

Minutes of Meeting #553 January 22, 2018– Stony Brook Regional Sewerage Authority

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

MEMBERS PRESENT: Bartolini, Downey, Goldfarb, Morehouse

MEMBERS ABSENT: Compton, Patel

CONSULTANTS: Alexander

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

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

553.02 Approval of Minutes

The minutes from the December 18, 2017 Board meeting were approved as presented on a motion by Dr. Downey, seconded by Mr. Goldfarb and passed by a vote of 4 to 0.

553.03 Board Related Activities

Appointment of Nominating Committee

In preparation for February's reorganization meeting, Chairman Bartolini appointed the Personnel Committee as the Nominating Committee. Since there were no members present from the Personnel Committee, Chairman Bartolini asked staff to notify the Chairman of the Personnel Committee of their task.

Consultant List

The consultant list was provided for information. Mr. Kantorek noted that there were no contracts pending award tonight.

553.04 Planning and Administration

Mr. Kantorek reported that the most current 12-month average daily River Road plant flow is 9,649,373 gpd with 845,487 gpd of approved but inoperative flow for a total committed flow of 10,494,860 gpd with 2,565,140 gpd or 19.64% of available capacity. The most

current 12-month average daily flow at the Hopewell Plant is 217,331 gpd with 300 gpd of inoperative flow, for a total committed flow of 217,631 gpd with 27.46% or 82,369 gpd of available capacity. The Pennington Plant presently has 238,827 gpd as the most current 12-month average daily flow, with 29,195 gpd of approved but inoperative flow, for a total committed flow of 268,022 gpd, with 10.66% or 31,978 gpd of available capacity.

Mr. Kantorek noted that the River Road Influent Meter now has twelve (12) months of data and the billing meter figures were not used in the calculation of the 12-month daily average flow. Mr. Kantorek noted that the flows have not changed significantly from last month.

Monthly Flow Transmittal

Mr. Kantorek indicated that there was one adjustment for the month of December.

As indicated last month, the Plant Manager noticed through his review of historical flow trends that the Princeton Farms meter data was not registering zero at any time during the day which is typically expected with an on-off pump station. Staff contacted Hopewell Township staff and their engineer and conducted a test on December 27, 2017 to determine if there was an issue with the SBRSA meter or backflow due to a clog or partially opened check valve. It was determined that flow was not re-entering the wet well and that there was an issue with the meter. A new meter will be installed.

There were eleven (11) days during the month of December where the minimum flow was not zero and the flow was uncharacteristically high when compared to the Hopewell WWTP influent data. On those days, staff adjusted the Princeton Farms flow data using the same method as last month i.e. the Princeton Farms flow was adjusted to 36% of the Hopewell WWTP influent flow.

It should be noted that review of the meter data from December 28, 2017 to January 12, 2018, indicates that the meter is going back to zero. However, staff is in the process of ordering a new meter for this site.

Dr. Downey indicated that this was discussed at the Construction Committee meeting. Once the new meter is installed the existing meter will be sent back to the manufacturer for evaluation. If a problem with the meter is detected, the vendor will inform staff if the meter can be fixed or not.

553.05 Approval Requests and Actions

TWA-1 Approvals

None.

Time Extensions

None.

NJPDES Applications

None.

Water Quality Management Plan Amendments

None

Allocated Flow Update

Ms. Pchola indicated the removal of the following flows based on the connection update from PSOC:

Avalon ~50% occupied removed 28,445 gpd
Stanworth over 80% occupied removed 23,240 gpd
Copperwood over 90% occupied removed 14,234 gpd
Hulfish North over 90% occupied removed 10,957 gpd

The total amount removed from Inoperative flow from Princeton is 76,876 gpd.

Chairman Bartolini asked staff to contact West Windsor Township and South Brunswick Township to update their inoperative flows.

553.06 Regulatory Report

Discharge Monitoring Report (DMR)

Mr. Rahimi reported that the Discharge Monitoring Reports for the month of November 2017 were submitted to the NJDEP. There were no violations reported.

Mr. Rahimi indicated that staff is currently reviewing the Discharge Monitoring Reports for the month of December 2017.

Mr. Rahimi stated that the quarterly bioassay for the River Road STP and semi-annual bioassay for the Pennington STP were conducted in November 2017 and reported to NJDEP on January 17, 2018. The results for this study were >100%. During the review of the bioassay report for the Hopewell STP, it was discovered that the subcontracted lab performed the test on the wrong test species. The study for Hopewell STP is being rescheduled.

Residuals Discharge Monitoring Report (RDMR)

Mr. Rahimi indicated that the October 2017 RDMRs were submitted to the NJDEP. All River Road parameters were compliant with the Authority's air permit requirements.

Mr. Rahimi reported that staff is currently reviewing the November 2017 RDMRs.

Air Reporting

Mr. Rahimi stated that staff is currently reviewing the 4th quarter 2017 Excess Emissions and Monitoring Report.

Mr. Rahimi indicated that the federal 40 CFR 60 Subpart O 2017 Semi-annual Reports are currently being reviewed by staff.

Mr. Rahimi noted that staff is currently preparing the 2017 combined Semi-annual and Annual Title V Compliance reports.

Mr. Rahimi reported that the following affirmative defenses were submitted:

Mr. Rahimi indicated that on November 22, 2017 while operating Incinerator No. 2 with the RTO (OS28), the River Road Facility experienced a commercial power blip. This resulted in various incinerator components/equipment shutting down including the valve that directs flue gas to the RTO to close and the valve that directs the flue gas through the Afterburner (AB) to open. The afterburner chamber was below 1500 degrees F during the duration of the event. During this event, the bypass stack did not open.

Mr. Rahimi reported that on December 4, 2017 while operating Incinerator No. 2 with the RTO (OS28) an equipment malfunction occurred resulting in a scrubber water system malfunction alarm and the bypass stack opening while there was sludge combustion in the incinerator.

553.07 Safety

Mr. Irizarry noted that as of January 16, 2018 Stony Brook Regional Sewerage Authority has gone 559 consecutive days without a "Lost Time Accident".

Mr. Irizarry indicated that Stony Brook has gone one calendar year without any lost time accidents.

Mr. Irizarry stated that staff submitted the annual self-assessment report to the Joint Insurance fund (JIF). A copy of the report was provided to the Board.

Mr. Irizarry reported that staff is currently considering firms to conduct indoor air quality monitoring and testing for areas that are occupied by employees on a regular basis.

Mr. Irizarry indicated that staff is in the process of relabeling equipment and related motor control cabinets (MCC) to partner with SBRSA's new maintenance management software system. This should help to eliminate any confusion.

553.08 Litigation

The Litigation Report was provided for information.

Hopewell and Pennington STP NJPDES Permit Concerns

Ms. Alexander stated that as advised at the December 18th Board Meeting, a status conference call with Judge James-Beavers occurred on December 18, 2017, wherein the Judge was apprised of the status of the outstanding issues. The next status conference is scheduled for March 21, 2018.

553.09 Operations Report

River Road Facility

Mr. Kunert reported that Gravity Sludge Thickener No. 3 was put back into service after the severely corroded electrical conduit was replaced by an outside contractor.

Mr. Kunert stated that 17,388 gallons of old fuel oil was removed from the underground storage tank in the rear parking area. The company that pumped out the fuel oil, Recycle Oil Co., offered SBRSA \$0.50/gallon. To avoid having to decommission the tank, staff will add 1,000 gallons of fresh fuel oil to the tank along with the proper additive.

In order to decommission the fuel tank, it would need to be physically removed. Mr. Goldfarb asked if there is a protocol to monitor the tank. Ms. Pchola indicated that the contents of the tank are reported in the Authority's annual emission statement.

Mr. Kunert indicated that on December 23, 2017, another leak developed in the Fly Ash Slurry pipe. The leak was in the 18-foot section of pipe that is just upstream of the section that broke in March of 2017. The same outside contractor, Speidel & Sons Contracting Inc., was contracted to excavate and replace that section of pipe. The pipe used to replace the broken section was a section which was not used during the initial fly ash replacement project and was stored on-site. In the interim, it was necessary to call Pumping Services to hook up a temporary pipe/hose from Fly Ash Slurry Pump No. 1 to the Process Drain. The pipe replacement was completed on January 3, 2018 and put back into service the same day.

The pipe manufacturer, Kalenborn Abresist came to the site to inspect the broken pipe. Mr. Bixby explained that the pipe manufacturer indicated that it appears the pipe is corroding from the inside. The pipe is a steel shell and within that shell are three-foot sections of

basalt lining. The pipe lining is joined together with an epoxy. It appears the fly ash slurry is corroding the epoxy. In the future, when pipe is replaced a coating of epoxy will be applied not only to the outside of the steel shell but the inside of the shell as well to avoid corrosion.

Dr. Downey indicated that this was discussed at the Construction Committee meeting. Staff will, at some point in the future, obtain quotes to have the pipe examined internally by camera to determine the condition of the pipe.

Upstream Facilities

Mr. Kunert reported that on January 7, 2018, SBRSA experienced a large increase in flow, which began at approximately 06:30 am entering the Hopewell STP. The influent flow went from less than 70 gpm to over 600 gpm in approximately two (2) hours. The high flow rate hydraulically overloaded the dual-media filters requiring them to be bypassed. As required, a Hotline call was made to the NJDEP. After reviewing the historical trend flow data, a call was made to the Hopewell Borough Department of Public Works to discuss this flow issue which SBRSA staff believed was from a water main break. The Hopewell Borough (DPW) confirmed that a water main break did occur and was repaired. The flow dropped to normal within approximately five (5) hours. An investigation will be conducted by Hopewell Borough using CCTV to televise the wastewater collection system near the water main break to try and determine why such a large volume of water entered the sanitary collection system during this event. They did not find any breaks in the line and determined the water entered in through the manhole.

Mr. Kunert stated that both Upstream facilities experienced ammonia breakthrough, which began during the first week of January, due to extremely low water temperatures within the Orbal Aeration Tanks. Water temperatures that drop below approximately 10 degrees Celsius will have a detrimental effect on the rate of nitrification. The Authority did not exceed its winter ammonia limits and the nitrification rate is expected to return to normal when the water temperature increases.

Odor Report

Mr. Kunert reported that staff received no odor complaints during the month of December and no odor complaints during the partial month of January. The full January number will be reported at the February 2018 Board meeting.

Customer Septage and Sludge Deliveries

The quantity of sludge cake was above its budgeted amount. The quantities for liquid sludge and gray water were below their budgeted amounts for the month of December.

553.10 Maintenance

Mr. Roga reported that Grit Pump No. 2 was removed from service on December 8, 2017 due to a mechanical seal failure. Once the pump was removed from the grit well, Rogers Cipollono was contracted to disconnect the electrical power supply line so the pump could be sent out for repairs. A new grit pump was installed from inventory. Once the pump was reconnected and tested for proper rotation, it was placed back into service.

Mr. Roga indicated that Schwing Pump No. 2 was taken offline on December 15, 2017 due to a hydraulic leak on the main power pack. It was found that excessive oil was leaking from the input shaft. The hydraulic pump was removed and replaced with a spare pump along with new seals and bearings. Once tested for proper operation and leaks, the pump was placed back into service.

Mr. Roga stated that while performing preventive maintenance on the ash hopper feed screws on Incinerator No. 2, it was found that the gear box was making a grinding noise. The gear box was removed and replaced with a new gear box, drive shaft and belt.

Mr. Roga reported that the D.C. drive motor that operates three of the nine cake feed screws in Receiving Bin No. 2 failed on December 27, 2017 due to overheating because the cooling fan motor failed. Both motors were removed and sent to Lockwood's Motor Service to be repaired and a new cooling fan motor was installed.

Mr. Roga noted that the current monthly open work requests stand at twenty-four (24). The preventative maintenance graphs show that SBRSA is currently averaging two (2) days overdue and the number of overdue units is approximately twenty-five (25).

Mr. Roga explained that a list of Work Orders and Preventative Maintenance for the month of December 2017 was provided to the Board. The list was included to inform the Board of the amount of work performed monthly in addition to safety items and items in the Kleinfelder Annual Inspection Report.

553.11 Construction Report

Millstone Force Main Condition Assessment

Ms. Pchola stated that Pure Technologies' portion of the project is complete with the submission of the final report. The next action is to determine the cost for the repair/replacement of the two 36-inch sections of pipeline that were reported to have visual cracking and micro cracking and to determine if it is more cost effective to repair/replace the two pipe sections or reinspect the pipe in the next five years to monitor the condition of the pipe as recommended in the Pure Technologies report.

Mr. Goldfarb stated that if Pure Technologies recommended to wait and retest the pipe, what assumptions will staff make to determine if and when the repair/replacement of those sections of pipe will take place.

Ms. Pchola indicated that staff will look at the cost to repair the pipe, the cost to replace those sections of pipe and the cost to wait and retest the pipe. There is only micro-cracking of the pipe and the pipe is not in danger of failing. Dr. Downey indicated that Pure Technologies' recommendation is to wait five (5) years and reinspect the pipe. Ms. Pchola explained that it will be the cost that will determine what action the Authority will take.

Contract 17-1 Pennington WWTP Upgrade and Expansion

Ms. Pchola reported that staff met with the Delaware Raritan Canal Commission (DRCC) on January 11, 2018 to discuss the outstanding issues with the permit application and most importantly, the requirement to provide the DRCC with a conservation easement in the stream corridor located on the western portion of the plant site. Staff indicated that the issue with providing DRCC with this easement is that it could hinder SBRSA in the future should we need this land for future treatment based on NJDEP imposing more stringent effluent limits or additional permit parameters such as arsenic. A copy of the site plan and the delineation of the DRCC stream corridor was provided to the Board. SBRSA also indicated that per Subchapter 9 Stream Corridor Impact N.J.A.C. 7:45-9.4 Conditional uses within a stream corridor states that:

- “(a) The following uses may be permitted within a stream corridor of a water course as defined in NJAC 7:45-1.3 that does not directly enter the Canal, if the applicant demonstrates to the satisfaction of the Commission that the proposed use complies with the Master Plan and this chapter:.....
2. Outlet installation for sewage treatment plants and sewage pumping stations, and the expansion of existing sewage treatment facilities;

Ms. Pchola stated that the DRCC indicated to their knowledge, they have always required the conservation easement. They also indicated that in the past they have allowed use in the stream corridor (within the DRCC conservation easement) if no other alternative was available for treatment with the approval from their Board of Commissioners. At the end of the meeting it was agreed that the DRCC would conduct a search to determine if they ever waived the requirement for the easement at other wastewater treatment facilities.

Mr. Goldfarb asked if SBRSA can grant the conservation easement to the DRCC with conditions attached to it. Ms. Pchola indicated that the DRCC indicated that if SBRSA needs to use the land in the future, the DRCC would give their permission to SBRSA. However, if SBRSA does do work in the future on that land, then the Authority would need to do/pay for some other type of conservation work. Basically, the DRCC wants to take SBRSA's land and charge the Authority to use it. The DRCC indicated that if SBRSA needed to expand the plant, the Authority could go into the stream corridor to do so.

Ms. Pchola indicated that staff asked the DRCC to take out the area of SBRSA's retention basin and outfall from the conservation easement. The DRCC said they would not take them out but will give SBRSA access to them.

Mr. Goldfarb stated that by SBRSA granting the DRCC a conservation easement it would prohibit third parties from developing it and providing DRCC an additional layer of protection from development.

Dr. Downey indicated that Hopewell Township prohibits development in the stream corridor through an ordinance which was passed approximately four (4) years ago. In order to develop in the stream corridor, a developer would need to obtain a variance through Hopewell Township's Planning Board. Given the location of the easement, it could not be used for anything but SBRSA's treatment plant.

A lengthy discussion followed which included attaching conditions to the conservation easement and what the Authority plans to do on that site. SBRSA will continue to negotiate with the DRCC.

Ms. Pchola indicated that Kleinfelder is still pursuing NJDEP to complete their review of the wetlands waiver. In addition, Kleinfelder is primarily complete with the revised site plan for Hopewell Township. They are just waiting to get some additional information from their electrical subcontractor. We are still waiting to receive the "Findings of Facts" from the meeting.

Millstone Pump Station Odor Abatement Design

Ms. Pchola reported that staff requested additional information on the radial flow carbon adsorber. R3M has scheduled a meeting on January 24 to meet with the manufacturer's representative of this unit.

River Road Filtration/Disinfection Byproducts Compliance Study

Ms. Pchola reported that at the December Board meeting a summary of the recommendations from the Kleinfelder Effluent Filtration and Disinfection Byproducts Compliance Study dated October 2017 was provided to the Board. The recommended lowest cost alternative for disinfection to meet the new permit limits for Chlorodibromomethane (CDBM) and Bromodichloromethane (BDCM) is UV Disinfection.

Ms. Pchola indicated that as requested by staff, the study included the evaluation of the existing filtration system. The filters have been in operation for approximately 38 years and were last rehabilitated in the early 1990's. Many of the components are original to the plant and are now in need of significant rehabilitation. The results of the evaluation and recommended lowest cost alternative is their replacement with disc filters within a new building.

Ms. Pchola noted that the Kleinfelder report evaluated alternatives for 16 mgd (mid-point between the current River Road WWTP rated capacity and the approved Mercer County Wastewater Management Plan full buildout of 19 mgd) and 19 mgd.

Ms. Pchola reported that the 2017 Future Capital Improvements Plan called for the UV and Filtration projects to be implemented approximately nine (9) months apart. However, there is some cost savings in combining these projects into one construction contract from the design, funding from the NJEIFP, and construction aspect. It is estimated that a combined project will save approximately \$800,000. In addition, due to the condition of the filters and their utmost importance for SBRSA to meet our discharge permit, staff recommends that the filter replacement be combined with the UV Disinfection project.

Ms. Pchola stated that as discussed at the December Board meeting, it was agreed that the design of the UV disinfection system and filters would address the full buildout of 19 mgd. However, the Board requested staff provide a summary of the difference in cost to the participants at 16 mgd and 19 mgd.

Ms. Pchola explained staff prepared and provided the Board four (4) tables indicating what the expected change to the participants would be based on the following:

Table 4-1 is the original Table 4 that was included in the August 2017 Future Capital Improvements Plan utilizing the estimated \$13.7 million capital cost for the two projects starting nine months apart.

Table 4-2 is updated using the latest estimated capital cost of \$17.8 million for the two projects starting nine months apart.

Table 4-3 indicates the percent change to the Participants based on the combined projects and designed for a flow rate of 16 mgd (capital cost \$16.2 million).

Table 4-4 indicates the percent change to the Participants based on the combined projects and designed for a flow rate of 19 mgd (\$16.9 million).

Ms. Pchola noted that as indicated there is very little change to the Participants' charge from 16 mgd to 19 mgd.

The consensus of the Board is to combine the projects and for the design to be based on 19 mgd.

Staff indicated that a design proposal will be presented to the Board at the February meeting.

Contract 14-1 SBRSA Emergency Generator Project

Ms. Pchola indicated that this project stands at 94% complete. No payment application was submitted by the contractor this month. As mentioned last month, the substation work was

scheduled to begin during the second week of January 2018. On Monday, January 8, 2018 staff met with Thomas Controls Inc., and a representative of Norsal (Norsal is the authorized Siemens representative and the subcontractor that will be performing the modifications to the substation). The goal of the meeting was to confirm the date/time for starting the substation work and ensuring that all preparations and materials and labor were available to complete the work. At the conclusion of the meeting, TCI and Norsal agreed that TCI would complete all necessary preparations on January 9th, and work would begin the morning of January 10th, with TCI arriving early (04:00) to complete the switchover to the temporary power supply (requiring a complete shutdown of the plant electrical supply resulting in process shutdown), and Norsal arriving around 08:00 to shutdown the substation and begin the modifications.

Ms. Pchola reported that TCI was on-site late morning on the 9th and partially completed laying out the temporary power cables. TCI stated that they would complete the preparation work in the morning. On Wednesday morning (January 10th), TCI arrived as scheduled (04:00) and began working on the preparations for the substation temporary power supply and plant shutdown.

Ms. Pchola noted that all plant shutdown's are planned for low flow periods to allow maximum storage capacity for flows which typically can last from 3 to 5 hours based on flow conditions. Due to a lack of pre-planning and preparation, TCI was not able to complete all work in a timely manner and thus ran out of time to begin the plant shutdown and switchover to the temporary power supply. It was determined by SBRSA that we could no longer hold the plant flow and therefore we had to cancel the plant shutdown and reschedule the work.

Ms. Pchola stated that staff requested AECOM's electrical engineer Eduardo Amaba, P.E. to come to the site and discuss the substation work plan. Mr. Amaba was the lead electrical engineer for the electrical design of the emergency generator project. Based on Mr. Amaba's recommendations staff sent a letter (reviewed by our attorney and Mr. Amaba) to TCI with alternatives for the completion of the substation work. A copy of the letter was provided to the Board.

Staff indicated that they feel that TCI is now better prepared to perform the rescheduled substation work.

Contract 16-1, Schwing Pump Replacement Project

Ms. Pchola reported that MBE continues to submit shop drawings for the project.

Contract 16-2, MA Effluent Channel Mixers

Ms. Pchola indicated that as of Pay Estimate No. 5 this project stands at 97% complete. All construction work has been completed for this project and the punch list items are expected to be completed by February. Staff expects to process the final payment application for this project at the February 2018 Authority Board meeting.

Contract 16-4 Center Shaft Drive Replacement Project

Ms. Pchola reported that there has been no change to this project. The one remaining item to be completed is to test Drive No. 1 under normal operating conditions. This will be conducted once all rehabilitation work on Incinerator No. 1 has been completed.

Contract 17-3, Server Room and IT Office Improvements

Ms. Pchola stated that this project is 100% complete. Reporting for SBRSA's portion for the completion of the server room will now be included in the IT section of this report.

Contract 17-4, Hopewell WWTP Primary Clarifier Collector Mechanism Replacement

Ms. Pchola indicated that Kleinfelder and staff completed the draft plans and specifications for the project. The draft plans and specifications are under staff review and once complete, the project will be advertised for bid. The estimated construction cost for this project is \$265,000 which includes a 15% contingency.

Plant Influent Flow Meter

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

Mr. Goldfarb asked staff what they are doing about the difference in flow between the billing meter data and the influent meter data. Dr. Downey indicated that the high range meter was changed out with the low range meter. Staff is actively looking at alternatives.

Information Technology

Mr. Thomas reported that our maintenance software vendor, mPulse, held a webinar about tips and tricks on January 18th. IT joined personnel from Maintenance and Operations for this insightful training.

Mr. Thomas indicated that IT setup wireless access for finance auditors to ensure connectivity was available for them during their visit.

Mr. Thomas reported that IT scheduled a pickup on December 29 with our hardware recycling company (AugmentedIT). This vendor removed all old and dated equipment from storage and disposed of it properly.

Mr. Thomas indicated that IT is working with our lab staff to upgrade to the latest version of Operator10. The latest version comes with a new database format that is more portable

across our systems. IT plans to make more data from various areas around the plant more accessible to staff while reducing redundant inputs of the same information.

Mr. Thomas reported that IT is adjusting the cabling plans to include more detailed information to ensure quotes are comparable between vendors. IT has begun talks with our Safety Manager regarding the use of the new network for a replacement of the current failing public address (PA) system. The cabling will not only provide network for server/workstation communication but include space for new Voice over Internet Protocol (VoIP) phones, surveillance cameras, and PA speakers.

Mr. Goldfarb asked the status of the SBRSA emails for all the board members. Mr. Thomas indicated that additional licenses are being added and he should have them setup by next month.

553.12 Finance Report

Payment of Bills and Claims

Mr. Morehouse moved for approval of Resolution 2018-02 for the payment of bills and claims in the amount of \$994,604.67 with two signatures instead of three. The motion was seconded by Mr. Goldfarb and approved by a roll call vote of 4 to 0. Resolution 2018-02 follows.

Resolution Regarding Payment of Bills and Claims

Resolution No. 2018-02

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 **\$994,604.67** be approved for payment with checks bearing two authorized signatures instead of three authorized signatures.

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

Treasurer's Report

Mr. Sears reported that net income for the first month of the new fiscal year ending December 31, 2017 is \$141,946.68. The Authority has total cash and investments of \$18,717,882.48 at an average interest rate of 0.50%. The current construction projects balance is \$14,162,554. Mr. Sears noted there are sufficient funds for these projects. The outstanding bond principal balance is \$19,065,312 and a bond payment was made on December 1, 2017. The New Jersey Cash Management Fund yield is 0.25%.

Monthly Sludge Business Analysis

Mr. Sears reported that the net and cumulative income for the month of December is \$104,096.

2% Cap on Regional Authorities

Mr. Sears noted that the 2% cap on regional authorities passed and was signed into law by the outgoing Governor. A copy of the law was provided to the Board.

“The bill limits the percentage of growth in fee-funded appropriations in the annual budget of an authority to two percent and the amount billed to customers of the authority or the amount billed to a local unit for the proportional share of the authority’s expenses ...”

Mr. Goldfarb indicated that the 2% cap will be problematic and asked how the Authority plans on handling the cap.

Mr. Kantorek indicated that the Association of Environmental Authorities (AEA) has invited all authorities to a meeting to discuss what each authority sees as their issues with the cap. The AEA was able to obtain many exceptions to the cap however, there are still many issues that remain unresolved.

Ms. Alexander explained that some authorities are moving forward with a lawsuit, challenging the constitutionality of this bill. This bill could potentially interfere with a contract which is not allowed. It could possibly affect SBRSA’s service agreement.

Mr. Goldfarb stated that it is not just the service contract that would be affected, but the entire model of SBRSA’s billing which is based on flow. Ms. Alexander indicated that is not a constitutional challenge. Ms. Alexander indicated that the bill itself is very vague. Mr. Kantorek noted that the bill states amount of use and not amount of flow.

Ms. Alexander explained that the AEA was able to get favorable language in the final bill; including eliminating the term flow from the bill and to put in the same caveats as the municipalities were afforded. The AEA’s position was that it was not enough. Authorities do not bill the same way that municipalities bill and have different issues than municipalities

Mr. Morehouse stated that the bill does not contain a provision for going to the public. Ms. Alexander indicated that an authority can seek a waiver from the Division of Local Government Services (DLGS) Director, but under very limited circumstances, which would be a reduction in use. Ms. Alexander indicated that she would argue that everything SBRSA does is incidental to complying with a governmental regulation.

Mr. Morehouse indicated that the Authority does not base its budget development on flows but on operational costs. There has not been much of a change in the Authority's budgets from year to year.

A lengthy discussion followed. The discussion included the affect the bill has on retained earnings and participant charges; and how the bill affects the timeframe of the budgeting process.

The Board asked staff to provide various scenarios/alternatives regarding the 2% cap to the Finance Committee.

553.13 Personnel Report

The Personnel Report was provided for member information.

Mr. Kantorek stated the one Operator was transferred to Septage/Sludge Receiver. The position became available due to a retirement. The Authority currently has forty-six (46) employees at work. The report indicates that the authorized budget for 2018 is forty-seven (47) employees. Mr. Kantorek explained that the total budget authorized number of employees includes partial year training for two (2) new employees who will directly or indirectly replace retiring employees.

Chairman Bartolini noted that a "Succession Plan" will be presented to the Board at the March meeting.

553.14 Correspondence

For information.

553.15 Old Business

None

553.16 New Business

Resolution 2018-01, Award of Contract for the River Road STP Multiple Hearth Incinerator No. 1 Repairs

Mr. Kunert reported that sealed bids for the River Road STP Multiple Hearth Incinerator No.1 Repairs were received on January 19, 2018. Two bids were received and the results are as follows:

Industrial Furnace Company, Inc.	\$119,500.00
Albertus Energy, Inc.	\$ 89,281.00

Mr. Kunert explained that the bidders were bidding on the necessary repair work needed on SBRSA's Multiple Hearth Incinerator No. 1. The repairs were based on the inspection and subsequent report performed by Chavond Barry Engineering.

Mr. Kunert recommended that the contract be awarded to the low bidder, Albertus Energy, Inc. in the amount of \$89,281. So moved by Dr. Downey, seconded by Mr. Goldfarb and passed by a roll call vote of 4 to 0. Resolution 2018-01 follows.

Resolution Authorizing the Award of a Contract for the River Road STP Multiple-Hearth Incinerator #1 Repairs

Resolution No. 2018-1

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

WHEREAS, the following bids were received by the Authority on January 19, 2018, as more fully set forth as follows:

Industrial Furnace Company, Inc.	\$119,500.00
Albertus Energy, Inc.	\$89,281.00

WHEREAS, the Authority has determined that the bid of Albertus Energy, Inc. is the low bidder in the amount of \$89,281.00; and

WHEREAS, the bid submitted by the Albertus Energy, Inc. in the amount of \$89,281.00 has been reviewed by the Authority and has been determined to be in compliance with the bid specifications in accordance with the Local Public Contracts Law NJSA 40A:11-1 et seq; and

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

NOW THEREFORE, BE IT RESOLVED by the Stony Brook Regional Sewerage Authority that it hereby awards this contract “River Road STP Multiple-Hearth Incinerator #1 Repairs” to Albertus Energy, Inc. in the amount of \$89,281.00.

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

Recorded Vote:

	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

553.17 Open to the Public

553.18 And such other issues as may come before the Board

None.

553.19 Adjournment

As there was no further business to come before the Board, the meeting was adjourned at 8:50 p.m. on a motion by Dr. Downey, seconded by Mr. Morehouse and passed by unanimous vote.

Respectfully Submitted,

John Kantorek
Secretary

Recorded and Written by
Patricia Carlino
February 7, 2018