infrastructure Financing Program (NJEIFP); 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 #3 with Thomas Controls Inc. in the amount of (\$3,018.81) resulting in an adjusted contract amount of \$3,444,899.67.
2. The Executive Director is authorized and directed to execute Change Order #4 with Thomas Controls Inc. in the amount of \$11,730.65 resulting in an adjusted contract amount of \$3,456,630.32.
3. The Executive Director is authorized and directed to execute Change Order #4 with Thomas Controls Inc. in the amount of \$16,470.44 resulting in an adjusted contract amount of \$3,473,100.76
4. 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 | | | |

Resolution Authorizing the Approval of Change Order Nos. 6, 7, and 8 for Various Changes to the Scope of Work for the Emergency Generator Project, Contract 14-1

Resolution No. 2016-62

WHEREAS, on November 4, 2014, the Stony Brook Regional Sewerage Authority (SBRSA) issued a Notice to Bidders seeking the receipt of sealed public bids for the “Emergency Generator Project, Contract 14-1”; and

WHEREAS, the SBRSA at its December 15, 2014 meeting awarded the Emergency Generator Project, Contract 14-1 to Thomas Controls, Inc. (TCI) in the amount of \$3,400,000; and

WHEREAS, the SBRSA at its December 21, 2015 meeting approved Change Order No. 1 in the amount of \$20,417.69, at its March 28, 2016 approved Change Order No. 2 in the amount of \$27,500.79, and at its September 26, 2016 approved Change Order Nos. 3, 4, and 5 totaling \$25,182.28 and resulting in an adjusted contract amount of \$3,473,100.76; 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 insulated wall or roof thimbles for the new emergency generator exhaust systems at the River Road Treatment Plant, South Brunswick Pump, and the Millstone Pump Station not previously identified in the Contract documents; and

WHEREAS, the abovementioned changes to Contract 14-1 are incorporated within the September 19, 2016 Contract Change Order # 6 document in the amount of \$11,836.29 resulting in an adjusted contract amount of \$3,484,937.05; and

WHEREAS, adjustments to the original bid specifications in the form of the deletion of one (1) natural gas flow meter (FE/FIT-121) resulted in a credit to the Contract; and

WHEREAS, the abovementioned changes to Contract 14-1 are incorporated within the September 19, 2016 Contract Change Order # 7 document in the amount of (\$4,567.89) resulting in an adjusted contract amount of \$3,480,369.16; and

WHEREAS, additional unforeseen work which was not included in the original bid specifications is required to provide labor, materials, and equipment to excavate and install additional underground electrical ductbank; and

WHEREAS, additional unforeseen work which was not included in the original bid specifications is required to provide labor, materials, and equipment to excavate and repair direct burial site lighting electrical cables; and

WHEREAS, the abovementioned additional electrical ductbank changes and site lighting cable repairs to Contract 14-1 are incorporated within the September 19, 2016 Contract Change Order # 8 document in the amount of \$12,657.55 resulting in an adjusted contract amount of \$3,493,026.71; and

WHEREAS, the contract completion date for the project shall be extended by four (4) days as a result of Change Order Nos. 6, 7, and 8; and

WHEREAS, the new completion date for Contract 14-1 is June 2, 2016; and

WHEREAS, this project is funded through the New Jersey Environmental Infrastructure Financing Program (NJEIFP); 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 #6 with Thomas Controls Inc. in the amount of \$11,836.29 resulting in an adjusted contract amount of \$3,484,937.05.

2. The Executive Director is authorized and directed to execute Change Order #7 with Thomas Controls Inc. in the amount of (\$4,567.89) resulting in an adjusted contract amount of \$3,480,369.16.
3. The Executive Director is authorized and directed to execute Change Order #8 with Thomas Controls Inc. in the amount of \$12,657.55 resulting in an adjusted contract amount of \$3,493,026.71
4. 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 15-3, Ash Handling System Improvements

Ms. Pchola reported that as of pay estimate No. 7 this project is 98% complete. All open contract work has been completed. On September 8, 2016 BR Welding submitted Change Order No. 2 to complete the modifications to the ash screw conveyors in the amount of \$16,206.35.

Staff recommended approval of Resolution 2016-58, Authorizing Changer Order No. 2 for the Installation of Air injection Ports to the Ash Screw Conveyors. So moved by Dr. Downey, seconded by Mr. Patel and passed by a roll call vote of 5 to 0. Resolution 2016-58 follows.

Resolution Authorizing the Approval of Change Order No. 2 to Supply and Install Air Injection Ports for Contract 15-3

Resolution No. 2016-58

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, the SBRSA at its May 31, 2016 meeting approved Change Order #1 in the amount of \$5,897.84 resulting in an adjusted contract amount of \$417,437.84; and

WHEREAS, during the start-up and initial operation of the new ash handling system, it was noted that the middle discharge chute for each screw conveyor would intermittently clog with ash and not allow ash to flow freely from the chute; and

WHEREAS, this condition was discussed with project design engineering firm, GHD; and

WHEREAS, GHD has recommended the installation of air injection ports on the two (2) screw conveyors to correct the problem; and

WHEREAS, additional work not previously identified in the Contract documents is required to provide labor, materials, and equipment to supply and install the air injection ports for the new screw conveyors; and

WHEREAS, the abovementioned changes to Contract 15-3 are incorporated within the September 9, 2016 Contract Change Order #2 document in the amount of \$16,206.35 resulting in an adjusted contract amount of \$433,644.19; and

WHEREAS, the contract completion date for the project shall remain unchanged as a result of Change Order No.2; 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 #2 with BR Welding, Inc. in the amount of \$16,206.35 resulting in an adjusted contract amount of \$433,644.19.
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 16-2, MA Effluent Channel Mixers

Ms. Pchola indicated that Kleinfelder is in the process of incorporating changes resulting from SBRSA's review. It is anticipated that this project will be awarded at the December Board meeting.

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

Ms. Pchola reported that the preconstruction meeting was held on August 25, 2016. Meridian has initiated the process of preparing shop drawings.

Contract 16-4, Incinerator Center Shaft Drive Replacement

Ms. Pchola reported that SBRSA has completed their review and CBE revised the documents. The project will be advertised on October 6, 2016, the site visit is scheduled for October 13, 2016 and the bid opening on November 9, 2016. It is anticipated that the project will be awarded at the November Board meeting.

Ms. Pchola indicated that at the request of staff, CBE prepared a proposal for the construction services for this project. A copy of the proposal was provided to the Board. The proposal is a time charge contract.

Staff recommended approval of Resolution 2016-59, Authorizing the Award of a "No Political Contributions Allowed" contract for the Incinerator Center Shaft Drive Replacement for Services during Construction to Chavond Barry Engineering Corp. in the amount of \$46,000. So moved by Dr. Downey, seconded by Mr. Goldfarb and passed by a roll call vote of 5 to 0. Resolution 2016-59 follows.

Resolution Authorizing the Award of a "No Political Contributions Allowed" Contract to Chavond Barry Engineering Corp. for Services During Construction for Contract 16-4 Incinerator Center Shaft Drive Replacement Project

Resolution No. 2016-59

WHEREAS, the Stony Brook Regional Sewerage Authority (SBRSA) has a need for construction services for Contract 16-4 Incinerator Center Shaft Drive Replacement Project as a contract that does not allow for political contributions to the Authority or its members ("No Political Contributions Allowed" contract) pursuant to the provisions of N.J.S.A. 19:44A-20.4 et seq.; and

WHEREAS, the Assistant Finance Officer Ms. Diane Redding has determined and certified in writing that the value of the work will exceed \$17,500; and

WHEREAS, Chavond Barry Engineering Corp., (CBE) was awarded the contract to provide the design services for the Incinerator Center Shaft Drive Replacement Project on January 25, 2016, Resolution 2016-4; and

WHEREAS, SBRSA had requested and CBE has submitted a proposal dated September 15, 2016 and an Agreement indicating they will provide construction services for Contract 16-4 Incinerator Center Shaft Drive Replacement for Incinerator Nos. 1 and 2 on a time charge fee basis at a cost of \$46,000; and

WHEREAS, CBE has on file with SBRSA a Business Entity Disclosure Certification which certifies that CBE 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 retained earnings for this work.

NOW THEREFORE, BE IT RESOLVED that the Board of the Stony Brook Regional Sewerage Authority authorizes the Secretary to enter into a contract with CBE as described herein; and,

BE IT FURTHER RESOLVED that the Business Disclosure Entity Certifications 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 | | | |

CEMS Carbon Monoxide Analyzer Replacement

Ms. Pchola indicated that SBRSA contacted NJDEP on September 13, 2016 regarding the status of the final PST report. NJDEP has indicated that there are approximately twenty (20) reports for review ahead of SBRSA and they hope to get to our report sometime in October. This delay has not affected SBRSA since staff is using the analyzers.

Plant Influent Flow Meter

Ms. Pchola explained that SBRSA staff continues weekly calibration checks on the two flow transmitters to establish historical accuracy data on each transmitter. The “as-found” error for the low-side transmitter has ranged from 6.5% to -7.3% and the error for the high-side transmitter has ranged from 5.01% to -1.89%. Staff continues to collect weekly data.

Dr. Downey stated that this was discussed in the Construction Committee meeting. In the future there is going to be a Table in the Construction Report which will compare the sum of all the billing meters and the actual influent meter. For the three months of data already obtained, the influent meter is running in general between 5 and 6.5% higher than the sum of all the billing meters. But it seems to be on an average running relatively consistent. It is the data from the influent meter that will be included on SBRSA’s DMRs and we would likely begin switching to that data beginning next fiscal year. This flow data will only affect the DMRs and will not affect billing.

Information Technology

Mr. Thomas indicated that he continues to familiarize himself with all the computer related systems at SBRSA, while beginning the upgrades/updates of the technical infrastructure. We have been finalizing the migration to new workstations ensuring the latest software and tools are available.

Mr. Thomas indicated that staff has been working with our outside services (MPulse and Amazon) to resolve any performance issues that were noted in the past. With the new insight from discussions with Bob Reilly of EMA (during his visit in August) regarding the new server room and network upgrades, planning has commenced for the required construction needed.

2016 Future Facilities Improvement Plan

Dr. Downey indicated that the Construction Committee reviewed the draft Plan at the August meeting. The final Plan was provided to the Board. The Committee is in agreement with the changes in the Plan as presented tonight. The Plan has been reviewed by the Finance Committee as well.

Dr. Downey then made a motion to adopt the 2016 Future Facilities Improvement Plan that has been developed over the past three months and is incorporated into the 2017 Authority Budget. The motion was seconded by Mr. Morehouse and passed by a vote of 5 to 0.

537.12 Finance Report

Payment of Bills and Claims

Mr. Morehouse moved for approval of Resolution 2016-61 for the payment of bills and claims in the amount of \$1,011,595.15 with two signatures instead of three. The motion was seconded by Dr. Downey.

The payment of bills and claims was passed by a roll call vote of 5 to 0. Resolution 2016-61 follows.

Resolution Regarding Payment of Bills and Claims

Resolution No. 2016-61

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 **\$1,011,595.15** 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 | | | |

Resolution 2016-60, 2017 Authority Budget

Mr. Sears noted that a meeting with the Municipal Chief Financial Officers (MCFOs) was held on September 19, 2016 to review the 2017 Budget. Ms. JoAnn Louth, West Windsor Township attended the meeting. No changes and/or recommendations to the 2017 Budget were made by the MCFO.

Mr. Sears noted that an amended copy of Resolution 2016-60 was provided to the Board. In the first paragraph of the Resolution the ending for the fiscal year was changed from November 30, 2016 to November 30, 2017. Mr. Sears stated that all documents going to the State have also been corrected.

Mr. Sears recommended approval of Resolution 2016-60, 2017 Authority Budget with Total Revenues of \$15,305,414 and Total Appropriations of \$15,305,414; Total Capital Appropriations of \$6,740,000 and Total Unrestricted Net Assets planned to be utilized as funding of \$2,040,000. So moved by Mr. Morehouse, seconded by Mr. Goldfarb and passed by a roll call vote of 5 to 0. Resolution 2016-60 follows.

2017 Authority Budget Resolution
Stony Brook Regional Sewerage Authority
FISCAL YEAR: FROM: December 1, 2016 TO: November 30, 2017

Resolution No. 2016-60

WHEREAS, the Annual Budget and Capital Budget for the Stony Brook Regional Sewerage Authority for the fiscal year beginning, December 1, 2016 and ending, November 30, 2017 has been presented before the governing body of the Stony Brook Regional Sewerage Authority at its open public meeting of September 26, 2016; and

WHEREAS, the Annual Budget as introduced reflects Total Revenues of \$ 15,305,414 Total Appropriations, including any Accumulated Deficit if any, of \$15,305,414 and Total Unrestricted Net Position utilized of \$0.00; and

WHEREAS, the Capital Budget as introduced reflects Total Capital Appropriations of \$6,740,000 and Total Unrestricted Net Position planned to be utilized as funding thereof, of \$2,040,000; and

WHEREAS, the schedule of rates, fees and other charges in effect will produce sufficient revenues, together with all other anticipated revenues to satisfy all obligations to the holders of bonds of the Authority, to meet operating expenses, capital outlays, debt service requirements, and to provide for such reserves, all as may be required by law, regulation or terms of contracts and agreements; and

WHEREAS, the Capital Budget/Program, pursuant to N.J.A.C. 5:31-2, does not confer any authorization to raise or expend funds; rather it is a document to be used as part of the said Authority's planning and management objectives. Specific authorization to expend funds for the purposes described in this section of the budget, must be granted elsewhere; by bond resolution, by a project financing agreement, by resolution appropriating funds from the Renewal and Replacement Reserve or other means provided by law.

NOW, THEREFORE BE IT RESOLVED, by the governing body of the Stony Brook Regional Sewerage Authority, at an open public meeting held on September 26, 2016 that the Annual Budget, including all related schedules, and the Capital Budget/Program of the Stony Brook Regional Sewerage Authority for the fiscal year beginning, December 1, 2016 and ending, November 30, 2017 is hereby approved; and

BE IT FURTHER RESOLVED, that the anticipated revenues as reflected in the Annual Budget are of sufficient amount to meet all proposed expenditures/expenses and all

covenants, terms and provisions as stipulated in the said Authority's outstanding debt obligations, capital lease arrangements, service contracts, and other pledged agreements; and

BE IT FURTHER RESOLVED, that the governing body of the Stony Brook Regional Sewerage Authority will consider the Annual Budget and Capital Budget/Program for adoption on November 14, 2016.

| Recorded Vote | Aye | Nay | Abstain | Absent |
|-----------------------|-----|-----|---------|--------|
| 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 eighth-month period ending August 31, 2016 net income stands at \$724,490. The Authority continues to receive sludge cake from Somerset Raritan Valley Sewerage Authority (SRVSA). The Authority has total cash and investments of \$17,486,252 at an average interest rate of 0.35%. The current construction projects balance is \$14,952,413. Mr. Sears noted there are sufficient funds for these projects. The outstanding bond principal balance is \$21,007,958. A bond payment was made on August 1, 2016. The New Jersey Cash Management Fund yield is 0.15%.

Monthly Sludge Business Analysis

Mr. Sears reported that net income for the month of August is \$138,633 and the cumulative net income is \$1,145,319.

537.13 Personnel Report

The Personnel Report was provided for member information.

Mr. Kantorek noted that Authority currently has forty-four filled positions. During this reporting period one employee was terminated. The Authority currently has two vacancies.

537.14 Correspondence

For information.

Mr. Kantorek noted Ms. Pchola received a letter/report from Mr. Scott Cervera, Utilities, Sewer Supervisor explaining South Brunswick Township's progress with I&I work.

537.15 Old Business

None

537.16 New Business

None

537.17 Open to the Public

None.

537.18 And Such Other Issues as May Come Before the Board

None.

537.08 Litigation

The Litigation Report was provided for information. Mr. Carney noted that Ms. Alexander made several changes to the report.

Hopewell NJPDES Permit Concerns

Mr. Carney reported that on September 7, 2016, during a telephone conference held in advance of the status conference with Judge James-Beavers, the parties discussed the outstanding issues (Capacity Assurance Program conditions and Nitrate effluent limitations) and NJDEP agreed that with respect to the issue of Capacity Assurance, the Department would approve a twelve month rolling average period in lieu of the 3-month rolling average currently contained in the permit to be used to determine if the Capacity Assurance Program requirements were triggered. With respect to the issue of Nitrates, the “Tiered Use Rule” proposal has been renamed the “Drinking Water Intake Protection (DWIP) Rule” and is anticipated to be proposed by the end of the year with adoption possibly in late 2017. The successful resolution of the Capacity Assurance Program issue was relayed to Judge James-Beavers, as well as the time frame for the DWIP Rule, and Judge James-Beavers placed the matter on the inactive list for a period of six (6) months. The next status conference is scheduled for March 15, 2017.

Pennington NJPDES Concerns

On September 7, 2016, during a telephone conference held in advance of the status conference with Judge James-Beavers, the parties discussed the outstanding issues (Dichlorobromomethane (DCBM) Limits; Summer Ammonia Limitations; Capacity Assurance Program Implementation and Imposition of Final Phase effluent limitations and Nitrate effluent limitations). SBRSA

advised that DCBM would be addressed within the context of a contemplated plant upgrade, thus resolving that issue. NJDEP agreed that the Summer Ammonia Limitation could be modified as requested by SBRSA. With respect to the issue of Capacity Assurance, the Department agreed to approve a twelve month rolling average period in lieu of the 3-month rolling average currently contained in the permit. The 12-month average period would be used to determine if the Capacity Assurance Program requirements were triggered. With respect to the imposition of the final phase effluent, more stringent, effluent limitations, NJDEP would revisit that issue based upon SBRSA's concerns and consider a different mechanism to initiate the imposition of the final, more stringent, effluent limitations than flow alone.

With respect to the issue of Nitrates, the "Tiered Use Rule" proposal has been renamed the "Drinking Water Intake Protection (DWIP) Rule" and is anticipated to be proposed by the end of the year with adoption possibly in late 2017. The successful proposed resolution of some of the outstanding issues was relayed to Judge James-Beavers, as well as, the time frame for the DWIP Rule. Judge James-Beavers placed the matter on the inactive list for a period of six (6) months. The next status conference is scheduled for March 15, 2017.

Mr. Kantorek noted that once the Authority exceeds the 300,000 gpd, the 445,000 gpd limits will become active. SBRSA has requested that this condition be taken out of the permit.

Mr. Carney then recommended approval of Resolution 2016-63, Authorizing Closed Session Pursuant to the Open Public Meetings Law. The Board entered Executive Session at 9:31 pm on a motion by Mr. Goldfarb, seconded by Dr. Downey and passed by a roll call vote of 5 to 0. Resolution 2016-63 follows.

RESOLUTION AUTHORIZING CLOSED SESSION
PURSUANT TO THE OPEN PUBLIC MEETINGS LAW

Resolution No. 2016-63
September 26, 2016

BE IT RESOLVED by the Stony Brook Regional Sewerage Authority ("Authority") on this 26th day of September, 2016, as follows:

1. The Authority shall adjourn to executive session in accordance with N.J.S.A. 10:4-12(b)(7), being the Open Public Meetings Law, in order to discuss issues involving mediation or anticipated litigation in connection with the RRWWTP Headworks Facility Project, SBRSA Contract 10-1, Tomar Construction claims.

2. The minutes of the executive session relating to mediation or anticipated litigation will be released to the public in the event of successful negotiations, and in the event of litigation the minutes shall be available to the public upon the issuance of an unappealable Order of a Court of competent jurisdiction, upon settlement of all issues in the matter, or the failure to institute litigation after the passage of reasonable time.

3. This Resolution shall take effect as provided by law.

| 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 | | | |

537.19 Return to Public Session

The Board returned to open session at 9:37 pm on a motion by Dr. Downey, seconded by Mr. Morehouse and passed by unanimous vote.

Mr. Kantorek recommended approval of Resolution 2016-56, Approving Mediation Settlement Agreement By and Between Stony Brook Regional Sewerage Authority and Tomar Construction LLC. So moved by Dr. Downey, seconded by Mr. Morehouse and passed by a roll call vote of 5 to 0. Resolution 2016-56 follows.

RESOLUTION APPROVING MEDIATION SETTLEMENT AGREEMENT BY AND BETWEEN STONY BROOK REGIONAL SEWERAGE AUTHORITY AND TOMAR CONSTRUCTION, LLC

Resolution No. 2016-56
Date: September 26, 2016

WHEREAS, on January 24, 2011, the Stony Brook Regional Sewerage Authority (the “Authority”) awarded construction Contract No. 10-1 “River Road Wastewater Treatment Plant Headwork Project” to Tomar Construction, LLC as the lowest responsible bidder in the amount of \$9,493,000; and

WHEREAS, at the time of completion of the aforementioned project in 2015, certain change order claims, delay claims, costs to the Authority including, but not limited to, extended engineering fees, counsel fees, and liquidated damages arose between the parties; and

WHEREAS, Contract No. 10-1 required the parties to make a good faith effort to resolve their claims through mediation before any party may submit unresolved claims to a court for adjudication; and

WHEREAS, mediation between the parties occurred on August 31, 2016 before Judge William A. Dreier (Ret.) at the law offices of Norris, McLaughlin & Marcus, P.A. situated in Bridgewater, New Jersey, resulting in the formulation of the attached Settlement Agreement to resolve all claims as between the parties; and

WHEREAS, the Authority has determined that it is in the interest of the Authority to approve the Settlement Agreement, attached hereto, and implement its terms.

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

1. The Authority does hereby approve the Settlement Agreement by and between the Stony Brook Regional Sewerage Authority and Tomar Construction, LLC, dated August 31, 2016, attached hereto (the “Settlement Agreement”).
2. The Executive Director is authorized to cause the issuance of the funds required to implement the Settlement Agreement and to otherwise take such actions as are necessary and desirable to implement the Settlement Agreement.
3. This resolution shall take effect immediately.

Recorded Vote:

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

537.19 Adjournment

As there was no further business to come before the Board, the meeting was adjourned at 9:40 p.m. on a motion by Dr. Downey, seconded by Mr. Morehouse and passed by unanimous vote.

Respectfully Submitted,

John Kantorek
Secretary

Recorded and Written by
Patricia Carlino
October 13, 2016