

Minutes of Meeting #507, March 24, 2014 – Stony Brook Regional Sewerage Authority

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

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

MEMBERS ABSENT: Patel

CONSULTANTS: Maraziti, Fitzpatrick

STAFF PRESENT: Bixby, Carlino, Cespedes, Coleman, Ireland, Irizarry, Kantorek, Neuhofer, Pchola, Rahimi, Redding

507.01 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.

507.02 Approval of Minutes

The minutes from the February 24, 2014 meeting were approved as presented on a motion by Dr. Downey, seconded by Mr. Goldfarb and passed by a vote of 5 to 0.

507.03 Board Related Activities

Revised Page to the Member List/Municipal Information

Mr. Kantorek noted that a revised page to the Member List/Municipal Information was provided to the Board. Mr. Kantorek explained that Kleinfelder/Omni is now Kleinfelder.

Information Regarding the 2014 Financial Disclosure Statements

Mr. Kantorek indicated that information from the Division of Local Government Services (DLGS) regarding the 2014 Financial Disclosure Statement was provided to the Board. DLGS is working with an outside vendor to develop an online filing system. As soon as the Authority receives information regarding the new system it will be passed on to those who need to complete a statement.

Consultant List

The consultant list was provided for information. Mr. Kantorek indicated that one amendment contract is pending award tonight.

507.04 Planning and Administration

Mr. Kantorek reported that the most current 12-month average daily River Road plant flow is 9,518,024 gpd with 958,259 gpd of approved but inoperative flow for a total committed flow of 10,476,283 gpd with 2,583,717 gpd or 19.78% of available capacity. The most current 12-month average daily flow at the Hopewell Plant is 235,415 gpd with 1,200 gpd of inoperative flow, for a total committed flow of 236,615 gpd with 21.13% or 63,385 gpd of available capacity. The Pennington Plant presently has 264,442 gpd as the most current 12-month average daily flow, with 17,307 gpd of approved but inoperative flow, for a total committed flow of 281,749 gpd, with 6.08% or 18,251 gpd of available capacity. Mr. Kantorek noted that the inoperative flow total for the Pennington Plant is the unused portion of Bristol-Meyers Squibb approved flow.

Mr. Kantorek clarified that the original agreement for the purchase of the Pennington STP property and the 25,000 gpd allocated flow was with Mobil. Mobil in turn sold the property and all the rights to BMS.

Monthly Flow Transmittal

The monthly flow transmittal for February was provided for information.

Mr. Kantorek reported that there were several adjustments made for the month.

At the Princeton Pump Station, the meter certification conducted for the low range flow meter (flow data less than 4.5 mgd) on February 28th indicated that the low range meter was reading high by 2.47%. The meter verification conducted on January 31st indicated that the low range meter was reading high by 0.83%. The meter data was adjusted downward by 1.65% which is the average of the meter certification conducted in February and the meter verification conducted in January. All hourly data with the exception of two (2) hours on February 22nd (4.52 mgd at 5 pm and 4.54 mgd at 10 pm) and two (2) hours on February 24th (4.57 mgd at 12 pm and 4.51 mgd at 1 pm) were within the low range meter.

The meter certification conducted for the high range meter (flow data in excess of 4.5 mgd) at the Princeton Pump Station indicated that the meter was reading high by 2.27%. The meter verification conducted on January 31st indicated that the meter was reading high by 1.59%. The data adjustment for the high range meter data would normally be 1.93% which is the average of the meter certification conducted in February and the meter verification conducted in January. However, there were only four hours of data (February 22nd and 24th) that would be affected and since the meter adjustments are so close, the meter data for the four hours were adjusted downward by the low range meter adjustment of 1.65%.

The meter certification conducted on February 28, 2014 at the South Brunswick Pump Station indicated that the meter was reading high by 14.95%. The meter verification conducted on January 31, 2014 indicated that the meter was reading high by 0.18%. Therefore the meter data was adjusted downward by 7.565% which is the average of the meter certification conducted in February and the meter verification conducted in January.

During this meter certification, the meter was cleaned and adjusted however the meter could not be adjusted within 2% accuracy and was left reading low by 6.53%. On March 4, 2014 the meter was replaced by staff and W. G. Malden came out on March 6th to certify the new meter.

507.05 Approval Requests and Actions

TWA-1 Approvals

None.

Time Extensions

None.

NJPDES Endorsements Requested

None.

Water Quality Management Plan Amendments

None.

507.06 Regulatory Report

Discharge Monitoring Report (DMR)

Mr. Rahimi reported that the January 2014 DMRs were submitted to the NJDEP. No violations were reported for any of the Authority's three plants.

Mr. Rahimi noted that staff is currently reviewing the February DMRs.

Mr. Rahimi indicated that the quarterly Capacity Assurance Report was submitted on March 19, 2014. A copy of the report was provided to the Board.

Residuals Discharge Monitoring Report (RDMR)

Mr. Rahimi reported that the December 2013 RDMR was submitted to NJDEP. All the River Road WWTP parameters were compliant with the Authority's Air Permit requirements.

Mr. Rahimi indicated that staff is currently preparing the January RDMR.

Mr. Rahimi reported that the annual River Road Residuals Waste Characterization Report was submitted online to the NJDEP. This report summarizes the quantity of sludge removed from the River Road facility for the calendar year 2013.

Mr. Rahimi noted that the River Road 2013 Annual Residuals Waste Characterization Report was submitted online to the NJDEP. This report covers organics and metals testing of SBRSA's sludge.

Air Reporting

Mr. Rahimi reported that the Incinerator #1 stack test was completed on February 26, 2014 on OS1 (Incinerator #1 with the afterburner) for Subpart O particulates and OS27 (Incinerator #1 with the RTO) for sulfur dioxide.

Mr. Rahimi indicated that a revised 4th quarter 2014 EEMPR report was submitted for Incinerator #2 operating with RTO (OS28). This report included four hours of CO monitor downtime not reported on the original report. There is no violation associated with this revised report.

Laboratory

Mr. Rahimi reported that the NJDEP 2014 Proficiency Testing (PT) samples were received on March 12, 2014. The close date for the study is April 24, 2014.

Mr. Rahimi noted that the NJDEP Office of Quality Assurance laboratory audit that was scheduled for March 25, 2014 has been rescheduled for April 22, 2014.

Miscellaneous

Mr. Rahimi reported that the Incinerator Slag Disposal annual recertification was submitted to Waste Management of Pennsylvania on February 21, 2014 and was approved on the same day.

Mr. Rahimi indicated that the annual I/I Progress Report was submitted to NJDEP on March 4, 2014.

507.07 Safety

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

Mr. Irizarry indicated that on March 5, 2014 an employee suffered a minor chemical burn to the knee. A copy of the accident investigation report was provided to the Board.

Mr. Irizarry noted that as of February 28, 2014, Stony Brook Regional Sewerage Authority has gone 905 consecutive days without a "Loss Time Accident". A picture of the digital scoreboard that counts the number of days was provided to the Board.

Mr. Irizarry reported that staff received an award certificate from the Joint Insurance Fund (JIF). This award acknowledges SBRSA for going two consecutive years without a lost time accident or injury. A copy of the award certificate was provided to the Board.

Mr. Irizarry indicated that on March 12, 2014 the Safety Committee met for its quarterly safety meeting. A copy of the meeting minutes were provided to the Board.

Training for this reporting period included:

- Ladder Safety training was provided in-house on February 26th and 27th and March 5th and 6th for twenty-four (24) employees.
- Lockout/Tag Out training was provided in-house on February 26th and 27th and March 5th and 6th for twenty-three (23) employees.
- Basic Electrical training was provided in-house on February 27th and March 5th and 6th for sixteen (16) employees.
- Hazard Communication with Global Harmonization training and Blood-Borne Pathogens training was provided in-house for SBRSA's new employee on March 3, 2014.
- Fall Protection Awareness training was provided in-house on March 19th and 20th for eighteen (18) employees.
- Confined Space Awareness training was provided in-house on March 19th for six (6) employees.
- Personal Protective Equipment training was provided in-house on March 20th for nine (9) employees.

Mr. Irizarry reported that staff received a quote from System Sales regarding the installation of equipment to meet the requirement of a fire alarm central monitoring system. A copy of the quote was provided to the Board. Due to the dollar amount of the quote, (\$37,800 for parts only or up to \$ 93,700 for parts and labor) the project will have to be publically bid.

Mr. Irizarry noted that on the table was a copy of an email staff received from the Princeton Fire Official. The Official indicated that due to the high cost of a central monitoring system he would like to inspect the buildings prior to SBRSA going out to bid.

507.08 Litigation

The Litigation Report was provided for information.

Mr. Maraziti indicated that there were no changes to the Litigation Report.

507.09 Operations Report

Mr. Ireland reported that the stack tests on Incinerator #1 were performed on February 25th and 26th. These tests were necessary due to the results of the stack tests performed in 2012. The first test for particulates was performed using Incinerator No. 1 with the afterburner.

On the second day, the rest of the testing was conducted with Incinerator No. 1 with the RTO for SO₂ removal. The preliminary results appear promising but staff is waiting for the final report

Mr. Ireland indicated that an upgrade was made to the sodium hypochlorite feed system at the Pennington Facility. This upgrade was done by installing a dual basket strainer on the suction side of the feed pumps. This will help eliminate the many clogs that were experienced in the small feed tubing used with the peristaltic pumps. A strainer was also installed at the Hopewell Facility last year which virtually eliminated the clogging problems.

Mr. Ireland reported that the thickener scumwell, which is the Authority's largest and main scumwell, developed a major clog in the 6" decant line. Staff tried many methods over the years to unclog it as well as jetting the line but could not break the clog. The well was decanted via a trash pump. A vacuum truck was used to empty the large accumulation of rag material and grease. At the bottom of the scumwell, staff found several pieces of the steel mixing baffle which had corroded and fallen off, laying over the 6" decant discharge pipe. All these small sections of baffle were removed and much of the remaining baffles were cut off the wall in an effort to prevent this from happening again. The scumwell is back in service.

Mr. Kantorek noted that the vacuum truck was provided by PSOC.

Mr. Ireland reported that the grit system at the new headworks building is now running in the automatic mode. The system is removing a fair amount of grit and should do considerably better when the VFD's are received and installed on the grit chamber blowers and grit classifier screws. Air flow meters are going to be installed on the blower air lines to help regulate the volume of air needed for the grit roll as well as the grit removal lift which is critical to the entire grit removal operation.

Odor Report

Staff received no Odor Complaints from our surrounding area during the month of February. No odor complaints were received for the partial month of March.

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 February. Mr. Ireland noted that SBRSA is still receiving sludge from Bayshore Regional Sewerage Authority.

507.10 Maintenance Report

Mr. Cespedes reported that on February 5, 2014 Thickener #1 was taken out of service for the second time because the new Drive Unit that was installed several months ago continues to fail. The manufacturer (Envirodyne) was onsite March 10, 2014 to inspect the unit. After the inspection it was determined that the motor and the shaft sleeve needed to be

replaced. This work will be completed under warranty in late March or early April as soon as the parts arrive.

Mr. Cespedes indicated that on February 18, 2014 a new sump pump and control cabinet were installed in the Polymer containment area to replace the equipment damaged during the fire in January. The pump was installed with a high level float and audible alarm. The control panel is equipped with a momentary switch that will only allow the pump to be operated when the switch is physically pressed. This will eliminate the possibility of the pump being left on.

Mr. Cespedes reported that on February 21, 2014, Seal Water Pump #1 was replaced with a new pump at the Millstone Pump Station. The pump was damaged from running on two phases during the last power outage. The pump has been tested and placed back in service.

Mr. Cespedes indicated that the mechanical seal on Return Sludge Pump #1 at the Pennington Plant was rebuilt on March 5, 2014, and reinstalled. The pump was leaking creating a slip hazard. The pump has been tested and is ready for service.

Mr. Cespedes reported that on March 12, 2014, the water jacket for the Princeton Pump Station Generator was replaced due to a leak. The repair was performed by Power Pool Plus Inc. which is the service provider for our diesel engine generators.

The number of open work requests stand at nine (9). The Preventive Maintenance graphs show that SBRSA is currently averaging six (6) days overdue and the number of overdue units is approximately fifty-seven (57).

507.11 Construction Report

Incinerator Improvements

Ms. Pchola reported that staff provided CBE with all cost data available for work conducted on the incinerators. CBE is in the process of reviewing that data. All indication is that the Authority will still be under the definition of an “existing” unit and therefore will only be subject to the MMMM regulations.

Ms. Pchola indicated that CBE continues with the evaluation of the scrubber system for the incinerators. CBE was on-site on March 17th to take field measurements to determine the space available for the VenturiPak Scrubber. They are also waiting for additional information from a vendor relative to modifying the existing scrubber units. It is expected that a draft preliminary report will be submitted to SBRSA by the end of April or early May.

Contract 14-1, Facilities Emergency Generator Project

Ms. Pchola reported that staff electronically submitted the application for the New Jersey Environmental Infrastructure Trust on February 28, 2014 which included the design report and draft plans and specifications. Kleinfelder submitted the Contract Documents and

Engineer's Report to NJDEP on March 7, 2014. The contract documents submitted are approximately 60% complete. AECOM and Kleinfelder continue with the development of the final set of plans and specifications for the project.

Ms. Pchola indicated that staff is continuing to complete the application for the New Jersey Hazard Mitigation Grant Program. The application deadline has been extended from March 21st to April 4th.

Contact 14-4, Pump Station Comminutor Project

Ms. Pchola reported that Kleinfelder continues with the work on the comminutor design project and was onsite the week of March 10th to verify the dimensions at the pump station.

Contract 14-3 Incinerator Bypass Stack Damper Replacement

Ms. Pchola reported that the Engineering staff has completed the draft plans and the specifications for this project which are currently under review. It is anticipated that this project will be advertised on March 25th with bids received on April 23, 2014.

Contract 10-1, Headworks Project

Ms. Pchola reported that as of Pay Estimate No. 36 this project is 99% complete. During the month of February 2014, Tomar continued with the completion of items listed on the preliminary punch list and outside site work as weather permitted. The Dumpster-Veyor system was placed into service and training on the new equipment completed.

Ms. Pchola explained that Walker Process provided additional information on the blowers for the grit removal tanks to confirm that the blowers will function properly with VFD's installed and operating at reduced speeds. Kleinfelder reviewed the data and confirmed that the blowers will operate properly at the lower speeds and that SBRSA should be able to gain sufficient control over the grit removal system. Discussions are underway with the manufacturer to procure the VFD's and SBRSA is determining the best location for the new VFD's.

Ms. Pchola indicated that there is \$2,070 remaining in the Construction Services Contract with Kleinfelder. Kleinfelder has submitted an Amendment No. 2 request in the amount of \$54,237 to complete the construction services portion of the Headworks Project. A copy of Amendment No 2 request was provided to the Board. Ms. Pchola indicated that Mr. Bradley from Kleinfelder was at the Construction Committee meeting to review Amendment No. 2 and to answer any questions.

Ms. Pchola indicated that part of this amendment request is for the work that Kleinfelder performed to: (1) Evaluate the mini-pile option proposed by Tomar for the Headworks Building (in lieu of removing the landfill material) and (2) the effort related to identifying, evaluating, and gaining approval of the Burlington County Landfill as a lower cost landfill material disposal option. The cost to conduct this work was \$24,463. Staff presented Change Oder No. 11 for Contract 10-1 at the June 24, 2013 Board meeting in the credit

amount of \$24,463 which was applied as a credit to the Tomar construction contract. Kleinfelder has not been reimbursed for this work by SBRSA. The remaining request is for shop drawing review, change order assistance and clarifications and interpretations.

Dr. Downey indicated that Amendment No. 2 was discussed at length at the Construction Committee meeting and it is the recommendation of the Construction Committee to approve Resolution 2014-20. Dr. Downey noted that this amendment is for work Kleinfelder performed. The Authority did receive credit through the construction project through a change order from Tomar approximately one year ago. Dr. Downey noted that there were many shop submittals that Kleinfelder reviewed for this project.

Resolution 2014-20 was moved by Dr. Downey and seconded by Mr. Goldfarb. Mr. Goldfarb expanded on Dr. Downey's comments indicating that Amendment No. 2 is actually costing SBRSA a net amount of approximately \$30,000 based on the earlier change order from Tomar. Resolution 2014-20 was then approved by a roll call vote of 4 to 0. Mr. Morehouse abstained. Resolution 2014-20 follows.

Resolution Authorizing the Award of Amendment No. 2 to the Agreement for Services During Construction for the Headworks Facilities Project to Kleinfelder

Resolution No. 2014-20

WHEREAS, Stony Brook Regional Sewerage Authority (SBRSA) has a current agreement with Kleinfelder (formerly Omni Environmental) to provide services during construction for the River Road Wastewater Treatment Plant Headworks Facility Project in the amended amount of \$643,775; and

WHEREAS, Kleinfelder will exceed their amended budget amount; and

WHEREAS, Tomar Construction is eighteen (18) months beyond the initial contact construction completion date; and

WHEREAS, SBRSA has the need for Kleinfelder to continue with the support services during construction for the Headworks Facilities; and

WHEREAS, Kleinfelder has prepared Amendment No. 2 dated March 20, 2014 for the work to complete the project; and

WHEREAS, the cost of this work is \$54,237 as indicated in the detailed supporting documentation dated March 20, 2014; and

WHEREAS, the amended time charge contract amount is \$698,012; and

WHEREAS, the Stony Brook Regional Sewerage Authority intends to fund this amendment request from the New Jersey Environmental Infrastructure Trust (NJEIT) remaining funds.

NOW THEREFORE, BE IT RESOLVED that the Board of the Stony Brook Regional Sewerage Authority authorizes Amendment No. 2 to Kleinfelder in the amount of \$54,237 for Services during Construction for the River Road Wastewater Treatment Plant Headworks Facility Project as described herein.

Recorded Vote:

	<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

Contract 12-2, Facilities Painting Project

Ms. Pchola reported that the final payment was processed at the February Board meeting and this project is now 100% complete.

Contract 13-2 RRWWTP (Sodium Hypochlorite) Chemical Storage Tank Replacement Project

Ms. Pchola reported that all punch list items and Change Order No. 1 work has been satisfactorily completed. The one year maintenance bond has been received and the final payment application has been submitted for approval.

Contract 13-3 Pennington WWTP Return Sludge Pump Replacement Project

Ms. Pchola reported that all punch list items have been completed. The one year maintenance bond has been received and the final payment application has been submitted for approval.

Contract 13-4, Belt Filter Press Platform Project

Ms. Pchola indicated that as of Pay Estimate No. 2 this project is 22% complete. On March 14, 2014 SBRSA staff received an email from the Contractor indicating that the components for the new platforms should be available for installation in early April. Winter weather and backordered structural members have delayed the fabrication of the components for the new platforms.

Contract 14-2 River Road STP Scum Mixer Replacement

Ms. Pchola reported that a pre-construction meeting with the contractor (Derstine Co.) was held on March 21, 2104.

507.12 Finance Report

Payment of Bills and Claims

Mr. Morehouse moved the approval of Resolution 2014-14, for the payment of bills and claims in the amount of \$1,384,157.16 with two signatures instead of three, seconded by Dr. Downey and passed by a roll call vote of 5 to 0. Resolution 2014-03 follows.

Resolution Regarding Payment of Bills and Claims

Resolution No. 2014-14

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

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

NOW, THEREFORE, BE IT RESOLVED by Stony Brook Regional Sewerage Authority that these claims in the total amount of \$1,384,157.16 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 three-month period ending February 28, 2014 is \$281,454. This represents an increase of \$187,239 over the prior month. This increase is attributed to additional revenue of approximately \$34,000 and \$152,000 reduction in expenditures in chemical costs, operation supplies and outside repairs. The Authority has total cash and investments of \$19,470,814 at an average interest rate of 0.13%. The current construction projects balance is \$13,189,374. Mr. Neuhof noted there are sufficient funds for these projects. The outstanding bond principal totals \$23,069,127. Mr. Neuhof noted that principal payments of \$119,219 were made in February. The New Jersey Cash Management Fund yield is 0.06%.

Resolution 2014-13, Award of a "No Political Contributions Allowed" Contract for Bond Counsel Services

Mr. Neuhof explained that staff received a professional services agreement from Hawkins, Delafield & Wood LLP for the 2015 New Jersey Environmental Infrastructure Trust

(NJEIT) financing for the Emergency Generator project. The agreement fee is \$32,500 plus out of pocket expenses.

Mr. Neuhof recommended approval of Resolution 2014-13, awarding a “No Political Contributions Allowed” contract to Hawkins, Delefield and Wood, LLP in the amount of \$32,500. Mr. Morehouse moved the resolution and it was seconded by Dr. Downey.

Mr. Goldfarb asked what selection process the Authority used for choosing a bond counsel. Mr. Neuhof explained that the Authority has used Hawkins, Delafield & Wood, LLP for several issues and their work has been satisfactory. Mr. Goldfarb indicated that the Authority should obtain RFPs for Bond Counsel Services. Mr. Neuhof explained that the Authority has used other bond counsels in the past but Hawkins, Delafield provided very good service at very reasonable rates. Chairman Bartolini indicated that the Finance Committee periodically reviews the auditors, bond counsel and other professional service vendors and determines when these vendors need to be changed. Mr. Goldfarb noted that there may be other bond counsel firms that could provide good service at a lesser rate.

Resolution 2014-13 was passed by a roll call vote of 4 to 1. Mr. Goldfarb voted no. Resolution 2014-13 follows.

**Resolution Authorizing the Award of a No Political Contributions Allowed Contract
For Bond Counsel Services for
Services related to the 2015 New Jersey Environmental Infrastructure Trust Financing**

Resolution No. 2014-13

WHEREAS, the Stony Brook Regional Sewerage Authority has a need for Bond Counsel services related to the 2015 New Jersey Environmental Infrastructure Trust Financing as a 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 anticipated term of this contract is approximately one-year and may be extended as necessary as approved by the Stony Brook Regional Sewerage Authority; and

WHEREAS, Hawkins Delafield and Wood, LLP. has submitted a proposal dated February 25, 2014 indicating they will provide Bond Counsel services in regards to the NJEIT financing for a fee of \$32,500 plus out of pocket expenses.

WHEREAS, Hawkins Delafield and Wood, LLP has completed and submitted a Business Entity Disclosure Certification which certifies that Hawkins Delafield and Wood, 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 Hawkins Delafield and Wood, LLP from making any reportable contributions through the term of the contract, and

NOW THEREFORE, BE IT RESOLVED that the Board of the Stony Brook Regional Sewerage Authority authorizes the Secretary to enter into a contract with Hawkins Delafield and Wood, 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.

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 2014-15, Specifying Proprietary Replacement Parts for the Schwing Pumps

Mr. Neuhof explained the Resolution 2014-15 allows for a proprietary bid for Schwing Pump Replacement parts. Schwing Bioset is the only manufacturer of Schwing parts for the Authority’s Schwing Pumps and the parts are “specialized in nature”. Mr. Neuhof noted that the Authority has specified proprietary replacement parts for the Schwing Pump bid for the past several years. The law requires that a resolution for proprietary parts is passed and included in the bid.

Mr. Neuhof recommended approval of Resolution 2014-15, Specifying Proprietary Replacement Parts for the Schwing Pump bid. So moved by Dr. Downey, seconded by Mr. Morehouse and passed by a roll call vote of 5 to 0. Resolution 2014-15 follows.

**RESOLUTION OF THE STONY BROOK REGIONAL SEWERAGE AUTHORITY
FOR SPECIFYING PROPRIETARY REPLACEMENT PARTS FOR THE
SCHWING PUMPS**

Resolution No. 2014-15

WHEREAS, the Stony Brook Regional Sewerage Authority (“Authority”) has determined that its existing Schwing Pumps will require parts replacement; and

WHEREAS, to the Authority’s knowledge, there are no manufacturers other than Schwing Bioset that fabricates parts that are fully compatible with Schwing Pumps; and

WHEREAS, to the Authority’s knowledge, the only parts that may be authorized for use in the Authority’s Schwing Pumps are manufacturer-specified parts; and

WHEREAS, it is the Authority’s experience that manufacturer-specified Schwing Pump parts have superior operational performance due to their reliability and compatibility with Schwing Pumps; and

WHEREAS, the Authority has determined that Schwing Bioset - manufactured parts are of a “specialized nature” because of their unique ability to reliably convey thickened sludge through Schwing Pumps; and

WHEREAS, the Authority has a compelling need to specify the same manufacturer for its spare parts as the Original Equipment Manufacturer; and

WHEREAS, as authorized by N.J.S.A. 40A:11-13(d) and N.J.A.C. 5:34-9.1(a) 1.i and 2.i, the proprietary designation of Schwing Bioset-manufactured parts overshadows the public benefit of use of “brand name or equivalent”; and

WHEREAS, the Authority’s attorney has reviewed the proposed certification for the specialized nature of the proprietary equipment necessary for the conduct of SBRSA’s affairs and has advised of its applicability and acceptability pursuant to N.J.S.A. 40A:11-13(d) and N.J.A.C. 5:34-9.1;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF STONY BROOK REGIONAL SEWERAGE AUTHORITY AS FOLLOWS:

1. That the Authority agrees that due to the specialized nature of the equipment necessary for the conduct of its affairs, the only acceptable manufacturer for its Schwing Pump replacement parts is the manufacturer of the equipment, Schwing Bioset of Somerset, Wisconsin.
2. Funds are available for the purchase of spare parts.
3. This resolution for proprietary equipment shall be made part of the bid documents.

<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 Goldfarb	X			
C. Schuyler Morehouse	X			
Bharat Patel				X

Resolution 2014-16, Authorizing the Award of a “No Political Contributions Allowed” Contract(s) for Non-Professional Service Vendors

Mr. Neuhof explained that Resolution 2014-16, authorizes a “No Political Contributions Allowed” Contract(s) for Non-Professional Service Vendors. Mr. Neuhof noted that these are vendors who the Authority does business with and will likely exceed \$17,500 in

purchases but not more than \$36,000. Mr. Neuhof explained that there are eight (8) vendors to be approved; and as required by law, each vendor has submitted a Business Entity Disclosure Certification.

Mr. Neuhof recommended approval of Resolution 2014-16. So moved by Mr. Morehouse, seconded by Dr. Downey and passed by a roll call vote of 5 to 0.

**Resolution Authorizing the Award of a “No Political Contributions Allowed”
Contract(s) for
Non-Professional Service Vendors**

Resolution No. 2014-16

WHEREAS, the Stony Brook Regional Sewerage Authority has a need to acquire goods or services as a no political contribution 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 each contract (by purchase orders) will likely exceed \$17,500; and,

WHEREAS, the anticipated term of this contract is for fiscal year 2014 (1 year) and may be extended as approved by this governing body; and,

WHEREAS, the attached list of vendors has completed and submitted a Business Entity Disclosure Certification which certifies that each 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 (attached list of vendors) from making any reportable contributions through the term of the contract; and,

WHEREAS, the Authority has Funds available in its current budget.

NOW THEREFORE, BE IT RESOLVED that the Stony Brook Regional Sewerage Authority authorizes the attached list of vendors to enter into contracts by purchase order; 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

Year 2014 No Political Contribution Contracts:	
Company Name	Service
Hesco Electric Supply	Electrical Supplies
Highlands Turbine	Generator Maintenance & Repair
Hough Petroleum Corp.	Petroleum
Lincoln Supply L.L.C.	Supplies
Lockwood's Electric Motor Service, Inc.	Motors
Mack Industries, Inc.	Parts for HVAC & Incinerator
Marshall Industrial Technologies	Welding & Fabricating
Miracle Chemical Co.	Chemicals

Resolution 2014-17, Delegating Authority to the Executive Director to Award or Reject an Aggregation Group Electricity Bid Contract

Mr. Neuhof reported that the Authority belongs to an Aggregation Group for the supply of Electricity. Mr. Neuhof indicated that there are twelve (12) Authorities in the group. The bid opening is being held on April 8, 2014 well in advance of the April Board meeting. Mr. Neuhof explained that this resolution is needed due to the volatility of energy prices, and because bidders are reluctant to hold their bid prices for more than a few hours.

Mr. Kantorek explained that the group will be bidding for the supply of electricity for six months, 12 months, 18 months and 24 months for full fixed prices as well as prices that are 50% fixed and 50% floating. It is necessary to go out to bid since the current contract is expiring in May 2014.

Mr. Goldfarb asked if this process is analogous to a state contract and is it recognized. Mr. Kantorek indicated that several years ago the supply of electricity was deregulated and this allowed public entities to form aggregation groups to bid for electricity. The logic is that by having a larger number of Authorities seeking prices with similar load profiles we would attract more bidders and obtain better prices compared to a single Authority going out to bid.

Mr. Maraziti, Counsel for the Authority, indicated that his firm has several clients that employ the same practice.

Mr. Neuhof recommended approval of Resolution 2014-17, Delegating Authority to the Executive Director to Award or Reject an Aggregation Electricity Supply Bid Contract. So moved by Dr. Downey, seconded by Mr. Compton and passed by a roll call vote of 5 to 0. Resolution 2014-17 follows.

**Resolution Delegating Authority to the Executive Director to
Award or Reject an Aggregation Group Electricity Bid Contract**

Resolution No. 2014-17

WHEREAS, the existing Aggregation Group's electric generation supply contract with PPL Inc. will expire upon the first meter read date in May, 2014; and

WHEREAS, the Aggregation group's (New Jersey Sewerage and Municipal Utility Authority Electrical Supply Aggregation, or "NJSMUAESA") intent is to bid electricity supply in advance to take advantage of desirable market conditions; and

WHEREAS, the Stony Brook Regional Sewerage Authority is an active member of the NJSMUAESA group; and

WHEREAS, the Aggregation group's intent is to receive bid price submittals on or about April 8, 2014; and

WHEREAS, due to the fact that the electricity market is highly volatile and bid prices are not guaranteed after 3:00 p.m., the award or rejection of bid(s) must be made on the Authority's behalf by its designated representative.

NOW, THEREFORE, BE IT RESOLVED by The Stony Brook Regional Sewerage Authority that it hereby authorizes the Authority's Executive Director, to act in his sole discretion as the Authority's designated representative to award or reject an electricity bid in conjunction with the Aggregation Group.

BE IT FURTHER RESOLVED that notwithstanding the foregoing, the Authority's Executive Director, may reject any bid, including, if necessary, all bids (and not award a contract), provided that such rejection is in accordance with the provisions of the Local Public Contracts Law, N.J.S.A. 40A:11-1 et seq.

<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 Goldfarb	X			
C. Schuyler Morehouse	X			
Bharat Patel				X

Resolution 2014-18, Certifying Member Review of the 2013 Audit

Mr. Neuhof reported that the Finance Committee met in March to review in detail the 2013 Audit Report. The Committee accepted the audit as is and recommended it for the March 24th agenda.

Mr. Neuhof noted that Ms. Crystal Fitzpatrick from WithumSmith+Brown, PC was present tonight to review the 2013 Audit.

Ms. Fitzpatrick noted that Hutchins, Meyer & DeLieto, PA merged with WithumSmith+Brown, PC on January 16, 2014. The Audit Report explains the merger. Ms. Fitzpatrick also thanked staff for their help and cooperation while conducting the audit.

Ms. Fitzpatrick began by reviewing the Independent Auditor's Report. Ms. Fitzpatrick explained that this report is a summary of the results of the audit procedures. Ms. Fitzpatrick reviewed the Financial Statements. The Authority received an unmodified audit which is the best rating for an audit. Ms. Fitzpatrick noted that in the area of internal control over financial reporting there were no material weaknesses identified, no significant deficiencies identified and no noncompliance material to the financial statements.

Ms. Fitzpatrick explained that there were no material weaknesses identified and no significant deficiencies identified in the audit of the Federal and State Awards i.e., the New Jersey Environmental Infrastructure Trust funds (NJEIT).

Ms. Fitzpatrick indicated that there are no findings reported under Government Auditing Standards and no findings were reported in the OMB Circular A-133 and New Jersey OMB and no prior audit findings. Ms. Fitzpatrick noted that there were no comments or recommendations for the year ended November 30, 2013.

Ms. Fitzpatrick reviewed the Comparative Statements of Revenues, Expenses and Changes in Net Position for the years ended November 30, 2013 and 2012. Total Operating Revenues for 2013 were \$15.4 million compared to \$14.7 million in 2012. Most of the additional income is attributed to additional sludge cake from Bayshore Regional Sewerage Authority. Operating Expenses excluding depreciation was \$11.1 million compared to \$11.0 million in 2012. Depreciation was \$2.9 million compared to \$3.0 million in 2012 for an operating income of \$1.3 million compared to \$584,953 in 2012. Net income which includes non-operating revenues and expenses for 2013 was \$1,238,161 compared to \$437,801 in 2012. Ms. Fitzpatrick noted that interest income decreased as bonds and debts are paid and no new debt was issued in 2013.

Mr. Goldfarb noted that a new item in 2013 to Non-operating Revenues/Expenses was Post-Retirement Health benefits payable. Mr. Goldfarb questioned if these funds need to be segregated. Ms. Fitzpatrick indicated that the funds do not need to be segregated however, the funds are tracked separately. It is an accounting liability included in the liability section on the Statement of Net Position on page 10.

Mr. Goldfarb noted that the Authority has a significant balance in unrestricted funds. Mr. Goldfarb asked if compared to other Authorities you have audited is this amount unusually high. Ms. Fitzpatrick indicated that it is not excessive and in fact other authorities have a larger dollar amount in their unrestricted funds.

Ms. Fitzpatrick then reviewed the Statements of Net Position. Ms. Fitzpatrick explained that this is a snapshot of assets, liabilities and net position as of November 30, 2013 and shows the comparison of 2013 to November 30, 2012. Total current assets for 2013 were \$23.0 million compared to \$26.0 million in 2012. This is due to a decrease in NJEIT funds receivable which is now going into property and equipment in Capital Assets as these funds are spent on project costs. Total Current Liabilities for 2013 were \$3.1 million compared to \$4.9 million in 2012. Long-term Liabilities in 2013 were \$3.1 million compared to \$4.9 million in 2012. Total net position \$41.8 million in 2013 compared to \$40.5 million in 2012.

Mr. Goldfarb questioned if the Board can redesignate unrestricted funds at anytime. Ms. Fitzpatrick responded that they can be redesignated. A discussion followed.

Mr. Neuhof recommended approval of Resolution 2014-18, Certifying Member Review of the 2013 Audit. Mr. Neuhof indicated that there is the Local Group Affidavit Form which needs to be signed by each Board member.

So moved by Mr. Morehouse, seconded by Dr. Downey. Mr. Morehouse noted that the Finance Committee met at length to review the 2013 Audit and had no recommendations to make to staff. The resolution was then passed by a roll call vote of 5 to 0. Resolution 2014-18 follows.

RESOLUTION
Certifying Member Review of the 2013 Audit

Resolution No. 2014-18

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

WHEREAS, the annual report for the fiscal year ended **November 30, 2013** has been completed and will be filed with the State of New Jersey, Division of Local Government Services, Department of Community Affairs, Bureau of Authority Regulation, Local Finance Board pursuant to N.J.S.A. 40A:5A-15, and

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

NOW, THEREFORE, BE IT RESOLVED that the governing body of the **Stony Brook Regional Sewerage Authority** hereby certifies to the Local Finance Board of the State of New Jersey that each governing body member has personally reviewed the annual audit report for the fiscal year ended **November 30, 2013**, and specifically has reviewed the sections of the audit report entitled “General Comments” and “Recommendations”, and has evidenced same by group affidavit in the form prescribed by the Local Finance Board.

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

I HEREBY CERTIFY THAT THIS IS A TRUE AND ACCURATE COPY OF THE RESOLUTION PASSED AT THE MEETING OF THE STONY BROOK REGIONAL SEWERAGE AUTHORITY HELD ON MARCH 24, 2014.

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

Monthly Sludge Business Analysis

Mr. Neuhof reported that net income for the month of February is \$135,589 and the cumulative net income is \$405,354. Gas usage for the month of was 93,840 therms. The remaining simple payback for the RTO project is 2.8 years.

Mr. Morehouse commended staff on a job well done.

507.13 Personnel Report

The Personnel Report was provided for member information.

Mr. Kantorek indicated that the Authority has hired one new Operator VI and one Operator II was promoted to an Operator I.

507.14 Correspondence

For information

507.15 Old Business

None.

507.16 New Business

Resolution 2014-19, Authorizing the Award of the Contract for the River Road STP Incinerator De-slagging and Cleanout

Mr. Ireland reported that sealed bids were received on March 18, 2014 for the River Road STP deslagging and cleanout. Two bids were received. The results are as follows:

	<u>12-Month</u>	<u>24-Month</u>
Industrial Furnace Company, Inc.	\$13,900.00/unit	\$13,900.00/unit
Total	<u>\$27,800.00</u>	<u>\$27,800.00</u>
		\$14,950.00/unit
Total		<u>\$29, 900.00</u>
		<u>2 Year Total</u>
		<u>\$57,700.00</u>
Albertus Energy Inc.	\$14,900.00/unit	\$14,900.00/unit
Total	\$29,800.00	<u>\$28,800.00</u>
		\$15,500.00/unit
		<u>\$31,000.00</u>
		<u>2Year Total</u>
		<u>\$60,800.00</u>

Mr. Ireland indicated that the last contract was awarded to Industrial Furnace Company Inc. as one year contract. The one-year contract was for \$10,700/unit for a total price of \$21,400.

Staff recommended approval of a two-year contract in the amount of \$57,700 be awarded to Industrial Furnace Company Inc. So moved by Dr. Downey, seconded by Mr. Goldfarb and passed by a roll call vote of 5 to 0. Resolution 2014-19 follows.

**Resolution Authorizing the Award of the Contract RIVER ROAD STP
INCINERATOR DE-SLAGGING AND CLEANOUT**

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 River Road STP Incinerator De-slagging and Cleanout of the Authority’s incinerators; and

WHEREAS, the following sealed competitive bids were received by the Authority on March 18, 2014 as more fully set forth as follows:

	<u>12-Month</u>	<u>24-Month</u>
Industrial Furnace Company, Inc.	\$13,900.00/unit	\$13,900.00/unit
Total	<u>\$27,800.00</u>	<u>\$27,800.00</u>
		\$14,950.00/unit
Total		<u>\$29, 900.00</u>
		<u>2 Year Total</u>
		<u>\$57,700.00</u>
Albertus Energy Inc.	\$14,900.00/unit	\$14,900.00/unit
Total	\$29,800.00	<u>\$28,800.00</u>
		\$15,500.00/unit
		<u>\$31,000.00</u>
		<u>2Year Total</u>
		<u>\$60,800.00</u>

and

WHEREAS, the Authority has determined that the bid of Industrial Furnace Company Inc. is the lowest two year bid in the amount of \$57,700.00; and

WHEREAS, the bid has been reviewed by the Authority and has been determined to be in compliance with the bid specifications in accordance with the Local Public Contracts Law NJSA 40A:11-1 et seq; 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 awards a twenty four (24) month contract to Industrial Furnace Company, Inc., the lowest responsive bidder for the De-slugging and Cleanout of the Authority's incinerators.

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

Recorded Vote:

	<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

507.17 Open to the Public

None.

507.18 And such other issues as may come before the Board

None.

507.19 Adjournment

As there was no further business to come before the Board, the meeting was adjourned at 8:35 p.m. on a motion by Mr. Morehouse, seconded by Dr. Downey and passed by unanimous vote.

Respectfully Submitted,

John Kantorek
Secretary

Written by
Patricia Carlino
March 28, 2014