

Minutes of Meeting #544, May 1, 2017 – Stony Brook Regional Sewerage Authority

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

MEMBERS PRESENT: Bartolini, Downey, Morehouse, Patel

MEMBERS ABSENT: Compton, Goldfarb

CONSULTANTS: Alexander, Beinfield, Warner

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

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

544.02 Approval of Minutes

The minutes from the March 27, 2017 Board meeting were approved as presented on a motion by Dr. Downey, seconded by Mr. Patel and passed by a vote of 4 to 0.

544.03 Board Related Activities

Mr. Kantorek stated that two consultants are present at tonight's meeting. Mr. Mark Warner, Gabel Associates, and Mr. Robert Beinfield from Hawkins, Delafield & Wood LLP. Mr. Warner will discuss the Princeton Solar Project Assignment and Mr. Beinfield will discuss the funding for the Dewatered Sludge Handling Pump Replacement Project. Resolutions pertaining to these projects will be moved to the Board Related Activities section of the meeting and once completed, we will return to the regular agenda.

Resolution 2017-25, Authorizing the Execution of an Assignment and Assumption Consent Agreement and an Estoppel Certificate in Connection with the Assignment of the Solar Lease Agreement by and Between Princeton, Stony Brook Regional Sewerage Authority and Geopeak Energy

Mr. Kantorek explained that two documents are being presented for SBRSA to execute. Basically, Geopeak is selling their rights on the solar field project to NJR. For that transaction to occur, the Authority needs to sign off on the Assignment and Assumption of the Power Purchase Agreement (PPA) and the Estoppel Certificate.

Mr. Mark Warner, Vice President, Gabel Associates provided background information. Mr. Warner indicated that Gabel Associates is the consulting firm working with both the

Authority and Princeton on the development of the Solar Project agreement. The transaction tonight is a legal transaction. Mr. Ryan Scerbo, Esq. Decotiis Fitzpatrick & Cole, LLP, was scheduled to attend tonight's meeting, however, a scheduling conflict prohibited him from attending but he had reviewed the transaction with Mr. Kantorek and Ms. Alexander, Counsel for the Authority.

Mr. Warner explained that the Resolution being presented tonight includes two components: an Assignment and Assumption to the existing PPA Agreement and the Estoppel Certificate.

Mr. Warner indicated that there was a problem with a date related to the completion of maintenance work on the landfill cap by Princeton. Princeton was obligated to perform maintenance work on the landfill cap which needed to be completed prior to any construction work to begin. For various reasons this work took longer to complete than originally anticipated. Therefore, one change being made is the completion date of Princeton's landfill cap work to the end of April. This work has now been completed.

Mr. Warner stated that Princeton already approved their Resolution in April. The amendment now corrects the completion date of the work performed by Princeton. Construction work is now ready to commence on this project. Mr. Warner noted that the site is fully permitted, the design work has been completed and a construction meeting was held on site the week of April 24, 2017.

Mr. Warner stated the second item being addressed tonight is an assignment of the overall agreement from Geopeak, who was the primary awardee under the original process, to NJR. NJR is a subsidiary of New Jersey Natural Gas. NJR is a development company that purchases renewable energy projects that are in mature stages of development, and manages the projects long term. Although they are a subsidiary of a regulated utility, they themselves are not regulated. NJR's business model is based on long term ownership of renewable energy projects.

Mr. Warner explained that the assignment of ownership is allowed under the original agreement and Geopeak is exercising their rights under that agreement. The plan is that once construction is completed, the Authority's long term relationship will be with NJR rather than Geopeak. The original General Contractor, Miller Brothers, will remain the General Contractor under NJR.

Mr. Warner stated that there are no material changes in the PPA rate, only an assignment of ownership and a correction to the date of completion for maintenance work on the landfill cap performed by Princeton.

Mr. Warner explained that the Estoppel Agreement is a standard Estoppel Agreement. The Agreement is a summary of currently known conditions of the project. There are no defaults or major issues with the project.

Following a brief question and answer period, Resolution 2017-25, Authorizing the Execution of an Assignment and Assumption Consent Agreement in Connection with the Assignment of the Power Purchase Agreement by and between Princeton, Stony Brook Regional Sewerage Authority and Geopeak Energy was moved by Dr. Downey and seconded by Mr. Patel. Dr. Downey noted that on page one, paragraph 7, there was a date that was left blank. The date that will be inserted is July 25, 2016. The Resolution was then approved as amended by a roll call vote of 4 to 0. Resolution 2017-25 follows.

RESOLUTION OF THE BOARD OF STONY BROOK REGIONAL SEWERAGE AUTHORITY AUTHORIZING THE EXECUTION OF AN ASSIGNMENT AND ASSUMPTION CONSENT AGREEMENT AND AN ESTOPPEL CERTIFICATE IN CONNECTION WITH THE ASSIGNMENT OF THE POWER PURCHASE AGREEMENT AND THE SOLAR LEASE AGREEMENT BY AND BETWEEN PRINCETON, STONY BROOK REGIONAL SEWERAGE AUTHORITY AND GEOPEAK ENERGY

Resolution 2017-25

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

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

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

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

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

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

WHEREAS, via a Resolution dated July 25, 2016, the Board authorized the execution of Amendment No. 1 to the Power Purchase Agreement, dated August 17, 2016 which, among other things, provided Princeton with additional time to address the necessary landfill cap maintenance and revised the duties and obligations of the parties in the event of an assignment; and

WHEREAS, GeoPeak now desires to assign the Power Purchase Agreement, as amended, and the Lease Agreement to NJR Clean Energy Ventures II Corporation (“NJR”) pursuant to Section 13.1 of the Amended Power Purchase Agreement; and

WHEREAS, an assignment by GeoPeak requires the written approval of both Princeton and the Authority; and

WHEREAS, to effectuate the assignment by GeoPeak to NJR, GeoPeak has asked that Princeton and the Authority execute an Assignment and Assumption Consent Agreement attached hereto as **Exhibit A**, as well as an Estoppel Certificate attached hereto as **Exhibit B**;

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

1. The aforesaid recitals are incorporated herein as if set forth at length.
2. Contingent upon Princeton’s approval of the assignment of the Power Purchase Agreement, as amended, and the Lease Agreement to NJR Clean Energy Ventures II Corporation (“NJR”) pursuant to Section 13.1 of the Amended Power Purchase Agreement, and Princeton’s execution of the Assignment and Assumption Consent Agreement and the Estoppel Certificate, the Executive Director is hereby authorized and directed, on behalf of the Authority, subject to the advice and counsel of the Authority’s legal counsel, Princeton’s Special Energy Counsel and Princeton’s Energy Consultant, to execute the Assignment and Assumption Consent Agreement and the Estoppel Certificate in a form substantially similar to the forms attached hereto as **Exhibit A** and **Exhibit B** respectively, as well as any other ancillary documents necessary to effectuate the intent of this resolution.

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

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

<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 16-1 Schwing Pump Replacement Project

Ms. Pchola indicated that Addendum No. 2 was prepared by GHD. The addendum included an interim project completion bonus (\$2,000 per day) and a late interim completion compensatory damage clause (\$1,500 per day) for the installation of four (4) of the critical Schwing pumps and the receiving bin work. The language included in the contract documents was reviewed by our attorney. The addendum was approved by NJDEP on April 10, 2017 and the addendum was sent out via overnight mail to all the potential bidders on April 10, 2017; one addendum was picked up on April 11, 2107

Ms. Pchola noted that on April 20, 2017 bids for the Dewatered Sludge Handling Pump Replacement Project were opened and read aloud. Of the 21 potential bidders, 14 bids were received ranging in price from \$3,449,777 to \$4,717,000.

Ms. Pchola explained that the low bidder MBE Mark III Electric, Inc. provided all required documentation with their bid except for a signed American Iron and Steel Certification which is a requirement for projects funded by the New Jersey Environmental Infrastructure Financing Program (NJEIFP). The NJDEP project manager for this project indicated that this is something that could be submitted after the bid but prior to award of the contract. However, staff submitted the information to our attorney for review. Ms. Alexander reviewed the documents and determined that it was not a fatal error and that the bid could be awarded. The Resolution was revised by Ms. Alexander and was provided to the Board tonight.

Staff recommended award of Contract 16-1 Dewatered Sludge Handling Pump Replacement Project to MBE Mark III Electric, Inc. in the amount of \$3,449,777 contingent upon approval from NJDEP. So moved by Dr. Downey, seconded by Mr. Patel and passed by a roll call vote of 4 to 0. Resolution 2017-27 follows.

**Resolution Authorizing the Award of Contract 16-1
Dewatered Sludge Handling Pump Replacement Project to
MBE Mark III Electric, Inc.**

Resolution No. 2017-27

WHEREAS, the Stony Brook Regional Sewerage Authority (Authority) advertised for the receipt of sealed competitive bids in accordance with the requirements

of the Local Public Contracts Law, N.J.S.A. 40A:11-1 et seq. for the “Dewatered Sludge Handling Pump Replacement Project, Contract 16-1”; and

WHEREAS, sealed competitive bids were received by the Authority on April 20, 2017, as more fully set forth as attached; and

WHEREAS, the Authority has determined that the bid of MBE Mark III Electric, Inc. of Madison, New Jersey is the lowest bid in the amount of \$3,449,777; and

WHEREAS, it was determined that the apparent lowest bidder did not include an executed American Iron and Steel Certification with its bid submission; and

WHEREAS, the project is subject to the "American Iron and Steel (AIS)" requirement of P.L. 113-76, Consolidated Appropriation Act, 2014 (Act), section 436, which requires that all of the iron and steel used in the project be produced in the United States ("American Iron and Steel Requirement") including all iron and steel goods provided by the Bidder; and

WHEREAS, a certification acknowledging the American Iron and Steel Requirements of the Consolidated Appropriation Act is required to be submitted by the New Jersey Environmental Infrastructure Financing Program (NJEIFP); and

WHEREAS, based upon SBRSA attorney review, this omission (an unsigned American Iron and Steel Certificate) does not constitute a material defect that would render the bid non-responsive. To the extent that the bid of MBE Mark III Electric, Inc. contains immaterial defects, such defects can legally be waived in the Authority’s discretion; and

WHEREAS, MBE Mark III Electric, Inc. is bound by the American Iron and Steel Requirements of the Consolidated Appropriation Act and has forwarded an executed American Iron and Steel Certification acknowledging the same to the SBRSA; and

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

WHEREAS, the award of Contract 16-1 must be approved by the New Jersey Department of Environmental Protection as required by New Jersey Environmental Infrastructure Financing Program prior to Authority award; and

WHEREAS, the Authority has applied for, and Contract 16-1 will be funded through, the New Jersey Environmental Infrastructure Financing Program; and

NOW, THEREFORE, BE IT RESOLVED by the Stony Brook Regional Sewerage Authority, contingent upon receipt of Approval to Award by the New Jersey Department of Environmental Protection, that it exercises its discretion to waive non-material defects and hereby awards Contract 16-1 to MBE Mark III Electric, Inc., the lowest responsive bidder for the Dewatered Sludge Handling Pump Replacement Project, in the amount of \$3,449,777.

BE IT FUTHER RESOLVED that the Executive Director, staff and consultants are authorized to take all reasonable and necessary measures to ensure that all appropriate documents are provided to the SBRSA 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			

Resolution 2017-28, Authorizing the Issuance of Not to Exceed \$5,900,000 Subordinate Bonds (Sludge Pump Project)

Mr. Sears stated that Mr. Robert Beinfield, the Authority’s Bond Counsel, was present to answer any questions regarding Resolution 2017-28.

Mr. Beinfield indicated that Resolution 2017-28 is similar to other resolutions the Authority approved when borrowing funds from the New Jersey Environmental Infrastructure Financing Program (NJEIFP). Mr. Beinfield noted that NJEIFP is a remarkable means for borrowing. The term of the loan may be up to thirty (30) years; seventy-five (75) percent of the loan is at zero percent interest; and twenty-five (25) percent at market rates (AAA borrowing rates). Mr. Beinfield noted that in December the interest rate was at 3.5% for thirty (30) years and in May 2016 the interest rate was 2.5%.

Mr. Beinfield indicated that the loan is broken down into two components. First, the NJEIFP will authorize a line of credit while the project is being constructed. Once the project is completed, permanent financing is done. The goal is to finance the loan for the precise dollar amount of the project.

Mr. Beinfield asked if the Board had any questions.

Mr. Patel asked what the rate of interest is on the line of credit. Mr. Beinfield indicated that it is approximately 1/10th of 1%.

Mr. Morehouse asked if it would be more advantageous to use our own funds. Mr. Kantorek indicated that some projects are easier to finance through the NJEIFP program than others. For example, the NJEIFP would not fully fund the expansion portion of the

Pennington Treatment Plant project. That is the case when the Authority would utilize its own funds.

Mr. Morehouse asked that if the bid came in at \$3,449,777 why is the amount up to \$5,900,000? Ms. Pchola explained that the funding amount is not only for installation and equipment for the project but also for the planning and design work. The funds can only be used for this specific project.

A brief discussion followed regarding the early completion incentive for the project, since NJEIFP will not reimburse for those expenses.

Staff recommended approval of Resolution 2017-28, Authorizing the Issuance of Not to Exceed \$5,900,000 Subordinate Bonds (Sludge Pump Project) 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. So moved by Mr. Morehouse, seconded by Dr. Downey and passed by a roll call vote of 4 to 0. Resolution 2017-28 follows.

RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$5,900,000 SUBORDINATE BONDS (SLUDGE PUMP PROJECT) 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. 2017-28

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 2018 New Jersey Environmental Infrastructure Trust Financing Program or other similar 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 (Sludge Pump Project) (Series 2018A) to the State (the “State Loan Bond”) and Subordinate Bond (Sludge Pump Project) (Series 2018B) 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 acquisition, by purchase, and installation of seven (7) dewatered sludge pumps and the upgrade of two (2) receiving bins, 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 \$5,900,000.

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 \$5,900,000 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 4. 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 5. 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 \$5,900,000;
- (b) The maturity or maturities and annual or semi-annual principal installments of the Authority Subordinate Bonds, which maturity or maturities shall not exceed thirty (30) 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 seven per centum (7%) 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 2018, (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 and (3) combining the issuance of the Authority Subordinate Bonds with the issuance of other subordinate bonds of the Authority authorized or to be authorized to be issued for other purposes.

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 a note (the “Subordinate Note”) pursuant to the Trust’s Construction Loan Program. The Subordinate Note shall be substantially in the form required and traditionally used by the Trust (which form is available from the Trust). The execution and delivery of the Subordinate 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 under its Construction Loan Program and the terms and conditions of this resolution, the following items with respect to the Subordinate Note: (a) the aggregate principal amount of the Subordinate Note to be issued, which amount shall not exceed \$5,900,000; (b) the maturity of the Subordinate Note, which shall be no later than three (3) years after the date of issuance thereof or such longer period of time as may be permitted under the rules of the Trust’s Construction Loan Program; (c) the date of the Subordinate Note; (d) the interest rate or rates of the Subordinate Note (including different interest rates applicable to different drawdowns on the Subordinate Note), which shall not exceed three percent (3%) per annum; (e) the purchase price for the Subordinate Note; and (f) such other matters with respect to the Subordinate Note as may be necessary, desirable or convenient in connection with the sale, issuance and delivery thereof, without limitation (i) combining the issuance of the Subordinate Note with the issuance of other subordinate notes of the Authority authorized or to be authorized to be issued for other purposes and (ii) issuing the Subordinate Note in the form of multiple subordinate notes from time to time if the Project is funded in more than one installment by the Program. 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 Subordinate 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.

EXHIBIT A

Form of Fund Loan Bond

STONY BROOK REGIONAL SEWERAGE AUTHORITY
SUBORDINATE BOND (SLUDGE PUMP PROJECT) (SERIES 2018A)

No. RA-1

Principal Amount: \$ _____

Dated Date: _____, 2018

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 _____, 2018 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 May 1, 2017 and entitled: "Resolution Authorizing the Issuance of Not to Exceed \$5,900,000 Subordinate Bonds (Sludge Pump Project) 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

EXHIBIT B

Form of Trust Loan Bond

STONY BROOK REGIONAL SEWERAGE AUTHORITY
SUBORDINATE BOND (SLUDGE PUMP PROJECT) (SERIES 2018B)

No. RB-1

Principal Amount: \$ _____

Dated Date: _____, 2018

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 _____, 2018 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 2018[]” adopted by the Trust on _____, 2018, 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 May 1, 2017 and entitled: “Resolution Authorizing the Issuance of Not to Exceed \$5,900,000 Subordinate Bonds (Sludge Pump Project) 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 2018[]” adopted on _____, 2018, 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 \$5,900,000 Subordinate Bonds (Sludge Pump Project) 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 May 1, 2017; 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 5th day of May, 2017.

**STONY BROOK REGIONAL
SEWERAGE AUTHORITY**

By: /s/ John Kantorek
Secretary

<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			

Legal Opinion Regarding Imposition of Connection Fees

At the February Board meeting, the issue of connection fees was discussed. Specifically, does the Authority's Service Contract with its municipalities allow SBRSA to impose a connection fee. The Board requested Ms. Alexander, Counsel for the Authority, to provide an official opinion on this topic.

Ms. Alexander indicated that regional sewerage authorities are, by law, allowed to legally charge connection fees. However, SBRSA's Service Contract does not allow for the Authority to charge connection fees since SBRSA waived its rights to do so unless a participant was in default. In addition, the service agreement would need to be amended. To amend the Service Contract each and every participant would need to pass an Ordinance agreeing to the amendment. The entire process would need to be completed within a one-year period.

Following a lengthy discussion regarding connection fees, the consensus of the Board was not to pursue connection fees. Chairman Bartolini indicated that if any Board member wishes to discuss this with their municipality and they are in favor of SBRSA charging connections fees, they in turn would need to contact each of the other communities to discuss it.

Consultant List

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

544.04 Planning and Administration

Mr. Kantorek reported that the most current 12-month average daily River Road plant flow is 8,279,792 gpd with 851,727 gpd of approved but inoperative flow for a total committed flow of 9,131,519 gpd with 3,928,481 gpd or 30.08% of available capacity. The most current 12-month average daily flow at the Hopewell Plant is 201,231 gpd with 300 gpd of inoperative flow, for a total committed flow of 201,531 gpd with 32.82% or 98,469 gpd of available capacity. The Pennington Plant presently has 217,581 gpd as the most current 12-month average daily flow, with 31,398 gpd of approved but inoperative

flow, for a total committed flow of 248,979 gpd, with 17.01% or 51,021 gpd of available capacity.

Mr. Kantorek noted that we have been experiencing some wetter weather conditions. If we continue to receive rain, the 12-month average flows should begin to increase.

Monthly Flow Transmittal

Mr. Kantorek indicated that no adjustments were made for the month of March.

544.05 Approval Requests and Actions

TWA-1 Approvals

Prospect Avenue, Block 7701, Lots 46 & 47, Princeton

Ms. Pchola indicated that this project is for the extension of 210 linear feet of 8-inch diameter sanitary sewer. As discussed with the design engineer, this project includes the demolition of two (2) existing homes (one home was demolished in 2016) that are/were connected to the sanitary sewer, consolidation of two existing lots for subdivision into three lots, and provision of one new proposed home/connection.

1	single family home	300 gpd/unit	300 gpd
Total Flow			300 gpd

Ms. Pchola noted that the project has been approved by the Princeton Sewer Operating Committee (PSOC). The project has also received preliminary and final major subdivision and site plan approval from the Princeton Planning Board.

Staff recommended approval of this application for the requested flow of 300 gpd. So moved by Dr. Downey, seconded by Mr. Patel and passed by a vote of 4 to 0.

Heritage Shopping Center, Block 82 Lot 15.02, Route 1 and Stouts Lane South Brunswick Township

Ms. Pchola reported that this project is for the development of approximately 45 acres for the construction of a 73,915 square foot (sf) supermarket and 8,480 sf retail building, including the construction of 209 linear feet of 6-inch and 531 linear feet of 8-inch sanitary sewer.

73, 915 sf supermarket	0.10 gal/day/sf	7,392 gpd
8,480 sf retail space	0.10 gal/day/sf	848 gpd
Total Flow		8,240 gpd

Ms. Pchola explained that the project has been approved by the Township Engineer. The project has also received preliminary and final site plan approval from South Brunswick Township.

Staff recommended approval of this application for a flow rate of 8,240 gpd. So moved by Dr. Downey, seconded by Mr. Morehouse and passed by a vote of 4 to 0.

Time Extensions

None

NJPDES Applications

None.

Water Quality Management Plan Amendments

None.

Allocated Flow Update

300 gpd Hopewell Borough – Second Street Sewer Ext.
300 gpd West Windsor Township – Cedar Court Sewer Ext.

544.06 Regulatory Report

Discharge Monitoring Report (DMR)

Mr. Rahimi reported that the Discharge Monitoring Reports for the month of March 2017 were submitted to the NJDEP. No violations were reported.

Mr. Rahimi indicated that the quarterly Capacity Assurance Report was submitted to NJDEP on March 31, 2017. A copy of the report was provided to the Board.

Residuals Discharge Monitoring Report (RDMR)

Mr. Rahimi reported that the January 2017 RDMRs were submitted to NJDEP. All River Road parameters were compliant with the Authority's Air Permit requirements.

Mr. Rahimi indicated that the February 2017 RDMRs were submitted to the NJDEP.

Air Reporting

Mr. Rahimi noted that staff is currently reviewing the 1st quarter 2017 Excess Emissions and Monitoring Report. Incinerator No. 1 operating with the Afterburner (AB) (OS1) had 7.83 hours and Incinerator No. 2 operating with the Afterburner (AB) (OS3) had 1.08 hours of excess Oxygen emissions (Oxygen<3.0%). Carbon Monoxide (CO) concentrations during these periods were less than 100 ppmv at 7% Oxygen.

Mr. Rahimi indicated that the following affirmative defenses were submitted to NJDEP during this reporting period:

- On March 2, 2017 at 11:22 while operating Incinerator No. 2 with the RTO (OS28) we received an alarm for the Center Shaft Cooling Air Fan. At that time the fan shut down including all interlocks (sludge feed stopped and the incinerator burners shut off). Also at that time the valve that directs air flow to the RTO closed and the valve to the Afterburner opened. When the burners to the incinerator shut off there is an interlock that takes the RTO off-line (the valve to the RTO closes and the valve to the Afterburner opens) to protect the RTO from receiving non-combusted natural gas.

There was sludge combustion in the incinerator for six (6) minutes from 11:22 to 11:28 hours with the Afterburner temperature below 1500 deg. F (the temperature was between 1068 deg. F to 947 deg. F). Once one burner in Incinerator No. 2 was lit the valve to the Afterburner closed and the valve to the RTO opened (the valve to the RTO opened at 11:28 hours). The RTO temperature remained above 1500 deg. F during this incident. Sludge feed resumed at 13:33 hours.

- On March 26, 2017 at 23:33 hours while operating Incinerator No. 2 with the RTO (OS28) we experienced a commercial power brownout. The brownout caused all burners to the incinerator to shut off resulting in sludge feed to stop. When all burners shut off in the incinerator there is an interlock that takes the RTO off-line (valve to the RTO closes and the valve to the Afterburner opens) to protect the RTO from receiving non-combusted natural gas. There was sludge combustion (with no sludge feed) in the incinerator with the afterburner below 1500 deg. F for twelve (12) minutes from 23:33 to 23:45 hours. The valve to the Afterburner closed at 23:45 hours and the valve to the RTO opened at 23:45 hours. The temperature in the RTO remained above 1500 deg. F during this event. Sludge feed resumed at 23:52 hours.

Chairman Bartolini asked how many Affirmative Defenses has the Authority filed. Ms. Pchola indicated that there have been approximately forty-two (42) Affirmative Defenses. These are due to the new regulations and many caused by loss of commercial power.

A discussion followed regarding these defenses and what can the Authority do to resolve these issues. Ms. Alexander indicated that the Authority can ask for a permit modification.

Laboratory

Mr. Rahimi indicated that the NJDEP 2017 Proficiency Testing (PT) results were submitted to ERA by the deadline April 27, 2017.

Mr. Rahimi reported that the laboratory renewal certification applications for River Road, Hopewell and Pennington WWTPs were submitted to NJDEP on March 27, 2017.

Miscellaneous

Mr. Rahimi noted that the applications for National Association of Clean Water Agencies (NACWA) Peak Performance Awards for all three facilities were submitted on April 12, 2017.

544.07 Safety

Mr. Irizarry reported that there were no accidents or injuries for this reporting period.

Mr. Irizarry noted that as of April 17, 2017, Stony Brook Regional Sewerage Authority has gone 285 consecutive days without a “Lost Time Accident”.

Mr. Irizarry indicated that staff has coordinated with Traffic Plan and Princeton Police for traffic control during the Millstone force main project which began the week of April 24, 2017. That project has been completed.

Mr. Irizarry stated that the 2017 annual inspection of all Authority facilities took place April 26 through the 28, 2017. The Safety manager accompanied Kleinfelder during the inspection.

Mr. Irizarry indicated that the hoist located at the Sludge cake receiving building needs repairs. Staff is in the process of obtaining quotes. The hoist is primarily used for moving 55-gallon drums of oil and parts into the basement for the Schwing pumps.

Mr. Irizarry reported that the 2016 annual inspection report noted “priority 1” item stating that there is a crack running along the entire length of the ceiling down the block walls on either side at the liquid sludge odor control building. Staff has received a proposal for the repairs and will schedule the work to be completed.

Training for this reporting period included:

- Basic Electrical Awareness training for 4 employees was provided in-house on April 11, 2017.
- Ladder Safety training was provided in-house for 3 employees on April 11, 2017.
- Lock-out/tagout training was provided in-house for 6 employees on April 11, 2017.

544.08 Litigation

The Litigation Report was provided for information. Ms. Alexander noted that no changes were made to the Litigation Report.

544.09 Operations Report

River Road Facility

Mr. Kunert reported that in his written report the process is running with six Nitrification Aeration stages on line as opposed to eight stages. Mr. Kunert stated that since the report was written (April 19, 2017) the process is now running with all eight Nitrification Aeration stages. It was reported that on February 28, 2017 staff discovered a failure of the additional structural steel that was installed in the Nitrification Aeration Stages No. 1 and No. 2 as part of the aerator replacement project to add additional structural strength. Staff received the drawings for the repair work and received two quotes from outside contractors to perform this work. The lower quote, which was submitted by Allied Construction, was \$16,600.00. The repair work began the week of April 24, 2017. The work was completed on April 28, 2017.

Mr. Kunert indicated that at the March Board meeting, it was reported that fly ash slurry was found to be leaking through a large hole in the sidewall of a section of straight pipe which is located beneath the roadway directly in front of our sludge cake receiving bins. This was discovered on March 20, 2017. The fly ash slurry is now being pumped to the head of the plant via the Process Drain Pumps. The necessary temporary bypass piping installation was performed by an outside contractor, Pumping Services. The replacement section for the fly ash slurry line is due to ship from Abresist, Urbana, IN, on May 5, 2017. It is anticipated that installation of the pipe will take place on May 9th and 10th.

Mr. Kunert reported that three tours were given during the month of April. The first tour was given to students in an Environmental Science Program being conducted at the Princeton Environmental Institute, Princeton University; two tours were given to Environmental Science Students from The Lawrenceville School. Approximately 90 students in total participated in the three tours.

Mr. Kunert indicated that on April 5, 2017, high flows were experienced at all three facilities. It was necessary to bypass the filters at all facilities for a brief time. The required hotline calls were made to the NJDEP.

Upstream Facilities

Mr. Kunert reported that the Sodium Hypochlorite feed system at the Pennington STP is now controlled through flow pacing and is no longer being dosed by the ORP signal. This was done at the Hopewell STP several months ago and has proven to give much better dosing control, yielding a much steadier chlorine residual. So far the same results are being seen at Pennington.

Odor Report

Mr. Kunert reported that staff received no odor complaints during the month of March and two (one received on April 24th) odor complaints for the partial month of the April reporting period.

Mr. Kunert indicated that the two odor complaints in April were made by one resident from Montgomery Woods. The Health Inspector from the Somerset County Health Department will be on site Thursday, May 4th to discuss the matter and walk around the plant site during these hours.

Mr. Kantorek indicated that the one resident from Montgomery Woods is Mr. Seglem. Mr. Kantorek did talk with Mr. Seglem about the new complaints. Mr. Seglem stated that the odors happen between 4:00 pm and 10:00 pm and that sometimes it is a “soapy” odor, sometimes a “sewage odor” and sometimes a “soapy sewage” odor. He believes that the Authority is doing something different.

A brief discussion followed.

Customer Septage and Sludge Deliveries

The quantities of liquid sludge and sludge cake exceeded their budgeted amounts for the month of March. Gray water was slightly below its budgeted amount.

Somerset Raritan Valley Sewerage Authority will continue to bring a portion of its sludge cake to SBRSA until the work on their large incinerator is completed.

544.10 Maintenance

Mr. Roga reported that Belt Press No. 2 was removed from operation on March 20, 2017 due to a bad bearing found on one of the ten-inch diameter high compression rollers. The

damaged roller was removed and a new bearing and housing were installed. Once tested the press was placed back into operation.

Mr. Roga indicated that while performing preventive maintenance on Surface Wash Pump No. 1, it was discovered that the front bearing was badly corroded and worn. The pump was removed from service and sent to Shafts & Sleeves for the bearing housing to be machined and the shaft repaired. Once the repairs were completed the pump was installed, tested and placed in standby.

Mr. Roga noted that an existing safety railing that surrounds the Parshall Flume located in the wetwell side of the Millstone Pump Station was replaced with a new safety railing on April 20, 2017 due to corrosion and faulty mounting. In addition, an access gate to the level transmitter was installed along with a wall anchor for attaching a safety line so the Instrumentation Department personnel can perform routine maintenance on the transmitter.

Mr. Roga reported that the current monthly open work requests stand at twenty-six (26). The preventative maintenance graphs show that SBRSA is currently averaging two (2) days overdue and the number of overdue units is approximately fourteen (14).

544.11 Construction Report

Phosphorous Impact Modeling Study

Ms. Pchola reported that during the March reporting period Kleinfelder ran additional model simulations and submitted the draft report to SBRSA for review and comment.

Ms. Pchola explained that in summary, the study determined: the observed level of productivity in the Mainstem Raritan River would not change appreciably regardless of any phosphorus reductions that are imposed, and is in fact consistent with natural conditions at this location. The Mainstem Raritan River, being located at the outlet of a very large basin and having optimal physical characteristics for plant and algal growth (wide, shallow, excellent substrate), will exhibit periods of high productivity that drive diurnal pH peaks above the maximum criterion of 8.5 s.u. This is a natural condition that will persist regardless of the degree of phosphorus reductions imposed on point and nonpoint sources throughout the watershed.

Ms. Pchola noted that once comments are received from all participants of the study (SBRSA, SRVSA and Montgomery Township), the report will be finalized and presented to NJDEP at a to be scheduled meeting.

Mr. Kantorek indicated that the report states that even if natural conditions existed (no wastewater treatment plant dischargers) the condition of the Raritan River would be the same. Theoretically, the removal of phosphorus in the wastewater at the treatment plants

included in the study, would not have an effect on phosphorus levels in the Mainstem of the Raritan River, and therefore SBRSA should not have to treat for phosphorus.

Data Center

Ms. Pchola noted that on April 26, 2017 GHD submitted the 90% complete Contract Documents for staff to review.

Millstone Force Main Condition Assessment

Ms. Pchola reported that Staff received the Draft Planning Document from Pure Technologies on April 6, 2017. Staff reviewed and provided our comments to Pure on April 10, 2017. The Millstone Force Main Condition Assessment/Inspection was conducted on April 25th utilizing the SmartBall and on April 27th utilizing the PipeDiver. Courtney Bixby has worked closely with Pure and provided coordination efforts to help make the inspection a success. Staff has coordinated the installation of the wye fitting at the Millstone Pump Station for the deployment of Pure's equipment, contracted with the crane/operator to remove the top slab of the influent chamber for retrieval of Pure's equipment in a safe manner, contracted with a small crane/operator to install the screen provided by Pure at the outlet of the influent chamber to ensure that the equipment does not make its way into the Headworks, arranged for traffic control during the inspection, and arranged for supplemental water for the deployment of the equipment into the force main. Pure indicated that they obtained good data for both the Smartball and the PipeDiver. It will take several weeks for receipt of the results.

Mr. Kantorek stated that this testing took a tremendous effort not only by Pure Technologies but also by staff; Operations, Engineering, Maintenance and Safety. Mr. Kantorek noted that this entire project was coordinated by Courtney Bixby. All SBRSA staff contributed to the testing, those who were directly involved and those staff members who worked to maintain the day to day operation of the plant.

Chairman Bartolini commended staff for a job well done.

River Road Filtration/Disinfection Byproducts Compliance Study

Ms. Pchola indicated that Kleinfelder is continuing to work on the evaluation of adding peracetic acid for disinfection, filter rehabilitation and disc filter options, initiated work on the membrane filtration option, and initiated the development of budgetary capital cost estimates.

Millstone Pump Station Odor Abatement System Evaluation

Ms. Pchola reported that R3M submitted a draft report for the Evaluation of Odor Abatement Systems for the Millstone Pump Station on April 10, 2017. Staff is in the process of reviewing the report.

Pennington WWTP Upgrade and Expansion

Ms. Pchola reported that staff met with Kleinfelder on April 7, 2017 to discuss the 90% complete Contract Documents related to the process/mechanical components. Kleinfelder is currently in the process of revising the Contract Documents to address SBRSA's comments and continuing to complete the structural and electrical/instrumentation components of the project.

Ms. Pchola indicated that Kleinfelder is in the process of preparing the Treatment Work Application (TWA) to NJDEP and the Delaware and Raritan Canal Commission (DRCC) application. The DRCC review is related to stormwater runoff and water quality impact. It is expected that both applications will be submitted the week of April 24th. The TWA and DRCC application have a 90 day and 45 day respectively, review period once the application is deemed complete.

Ms. Pchola noted that a portion of the new Filter Building is located within a wetlands transition area. Kleinfelder is in the process of requesting a wetlands transition area waiver from NJDEP for construction to occur in the transition area. The waiver request is based on the premise that during the original Pennington WWTP design, the site plan which was approved by the Hopewell Township indicated a future plant expansion in that area.

Ms. Pchola stated that Kleinfelder has provided staff with the following preliminary schedule for the project:

- Complete and submit permit NJDEP Treatment Works Application and Delaware Raritan Canal Commission application (TWA and DRCC) by the end of week April 24, 2017
- NJDEP/DRCC review and approval of permit applications: Duration 3 months, permits expected to be issued by August 1, 2017
- Bidding and Award: Duration 2 months, Notice of Award issued by October 1, 2017
- Notice to Proceed (following receipt of bonds and insurance): Duration 1 month, NTP issued by November 1, 2017
- Construction: Duration 18 months, completed by May 1, 2019

Contract 14-1, SBRSA Emergency Generator Project

Ms. Pchola indicated that this project remains at 93% complete. No payment application was submitted for the month of March. TCI continues to coordinate with the generator manufacturer, ENER-G-Rudox, to complete the commissioning and start-up of the new generator and paralleling switchgear.

Ms. Pchola reported that the existing emergency generator and automatic transfer switch (ATS) provides power to the process side of the River Road Wastewater Treatment Plant. Equipment associated with the incineration process is not powered when running on the

emergency generator power system. With the addition of the new, natural gas fired generator, the combined (existing and new) emergency generator system has enough capacity to power the entire River Road Treatment Plant.

Ms. Pchola explained that to incorporate all plant-wide equipment into the new emergency generator power system, the existing ATS was to be electrically modified. The planned modification incorporated the existing incoming commercial power circuit breaker into the ATS logic in that the commercial power circuit breaker was to act as the Normal side switch, disconnecting the plant from the commercial power source prior to the ATS connecting to the emergency power source.

Ms. Pchola stated that on June 11, 2015, the Princeton Construction Department electrical sub-code official denied approval of the construction permit for the project indicating that the design for the plant's automatic transfer switch did not meet the requirements of the National Electrical Code (NEC).

Ms. Pchola reported that the code official cited Article 701.5, C of the NEC which states, in part, "Automatic transfer switches shall be electrically operated and mechanically held." Under the submitted design, the incoming power circuit breaker and ATS were not mechanically held and thus did not meet the requirements of the NEC.

Ms. Pchola indicated that discussions were held between SBRSA, Kleinfelder, and AECOM's electrical engineer to review the municipality's interpretation. Based on the results of these discussions, AECOM was asked to develop an alternate design that would meet the requirements of the Princeton Construction Department. The alternate design provided by AECOM removed the incoming power circuit breaker from the ATS logic and incorporated additional cable runs and terminations to allow the existing ATS, which is mechanically held, to provide all normal and emergency power switching functions. The alternate design was submitted to and subsequently approved by Princeton and the building permit was issued.

Ms. Pchola indicated that approval of Change Order No. 10 will compensate the contractor for the additional work associated with the alternate design for the modifications to the electrical sub-station switchgear. A copy of Change Order No. 10 was provided to the Board.

Staff recommended approval of Resolution 2017-29, Authorizing the Approval of Change Order No. 10 to Complete Modifications to the Electrical Sub-Station Switchgear for Contract 14-1 Emergency Generator Project in the amount of \$137,068.54. So moved by Dr. Downey, seconded by Mr. Patel and passed by a roll call vote of 4 to 0. Resolution 2017-29 follows.

**Resolution Authorizing the Approval of Change Order No. 10 to Complete
Modifications to the Electrical Sub-Station Switchgear for the
Emergency Generator Project, Contract 14-1**

Resolution No. 2017-29

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

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

WHEREAS, the SBRSA at its December 21, 2015 meeting approved Change Order No. 1 in the amount of \$20,417.69, and at its March 28, 2016 meeting approved Change Order No. 2 in the amount of \$27,500.79, and at its September 26, 2016 meeting approved Change Order Nos. 3, 4, and 5 totaling \$25,182.28, and at its September 26, 2016 meeting approved Change Order Nos. 6, 7, and 8 totaling \$19,925.95, and at its February 27, 2017 meeting approved Change Order No. 9 in the amount of (\$1,437.11) resulting in an adjusted contract amount of \$3,491,589.60; and

WHEREAS, the contractor, Thomas Controls, Inc. (TCI), was denied approval of the construction permit for the project by the Princeton Construction Department. Specifically, the electrical sub-code official would not approve the new design for the plant’s automatic transfer switch citing that the new design did not meet the requirements of the National Electrical Code; and

WHEREAS, discussions were held between SBRSA, Kleinfelder, and AECOM’s electrical engineer to review the municipalities position and develop a response; and

WHEREAS, based on the results of abovementioned discussions, AECOM was asked to develop an alternate design that would meet the requirements of the Princeton Construction Department and their interpretation of the NEC; and

WHEREAS, AECOM presented an alternate design which was then submitted to Princeton for review.; and

WHEREAS, the alternate design was approved by Princeton and the building permit was issued; and

WHEREAS, Thomas Controls Inc. was asked to provide a proposed change order for the additional work associated with the alternate design; and

WHEREAS, TCI submitted a change order in the negotiated amount of \$137,068.54; and

WHEREAS, the abovementioned changes to Contract 14-1 are more fully set forth and incorporated within the April 20, 2017 Contract Change Order No. 10 document in the amount of \$137,068.54 resulting in an adjusted contract amount of \$3,628,658.14; and

WHEREAS, the contract completion date for the project shall be extended by three (3) calendar days as a result of Change Order No. 10; and

WHEREAS, the new contract completion date for the project is June 5, 2016; and

WHEREAS, this project is funded through the New Jersey Environmental Infrastructure Financing Program (NJEIFP); and

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

1. The Executive Director is authorized and directed to execute Change Order #10 with Thomas Controls Inc. in the amount of \$137,068.54 resulting in an adjusted contract amount of \$3,628,658.14.
2. This Resolution shall take effect immediately; and

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

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

Contract 16-2, MA Effluent Channel Mixers

Ms. Pchola indicated that the contractor, Allied Construction Group, Inc. (Allied), continues the process of submitting shop drawings.

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

Ms. Pchola reported that the project stands at 100% complete. Meridian has provided all required O&M manuals, system certifications, and contract close-out documents. The

final payment application has been submitted along with one maintenance bond for the entire project.

Contract 16-4, Incinerator Center Shaft Drive Replacement

Ms. Pchola reported that Iron Hills Construction and their electrical sub-contractor completed the fabrication and factory test of the new remote control panels. On April 19, 2017 Iron Hills and their electrician mobilized to begin the rough electrical work and demolition of the first drive unit. As soon as Incinerator No. 2 is available work will begin on the project.

Contract 17-2, Odor Control Systems Carbon Replacement Project

Ms. Pchola reported that there has been no change in the status of this project during the past reporting period. Calgon expects to receive the new media retention screens the week of May 8, 2017 and once received, the carbon change out for both units will be scheduled.

CEMS Carbon Monoxide Analyzer Replacement

Ms. Pchola reported that on March 24, 2017, SBRSA received the revised PST report from PACE Environmental. Staff began a review of the revised report and it soon became apparent that the report still contained several data errors and text errors. Senior Engineering staff spoke directly with the report writer to discuss the errors found thus far. Staff is in the process of conducting a check of all the raw data and once completed will forward comments to PACE Environmental. Staff will complete their review and provide comments to PACE by the end of the month. Based on an initial review, it appears that the CO analyzer for Incinerator No. 2 operating with the Afterburner (OS3) did not pass the performance test that was conducted in June 2016. Incinerator No. 2 with the Afterburner operated in September from the 23rd to the 26th during the RTO inspection, when the first PST was conducted in June 2016, and during the stack test in February 2017. Once PACE revises the report based on SBRSA's review, the report must be resubmitted to NJDEP.

Ms. Pchola noted that when Montrose conducted the PST for OS3 during the stack test in February 2017, the CO analyzer passed the performance test.

Plant Influent Flow Meter

Ms. Pchola indicated that SBRSA staff continues with the calibration checks on the two flow transmitters to establish accuracy data on each transmitter. A copy of the comparison summary of the sum of our billing meters versus the River Road influent meter was provided to the Board.

Information Technology

Mr. Thomas reported that Server9v which managed printers, had a drive failure on April 12th which lead to a rebuild of services needed for network printing. Temporary print services were restored to priority users as needed. Full services were restored on April 17.

Mr. Thomas indicated that IT staff attended the 2017 NJ GMIS (Government Management Information Sciences) Technology Education Conference in Somerset on April 6, 2017. There were presentations from state technology vendors and security agencies such. as the NJ Cybersecurity and Communications Integration Cell (NJCCIC) throughout the day.

Mr. Thomas noted that IT started training the Maintenance Department personnel using mPulse 8 version of the maintenance management software. Staff will be moving from mPulse 7 as soon as mPulse 8 training has been completed.

544.12 Finance Report

Payment of Bills and Claims

Mr. Morehouse moved for approval of Resolution 2017-23 for the payment of bills and claims in the amount of \$1,111,889.56 with two signatures instead of three. The motion was seconded by Mr. Patel and passed by a roll call vote of 4 to 0. Resolution 2017-23 follows.

Resolution Regarding Payment of Bills and Claims

Resolution No. 2017-23

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 **\$1,111,889.56** 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
Bharat Patel

X

X

Treasurer's Report

Mr. Sears reported that net income for the four-month period ending March 31, 2017 is \$169,317. Mr. Sears indicated that the Authority continues to receive sludge cake from Somerset Raritan Valley Sewerage Authority. The Authority has total cash and investments of \$18,203,667 at an average interest rate of 0.33%. The current construction projects balance is \$17,474,283. Mr. Sears noted there are sufficient funds for these projects. The outstanding bond principal balance is \$20,184,184. The New Jersey Cash Management Fund yield is 0.19%.

Monthly Sludge Business Analysis

Mr. Sears reported that net income for the month of March is \$128,866 and the cumulative net income is \$525,070.

Resolution 2017-22, Authorizing Emergency Procurement Services for the Repair of the Fly Ash Slurry Line at the River Road Treatment Plant

Staff recommended approval of Resolution 2017-22, Authorizing Emergency Procurement Services for the Repair of the Fly Ash Slurry Line in the amount of \$48,294.30. This was discussed earlier in the Operations Report tonight. So moved by Mr. Patel, seconded by Dr. Downey and passed by a roll call vote of 4 to 0. Resolution 2017-22 follows.

RESOLUTION AUTHORIZING THE EMERGENCY PROCUREMENT OF SERVICES FOR THE REPAIR OF THE FLY ASH SLURRY LINE AT THE RIVER ROAD TREATMENT PLANT

Resolution No. 2017-22

WHEREAS, an emergency situation developed, which could not have been reasonably foreseen, with respect to the need to repair the Fly Ash Slurry Line at the River Road Plant due to a leak in the pipe that delivers the process water back to the head of the plant. It became imperative that this pipe be repaired immediately or a temporary by-pass be installed to keep SBRSA in compliance with our permits; and

WHEREAS, the Authority has reviewed the attached Emergency Procurement Report prepared by the Asst. Manager of Engineering, regarding the emergency procurement of services in connection with the work required to repair or by-pass the damaged pipe; and

WHEREAS, pursuant to the Local Public Contracts Law, N.J.S.A. 40A:11-6, a contract may be awarded without public advertising for bids and bidding when an emergency affecting the public health, safety or welfare requires the immediate performance of the services; and

WHEREAS, the Authority is satisfied that, for the reasons articulated in the Emergency Procurement Report prepared by the Asst. Manager of Engineering, attached hereto and made a part hereof, the proposed emergency procurement is justified and meets the requirements of the Local Public Contracts Law, N.J.S.A. 40A:11-6, and regulations promulgated thereto, N.J.A.C. 5:34-6.1; and

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

The Authority declares that an emergency exists with respect to the immediate need to repair or by-pass the Fly Ash Slurry Line at the River Road Plant as further described in the attached Emergency Procurement Report prepared by the Asst. Manager of Engineering, which emergency requires the immediate emergency procurement of services in order to protect public health, safety and welfare.

1. The Executive Director is authorized to execute a Contract without public advertising for bids and bidding in accordance with N.J.S.A. 40A:11-6 and N.J.A.C. 5:34-6.1, with Speidel & Sons, Pumping Services Inc and Kalenborn Abresist Corp. with an estimated amount of \$48,294.30 for the provision of emergency services for the repairs.
2. A Contract shall not be executed unless there is proof of the contractor’s New Jersey Business Registration, Certificates of Insurance, together with all documents required by law.
3. This Resolution shall take effect as provided by law.

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

Dr. Downey asked if there was a dollar limit for Emergency Procurements. Ms. Alexander indicated that there was not a dollar limit.

Resolution 2017-24, Authorizing the Award of a “No Political Contributions Allowed” Contract(s) for Non-Professional Service Vendors

Mr. Sears recommended approval of Resolution 2017-24, Authorizing the Award of a “No Political Contributions Allowed” Contract for Non-Professional Service Vendors. These vendors are in addition to the ones passed at the March meeting. So moved by Dr. Downey and seconded by Mr. Patel and passed by a roll call vote of 4 to 0. Resolution 2017-24 follows.

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

Resolution No. 2017-27

WHEREAS, the Stony Brook Regional Sewerage Authority has a need to acquire goods or services as a no political contribution 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 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 2017 (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 Value be placed on file with this resolution.

Year 2017 No Political Contribution Contracts:	
Company Name	Service
Allied Construction Group, Inc.	Mechanical Structural Repairs
Eurofins QC Inc	Lab Testing
Fairfield Services Co. of IN., LLC	Repair Climber Screen
Shafts & Sleeves Co Inc.	Pump & Equipment Repair

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

2016 Audit

Mr. Sears indicated that the Division of Local Government Services (DLGS) has released the figures for the 2016 New Jersey PERS Schedule of Employer Allocations and Schedule of Pension Amounts by employer. SmithWithum+Brown has received them and are reviewing them. A Finance Committee Meeting will be scheduled this month. The 2016 Audit will be presented at the May 22, 2017 Board meeting.

544.13 Personnel Report

The Personnel Report was provided for member information.

Mr. Kantorek noted that an Operator V resigned on April 19, 2017. Staff is advertising for an Operator VI.

544.14 Correspondence

For information.

544.15 Old Business

None

544.16 New Business

Award of Contract for Schwing Pump Replacement Parts

Mr. Roga reported that sealed bids for Schwing Pump Replacement Parts were received on April 19, 2017. One bid was received from Schwing Bioset in the amount of \$223,234.44.

Mr. Roga indicated that the bid does not require the Authority to purchase the listed parts; it only guarantees the price for the parts listed in the bid. Purchases averaged \$114,923.07 per year over the last three years.

Staff recommended approval of Resolution 2017-26, Awarding Contract for Schwing Pump Replacement Parts to Schwing Bioiset for a total 12-month contract cost of \$223,234.44. So moved by Dr. Downey, seconded by Mr. Morehouse and passed by a roll call vote of 4 to 0. Resolution 2017-26 follows.

**RESOLUTION AWARDING CONTRACT FOR
SCHWING PUMP REPLACEMENT PARTS**

Resolution No. 2017-26

WEREAS, 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 Schwing Pump Replacement Parts; and

WHEREAS, the following sealed competitive bid was received by the Authority on April 19, 2017, as set forth:

12-Month

Schwing Bioiset	\$223,234.44
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WHEREAS, the Authority has determined that the bid of Schwing Bioiset, is the only responsive bid; and

WHEREAS, the sole bidder, Schwing Bioiset submitted a bid in the amount of \$223,234.44 and;

WHEREAS, the bid does not require the Authority to purchase all the listed parts but only guarantees the price for the parts that we need to purchase; 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.

NOW, THEREFORE, BE IT RESOLVED by the Stony Brook Regional Sewerage Authority that it hereby awards a 12-month contract for Schwing Pump replacement parts to Schwing Bioiset as the sole responsive bidder; and

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

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

544.17 Open to the Public

544.18 And such other issues as may come before the Board

None.

544.19 Executive Session

By Resolution 2017-30, the Board entered executive session at 9:00 pm on a motion by Mr. Patel, seconded by Dr. Downey and passed by a roll call vote of 4 to 0. Resolution 2017-30 follows.

**RESOLUTION AUTHORIZING CLOSED SESSION
PURSUANT TO THE OPEN PUBLIC MEETINGS LAW**

Resolution No. 2017-30

BE IT RESOLVED by the Stony Brook Regional Sewerage Authority (“Authority”) on this 1st day of May, 2017, as follows:

1. The Authority shall adjourn to executive session in accordance with N.J.S.A. 10:4-12(b)(7), being the Open Public Meetings Law, in order to discuss the Union Agreement between Stony Brook Regional Sewerage Authority and Local 172.
2. The minutes of the executive session relating to the approval of the Union Agreement will be released to the public in the event of successful negotiations.

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

Recorded Vote:	Aye	No	Abstain	Absent
Robert A. Bartolini	X			
Harry Compton				X
Gale D. Downey	X			
David A. Goldfarb				X
C. Schuyler Morehouse	X			
Bharat Patel	X			

EXECUTIVE SESSION: The Board discussed the proposed 3-year Agreement that was negotiated by Union Personnel.

The Board voted 4 to 0 to approve the proposed Union Agreement. The Agreement provides for annual wage increases of 2.5% for 2017, 2018, and 2019.

Return from Executive Session

544.20 Adjournment

As there was no further business to come before the Board, the meeting was adjourned at 9:30 p.m. on a motion by Mr. Patel, seconded by Dr. Downey and passed by unanimous vote.

Respectfully Submitted,

John Kantorek
Secretary

Recorded and Written by
Patricia Carlino
May 12, 2017