

Minutes of Meeting #515, November 17, 2014 – Stony Brook Regional Sewerage Authority

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

MEMBERS PRESENT: Bartolini, Downey, Goldfarb, Morehouse

MEMBERS ABSENT: Compton, Patel

CONSULTANTS: Alexander, Beinfeld

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

515.01 Pursuant to Section 13 of the Open Public Meetings Act, adequate notice of the time and place of this meeting was given by filing with the Authority's official newspapers, each Clerk of each municipality and by being posted on the Princeton Bulletin Board and on the Authority's website.

515.02 Approval of Minutes

The minutes from the October 27, 2014 meeting were approved as presented on a motion by Dr. Downey, seconded by Mr. Goldfarb and passed by a vote of 4 to 0.

515.03 Board Related Activities

Consultant List

The consultant list was provided for information. Mr. Kantorek indicated that seven contracts are pending award tonight. The contracts are advice contracts for fiscal year 2015.

Resolution 2014-74, Award of a "No Political Contributions Allowed" Contract for 2015 Legal Advice to Maraziti Falcon LLP

Mr. Kantorek explained that Maraziti Falcon LLP submitted a proposal to provide general legal advice and assistance to the Authority. Mr. Kantorek noted that Maraziti Falcon LLP began serving the Authority as general counsel in 2008. Mr. Kantorek noted that the name of the law firm has changed (from Maraziti, Falcon & Healey, LLP to Maraziti Falcon LLP) however it is the same firm. Resolution 2014-74 will be amended accordingly for the minutes.

The rate for partners is \$220.00 per hour, senior associates \$195.00 per hour, associates \$170.00 per hour and law clerks \$90.00 per hour. The fee for Ms. Alexander for preparation and attendance at the monthly Board meetings will be billed at a fixed monthly retainer of

\$1,500.00 per month. These rates have all remained the same since 2008. Mr. Kantorek indicated that Business Entity Disclosure Certificate was received ten days prior to award.

Mr. Kantorek recommended approval of Resolution 2014-74, as amended, awarding a “No Political Contributions Allowed” contract for 2015 Legal Advice to Maraziti Falcon LLP. Dr. Downey moved Resolution 2014-74 and it was seconded by Mr. Goldfarb.

Mr. Goldfarb inquired as to whether the Authority received any other proposals. Dr. Bartolini indicated that based on the value this law firm has brought to the Authority, other proposals were not solicited. Mr. Kantorek noted that in 2008 when the Authority was seeking new counsel, proposals were received and a selection process took place.

Resolution 2014-74 was then passed by a roll call vote of 4 to 0. Resolution 2014-74 follows.

**Resolution Authorizing the Award of a “No Political Contributions Allowed” Contract
for
2015 General Counsel**

Resolution No. 2014-74

WHEREAS, the Stony Brook Regional Sewerage Authority has a need for General Counsel for the period starting on December 1, 2014 through the end of Fiscal Year 2015 (November 30, 2015) 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 purchasing agent, Stuart Neuhof has determined and certified in writing that the value of the work will exceed \$17,500; and

WHEREAS, the term of this contract is 12 months; and

WHEREAS, Maraziti Falcon, LLP has submitted an Agreement indicating they will provide General Counsel advice from December 1, 2014 through November 30, 2015 for a retainer fee of \$18,000 and additional legal services will be billed at \$220 per hour for Partners, \$195 for Senior Associates, \$170 for associates and \$90 per hour for Law Clerks; and

WHEREAS, Maraziti Falcon, LLP has completed and submitted a Business Entity Disclosure Certification which certifies that Maraziti Falcon, LLP. has not made any reportable contributions to a political or candidate committee in the Stony Brook Regional Sewerage Authority service area, Mercer County, and Middlesex County in the previous one year, and that the contract will prohibit Maraziti Falcon, LLP from making any reportable contributions through the term of the contract; and

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

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

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

<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 2014-75, Award of a “No Political Contributions Allowed” Contract for 2015 Labor Counsel

Mr. Kantorek indicated that staff received a proposal from Schwartz Simon Edelstein Celso LLC (SSE&C) for labor counsel services for fiscal year 2015. Mr. Kantorek noted that SSE&C have been the Authority’s labor counsel since 2010 and has proposed a fee schedule that has remained unchanged since 2010. The fees are as follows: Partners and Counsel at \$195.00 per hour; Associates \$175.00 per hour; and Paralegals and Law Clerks \$100.00

Mr. Kantorek recommended approval of Resolution 2014-75, Authorizing the Award of a “No Political Contributions Allowed” Contract for 2015 Labor Counsel to SSE&C. So moved by Dr. Downey, seconded by Mr. Goldfarb and passed by a roll call vote of 4 to 0. Resolution 2014-75 follows.

**Resolution Authorizing the Award of a “No Political Contributions Allowed” Contract
for
2015 Labor Counsel**

Resolution No. 2014-75

WHEREAS, the Stony Brook Regional Sewerage Authority has a need for a Labor Attorney for the period starting on December 1, 2014 and continuing through the end of Fiscal Year 2015 (November 30, 2015) 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 purchasing agent, Stuart Neuhof has determined and certified in writing that the value of the work will exceed \$17,500; and

WHEREAS, the term of this contract is 12 months and

WHEREAS, Schwartz Simon Edelstein Celso LLC (SSEC) has submitted an Agreement indicating they will provide Labor advice from December 1, 2014 through November 30, 2015. Legal services will be billed at \$195.00 per hour for Partners and Counsel; \$175.00 per hour for Associates and \$100.00 per hour for Paralegals and Law Clerks; and

WHEREAS, SSEC has completed and submitted a Business Entity Disclosure Certification which certifies that SSEC has not made any reportable contributions to a political or candidate committee in the Stony Brook Regional Sewerage Authority service area, Mercer County, and Middlesex County in the previous one year, and that the contract will prohibit SSEC from making any reportable contributions through the term of the contract; and

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

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

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

<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

515.04 Planning and Administration

Mr. Kantorek reported that the most current 12-month average daily River Road plant flow is 9,371,430 gpd with 963,304 gpd of approved but inoperative flow for a total committed flow of 10,334,734 gpd with 2,725,266 gpd or 20.87% of available capacity. The most current 12-month average daily flow at the Hopewell Plant is 227,817 gpd with 1,200 gpd of inoperative flow, for a total committed flow of 229,017 gpd with 23.66% or 70,983 gpd of available capacity. The Pennington Plant presently has 247,956 gpd as the most current 12-month average daily flow, with 20,320 gpd of approved but inoperative flow, for a total committed flow of 268,276 gpd, with 10.57% or 31,724 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 October was provided for information.

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

The meter verification conducted on October 1, 2014 at Meter Station No. 6 indicated that the meter was reading high by 1.37%. The meter verification conducted on October 31, 2104 indicated that the meter was reading low by 3.70%. Therefore the meter data from October 1st through October 31st was adjusted upward by 1.165% which is the average of the meter verifications conducted on October 1st and October 31st.

The meter verification conducted on October 1, 2014 at the Pennington STP Influent meter indicated that the meter was reading high by 0.52%. The meter verification conducted on October 31, 2104 indicated that the meter was reading high by 3.38%. Therefore the meter data from October 1st through October 31st was adjusted downward by 1.95% which is the average of the meter verifications conducted on October 1st and October 31st.

Mr. Kantorek noted that Princeton and West Windsor Township flows are similar during the low flow months. Mr. Goldfarb indicated that the impact of rainfall on flows for Princeton and West Windsor is also similar in that Princeton flow has not been greatly affected by rain. Mr. Goldfarb explained that as part of Princeton's effort to reduce I&I, an ordinance was passed requiring a resident who sells their home to sign an affidavit that the sump pump in the house is not connected to the sanitary sewer line. This has also helped reduce I&I.

515.05 Approval Requests and Actions

TWA-1 Approvals

ROI Renovations & Development, 225 Nassau Street, Princeton, Block 48.01, Lots 7 and 8

Ms. Pchola reported that the project is for the renovation/enlargement of an existing building with a mixed use which includes 4,500 SF of commercial space (bank) and 23 residential apartment units (2 four-bedroom units, 4 three-bedroom units and 17 two-bedroom units). The existing lateral will be utilized and no sewer extension is proposed.

Ms. Pchola explained that as indicted by the design engineer the existing building has 13,550 SF of commercial space and (2) two bedroom apartments. In preparation to reconstruct this building, the owners stopped leasing the residential units approximately a year ago and the commercial space will become vacant sometime this month.

4500 SF Office Building	0.10 gallons/day/sf	450 gpd
2 four-bedroom apartments	300 gallons/day/unit	600 gpd
4 three-bedroom apartments	300 gallons/day/unit	1200 gpd
17 two-bedroom apartments	225 gallons/day/unit	3825 gpd
-	TOTAL	6075 gpd

The project has been endorsed by the Princeton Sewer Operating Committee (PSOC) and Princeton. The project was approved by the Princeton Planning Board on July 31, 2104.

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 4 to 0.

Time Extensions

None.

NJPDES Endorsements Requested

None.

Water Quality Management Plan Amendments

None.

515.06 Regulatory Report

Discharge Monitoring Report (DMR)

Mr. Rahimi reported that staff is currently preparing the Discharge Monitoring Reports for the month of October.

Mr. Rahimi reported that the River Road Quarterly Effluent Surface Water Discharge Waste Characterization Report was submitted for the quarter ending October 31, 2014. 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 (RDMR)

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

Mr. Rahimi indicated that the September RDMR is currently being prepared.

Air Reporting

Mr. Rahimi reported that the 3rd quarter Incinerator Sludge Report was submitted to NJDEP. No exceedances were reported for the monthly and rolling-12-month averages for metals in the sludge fed to the incinerator.

The 3rd quarter 2014 Excess Emissions and Monitoring Performance Report was submitted to the NJDEP. Incinerator #1 operating with the Afterburner (OS1) and incinerator #1 operating with the RTO (OS27) had 2.80 and 0.080 hours of excess emissions respectively (oxygen below 3%). A low oxygen average alone is not the basis for violation unless the carbon monoxide (CO) concentration is above 100 ppm_{dv} at 7% oxygen during the same periods. The CO concentration was less than 100 ppm_{dv} during the period when the oxygen fell below 3%.

Laboratory

Mr. Rahimi reported that the laboratory analyzed and successfully passed a Proficiency Testing (PT) sample for Total Volatile Solids (TVS) in the ERA September 2014 Water Pollution Study. Staff is waiting for validation of this result from the Office of Quality Assurance (OQA) of the NJDEP.

515.07 Safety

Mr. Irizarry reported that there were no loss time accidents/injuries for this reporting period.

Mr. Irizarry reported that as of November 1, 2014 Stony Brook Regional Sewerage Authority has gone **1151** consecutive days without a “Loss Time Accident”.

Mr. Irizarry indicated that on October 24, 2014 Travelers Insurance conducted the annual boiler inspection at the Hopewell, Pennington and River Road Facilities. Copies of the reports were provided to the Board. The reports are forwarded to the State of New Jersey Bureau of Boiler and Pressure Vessel Compliance Department. Once the reports are received, the department will issue the annual inspection certificates for all three facilities.

Mr. Irizarry noted that on November 4, 2014 SBRSA provided access to a webcast hosted by the Water Environment Federation/Water Environment Research Foundation (WEF/WERF) that focused on concerns of “Wastewater Worker Safety – Addressing Concerns on Ebola in Wastewater”. A number of employees from the Operations and Maintenance Department and several Managers attended. The webcast is available for viewing on the Water Environment Federation website.

Training for this reporting period included:

- Blood-borne Pathogens annual refresher training was provided in-house on October 29, 2014 for nine (9) employees.

- Fire Safety/Fire Extinguisher annual refresher training was provided in-house on October 29, 2014 for nine (9) employees.
- Storm water Pollution Prevention (SPPP) and Spill Prevention Control and Countermeasure (SPCC) annual refresher training was provided in-house on October 29, 2014 for eight (8) employees.
- Arc Flash Safety training was provided by the JIF on November 7, 2014 for one (1) employee.
- Confined Space refresher training was provided in-house on October 30, 2014 for three (3) employees.
- Basic Electrical refresher training was provided in-house on October 30, 2014 for two (2) employees.
- Fall Protection annual refresher training was provided in-house on October 30, 2014 for three (3) employees.
- Personal Protective Equipment refresher training was provided in-house on October 30, 2014 for two (2) employees.

515.08 Litigation

The Litigation Report was provided for information.

Ms. Alexander indicated that there were no new items to report.

515.09 Operations Report

River Road Facility

Mr. Kunert reported that on October 22, 2014 the 18-inch valve on Nitrification Return Pump #1 was replaced. The work was performed by Shafts and Sleeves. Since the job took several hours to complete, staff rented two diesel pumps that were used to return nitrification sludge to the aeration tanks.

Mr. Kunert explained that SBRSA switched from grit chamber #1 to grit chamber #3 to ensure all grit chambers function as designed and to verify that the chambers were constructed correctly.

Mr. Kunert reported that Industrial Furnace Company (IFCO) is on site repairing Incinerator #2. During these repairs the workers found additional repairs that need to be addressed. Staff requested Christopher Doelling from Chavond-Barry to review this repair work. Mr. Doelling agreed that these repairs are necessary. The addition work will cost \$10,540.00. A copy of the letter from IFCO describing this work was provided to the Board.

Staff recommended approval of Change Order No. 1 in the amount of \$10,540 for the Re-Bid River Road STP Multiple Hearth Incinerator #2 Repairs. So moved by Dr. Downey, seconded by Mr. Goldfarb and passed by a roll call vote of 4 to 0. Resolution 2014-78 follows.

**Resolution Authorizing the Approval of Change Order No.1 for the Re-Bid River Road
STP Multiple-Hearth Incinerator #2 Repairs**

Resolution No. 2014-78

WHEREAS, the Stony Brook Regional Sewerage Authority (Authority) advertised for the receipt of sealed competitive bids in accordance with the requirements of the Local Public Contracts Law, NJSA 40A:11-1 et seq. for the Re-Bid River Road STP Multiple-Hearth Incinerator #2 Repairs; and

WHEREAS, the following sole bid was received by the Authority on September 17, 2014, as more fully set forth as follows:

Industrial Furnace Company, Inc. \$ 91,800.00
; and

WHEREAS, the Authority has determined that the bid of Industrial Furnace Company is the lowest bid in the amount of \$91,800.00; and

WHEREAS, additional unforeseen work which was not included in the original bid was discovered during the repair work and needs to be addressed; and

WHEREAS, this unforeseen work was brought to the attention of our Incinerator consultant, Chavond-Barry, and they are in agreement that the additional repairs need to be completed; and

WHEREAS, the cost of this additional work is \$10,540.00 which increases the total cost of the Incinerator repair work to \$102,340.00; and

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

NOW THEREFORE, BE IT RESOLVED by the Stony Brook Regional Sewerage Authority that it hereby authorizes the approval of this additional work needed to complete the repair work to Incinerator #2.

Recorded Vote:

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

Mr. Kunert explained that SBRSA is no longer receiving liquid sludge from Somerset Raritan Valley Sewerage Authority because their incinerator is back on line. However, SBRSA is receiving sludge cake from Bayshore Regional Sewerage Authority again.

Mr. Kunert noted that several tours of the River Road facility were given in the past four weeks including Princeton University, Rider University and Princeton High School. The Hun School and a Girl Scout Troop are scheduled for a tour within the next two weeks.

Upstream Facilities

Mr. Kunert reported that the water flea (Daphnia) population at the Hopewell STP is declining. However, the settling issue due to the abundance of filamentous bacteria still persists. Staff began chlorinating the return sludge in an effort to decrease the population. It appears that this process is having a positive effect.

Mr. Kunert reported that on Friday, October 31, 2014, the operator at the Hopewell Facility found the water in the Primary Settling Tanks to be black in color. The pH was 5.8 which is very low and indicates Septage in the water. On several different occasions during the previous two weeks, it looks as if the same situation happened at the Pennington STP. It appears that someone is illegally discharging septage into the sanitary sewer system. Staff notified: Hopewell Department Public Works, Pennington Department of Public Works, Hopewell Township Police Department and Pennington Borough Police Department to ask for their assistance in this matter. This incident has also been reported to the NJDEP.

Odor Report

Staff received no odor complaints from the surrounding area during the month of October and no odor complaints during the partial November 2014 reporting period. To date the Authority has received two odor complaints this year.

Customer Septage and Sludge Deliveries

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

515.10 Maintenance Report

Mr. Cespedes reported that on October 12, 2014 the chain coupling on Orbal Tank #1 Drive #2 broke. The drive was replaced and placed back in service.

Mr. Cespedes indicated that on October 24, 2014 the Millstone Pump Station Flowminutor was repaired by Marshall Maintenance and placed back in service. This unit is used to shred the incoming rags.

Mr. Cespedes reported that the loading dock hoist, used primarily for Incinerator work, was taken out of service on October 24, 2014. This was as a result of the hoist failing a safety inspection performed by an outside contractor. The wire rope had many broken strands and kinks. New wire rope was installed and the hoist was placed back in service.

Mr. Cespedes indicated that a new vacuum pump was installed on the Pennington STP sludge trailer on October 27, 2014. While test running the pump it was discovered that the engine would not throttle up properly. Engine Distributors Inc. was contracted to service the engine.

The number of open work requests stands at eleven (11). The Preventive Maintenance graphs show that SBRSA is currently averaging two (2) days overdue and the number of overdue units is approximately nineteen (19).

515.11 Construction Report

Odor Sampling/Evaluation

Ms. Pchola noted that as requested at the October Board meeting, a copy of the description of how the Dilution to Threshold and Odor Intensity are determined, as provided in the TRC report dated August 25, 2014, was given to the Board.

2015 Annual Advice

Ms. Pchola indicated that staff requested the proposals for Fiscal Year 2015 Advice Contracts from the following consultants:

- Kleinfelder in the amount of \$35,000 for General Engineering Advice and \$30,000 for Permit Advice
- AECOM in the amount of \$20,000
- Chavond-Barry Engineering, Corp. in the amount of \$25,000
- KEMS in the amount of \$75,550

Ms. Pchola noted that all the general advice accounts are for the same amount as the previous year, except for KEMS which increased by approximately \$20,000. Ms. Pchola indicated that this is due to additional regulatory work that needs to be completed due to Subpart Mmmm regulations. Ms. Pchola also noted that all Pay to Play forms have been received 10 days prior to the November 17, 2014 Board meeting.

Staff recommended approval of the following resolutions: Resolution 2014-65 Authorizing the Award of a “No Political Contributions Allowed” Contract for the 2015 General Advice to Kleinfelder; Resolution 2014-66 Authorizing the Award of a “No Political Contributions Allowed” Contract for the 2015 Permit Advice to Kleinfelder; Resolution 2014-67 Authorizing the Award of a “No Political Contributions Allowed” Contract for the 2015 General Advice to AECOM, Resolution 2014-68 Authorizing the Award of a “No Political Contributions Allowed” Contract for the 2015 General Advice to Chavond-Barry

Engineering, Corp.; and Resolution 2014-69 Authorizing the Award of a “No Political Contributions Allowed” Contract for the 2015 General Advice to KEMS, LLC. So moved by Dr. Downey, seconded by Mr. Goldfarb and passed by a roll call vote of 4 to 0. Resolutions 2014-65, 2014-66, 2014-67, 2014-68 and 2014-69 follow.

**Resolution Authorizing the Award of a “No Political Contributions Allowed” Contract
for 2015 General Advice to Kleinfelder**

Resolution No. 2014-65

WHEREAS, the Stony Brook Regional Sewerage Authority has a need for general advice for the period starting on December 1, 2014 through the end of Fiscal Year 2015 (November 30, 2015) for General Consulting Services 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 qualified purchasing agent, Stuart Neuhof has determined and certified in writing that the value of the work may exceed \$17,500; and,

WHEREAS, the term of this contract is 12 months and,

WHEREAS, Kleinfelder has submitted an Agreement indicating they will provide general engineering consulting advice from December 1, 2014 through November 30, 2015 for a time charge fee not to exceed \$35,000 without written permission from Stony Brook Regional Sewerage Authority; and

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

WHEREAS, the Stony Brook Regional Sewerage Authority has Funds available in its Fiscal Year 2015 operating budget.

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

	<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 Authorizing the Award of a “No Political Contributions Allowed” Contract For 2015 NJPDES Permit Advice from Kleinfelder

Resolution No. 2014-66

WHEREAS, the Stony Brook Regional Sewerage Authority has a need for NJPDES Permit Advice and Related Matters for the period starting on December 1, 2014 through the end of Fiscal Year 2015 (November 30, 2015) for our three wastewater treatment plants 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 qualified purchasing agent, Stuart Neuhof has determined and certified in writing that the value of the work may exceed \$17,500; and,

WHEREAS, Kleinfelder has submitted a proposal indicating they will provide NJPDES Permit Advice and Related Matters during the period of December 1, 2014 through November 30, 2015 for a time charge fee not to exceed \$30,000 without written permission from Stony Brook Regional Sewerage Authority; and

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

WHEREAS, the Stony Brook Regional Sewerage Authority has Funds available in its Fiscal Year 2015 operating budget.

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

BE IT FURTHER RESOLVED that the Business Disclosure Entity Certification and the Determination of Value is on file.

Recorded Vote:

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

**Resolution Authorizing the Award of a “No Contributions Allowed” Contract
for
2015 AECOM General Advice**

Resolution No. 2014-67

WHEREAS, the Stony Brook Regional Sewerage Authority has a need for general advice for the period starting on December 1, 2014 through the end of Fiscal Year 2015 (November 30, 2015) for General Consulting Services 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-20A et seq.; and,

WHEREAS, the qualified purchasing agent, Stuart Neuhof has determined and certified in writing that the value of the work may exceed \$17,500; and

WHEREAS, the term of this contract is from December 1, 2014 to November 30, 2015 and,

WHEREAS, AECOM has submitted an Agreement indicating they will provide general engineering consulting advice for a time charge fee not to exceed \$20,000 without written permission from Stony Brook Regional Sewerage Authority; and

WHEREAS, AECOM has completed and submitted a Business Entity Disclosure Certification which certifies that AECOM its subsidiaries, assigns or principals controlling in excess of 10% of the company has neither made a contribution that is reportable pursuant to the Election Law Enforcement Commission pursuant to N.J.S.A. 19:44A-8 or 19:44A-16, in

the one (1) year period preceding the award of the contract that would, pursuant to P.L. 2004, c.19, affect its eligibility to perform this contract, nor will it make a reportable contribution during the term of the contract to a municipal political party committee of a governing body that appoints members to the Authority including, Princeton, South Brunswick Township, West Windsor Township, Hopewell Borough, Hopewell Township, and Pennington Borough, when the contract is awarded, or to any municipal candidate committee of any candidate for or holder of municipal elective public office of any such municipality when the contract is awarded, and

WHEREAS, the Stony Brook Regional Sewerage Authority has Funds available in its Fiscal Year 2015 operating budget.

NOW THEREFORE, BE IT RESOLVED that the Board of the Stony Brook Regional Sewerage Authority authorizes the Chairman to enter into a contract with AECOM as described herein.

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

Recorded Vote:

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

Resolution Authorizing the Award of a “No Political Contributions Allowed” Contract for 2015 General Advice to Chavond-Barry Engineering Corporation

Resolution No. 2014-68

WHEREAS, the Stony Brook Regional Sewerage Authority “Authority” has a need for general advice for the period starting on December 1, 2014 through the end of Fiscal Year 2015 (November 30, 2015) for Consulting Engineering Services related to the operation and maintenance of the Authority’s incinerators 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 qualified purchasing agent, Stuart Neuhof has determined and certified in writing that the value of the work may exceed \$17,500; and,

WHEREAS, the term of this contract is December 1, 2014 through November 30, 2015 and,

WHEREAS, Chavond-Barry Engineering has submitted an Agreement indicating they will provide general engineering consulting advice from December 1, 2014 through November 30, 2015 for a time charge fee not to exceed \$25,000 without written permission from Stony Brook Regional Sewerage Authority; and

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

WHEREAS, the Stony Brook Regional Sewerage Authority has Funds available in its Fiscal Year 2015 operating budget.

NOW THEREFORE, BE IT RESOLVED that the Board of the Stony Brook Regional Sewerage Authority authorizes the Chairman to enter into a contract with Chavond-Barry Engineering as described herein; 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:

	<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 Authorizing the Award of a “No Political Contributions Allowed” Contract for 2015 General Advice to KEMS, LLC

Resolution No. 2014-69

WHEREAS, the Stony Brook Regional Sewerage Authority “Authority” has a need for general advice for the period starting on December 1, 2014 through the end of Fiscal Year 2015 (November 30, 2015) for Consulting Engineering Services related to the regulatory

requirements, permitting, and operation and maintenance of the Authority's incinerators 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 qualified purchasing agent, Stuart Neuhof has determined and certified in writing that the value of the work may exceed \$17,500; and,

WHEREAS, the term of this contract is December 1, 2014 through November 30, 2015 and,

WHEREAS, KEMS, LLC has submitted an Agreement indicating they will provide general engineering consulting advice from December 1, 2014 through November 30, 2015 for a time charge fee not to exceed \$75,550 without written permission from Stony Brook Regional Sewerage Authority; and

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

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

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

	<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

Contract 15-2, Scrubber Installation

Ms. Pchola reported that CBE continues to prepare the contract documents for the installation of the scrubber equipment. It is expected that this contract will be completed for staff review by the end of 2014 and advertised for bid early in 2015.

Contract 15-3, Ash Handling System Improvements

Ms. Pchola indicated that GHD is in the process of developing 30% (concept) drawings and alternatives. A meeting will be held between GHD and SBRSA in early December to review the alternatives and finalize the design for the ash handling system improvements.

Contract 14-1, Facilities Emergency Generator Project

Ms. Pchola reported that as requested from the New Jersey Office of Emergency Management, SBRSA provided a letter formally withdrawing from the New Jersey Hazard Mitigation Grant Program (HMGP) Energy Allocation Initiative. A copy of the letter was provided to the Board.

In a letter dated November 5, 2014, the NJDEP provided authorization to SBRSA to advertise the project. A copy of the letter was provided to the Board. NJDEP Division of Air Quality provided preconstruction approval on November 10, 2014 as related to the significant modification of the Title V Permit. A copy of the preconstruction approval was also provided to the Board.

The Emergency Generator project was advertised on November 5, 2014 and posted on the SBRSA website. The pre-bid site visit is scheduled for November 14, 2014 and bids will be received on December 9, 2014.

Contract 14-6, Wireless Fire Alarm Communication System

Ms. Pchola indicated that the project was advertised on November 6, 2014. A pre-bid site visit will be conducted on November 20, 2014 and bids will be received on December 10, 2014.

Contract 10-1, Headworks Project

Ms. Pchola reported that SBRSA sent a letter to Tomar Construction, LLC regarding the leaks in the Influent Junction Chamber. A copy of the letter was provided to the Board. SBRSA's letter to Tomar reiterated the Authority's position that the leaks in the Chamber are a result of defective work. To further support that position, the October 29th letter included a letter from our engineer, Kleinfelder which provided detailed technical information that refutes Tomar's assertion that the gasket material specified for the chamber joints was inappropriate for the application. In addition, the October 29th letter cited several sections from the executed Agreement supporting the fact that Tomar is fully responsible for the repair(s) to the chamber at no additional cost to the Owner.

Ms. Pchola noted that on November 12, 2014 Tomar Construction, LLC provided a response to the Authority's letter via electronic mail November 12, 2014. A copy of Tomar's memo was provided to the Board. In the memo Tomar continues to maintain their position that the gasket material specified for the chamber joints was inappropriate for the application as indicated in their October 11, 2014. The memo also provided an alternate repair procedure for the Influent Chamber. The proposed repair procedure was forwarded to Kleinfelder and AECOM for review and comment.

Ms. Pchola indicated that DeMaio Electric has completed the installation of the new flow meters for the grit removal tank blowers. SBRSA staff has completed the PLC programming and has started the testing and debugging of the communications and control logic. It is expected that the new VFD's and flow meters will be online within the next two weeks.

Contract 15-1 Scrubber Procurement

Ms. Pchola reported that EnviroCare and CBE continue to coordinate on the design of the new scrubbers. EnviroCare has indicated that the shop drawing for the new wet scrubber units should be ready for submittal by the week of December 15, 2014.

Pavement Replacement

Ms. Pchola explained that at the October 27th Board meeting Resolution 2014-64 was approved to award the paving contract for the South Brunswick Pump Station access road to Cross County Paving, Inc. in the amount of \$25,580, the lowest of three quotes. However Cross County Paving, Inc. has been unable to provide a properly executed Business Entity Disclosure Certification and unable to provide the required New Jersey Business Registration Certificate. Staff has contacted Cross County Paving on several occasions and afforded them numerous opportunities to provide all required documents over a 60 day period without success.

Ms. Pchola indicated that as a result staff contacted Castoro and Company, Inc. who provided the second lowest quote in the amount of \$28,500. Castoro has completed and submitted the required Business Entity Disclosure Certification on November 7, 2014 and has also submitted their New Jersey Business Registration Certificate.

Staff recommended approval of Resolution 2014-76, awarding a “No Political Contributions Allowed” contract to repave the South Brunswick Pump Station access road to Castoro and Company, Inc. in the amount of \$28,500. So moved by Dr. Downey, seconded by Mr. Goldfarb and passed by a roll call vote of 4 to 0. Resolution 2014-76 follows.

**Resolution Authorizing the Award of a “No Political Contributions Allowed” Contract
for
Basin Street Terminus Paving Replacement to Castoro and Company, Inc.**

Resolution No. 2014-76

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 2014 and may be extended as approved by this governing body; and,

WHEREAS, three quotes have been received and Cross County Paving, Inc. provided the lowest quote for \$25,580.00; and

WHEREAS, Cross County Paving, Inc. has been unable to provide a properly executed Business Entity Disclosure Certification; and

WHEREAS, Cross County Paving, Inc. has been unable to provide the required New Jersey Business Registration Certificate; and

WHEREAS, Cross County Paving, Inc. has been afforded numerous opportunities to provide all required documents over a 60 day period; and

WHEREAS, the Stony Brook Regional Sewerage Authority has a need to replace the significantly damaged roadway; and

WHEREAS, Castoro and Company, Inc. provided the second lowest quote for \$28,500.00; and

WHEREAS, Castoro and Company, Inc. has completed and submitted a Business Entity Disclosure Certification on November 7, 2014 which certifies that Castoro and Company, 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 Castoro and Company, Inc. from making any reportable contributions through the term of the contract; and,

WHEREAS, in compliance with the provisions of N.J.S.A. 19:44A-20.26 Castoro and Company, Inc. and the Stony Brook Regional Sewerage Authority shall enter into a contract by purchase order and,

WHEREAS, the Authority has Funds available in the 2014 operating budget.

NOW THEREFORE, BE IT RESOLVED that the Stony Brook Regional Sewerage Authority shall enter into a contract by purchase order with Castoro and Company, Inc.; and,

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

<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

Contract 14-5 SBRSA Facilities Painting Project

Ms. Pchola reported that the painting at the River Road plant site and the Princeton Pump Station has been completed. The Contractor has completed the surface preparation of the pumps, motors, and piping at the South Brunswick Pump Station and has started the application of the prime coat. During the surface preparation at the Millstone Pump Station it was discovered that the existing coating system of the pumps and piping was more deteriorated than initially thought. The Contractor provided a proposal for the additional work. The cost for the additional work exceeded 20 percent of the originally awarded contract amount. Local Public Contract Law limits the total change order amount to 20 percent of the original contract amount with exception such as an emergency or under special conditions as outlined in N.J.A.C. 5:30-11.9

Staff would like to separate the additional work at the Millstone Pump Station from the original contract and discussed this with the Authority's counsel. Ms. Alexander explained that no one anticipated that the area was so deteriorated when the contract went out to bid. Ms. Alexander indicated that this work can be separated from the contract. Staff will request quotes for this additional work.

515.12 Finance Report

Payment of Bills and Claims

Mr. Morehouse moved the approval of Resolution 2014-70, for the payment of bills and claims in the amount of \$874,373.11 with two signatures instead of three, seconded by Mr. Patel and passed by a roll call vote of 4 to 0. Resolution 2014-70 follows.

Resolution Regarding Payment of Bills and Claims

Resolution No. 2014-70

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 \$874,373.11 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 eleven-month period ending October 31, 2014 is \$1,297,389. This represents an increase of \$145,035 over the prior period. The Authority has total cash and investments of \$19,784,687 at an average interest rate of 0.19%. The current construction projects balance is \$14,222,720. Mr. Neuhof noted there are sufficient funds for these projects. The outstanding bond principal balance remains at \$21,416,043. The New Jersey Cash Management Fund yield is 0.06%.

Resolution 2014-71, Adoption of the 2015 Budget

Mr. Neuhof recommended approval of Resolution 2014-71, for the adoption of the 2015 Budget reflecting Total Revenues of \$14,795,402, Total Appropriations of \$14,795,402 and utilizing Unrestricted Net Assets of \$0. Mr. Neuhof indicated that the Capital Budget reflects Total Capital Appropriations of \$14,075,000 and Total Unrestricted Net Assets to be utilized

as funding of \$7,000,000. So moved by Mr. Morehouse, seconded by Dr. Downey and passed by a roll call vote of 4 to 0. Resolution 2014-71 follows.

2015 ADOPTED BUDGET RESOLUTION
STONY BROOK REGIONAL SEWERAGE AUTHORITY
FISCAL YEAR PERIOD DECEMBER 1, 2014 TO NOVEMBER 30, 2015

Resolution No. 2014-71

WHEREAS, the Annual Budget and Capital Budget/Program for the STONY BROOK REGIONAL SEWERAGE Authority for the fiscal year period beginning December 1, 2014 and ending November 30, 2015 has been presented for adoption before the governing body at its meeting of November 17, 2014 ; and

WHEREAS, the Annual Budget and Capital Budget as presented for adoption reflects each item of revenue and appropriation in the same amount and title as set forth in the introduced and approved budget, including all amendments thereto, if any, which have been approved by the Director of the Division of Local Government Services; and

WHEREAS, the Annual Budget as presented for adoption reflects Total Revenues of \$14,795,402, Total Appropriations, including any Accumulated Deficit, if any of \$14,795,402 and Total Unrestricted Net Assets utilized of \$0 ; and

WHEREAS, the Capital Budget as presented for adoption reflects Total Capital Appropriations of \$14,075,000 and Total Unrestricted Net Assets planned to be utilized as funding thereof, of \$7,000,000; and

NOW, THEREFORE BE IT RESOLVED by the governing body of the STONY BROOK REGIONAL SEWERAGE Authority at a open public meeting held on November 17, 2014 that the Annual Budget and Capital Budget/Program of the STONY BROOK REGIONAL SEWERAGE Authority for the fiscal year period beginning December 1, 2014 and ending November 30, 2015 is hereby approved; and shall constitute appropriations for the purposes stated; and

BE IT FURTHER RESOLVED, that the Annual Budget and Capital Budget/Program as presented for adoption reflects each item of revenue and appropriations in the same amount and title as set forth in the introduced and approved budget, including all amendments thereto, if any, which have been approved by the Director of the Division of

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

Resolution 2014-72, Authorizing the Issuance of not to exceed \$8,600,000 Subordinate Bond (Series 2015) of the Stony Brook Regional Sewerage Authority and Providing for their Sale to the New Jersey Environmental Infrastructure Trust and the State of New Jersey and Authorizing the Execution and Delivery of Certain Agreements in Connection Therewith

Mr. Neuhof Resolution 2014-72 is for the issuance of subordinate bonds. Mr. Robert Beinfeld, Bond Counsel, was present to discuss the Resolution and answer questions from the Board. Mr. Beinfeld explained that the Authority has gone through the same process when it previously borrowed from the New Jersey Environmental Infrastructure Trust financing. Mr. Beinfeld indicated the possibility that seventy-five (75) percent of the loan may be interest free. Interest charged on twenty-five (25) percent of the loan will be at market interest rates. Mr. Beinfeld noted the possibility of principal forgiveness (grant) on a portion of the funding which would then average out to approximately 1.25% over twenty (20) years based on current market rates. The actual closing on the loan will not occur until May 2015. The Resolution includes Authorization for a bridge loan in the interim if the Authority wishes to proceed with the project prior to closing. This issuance is for the three emergency generators (Emergency Generator Project).

Staff recommended approval of Resolution 2014-72, Authorizing the Issuance of not to Exceed \$8,600,000 Subordinate Bonds through the New Jersey Environmental Infrastructure Trust. So moved by Mr. Morehouse, seconded by Dr. Downey and passed by a roll call vote of 4 to 0. Resolution 21014-72 follows.

**RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$8,600,000
SUBORDINATE BONDS (SERIES 2015) OF THE STONY BROOK REGIONAL
SEWERAGE AUTHORITY AND PROVIDING FOR THEIR SALE TO THE NEW
JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST AND THE STATE OF
NEW JERSEY AND AUTHORIZING THE EXECUTION AND DELIVERY OF
CERTAIN AGREEMENTS IN CONNECTION THEREWITH.**

Resolution No. 2014-72

WHEREAS, the Stony Brook Regional Sewerage Authority (the “Authority”), a public body corporate and politic of the State of New Jersey (the “State”), has determined that there exists a need to acquire, construct, renovate, install or refinance the Project (the “Project”), as described herein and as further defined in each of that certain Loan Agreement (the “Trust Loan Agreement”) to be entered into by and between the Authority and the New Jersey Environmental Infrastructure Trust (the “Trust”) and that certain Loan Agreement (the “Fund Loan Agreement” and, together with the Trust Loan Agreement, the “Loan Agreements”) to be entered into by and between the Authority and the State acting by and through the New Jersey Department of Environmental Protection all pursuant to the State Fiscal Year 2015 New Jersey Environmental Infrastructure Trust Financing Program (the “Program”); and

WHEREAS, the Authority has determined to finance or refinance the acquisition, construction, renovation or installation of the Project with the proceeds of a loan to be made

by each of the Trust (the “Trust Loan”) and the State (the “Fund Loan” and, together with the Trust Loan, the “Loans”) pursuant to the Trust Loan Agreement and the Fund Loan Agreement, respectively; and

WHEREAS, to evidence the Loans, each of the Trust and the State require the Authority to authorize, execute, attest and deliver the Authority’s Subordinate Bond (Series 2015A) to the State (the “State Loan Bond”) and Subordinate Bond (Series 2015B) to the Trust (the “Trust Loan Bond” and, together with the State Loan Bond, the “Authority Subordinate Bonds”) pursuant to the terms of the Sewerage Authorities Law of the State, constituting Chapter 14A of Title 40 of the Revised Statutes of the State (the “Sewerage Authorities Law”), other applicable law and the Loan Agreements; and

WHEREAS, the Trust and the State have expressed their desire to close in escrow the making of one or more of the Loans, the issuance of one or more of the Authority Subordinate Bonds and the execution and delivery of one or more of the Loan Agreements, all pursuant to the terms of an Escrow Agreement (the “Escrow Agreement”) to be entered into by and among the Trust, the State, the escrow agent named therein and the Authority; and

WHEREAS, N.J.S.A. §40:14A-12 of the Sewerage Authorities Law allows for the sale of the Trust Loan Bond and the Fund Loan Bond to the Trust and the State, respectively, without any public offering, and N.J.S.A. §58:11B-9(a) allows for the sale of the Trust Loan Bond to the Trust without any public offering, all under the terms and conditions set forth in the following resolution; and

WHEREAS, the Authority has heretofore issued revenue bonds pursuant to a resolution of the Authority adopted on September 19, 1977, entitled: “Resolution Authorizing the Issuance of Revenue Bonds of the Stony Brook Regional Sewerage Authority”, as amended and supplemented (the “General Bond Resolution”), whereunder, all the Revenues of the Authority, as defined and provided for therein, have been pledged to the payment of the principal of, redemption price, if any, and interest on any revenue bonds heretofore or hereafter issued by the Authority under the General Bond Resolution (the “Revenue Bonds”), to the extent and in the manner provided in the General Bond Resolution; and

WHEREAS, the provisions of Section 615 of the General Bond Resolution authorize the Authority to issue subordinate bonds payable out of the General Fund created and established by the General Bond Resolution, all in accordance with and upon the terms and conditions set forth in the General Bond Resolution and, in particular, Section 511 thereof; and

WHEREAS, bonds, notes and other evidences of indebtedness of the Authority, including the Authority Subordinate Bonds, benefit from the provisions of the Service Contract (as defined in the General Bond Resolution); and

WHEREAS, any and all bonds and other obligations of the Authority, including the Authority Subordinate Bonds, benefit from the provisions of the Service Contract (as defined in the General Bond Resolution); and

WHEREAS, Section 202 and Section 203 of the Service Contract provide that the Authority may at any time and at its discretion alter, improve, enlarge and extend the System (as defined in the Service Contract) in any respect or renew or replace any part thereof and issue bonds to finance such work; and

WHEREAS, the Authority is desirous of authorizing the issuance of the Authority Subordinate Bonds as subordinate bonds;

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

Section 1. Determination to Undertake the Project. The Authority does hereby determine to undertake the Project which shall consist of the improvement of the Authority's System (as defined in the General Bond Resolution), including the installation of new emergency generators, together with all necessary and incidental equipment, apparatus, structures and appurtenances and all personal property necessary or desirable for the efficient construction and operation of such facilities, all as shown on and in accordance with the plans and specifications therefor on file or to be filed in the office of the Authority, as such plans and specifications may be amended or modified from time to time.

Section 2. Estimated Cost of the Project. The estimated maximum total cost of the Project, as defined in the Sewerage Authorities Law, is \$8,600,000.

Section 3. Authorization of Authority Subordinate Bonds. In accordance with Section 11 of the Sewerage Authorities Law and subject to and pursuant to the provisions of this resolution, bonds of the Authority (herein referred to as the Authority Subordinate Bonds) are hereby authorized to be issued in the principal amount not to exceed \$8,600,000 for the purpose of raising funds to pay the costs of the Project, including the funding of any required or desirable reserves, capitalized interest and costs of issuance.

Section 3. Payment of Authority Subordinate Bonds. The Authority does hereby determine that the Authority Subordinate Bonds shall be and constitute subordinate bonds, and shall be payable from amounts in the General Fund established and created by the General Bond Resolution in the manner and upon the terms and conditions set forth in the General Bond Resolution and this resolution.

Section 4. Award of Authority Subordinate Bonds. In accordance with N.J.S.A. §40:14A-12 of the Sewerage Authorities Law and N.J.S.A. §58:11B-9(a), the Authority hereby sells and awards its (a) Trust Loan Bond to the Trust in accordance with the provisions of this resolution and (b) Fund Loan Bond to the State in accordance with the provisions of this resolution.

Section 6. Basic Terms of Authority Subordinate Bonds; Delegation of Power to Make Certain Determinations. The chairman or vice chairman of the Authority (the

“Chairman”) or the Executive Director of the Authority is hereby authorized to determine, in accordance with the Sewerage Authorities Law and pursuant to the terms and conditions established by the Trust and the State under the Loan Agreements and the terms and conditions of this resolution, the following items with respect to the Trust Loan Bond and the Fund Loan Bond:

- (a) The aggregate principal amount of the Trust Loan Bond to be issued and the aggregate principal amount of the Fund Loan Bond to be issued, which amounts in the aggregate shall not exceed \$8,600,000;
- (b) The maturity or maturities and annual principal installments of the Authority Subordinate Bonds, which maturity or maturities shall not exceed twenty (20) years;
- (c) The date or dates of the Authority Subordinate Bonds;
- (d) The interest rates of the Authority Subordinate Bonds, provided that the effective cost of the Trust Loan Bond does not exceed eight per centum (8%) and that the interest rate on the Fund Loan Bond is zero per centum (0%);
- (e) The purchase price for the Authority Subordinate Bonds;
- (f) The terms and conditions under which the Authority Subordinate Bonds shall be subject to redemption prior to their stated maturities; and
- (g) Such other matters with respect to the Authority Subordinate Bonds as may be necessary, desirable or convenient in connection with the sale, issuance and delivery thereof, including (1) adjusting the title of the Authority Subordinate Bonds to reflect the issuance thereof in a calendar year other than 2015 and (2) issuing each Authority Subordinate Bond in the form of multiple subordinate bonds from time to time if the Project is funded in more than one installment by the Program.

Section 7. Determinations Conclusive. Any determination made by the Chairman or the Executive Director pursuant to the terms of this resolution shall be conclusively evidenced by the execution and attestation of the Authority Subordinate Bonds by the parties authorized under Section 8(c) of this resolution.

Section 8. Further Terms of Authority Subordinate Bonds. The Authority hereby determines that certain terms of the Authority Subordinate Bonds shall be as follows:

- (a) The Fund Loan Bond shall be issued in a single denomination and shall be numbered RA-1, or as may otherwise be determined by the Chairman or the Executive Director. The Trust Loan Bond shall be issued in a single denomination and shall be numbered RB-1, or as may otherwise be determined by the Chairman or the Executive Director;
- (b) The Authority Subordinate Bonds shall be issued in fully registered form (convertible to bearer as therein provided) and shall (unless converted to bearer) be payable to the

registered owners thereof as to both principal and interest in lawful money of the United States of America;

- (c) The Authority Subordinate Bonds shall be executed by the manual or facsimile signature of the Chairman, and the Secretary or the Assistant Secretary of the Authority (the “Secretary”), by manual signature, shall attest to the execution of the Authority Subordinate Bonds and shall affix, imprint, engrave or reproduce thereon the corporate seal of the Authority; and
- (d) In order to distinguish the Authority Subordinate Bonds from other bonds of the Authority, the Authority Subordinate Bonds shall have such letters and/or numbers incorporated in their titles as shall be determined by the Chairman or the Executive Director.

Section 9. Forms of Authority Subordinate Bonds. The Fund Loan Bond and the Trust Loan Bond shall be substantially in the forms set forth in Exhibit A and Exhibit B hereto, respectively, with such changes, insertions and omissions as may be approved by the Chairman, such approval to be evidenced by the signature of the Chairman on the Authority Subordinate Bonds.

Section 10. Authorized Parties. The law firm of Hawkins Delafield & Wood LLP, bond counsel to the Authority, is hereby authorized to arrange for the printing of the Authority Subordinate Bonds, which law firm may authorize McCarter & English, LLP, bond counsel to the Trust and the State for the Program, to arrange for same. The Authority auditor and financial advisor are hereby authorized, if necessary, to prepare the financial information, if any, necessary in connection with the issuance of the Authority Subordinate Bonds. The Chairman, the Treasurer, the Executive Director, the Chief Financial Officer and the Secretary (collectively, the “Authorized Authority Officers”) are hereby severally authorized to execute any certificates necessary or desirable in connection with the financial and other information.

Section 11. Report to the Authority. The Authorized Authority Officers are hereby directed to report in writing to the Authority at the meeting of the Authority next following the closing with respect to the Authority Subordinate Bonds as to the terms of the Authority Subordinate Bonds authorized to be determined by the Authorized Authority Officers pursuant to and in accordance with the provisions of this resolution.

Section 12. Delivery of Authority Subordinate Bonds. Each Authorized Authority Officer is hereby authorized to execute any certificate or document necessary or desirable in connection with the sale of the Authority Subordinate Bonds and is hereby further authorized to deliver same to the Trust and the State upon delivery of the Authority Subordinate Bonds and the receipt of payment therefor in accordance with the Loan Agreements.

Section 13. Execution of Agreements. The Trust Loan Agreement, the Fund Loan Agreement and the Escrow Agreement (collectively, the “Financing Documents”) are hereby authorized to be manually executed and delivered on behalf of the Authority by the Chairman in substantially the forms required and traditionally used by the Trust and the State (which

forms are available from the Trust and the State), with such changes as the Chairman, in his or her sole discretion, after consultation with counsel, bond counsel and any other advisors to the Authority (the "Authority Consultants") and after further consultation with the Trust, the State and their representatives, agents, counsel and advisors (collectively, the "Program Consultants" and, together with the Authority Consultants, the "Consultants"), shall determine, such determination to be conclusively evidenced by the execution of each such Financing Document by the Chairman. The Secretary is hereby authorized, if necessary, to attest by manual signature to the execution of the Financing Documents by the Chairman and to affix, imprint, engrave or reproduce the corporate seal of the Authority to such Financing Documents.

Section 14. Authorized Actions. The Authorized Authority Officers are hereby further severally authorized to (i) manually execute and deliver and the Secretary is hereby further authorized to attest by manual signature to such execution and to affix, imprint, engrave or reproduce the corporate seal of the Authority to any document, instrument or closing certificate deemed necessary, desirable or convenient by the Authorized Authority Officers or the Secretary, as applicable, in their respective sole discretion, after consultation with the Consultants, to be executed in connection with the execution and delivery of the Financing Documents and the Authority Subordinate Bonds and the consummation of the transactions contemplated thereby, which determination shall be conclusively evidenced by the execution of each such document, instrument or closing certificate by the party authorized under this resolution to execute such document, instrument or closing certificate and (ii) perform such other actions as the Authorized Authority Officers deem necessary, desirable or convenient in relation to the execution and delivery thereof.

Section 15. Subordinate Nature of Authority Subordinate Bonds. (A) In the event of any insolvency or bankruptcy proceedings, or any receivership, liquidation, reorganization or other similar proceedings in connection therewith, relative to the Authority or to its property, or in the event of any proceedings for voluntary liquidation, dissolution or other winding up of the Authority, whether or not involving insolvency or bankruptcy, the holders of all Revenue Bonds shall be entitled to receive payment in full of all payments on such Revenue Bonds before the holders of all outstanding Authority Subordinate Bonds are entitled to receive any payment from the Revenues (as defined in the General Bond Resolution).

(B) In the event that any of the Authority Subordinate Bonds are declared due and payable before their expressed maturity because of the occurrence of a default (under circumstances when the provisions of (A) above shall not be applicable), the holders of all Revenue Bonds at such time outstanding shall be entitled to receive payment in full of all payments then due on such Revenue Bonds before the holders of such Authority Subordinate Bonds are entitled to receive any accelerated payment from the Revenues of principal or interest upon such Authority Subordinate Bonds. Any event of default with respect to the Authority Subordinate Bonds shall not in itself create the right to declare an event of default with respect to the Revenue Bonds.

(C) If any event of default with respect to the Revenue Bonds shall have occurred and be continuing (under circumstances when the provisions of (A) above shall not be applicable),

the holders of all Revenue Bonds then outstanding shall be entitled to receive payment in full of all payments on all such Revenue Bonds before the holders of the Authority Subordinate Bonds are entitled to receive any accelerated payment from the Revenues of principal or interest on such Authority Subordinate Bonds.

(D) No holder of any Revenue Bonds shall be prejudiced in such holder's right to enforce subordination of the Authority Subordinate Bonds by any act or failure to act on the part of the Authority.

(E) The provisions of (A), (B), (C) and (D) above are solely for the purpose of defining the relative rights of the holders of the Revenue Bonds on the one hand and the holders of the Authority Subordinate Bonds on the other hand, and nothing herein shall impair, as between the Authority and the holders of the Authority Subordinate Bonds, the duty of the Authority, which is unconditional and absolute, to pay to the holders of the Authority Subordinate Bonds, the principal thereon and premium, if any, and interest thereon in accordance with their terms, nor shall anything herein prevent the holders of the Authority Subordinate Bonds from exercising all remedies otherwise permitted by applicable law upon default under the General Bond Resolution, subject to the rights under (A), (B), (C) and (D) above of the holders of the Revenue Bonds to receive cash, property or securities otherwise payable or deliverable to the holders of the Authority Subordinate Bonds.

Section 16. Withdrawals from the General Fund. In accordance with Section 511 of the General Bond Resolution and provided that the amount in every account or fund created and established by the General Bond Resolution, including the Bond Service Fund, the Sinking Fund, the Bond Reserve Fund and the Renewal and Replacement Fund, equals or exceeds the amount required to be therein and that the Authority is not in default in the payment of the principal of or interest on or redemption price of any Revenue Bonds, the trustee under the General Bond Resolution is hereby authorized and directed to withdraw from the General Fund from time to time amounts necessary to satisfy the debt service payments with respect to the Authority Subordinate Bonds.

Section 17. Covenant to Pay Authority Subordinate Bonds. The Authority hereby particularly covenants and agrees with the holders of the Authority Subordinate Bonds and makes provisions which shall be a part of its contract with such holders, that the Authority will pay or cause to be paid the principal of every Authority Subordinate Bond and the interest thereon at the date and place and in the manner mentioned in such Authority Subordinate Bond according to the true intent and meaning thereof and will carry out and perform all of the acts and things required of it by the terms of this resolution.

Section 18. Resolution Constitutes Contract. In consideration of the purchase and acceptance of the Authority Subordinate Bonds by those who shall hold the same from time to time, the provisions of this resolution shall be deemed to be and shall constitute contracts between the Authority and the holders from time to time of the Authority Subordinate Bonds.

Section 19. No Recourse. No recourse shall be had for the payment of the principal or redemption price, if any, of or the interest on the Authority Subordinate Bonds or for any

claim based thereon or on this resolution against any member or other officer of the Authority or any person executing the Authority Subordinate Bonds. The Authority Subordinate Bonds are not and shall not be in any way a debt or liability of the State or of any county or municipality, and do not and shall not create or constitute any indebtedness, liability or obligation of the State or of any county or municipality, either legal, moral or otherwise.

Section 20. Authorization for Resolution. This resolution is adopted by virtue of the Sewerage Authorities Law and pursuant to its provisions, and the Authority has ascertained and hereby determines that adoption of this resolution is necessary to carry out the powers, purposes and duties expressly provided in the Sewerage Authorities Law and that each and every matter and thing as to which provision is made in this resolution is necessary in order to carry out and effectuate the purposes of the Authority in accordance with the Sewerage Authorities Law.

Section 21. Filing of Resolution. The Secretary is hereby authorized and directed to cause copies of this resolution to be filed for public inspection in the following places: in the office of the Borough Clerk of the Borough of Pennington, in the County of Mercer, in the Municipal Building of said Borough, in the office of the Municipal Clerk of Princeton, in the County of Mercer, in the Municipal Building of said municipality, in the office of the Borough Clerk of the Borough of Hopewell, in the County of Mercer, in the Municipal Building of said Borough, in the office of the Township Clerk of the Township of Hopewell, in the County of Mercer, in the Municipal Building of said Township, in the office of the Township Clerk of the Township of West Windsor, in the County of Mercer, in the Municipal Building of said Township, in the office of the Township Clerk of the Township of South Brunswick, in the County of Middlesex, in the Municipal Building of said Township, and in the office of the Authority, 290 River Road, Princeton, New Jersey.

Section 22. Publication of Notice. The Secretary is hereby authorized and directed to cause to be published, after completion of filing of copies of this resolution as directed in the preceding Section, in the "*Trenton Times*", a legally qualified public newspaper circulating in the district of the Authority, a notice in substantially the form attached as Exhibit C hereto and by this reference incorporated as if set forth in full herein.

Section 23. Multiple Document Sets. Notwithstanding any other provision of this resolution to the contrary, if in connection with the participation of the Authority in the Program, the State and the Trust require that the Authority execute more than one set of documents, the provisions of this resolution shall be deemed to apply to the Authority Subordinate Bonds and the Financing Documents related to each set of documents; provided, however, that in no event may the aggregate principal amount of all Authority Subordinate Bonds issued and delivered pursuant to the provisions of this resolution be in excess of the amount authorized in Section 3 hereof.

Section 24. Interim Financing. In anticipation of the issuance of the Authority Subordinate Bonds, the Authority hereby authorizes, if necessary or desirable, the issuance, sale and award of an interim project note (the "Interim Authority Project Note") pursuant to the Trust's Interim Financing Program. The Interim Authority Project Note shall be

substantially in the form provided by the Trust in the Interim Financing Program's loan agreement. The execution and delivery of the Interim Authority Project Note shall be in the same manner as herein prescribed with respect to the Authority Subordinate Bonds. An Authorized Authority Officer is hereby authorized to determine, pursuant to the terms and conditions established by the Trust and the State under the Interim Financing Program's loan agreement and the terms and conditions of this resolution, the following items with respect to the Interim Authority Project Note: (a) the aggregate principal amount of the Interim Authority Project Note to be issued, which amount shall not exceed \$8,600,000; (b) the maturity of the Interim Authority Project Note, which shall be no later than one year after the date of issuance thereof; (c) the date of the Interim Authority Project Note; (d) the interest rate of the Interim Authority Project Note, which shall not exceed 2% per annum; (e) the purchase price for the Interim Authority Project Note; and (f) such other matters with respect to the Interim Authority Project Note as may be necessary, desirable or convenient in connection with the sale, issuance and delivery thereof. The Authorized Authority Officers are hereby further severally authorized to manually execute and deliver and the Secretary is hereby further authorized to attest by manual signature to such execution and to affix, imprint, engrave or reproduce the corporate seal of the Authority to any document, instrument or closing certificate deemed necessary, desirable or convenient by the Authorized Authority Officers or the Secretary, as applicable, in their respective sole discretion, after consultation with the Consultants, to be executed in connection with the execution and delivery of the Interim Authority Project Note and the consummation of the transactions contemplated thereby, which determination shall be conclusively evidenced by the execution of each such document, instrument or closing certificate by the party authorized under this resolution to execute such document, instrument or closing certificate.

Section 25. Capitalized Terms. All capitalized words and terms used but not defined in this resolution shall have the meanings ascribed to such words and terms, respectively, in the preambles to this resolution.

Section 26. Effective Date. This resolution shall take effect immediately.

Adopted: November 17, 2014

EXHIBIT A
Form of Fund Loan Bond

**STONY BROOK REGIONAL SEWERAGE AUTHORITY
SUBORDINATE BOND (SERIES 2015A)**

No. RA-1

Principal Amount: \$_____

Dated Date: May 21, 2015

The **STONY BROOK REGIONAL SEWERAGE AUTHORITY** (the “Authority”), a public body corporate and politic organized and existing under and by virtue of the laws of the State of New Jersey (the “State”), acknowledges itself indebted and for value received hereby promises to pay to the order of the State the principal amount stated above, or such lesser amount as shall be determined in accordance with Section 3.01 of the loan agreement dated as of May 1, 2015 by and between the State, acting by and through the New Jersey Department of Environmental Protection and the Authority (the “Loan Agreement”), at the times and in the amounts determined as provided in the Loan Agreement, plus any other amounts due and owing under the Loan Agreement at the times and in the amounts as provided therein. The Borrower irrevocably pledges its full faith and credit for the punctual payment of the principal of, and all other amounts due under, this bond and the Loan Agreement according to their respective terms.

This bond is issued in consideration of the loan made under the Loan Agreement (the “Loan”) to evidence the payment obligations of the Authority set forth in the Loan Agreement. Payments under this bond shall, except as otherwise provided in the Loan Agreement, be made directly to the Trustee (as defined in the Loan Agreement) for the account of the State. This bond is subject to assignment or endorsement in accordance with the terms of the Loan Agreement. All of the terms, conditions and provisions of the Loan Agreement are, by this reference thereto, incorporated herein as part of this bond. Pursuant to the Loan Agreement, disbursements shall be made by the State to the Authority upon the receipt by the State of requisitions from the Authority executed and delivered in accordance with the requirements set forth in Section 3.02 of the Loan Agreement.

This bond is entitled to the benefits and is subject to the conditions of the Loan Agreement. The obligations of the Authority to make the payments required hereunder shall be absolute and unconditional, without any defense or right of setoff, counterclaim or recoupment by reason of any default by the State under the Loan Agreement or under any other agreement between the Authority and the State or out of any indebtedness or liability at any time owing to the Authority by the State or for any other reason. This bond is subject to optional prepayment under the terms and conditions, and in the amounts, provided in Section 3.07 of the Loan Agreement. To the extent allowed by applicable law and the Subordinate Resolution (as hereinafter defined), this bond may be subject to acceleration under the terms and conditions, and in the amounts, provided in Section 5.03 of the Loan Agreement.

The Authority acknowledges that payments made hereunder may be used by the Trustee referred to above to satisfy loan repayments then due and payable on the Authority’s Trust Loan (as defined in the Loan Agreement).

This bond is a direct and general obligation of the Authority and is one of the subordinate bonds of the Authority issued or to be issued under and by virtue of the Sewerage Authorities Law, constituting Chapter 138 of the Pamphlet Laws of 1946, of the State of New Jersey, approved April 23, 1946, and the acts amendatory thereof and supplemental thereto (collectively, the “Act”), and under and pursuant to a resolution of the Authority adopted November 17, 2014 and entitled: “Resolution Authorizing the Issuance of Not to Exceed

\$8,600,000 Subordinate Bonds (Series 2015) of the Stony Brook Regional Sewerage Authority and Providing for Their Sale to the New Jersey Environmental Infrastructure Trust and the State of New Jersey and Authorizing the Execution and Delivery of Certain Agreements in Connection Therewith” (the “Subordinate Resolution”).

Pursuant to the Act, the Authority has heretofore authorized and issued and has outstanding revenue bonds (the “Revenue Bonds”) pursuant to a resolution of the Authority adopted September 19, 1977, entitled: “Resolution Authorizing the Issuance of Revenue Bonds of the Stony Brook Regional Sewerage Authority”, as amended and supplemented (the “General Bond Resolution”), whereunder, all the Revenues of the Authority, as defined and provided for therein, have been pledged to the payment of the principal of, redemption price, if any, and interest on the Revenue Bonds and any additional bonds hereafter issued under the General Bond Resolution, to the extent and in the manner provided in the General Bond Resolution. **This bond is not secured by a pledge of or lien on the Revenues and the indebtedness evidenced hereby is and shall be in all respects subordinate to the provisions of the General Bond Resolution and this bond is not entitled to the benefits of the pledge of Revenues made therein.** This bond is payable from amounts in the General Fund established and created by the General Bond Resolution in the manner and upon the terms and conditions set forth in the General Bond Resolution and the Subordinate Resolution.

Notwithstanding anything to the contrary contained herein, at the request and expense of the registered owner this bond upon presentation at the office of the Authority will be converted into a bond payable to bearer and coupon in form by the preparation and substitution of a new bond, signed or executed by such of its officers then in office as the Authority shall designate and of the same tenor as this bond at the time of its issuance, with coupons annexed for interest, if any, thereafter payable on this bond until its maturity.

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

This bond is not and shall not be in any way a debt or liability of the State or of any county or municipality and does not and shall not create or constitute any indebtedness, liability or obligation of the State or of any county or municipality, either legal, moral or otherwise.

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

IN WITNESS WHEREOF, the **STONY BROOK REGIONAL SEWERAGE AUTHORITY** has caused this bond to be signed in its name and on its behalf by the manual or facsimile signature of its Chairman or Vice Chairman, and its corporate seal to be affixed,

imprinted or reproduced hereon and attested by the manual signature of its Secretary or Assistant Secretary, all as of the Dated Date hereinabove mentioned.

**STONY BROOK REGIONAL
SEWERAGE AUTHORITY**

(SEAL)
ATTEST:

By: _____
Robert Bartolini
Chairman

John Kantorek
Secretary

EXHIBIT B
Form of Trust Loan Bond
STONY BROOK REGIONAL SEWERAGE AUTHORITY
SUBORDINATE BOND (SERIES 2015B)

No. RB-1

Principal Amount: \$ _____

Dated Date: May 21, 2015

The **STONY BROOK REGIONAL SEWERAGE AUTHORITY** (the “Authority”), a public body corporate and politic organized and existing under and by virtue of the laws of the State of New Jersey (the “State”), acknowledges itself indebted and for value received hereby promises to pay to the New Jersey Environmental Infrastructure Trust (the “Trust”) (i) the principal amount stated above, or such lesser amount as shall be determined in accordance with Section 3.01 of the loan agreement dated as of May 1, 2015 by and between the Trust and the Authority (the “Loan Agreement”), at the times and in the amounts determined as provided in the Loan Agreement, (ii) interest on the Loan constituting the Interest Portion, the Administrative Fee (as such terms are defined in the Loan Agreement) and any late charges incurred under the Loan Agreement in the amount calculated as provided in the Loan Agreement, payable on the days and in the amounts and as provided in the Loan Agreement, which principal amount and Interest Portion of the Interest on the Loan shall, unless otherwise provided in the Loan Agreement, be payable on the days and in the amounts as also set forth in Exhibit A attached hereto under the column headings respectively entitled “Principal” and “Interest”, plus (iii) any other amounts due and owing under the Loan Agreement at the times and in the amounts as provided therein. The Borrower irrevocably pledges its full faith and credit for the punctual payment of the principal of and the Interest on

this bond and for the punctual payment of all other amounts due under this bond and the Loan Agreement according to their respective terms.

This bond is issued in consideration of the loan made under the Loan Agreement (the “Loan”) to evidence the payment obligations of the Authority set forth in the Loan Agreement. This bond has been assigned to U.S. Bank National Association, as trustee (the “Trustee”) under the “Environmental Infrastructure Bond Resolution, Series 2015A” adopted by the Trust on _____, 2015, as the same may be amended and supplemented in accordance with the terms thereof (the “Trust Bond Resolution”), and payments hereunder shall, except as otherwise provided in the Loan Agreement, be made directly to the Trustee for the account of the Trust pursuant to such assignment. Such assignment has been made as security for the payment of the Trust Bonds (as defined in the Loan Agreement) issued to finance or refinance the Loan and as otherwise described in the Loan Agreement. This bond is subject to further assignment or endorsement in accordance with the terms of the Trust Bond Resolution and the Loan Agreement. All of the terms, conditions and provisions of the Loan Agreement are, by this reference thereto, incorporated herein as part of this bond.

Pursuant to the Loan Agreement, disbursements shall be made by the Trustee to the Authority, in accordance with written instructions of the Trust, upon receipt by the Trust and the Trustee of requisitions from the Authority executed and delivered in accordance with the requirements set forth in Section 3.02 of the Loan Agreement.

This bond is entitled to the benefits and is subject to the conditions of the Loan Agreement. The obligations of the Authority to make the payments required hereunder shall be absolute and unconditional without any defense or right of setoff, counterclaim or recoupment by reason of any default by the Trust under the Loan Agreement or under any other agreement between the Authority and the Trust or out of any indebtedness or liability at any time owing to the Authority by the Trust or for any other reason.

This bond is subject to optional prepayment under the terms and conditions, and in the amounts, provided in Section 3.07 of the Loan Agreement. To the extent allowed by applicable law and the Subordinate Resolution (as hereinafter defined), this bond may be subject to acceleration under the terms and conditions, and in the amounts, provided in Section 5.03 of the Loan Agreement.

This bond is a direct and general obligation of the Authority and is one of the subordinate bonds of the Authority issued or to be issued under and by virtue of the Sewerage Authorities Law, constituting Chapter 138 of the Pamphlet Laws of 1946, of the State of New Jersey, approved April 23, 1946, and the acts amendatory thereof and supplemental thereto (collectively, the “Act”), and under and pursuant to a resolution of the Authority adopted November 17, 2014 and entitled: “Resolution Authorizing the Issuance of Not to Exceed \$8,600,000 Subordinate Bonds (Series 2015) of the Stony Brook Regional Sewerage Authority and Providing for Their Sale to the New Jersey Environmental Infrastructure Trust and the State of New Jersey and Authorizing the Execution and Delivery of Certain Agreements in Connection Therewith” (the “Subordinate Resolution”).

Pursuant to the Act, the Authority has heretofore authorized and issued and has outstanding revenue bonds (the "Revenue Bonds") pursuant to a resolution of the Authority adopted September 19, 1977, entitled: "Resolution Authorizing the Issuance of Revenue Bonds of the Stony Brook Regional Sewerage Authority", as amended and supplemented (the "General Bond Resolution"), whereunder, all the Revenues of the Authority, as defined and provided for therein, have been pledged to the payment of the principal of, redemption price, if any, and interest on the Revenue Bonds and any additional bonds hereafter issued under the General Bond Resolution, to the extent and in the manner provided in the General Bond Resolution. **This bond is not secured by a pledge of or lien on the Revenues and the indebtedness evidenced hereby is and shall be in all respects subordinate to the provisions of the General Bond Resolution and this bond is not entitled to the benefits of the pledge of Revenues made therein.** This bond is payable from amounts in the General Fund established and created by the General Bond Resolution in the manner and upon the terms and conditions set forth in the General Bond Resolution and the Subordinate Resolution.

Notwithstanding anything to the contrary contained herein, at the request and expense of the registered owner this bond upon presentation at the office of the Authority will be converted into a bond payable to bearer and coupon in form by the preparation and substitution of a new bond, signed or executed by such of its officers then in office as the Authority shall designate and of the same tenor as this bond at the time of its issuance, with coupons annexed for interest, if any, thereafter payable on this bond until its maturity.

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

This bond is not and shall not be in any way a debt or liability of the State or of any county or municipality and does not and shall not create or constitute any indebtedness, liability or obligation of the State or of any county or municipality, either legal, moral or otherwise.

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

[The remainder of this page has been intentionally left blank.]

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

**STONY BROOK REGIONAL
SEWERAGE AUTHORITY**

**(SEAL)
ATTEST:**

By: _____
Robert Bartolini
Chairman

John Kantorek
Secretary

New Jersey Environmental Infrastructure Trust hereby assigns the foregoing bond to U.S. Bank National Association as trustee under the “Environmental Infrastructure Bond Resolution, Series 2015A” adopted on _____, 2015, as amended and supplemented, all as of the date of this bond, as security for the Trust Bonds issued or to be issued under said bond resolution to finance or refinance the Project Fund (as defined in said bond resolution).

**NEW JERSEY ENVIRONMENTAL
INFRASTRUCTURE TRUST**

**(SEAL)
ATTEST:**

By: _____

Chairman

Secretary

EXHIBIT C

STONY BROOK REGIONAL SEWERAGE AUTHORITY

NOTICE OF ADOPTION OF BOND RESOLUTION

PUBLIC NOTICE is hereby given that a bond resolution entitled: “Resolution Authorizing the Issuance of Not to Exceed \$8,600,000 Subordinate Bonds (Series 2015) of the Stony Brook Regional Sewerage Authority and Providing for Their Sale to the New Jersey Environmental Infrastructure Trust and the State of New Jersey and Authorizing the Execution and Delivery of Certain Agreements in Connection Therewith” (the “Bond Resolution”) was adopted by the Stony Brook Regional Sewerage Authority (the “Authority”)

on November 17, 2014; that copies of the Bond Resolution have been filed and are available for public inspection in the office of the Borough Clerk of the Borough of Pennington, in the County of Mercer, in the Municipal Building of said Borough, in the office of the Municipal Clerk of Princeton, in the County of Mercer, in the Municipal Building of said municipality, in the office of the Borough Clerk of the Borough of Hopewell, in the County of Mercer, in the Municipal Building of said Borough, in the office of the Township Clerk of the Township of Hopewell, in the County of Mercer, in the Municipal Building of said Township, in the office of the Township Clerk of the Township of West Windsor, in the County of Mercer, in the Municipal Building of said Township, in the office of the Township Clerk of the Township of South Brunswick, in the County of Middlesex, in the Municipal Building of said Township, and in the office of the Authority, 290 River Road, Princeton, New Jersey; and that any action or proceeding of any kind or nature in any court questioning the validity of the creation and establishment of the Authority or the validity or proper authorization of bonds provided for by the Bond Resolution, or the validity of any covenants, agreements or contracts provided for by the Bond Resolution, shall be commenced within twenty (20) days after the first publication of this notice, which was first published this 24th day of November, 2014.

**STONY BROOK REGIONAL
SEWERAGE AUTHORITY**

By: /s/ John Kantorek
Secretary

CERTIFICATE

I, JOHN KANTOREK, Secretary of the Stony Brook Regional Sewerage Authority (the “Authority”), a public body politic and corporate of the State of New Jersey, **HEREBY CERTIFY** that the foregoing resolution entitled: “Resolution Authorizing the Issuance of Not to Exceed \$8,600,000 Subordinate Bonds (Series 2015) of the Stony Brook Regional Sewerage Authority and Providing for Their Sale to the New Jersey Environmental Infrastructure Trust and the State of New Jersey and Authorizing the Execution and Delivery of Certain Agreements in Connection Therewith”, is a true copy of an original resolution which was adopted at a meeting of the Authority which was duly called and held on November 17, 2014, and at which a quorum was present and acted throughout, and that said copy has been compared by me with the original resolution officially recorded in the records of the Authority and that it is a true, correct and complete transcript thereof and of the whole of said resolution, and that said original resolution has not been altered, amended or repealed, but is in the form attached as of the date hereof in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Authority this 17th day of November , 2014.

(SEAL)

John Kantorek, Secretary

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

Resolution 2014-73, Awarding a Contract for Natural Gas

Mr. Neuhof indicated that the Authority received one bid from Direct Energy for the upcharge portion for natural gas supply. Mr. Neuhof then compared upcharge costs from the Authority’s previous contracts to the new upcharge bid price.

Mr. Goldfarb asked what it is that the Authority is paying Direct Energy. Mr. Kantorek indicated that it is the cost for transporting the gas from the natural gas distributor to the utility. This is only the upcharge cost and not the cost for the commodity of natural gas. Mr. Kantorek explained the process of purchasing natural gas and the relationship of the upcharge. A brief discussion followed.

Following the discussion staff recommended approval of Resolution 2014-73, Awarding a Contract for Natural Gas in the amount of \$415,219.20 (upcharge of \$0.89024 per MMBTU) for first twelve (12) months, and \$834,889.60 (\$0.91806 upcharge for MMBTU) for months thirteen (13) through twenty-four (24) months and \$1,260,552.00 (\$0.9523 upcharge per MMBTU) for months twenty-five (25) through thirty-six (36) for the period 2017 to 2020. So moved by Dr. Downey, seconded by Mr. Morehouse and passed by a roll call vote of 4 to 0. Resolution 2014-73 follows.

RESOLUTION AWARDING A CONTRACT FOR NATURAL GAS

Resolution No. 2014-73

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

WHEREAS, sealed competitive bids were received by the Authority on November 6, 2014, as fully set forth in the attached Bid Tabulation Sheet; and

WHEREAS, the Authority has determined that the bid of Direct Energy (the sole bidder) is the lowest bid; and

WHEREAS, the bidder, Direct Energy submitted a bid in the amount of \$415,219.20 (\$0.89024 upcharge per MMBTU) for first 12 months, and \$834,889.60 (\$0.91806 upcharge

per MMBTU) for months 13 through 24 months, and \$1,260,552.00 (\$0.9523 upcharge per MMBTU) for months 25 through 36 months; and

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

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

NOW, THEREFORE, BE IT RESOLVED by the Stony Brook Regional Sewerage Authority that it hereby awards a 3 year contract for the supply of Firm Non-Recallable Commodity Natural Gas to Direct Energy, the lowest responsive bidder; and

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

<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

2015 Estimated Participant Charge Update

Mr. Neuhof provided the Board with a copy of the 2015 Estimated Participant Charge and the 2014 estimated year-end adjustment update based on eleven months of flow data. This information was also provided to the Municipal Finance Officers.

Mr. Neuhof noted the following changes from the prior month. Mr. Neuhof noted that Princeton, South Brunswick Township, Hopewell Borough and Pennington saw decreases from the previous month while West Windsor Township realized an increase in its Estimated Charge.

Monthly Sludge Business Analysis

Mr. Neuhof reported that net income for the month of October is \$146,941 and the cumulative net income is \$1,478,692. Gas usage for the month of October was 66,614 therms. The remaining simple payback for the RTO project is 2.5 years.

515.13 Personnel Report

The Personnel Report was provided for member information.

Mr. Kantorek noted that one employee is on a leave of absence and one employee is out on Workers Compensation.

515.14 Correspondence

For information

515.15 Old Business

None.

515.16 New Business

Award of Contact for the Supply of Liquid Polymer

Mr. Kunert reported that sealed bids for the supply of liquid polymer were received on November 5, 2014. Two bids were received and the results are as follows:

	<u>12 MONTHS</u>	<u>24 MONTHS</u>
Coyne Chemical Co.	\$152,699.90 (\$1.2624/lb.)	\$152,699.90/\$1.2624/lb.(1st) \$152,699.90/\$1.2624/lb.(2nd) \$305,399.80 (2 Year Total)
SNF Polydyne Inc.	\$95,708.16 (\$0.93/lb.)	\$95,708.16/\$0.93/lb.(1st) \$95,708.16/\$0.93/lb.(2nd) \$191,416.32 (2 Year Total)

Mr. Kunert explained that the total bid prices are calculated based on the polymer dosage rates experienced during the performance trial and the estimated annual sludge quantities. Due to changes in the nature of the sludge we process the dosage requirements increase and decrease unavoidably. Because the polymer is purchased on a per pound basis the actual monies spent will be based on the actual amount of polymer used.

Mr. Kunert noted that the last contract, a two year contract, was awarded to Polydyne Inc. with a first year price of \$0.85/lb. and a second year price of \$0.88/lb. for a total two year bid price of \$113,432.62.

Mr. Kunert recommended approval of Resolution 2014-77, awarding a two year contract for the supply of polymer to Polydyne Inc. in the estimated total amount of \$191,416.32 at \$0.93/lb. for the first year, and \$0.93/lb. for the second year. So moved by Dr. Downey and seconded by Mr. Goldfarb.

A discussion followed. Mr. Goldfarb noted the difference in price since Coyne is so much higher than SNF Polydyne. Dr. Downey indicated that they are two different products, one is an emulsion and the other is a totally different chemical. The vendors are bidding on a chemical that we use for aid in dewatering. The vendors are bringing their best products forward.

Dr. Downey asked if staff had tested the two polymer products for silica since it appears that silica is building up on the tiles in the RTO. The cost to replace the tiles is approximately \$140,000. Mr. Rahimi indicated that staff had difficulty obtaining a lab to test these samples but did find a lab. The cost to test for total silica is \$300 for each sample.

The Board asked if it could reject or delay award of the contract until SBRSA receives the lab results. Mr. Kantorek indicated that the bid price is good for a period of 60 days. The Board then asked if SBRSA had an adequate supply of polymer if the contract is not awarded tonight. Staff indicated that there is an adequate supply of polymer on hand and that the current contract runs through February 2015.

With the consensus of the full Board, Mr. Goldfarb tabled Resolution 2014-77 until the December Board meeting.

Award of Liquid Sludge Contract

The following liquid sludge contract was approved on motion by Dr. Downey, seconded by Mr. Morehouse and passed by a vote of 4 to 0.

South Monmouth Regional
Sewerage Authority

January 1, 2015 to December 31, 2015
Cost: \$48.25 per 1000 gallons

515.17 Open to the Public such other issues as may come before the Board

None.

515.18 Adjournment

As there was no further business to come before the Board, the meeting was adjourned at 8:50 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
December 31, 2014