

**MINUTES OF THE BOARD MEETING
THE SOMERSET RARITAN VALLEY SEWERAGE AUTHORITY
June 25, 2018**

Minute 1 – Opening of Meeting

The Board Meeting of the Somerset Raritan Valley Sewerage Authority was called to order at 7:30 P.M. by Chairperson, Carolann Garafola

Minute 2 – Open Public Meetings Announcement

The Open Public Meeting Announcement was read by the Executive Director, Ronald S. Anastasio.

Minute 3 – Roll Call

Present/Absent

<u> x </u>	<u> </u>
<u> </u>	<u> x </u>
<u> x </u>	<u> </u>
<u> x </u>	<u> </u>
<u> </u>	<u> x </u>
<u> x </u>	<u> </u>
<u> x </u>	<u> </u>

Todd Hay
Louis Esposito, Jr.
Philip Petrone
Edward Machala
Steven Mlenak
Richard Mathews
Peter Stires

Present/Absent

<u> </u>	<u> x </u>
<u> x </u>	<u> </u>
<u> x </u>	<u> </u>
<u> </u>	<u> x </u>
<u> x </u>	<u> </u>
<u> x </u>	<u> </u>

Randy Smith
Michael Impellizei
Gail Quabeck
Robert Albano
Joseph Lifrieri
Carolann Garafola

Professional Staff

Ronald Anastasio, P.E., Executive Director	Present
Sherwin Ulep, P.E., Facility Engineer	Absent
Anthony Tambasco, Plant Superintendent	Present
Michael Ingenito, Chief Plant Operator	Absent
Dennis Smith, Supervisor Liquid Division	Present
Ellie Hoffman, Reg. Compliance Officer/Asst. Engineer	Present
Linda Hering, Human Resources Manager	Present
Peter Wozniak, Chief Financial Officer	Present
Donna O’Shea, Administrative Assistant	Present

Others

Thomas Laustsen, CDM Smith	Present
Joseph Maraziti, Esq., Maraziti Falcon, LLP	Present

Minute 4 – Pledge of Allegiance

All in attendance saluted the flag.

Minute 5 – Approval of Minutes

A. Board Meeting Open Session Minutes – May 21, 2018

Upon Motion of Mr. Machala, Second of Mr. Hay, the Minutes of the May 21, 2018 Meeting (Open Session) were approved by the following roll call vote:

	<u>Yes</u>	<u>No</u>	<u>Abstain</u>	<u>Absent</u>
Todd Hay	<u>x</u>	<u> </u>	<u> </u>	<u> </u>
Louis Esposito, Jr.	<u> </u>	<u> </u>	<u> </u>	<u>x</u>
Philip Petrone	<u>x</u>	<u> </u>	<u> </u>	<u> </u>
Edward Machala	<u>x</u>	<u> </u>	<u> </u>	<u> </u>
Steven Mlenak	<u> </u>	<u> </u>	<u> </u>	<u>x</u>
Richard Mathews	<u>x</u>	<u> </u>	<u> </u>	<u> </u>
Peter Stires	<u>x</u>	<u> </u>	<u> </u>	<u> </u>
Randy Smith	<u> </u>	<u> </u>	<u> </u>	<u>x</u>
Michael Impellizeri	<u>x</u>	<u> </u>	<u> </u>	<u> </u>
Gail Quabeck	<u>x</u>	<u> </u>	<u> </u>	<u> </u>
Robert Albano	<u> </u>	<u> </u>	<u> </u>	<u>x</u>
Joseph Lifrieri	<u>x</u>	<u> </u>	<u> </u>	<u> </u>
Carolann Garafola	<u>x</u>	<u> </u>	<u> </u>	<u> </u>

Minute 6 – Public Hearings – None

Minute 7 – Public Participation – Commissioner Garafola noted that there was no one in attendance for the public participation.

Minute 8 – Consent Resolutions for Consideration and Possible Formal Action

- (1) **Res. No. 18-0625-1** – Resolution Authorizing The Administrative Termination Of The Non-Domestic Wastewater Discharge Permit 13F Issued To Taylor Forge Stainless
- (2) **Res. No. 18-0625-2** – Resolution Authorizing The Modification Of The Non-Domestic Wastewater Discharge Permit 6F Issued To Ortho Clinical Diagnostics Inc.
- (3) **Res. No. 18-0625-3** – Resolution Authorizing The Mass Modification Of All Non-Domestic Wastewater Discharge Permits
- (4) **Res. No. 18-0625-4** – Resolution Renewing Sludge Cake Disposal Agreement with The Stony Brook Regional Sewerage Authority
- (5) **Res. No. 18-0625-5** – Resolution Authorizing Sewer Extension For Proposed Residential Development – Patriots Greens, Block 329; Lots 3.01, 13.01 & 14, Township of Bridgewater, Somerset County

Upon motion of Ms. Quabeck, Second of Mr. Hay, the above Resolutions were approved by the following roll call vote:

	<u>Yes</u>	<u>No</u>	<u>Abstain</u>	<u>Absent</u>
Todd Hay	<u>x</u>	<u> </u>	<u> </u>	<u> </u>
Louis Esposito, Jr.	<u> </u>	<u> </u>	<u> </u>	<u>x</u>
Philip Petrone	<u>x</u>	<u> </u>	<u> </u>	<u> </u>
Edward Machala	<u>x</u>	<u> </u>	<u> </u>	<u> </u>
Steven Mlenak	<u> </u>	<u> </u>	<u> </u>	<u>x</u>
Richard Mathews	<u>x</u>	<u> </u>	<u> </u>	<u> </u>
Peter Stires	<u>x</u>	<u> </u>	<u> </u>	<u> </u>
Randy Smith	<u> </u>	<u> </u>	<u> </u>	<u>x</u>
Michael Impellizeri	<u>x</u>	<u> </u>	<u> </u>	<u> </u>
Gail Quabeck	<u>x</u>	<u> </u>	<u> </u>	<u> </u>
Robert Albano	<u> </u>	<u> </u>	<u> </u>	<u>x</u>
Joseph Lifrieri	<u>x</u>	<u> </u>	<u> </u>	<u> </u>
Carolann Garafola	<u>x</u>	<u> </u>	<u> </u>	<u> </u>

A copy of the Resolution is attached hereto and made part of the Official Minutes

Minute 9 – Board Committees

A. FINANCE COMMITTEE (QUABECK, Impellizeri, Machala, Mathews, Albano, Mlenak)

(1) Report on Comprehensive Annual Financial Report for the Fiscal Year Ended December 31, 2017 (see Report in front pocket of binder)

a) **Res. No. 18-0625-6** – Resolution Accepting the FY 2017 Comprehensive Annual Financial Report and Year End Audit.

Upon Motion of Ms. Quabeck, Second of Mr. Impellizeri, the above Resolution was approved by the following roll call vote:

	<u>Yes</u>	<u>No</u>	<u>Abstain</u>	<u>Absent</u>
Todd Hay	<u>x</u>	<u> </u>	<u> </u>	<u> </u>
Louis Esposito, Jr.	<u> </u>	<u> </u>	<u> </u>	<u>x</u>
Philip Petrone	<u>x</u>	<u> </u>	<u> </u>	<u> </u>
Edward Machala	<u>x</u>	<u> </u>	<u> </u>	<u> </u>
Steven Mlenak	<u> </u>	<u> </u>	<u> </u>	<u>x</u>
Richard Mathews	<u>x</u>	<u> </u>	<u> </u>	<u> </u>
Peter Stires	<u>x</u>	<u> </u>	<u> </u>	<u> </u>
Randy Smith	<u> </u>	<u> </u>	<u> </u>	<u>x</u>
Michael Impellizeri	<u>x</u>	<u> </u>	<u> </u>	<u> </u>

Gail Quabeck	<u> x </u>	<u> </u>	<u> </u>	<u> </u>
Robert Albano	<u> </u>	<u> </u>	<u> </u>	<u> x </u>
Joseph Lifrieri	<u> x </u>	<u> </u>	<u> </u>	<u> </u>
Carolann Garafola	<u> x </u>	<u> </u>	<u> </u>	<u> </u>

A copy of the Resolution is attached hereto and made part of the Official Minutes

(2) Report on the Subject of Incinerator R1 – Whether to Rebuild or Permanently Demolish

Executive Director Anastasio reported that the Planning Committee reviewed alternatives for sludge disposal as a back-up to R2 when R2 is down. We studied various scenarios and outage times. Both the Planning and Finance Committees have both concluded that the rebuilding of R1 is the best solution even though it is not the least expensive. The reliability aspect really goes a long way over the sludge hauling. The Finance Committee has reviewed this and has concurs with the Planning Committee. It would be financed through NJEIT – a big caveat of this recommendation would be that we come up with a plan where R1 is in compliance by December 31, 2026. There is not a lot of magic behind that date other than it gives us time to get other projects completed. This project would take a couple of years plus design engineering, etc. If EPA insists that it has to be done right away, then we’ll have to come back to the Board and there may be a different answer.

Mr. Anastasio said that what we plan to do is further refine and revise the EPA term sheet that we’ve been going back and forth with; and some of this will roll over into a discussion we’ll have a little later about burning R2. We’ll report back to the Board and let you know when we get a response from EPA.

Commissioner Quabeck added that this is the direction we’re looking to take but we’re not committing to anything.

(3) Report on Bundling of Smaller Projects for NJEIT Financing

We discussed the bundling of smaller projects for NJEIT financing. The reason why this is here is that next year, 2019, is the last year for 75% interest-free financing. It’s currently 75% interest free and 25% is at the market rate; so, therefore, it’s about ¼ of what the market rate would be. That’s a really good deal. Our major projects are financed under that program. We have three projects coming up that we think we could squeeze into the FY 2019 financing program, which are: (1) the Plant-wide Electrical Upgrade project, (2) the new roof on the Headworks Building and (3) the replacement of the grit collector units in the Headworks Building. These projects are estimated to be about \$5,000,000. It will cost us about \$100,000 (maybe a little less) in consulting and origination fees. Also, bonding counsel alone would be \$35,000.

In 2020, the NJEIT financing goes back to 50% interest free. The Finance Committee was in agreement with this approach. We’ll be talking with CDM Smith (Engineering Consultants) for preparing a planning documentation. When we get that information, we’ll report back to the Board.

(4) Report of Additional Funding for the Mercury Emission Control System Project:

There were two additional fundings that we were seeking for the Mercury Emission Control System Project –

(1) The replacement of a portion of the existing of the R1 MCC (Motor Control Center) which powers some important ancillary equipment (belt filter presses, polymer feed system and wash pumps). Currently, we’ve have it rigged to work because of some difficulties early in the year. Looking at the quotes, the price is really about what it would cost no matter who does the work and then there’s an adder for overhead and profit. We can use our existing engineering spec. If we don’t do this now, we’ll have to put together new engineering documents, hire a new electrical engineer and do it all over again.

(2) There is some additional funding for CDM Smith for engineering services during construction. You may remember when we kicked off the engineering services during construction, we had an original budget from CDM Smith. We pulled that back by about \$54,000 taking on some of the work ourselves (with our Facility Engineering, Sherwin Ulep, taking on some of the inspections as well as CDM personnel). The project is going very well but we’ve had some things come up during the project. The efforts that were put in on the engineering side to mitigate issues and cut off problems before they a chance to blossom paid off. So, we’re looking for the additional funding to finalize that project.

Both Planning and Finance Committees agreed with approving the above. We now have those Resolutions in front of the Board for approval tonight.

a) Replacement of Existing R1 Motor Control Center for Ancillary Equipment

b) **Res. No. 18-0625-11** – Resolution Authorizing Change Order No. 2 – Replacement Of The Existing Incinerator R1 Motor Control Center To Power Ancillary Equipment For Incinerator R2 – Contract C-17-2 – Mercury Emission Control System – General Construction Contract To Iron Hills Construction Co., Inc.

Upon Motion of Ms. Quabeck, Second of Mr. Machala, the above Resolution was approved by the following roll call vote:

	<u>Yes</u>	<u>No</u>	<u>Abstain</u>	<u>Absent</u>
Todd Hay	<u>x</u>	_____	_____	_____
Louis Esposito, Jr.	_____	_____	_____	<u>x</u>
Philip Petrone	<u>x</u>	_____	_____	_____
Edward Machala	<u>x</u>	_____	_____	_____
Steven Mlenak	_____	_____	_____	<u>x</u>
Richard Mathews	<u>x</u>	_____	_____	_____
Peter Stires	<u>x</u>	_____	_____	_____
Randy Smith	_____	_____	_____	<u>x</u>
Michael Impellizeri	<u>x</u>	_____	_____	_____

Gail Quabeck	<u> x </u>	<u> </u>	<u> </u>	<u> </u>
Robert Albano	<u> </u>	<u> </u>	<u> </u>	<u> x </u>
Joseph Lifrieri	<u> x </u>	<u> </u>	<u> </u>	<u> </u>
Carolann Garafola	<u> x </u>	<u> </u>	<u> </u>	<u> </u>

A copy of the Resolution is attached hereto and made part of the Official Minutes

- c) Additional Funding for CDM Smith for Engineering Services during Construction (to complete the project)
- d) **Res. No. 18-0625-12** – Resolution Authorizing Additional Funds to CDM Smith for Additional Engineering Services during Construction for the Incinerator No. 2 Mercury Emission Control System Project

Upon Motion of Ms. Quabeck, Second of Mr. Impellizeri, the above Resolution was approved by the following roll call vote:

	<u>Yes</u>	<u>No</u>	<u>Abstain</u>	<u>Absent</u>
Todd Hay	<u> x </u>	<u> </u>	<u> </u>	<u> </u>
Louis Esposito, Jr.	<u> </u>	<u> </u>	<u> </u>	<u> x </u>
Philip Petrone	<u> x </u>	<u> </u>	<u> </u>	<u> </u>
Edward Machala	<u> x </u>	<u> </u>	<u> </u>	<u> </u>
Steven Mlenak	<u> </u>	<u> </u>	<u> </u>	<u> x </u>
Richard Mathews	<u> x </u>	<u> </u>	<u> </u>	<u> </u>
Peter Stires	<u> x </u>	<u> </u>	<u> </u>	<u> </u>
Randy Smith	<u> </u>	<u> </u>	<u> </u>	<u> x </u>
Michael Impellizeri	<u> x </u>	<u> </u>	<u> </u>	<u> </u>
Gail Quabeck	<u> x </u>	<u> </u>	<u> </u>	<u> </u>
Robert Albano	<u> </u>	<u> </u>	<u> </u>	<u> x </u>
Joseph Lifrieri	<u> x </u>	<u> </u>	<u> </u>	<u> </u>
Carolann Garafola	<u> x </u>	<u> </u>	<u> </u>	<u> </u>

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Minute 10 – Chairperson –

Commissioner Carolann Garafola congratulated Eleanor Hoffmann (Regulatory Compliance Officer/Assistant Engineer) on her passing the recent Professional Engineering Exam. All in attendance gave Ms. Hoffman a round of applause for her achievement.

Ms. Garafola also discussed the latest information with regards to Affordable Housing and the reduction of connection fees of 50%. In Warren Township, there is a new project that has been approved with 80 affordable housing units; and instead of \$800,000 going to the Sewerage Authority, \$400,000 will go to the Sewerage Authority. Discussion ensued amongst Board Members. Executive Director Anastasio said that he will look into this further and get more information. He will pass that information on to the Board as to what is the current status.

Minute 11 – Reports

A. Executive Director’s Report

(1) Update on SSO Project:

We’re still waiting on the State House Commission Meeting in order for them to approve our project. Commissioner Lifrieri asked a question about who we could get in touch with. Commissioner Stires added that we did reach out to Senator Bateman a while ago. The other item we’re waiting for the finalizing the ACO with the State. As of now, we’re not getting responses from them. The DAG has retired. Our attorney, Diane Alexander, has been following up and they tell her that “we’re working on it.”

Attorney Maraziti added that the ACO that we do presently have remains in place as long as we are proceeding in good faith and negotiating a new one. We are covered right now.

(2) Update on Incinerator Project:

As mentioned before, the incinerator project is moving along well. Here’s a brief summary of where we are –

The construction is coming to an end shortly (about three weeks early). The last step is to install the motor control center (MCC) in the new Mercury Building. The building is complete. Last week we performed a leakage test on it and that went well. We found a few small leaks which were tightened up and repaired. The General Construction Contractor is about to hand this off the project to the Equipment Procurement Contractor in order for them to get their instrumentation system started up. The program for the system has been factory-tested under the observance of our electrical engineer. The instruments and wires have been installed. Now, they have to start playing with it. They need to turn it on and seeing what needs to be tweaked here and there. We are in the late stages of this project and the workmanship looks very good. We hope to get this started in a few months. We’ll be talking about burning in our Closed Session tonight.

(3) Update on Discussions with NJDEP and USEPA Regarding Continued Operation of the R2 Incinerator (CLOSED SESSION – Anticipated Litigation)

B. Engineer/Consultants – Thomas Laustsen, P.E. (CDM Smith) Engineer’s Report for May, 2018.

C. Attorney – Joseph Maraziti, Esq., Maraziti Falcon, LLP – No additional comments.

D. Department Reports –

- (1) Operations
- (2) Laboratory

- (3) Maintenance/Electrical
- (4) Special Projects

E. Facility Engineer Reports – No additional comments.

- (1) Capacity Allocation
- (2) Capacity Assurance
- (3) Monthly Flow Report
- (4) Facility Engineer’s Monthly Report

Minute 12 – Communications

- A. NJDEP, Division of Water Quality; Residual Transfer Report; Re: Reporting Period: 4/01/18 through 4/30/18
- B. NJDEP, Division of Water Quality; Surface Water Discharge Monitoring Report; Re: Reporting Period: 4/01/18 through 4/30/18
- C. NJDEP, Division of Water Quality; Residuals Transfer Discharge Monitoring Report; Re: Reporting Period: 4/01/18 through 4/30/18

Minute 13 – Res. No. 18-0625-7 – Payroll

Upon Motion of Mr. Hay, Second of Mr. Stires, the above Resolution was approved by the following roll call vote:

	<u>Yes</u>	<u>No</u>	<u>Abstain</u>	<u>Absent</u>
Todd Hay	<u>x</u>	_____	_____	_____
Louis Esposito, Jr.	_____	_____	_____	<u>x</u>
Philip Petrone	<u>x</u>	_____	_____	_____
Edward Machala	<u>x</u>	_____	_____	_____
Steven Mlenak	_____	_____	_____	<u>x</u>
Richard Mathews	<u>x</u>	_____	_____	_____
Peter Stires	<u>x</u>	_____	_____	_____
Randy Smith	_____	_____	_____	<u>x</u>
Michael Impellizeri	<u>x</u>	_____	_____	_____
Gail Quabeck	<u>x</u>	_____	_____	_____
Robert Albano	_____	_____	_____	<u>x</u>
Joseph Lifrieri	<u>x</u>	_____	_____	_____
Carolann Garafola	<u>x</u>	_____	_____	_____

A copy of the Resolution is attached hereto and made part of the Official Minutes

Minute 14 -- Cancelled Checks – Res. No. 18-0625-8

Upon Motion of Mr. Hay, Second of Mr. Impellizeri, the above Resolution was approved by the following roll call vote:

	<u>Yes</u>	<u>No</u>	<u>Abstain</u>	<u>Absent</u>
Todd Hay	<u> x </u>	<u> </u>	<u> </u>	<u> </u>
Louis Esposito, Jr.	<u> </u>	<u> </u>	<u> </u>	<u> x </u>
Philip Petrone	<u> x </u>	<u> </u>	<u> </u>	<u> </u>
Edward Machala	<u> x </u>	<u> </u>	<u> </u>	<u> </u>
Steven Mlenak	<u> </u>	<u> </u>	<u> </u>	<u> x </u>
Richard Mathews	<u> x </u>	<u> </u>	<u> </u>	<u> </u>
Peter Stires	<u> x </u>	<u> </u>	<u> </u>	<u> </u>
Randy Smith	<u> </u>	<u> </u>	<u> </u>	<u> x </u>
Michael Impellizeri	<u> x </u>	<u> </u>	<u> </u>	<u> </u>
Gail Quabeck	<u> x </u>	<u> </u>	<u> </u>	<u> </u>
Robert Albano	<u> </u>	<u> </u>	<u> </u>	<u> x </u>
Joseph Lifrieri	<u> x </u>	<u> </u>	<u> </u>	<u> </u>
Carolann Garafola	<u> x </u>	<u> </u>	<u> </u>	<u> </u>

A copy of the Resolution is attached hereto and made part of the Official Minutes

Minute 15 – Bills - Resolution No. 18-0625-9

Upon Motion of Mr. Hay, Second of Mr. Impellizeri, the above Resolution was approved by the following roll call vote:

	<u>Yes</u>	<u>No</u>	<u>Abstain</u>	<u>Absent</u>
Todd Hay	<u> x </u>	<u> </u>	<u> </u>	<u> </u>
Louis Esposito, Jr.	<u> </u>	<u> </u>	<u> </u>	<u> x </u>
Philip Petrone	<u> x </u>	<u> </u>	<u> </u>	<u> </u>
Edward Machala	<u> x </u>	<u> </u>	<u> </u>	<u> </u>
Steven Mlenak	<u> </u>	<u> </u>	<u> </u>	<u> x </u>
Richard Mathews	<u> x </u>	<u> </u>	<u> </u>	<u> </u>
Peter Stires	<u> x </u>	<u> </u>	<u> </u>	<u> </u>
Randy Smith	<u> </u>	<u> </u>	<u> </u>	<u> x </u>
Michael Impellizeri	<u> x </u>	<u> </u>	<u> </u>	<u> </u>
Gail Quabeck	<u> x </u>	<u> </u>	<u> </u>	<u> </u>
Robert Albano	<u> </u>	<u> </u>	<u> </u>	<u> x </u>
Joseph Lifrieri	<u> x </u>	<u> </u>	<u> </u>	<u> </u>
Carolann Garafola	<u> x </u>	<u> </u>	<u> </u>	<u> </u>

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Minute 16 – Adjourn to Closed Session

Res. No. 18-0625-10 – Resolution Authorizing Closed Session For The Purpose Of Discussing Permission to Continue To Burn Sludge in R2 Incinerator

Upon Motion of Mr. Impellizeri, Second of Mr. Hay, the above Resolution was approved by the following roll call vote:

	<u>Yes</u>	<u>No</u>	<u>Abstain</u>	<u>Absent</u>
Todd Hay	<u>x</u>	<u> </u>	<u> </u>	<u> </u>
Louis Esposito, Jr.	<u> </u>	<u> </u>	<u> </u>	<u>x</u>
Philip Petrone	<u>x</u>	<u> </u>	<u> </u>	<u> </u>
Edward Machala	<u>x</u>	<u> </u>	<u> </u>	<u> </u>
Steven Mlenak	<u> </u>	<u> </u>	<u> </u>	<u>x</u>
Richard Mathews	<u>x</u>	<u> </u>	<u> </u>	<u> </u>
Peter Stires	<u>x</u>	<u> </u>	<u> </u>	<u> </u>
Randy Smith	<u> </u>	<u> </u>	<u> </u>	<u>x</u>
Michael Impellizeri	<u>x</u>	<u> </u>	<u> </u>	<u> </u>
Gail Quabeck	<u>x</u>	<u> </u>	<u> </u>	<u> </u>
Robert Albano	<u> </u>	<u> </u>	<u> </u>	<u>x</u>
Joseph Lifrieri	<u>x</u>	<u> </u>	<u> </u>	<u> </u>
Carolann Garafola	<u>x</u>	<u> </u>	<u> </u>	<u> </u>

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Minute 17 – Reconvene to Open Session

Upon Motion of Mr. Hay, Second of Mr. Mathews and by an all-in-favor vote, the June 25, 2018 Open Session Board Meeting was reconvened at 8:14 p.m.

Minute 18 – Adjournment

Upon Motion of Mr. Impellizeri, Second of Mr. Hay and by an all-in-favor vote, the June 25, 2018 Board Meeting was adjourned at 8:15 p.m.

**NEXT REGULAR BOARD MEETING WILL BE HELD ON
JULY 23, 2018**