

**MINUTES OF THE BOARD MEETING
THE SOMERSET RARITAN VALLEY SEWERAGE AUTHORITY
JUNE 27, 2022**

Minute 1 - Opening of Meeting

The Board Meeting of the Somerset Raritan Valley Sewerage Authority was called to order at 7:03 P.M. by Chairman Michael Impellizeri.

Minute 2 - Open Public Meetings Announcement

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

Minute 3 - Roll Call

Robert Albano	Present	Philip Petrone	<i>Absent</i>
Louis Esposito, Jr	<i>Absent</i>	Reinhard Pratt	Present
Joseph Lifrieri	Present	Gail Quabeck	Present (Teams)
Edward Machala	Present	Randy Smith	Present (Teams)
Richard Mathews	Present	Peter Stires	Absent
Michael Pappas	<i>Absent*</i>	Michael Impellizeri	Present

**Mr. Pappas joined the meeting at 7:27 p.m.

Authority Staff

Ronald Anastasio, P.E., Executive Director	Present
Sherwin Ulep, P.E., Facility Engineer	Absent
Anthony Tambasco, Plant Superintendent	Absent
Michael Ingenito, Chief Plant Operator	Absent
Dennis Smith, Supervisor Liquid Division	Present
Ellie Hoffman, P.E., Regulatory Compliance Engineer	Present (Teams)
Linda Hering, Human Resources Manager	Present
Peter Wozniak, Chief Financial Officer	Present (Teams)
Christian Santiago, Staff Engineer	Present (Teams)

Professional Staff

Thomas Schoettle, P.E., CDM Smith	Present
Brad Carney, Esq., Maraziti Falcon, LLP	Present (Teams)
Brian Farrelly, P.E., CDM Smith	Present (Teams)

Minute 4 – Pledge of Allegiance

All in attendance saluted the flag.

Minute 5 – Approval of Minutes:

1. Board Meeting Open Session Minutes – May 23, 2022

Mr. Albano stated that there was an error in the Minutes with respect to his attendance at the meeting as he was absent for the May meeting. Ms. Hering indicated she would review the minutes and make the necessary corrections.

With the Motion of Ms. Quabeck, Second of Mr. Mathews, the Minutes of the May 23, 2022 Meeting (Open Session), as amended, were approved by the following roll call vote:

Roll Call Vote:

Robert Albano	Yes	Philip Petrone	Absent
Louis Esposito, Jr	Absent	Reinhard Pratt	Yes
Joseph Lifrieri	Yes	Gail Quabeck	Yes
Edward Machala	Yes	Randy Smith	<i>Abstain</i>
Richard Mathews	Yes	Peter Stires	Absent
Michael Pappas	Absent	Michael Impellizeri	Yes

2. Board Meeting Closed Session Minutes – May 23, 2022

With the Motion of Mr. Lifrieri, Second of Mr. Mathews, the Minutes of the May 23, 2022 Meeting (Closed Session), were approved by the following roll call vote:

Roll Call Vote:

Robert Albano	Yes	Philip Petrone	Absent
Louis Esposito, Jr	Absent	Reinhard Pratt	Yes
Joseph Lifrieri	Yes	Gail Quabeck	Yes
Edward Machala	Yes	Randy Smith	<i>Abstain</i>
Richard Mathews	Yes	Peter Stires	Absent
Michael Pappas	Absent	Michael Impellizeri	Yes

Minute 6 – Public Hearing – NONE

Minute 7 – Public Participation: No public present.

Minute 8 – Consent Agenda: Resolutions for Consideration and Possible Formal Action

1. **Res. No. 22-0627-1** – Resolution Authorizing the Issuance Non-Domestic Wastewater Discharge Permit to Amneal Pharmaceuticals, LLC
2. **Res. No. 22-0627-2** – Resolution Authorizing the Reissuance of a Non-Domestic Wastewater Discharge Permit to Laboratory Corporation of America
3. **Res. No. 22-0627-3** – Sewer Extension Resolution - Cottages at Chimney Rock Sanitary Sewer Extension; Block 802 Lots 131; Bridgewater Township
4. **Res. No. 22-0627-4** – Resolution Awarding the Contract for Wastewater Treatment Plant Switchgear Inspection, Service and Testing - Contract B-22-2

Mr. Impellizeri asked if there were any comments or questions with regard to the resolutions.

Mr. Albano asked a question for Ellie Hoffman. On Resolution No. 22-0627-2 for LabCorp, is this the revised resolution for LabCorp? We've been putting off some permit for them because they are doing some addition on their building. Are they finally finished with that? Ellie stated that they are finally finished. We are updating their flow in accordance with the Resolution that was passed for their connection fee a while ago.

With no further questions or comments, and upon Motion of Mr. Machala, Second of Mr. Mathews, the above Resolutions were approved by the following roll call vote:

Roll Call Vote:

Robert Albano	Yes	Philip Petrone	Absent
Louis Esposito, Jr	Absent	Reinhard Pratt	Yes
Joseph Lifrieri	Yes	Gail Quabeck	Yes
Edward Machala	Yes	Randy Smith	Yes
Richard Mathews	Yes	Peter Stires	Absent
Michael Pappas	Absent	Michael Impellizeri	Yes

Minute 9 – Board Committees

A. Finance Committee: (QUABECK, Impellizeri, Mathews, Machala, Albano)

Ms. Quabeck reported that the Planning Committee has requested the Finance Committee to review the proposed Main Interceptor Rehab project and the Plantwide Mechanical Rehab project. We had asked our Chief Financial Officer, Peter Wozniak, to provide us with some financial information and in his usual fine fashion, he did an excellent job in doing so. The Finance Committee met earlier this evening and has agreed that it will be recommending to the Authority to proceed with these projects. We had asked Ron to prepare the appropriate

resolution for formal approval at the July meeting and it would be an approval to proceed. Everyone will get a copy of that Resolution when he prepares it.

Mr. Impellizeri asked if there were any further questions, and there were none.

Minute 10 – Chairman – Mr. Impellizeri has nothing to report. He just wished everyone, and their families have a great summer and thanked everyone for participating in the Authority as it takes time from your regular life, but it is important.

Minute 11 - Reports

A. Executive Director's Report

A. Executive Director's Report

1. Update on Storm Control Treatment Facility Construction Project

Mr. Anastasio stated that in Closed Session we will talk about the update on the PKF Mark III Construction Delay Claim but outside of that, Kleinfelder is wrapping up the as-built drawings of that project. Also, the Operations & Maintenance Manual has been mostly completed and we were given an operational draft for our recent DEP inspection as we need to have that on-site. Kleinfelder got that to us prior to the inspection. There are a couple of tweaks in there. They want us to look it over and make any comments and then we'll make that final. That project is virtually completed and we will talk about the outstanding claim in Closed Session.

Mr. Carney asked if we have the Maintenance Bond on this project? Mr. Anastasio stated that he didn't think there was a Maintenance Bond required for that project. I think this question came up before. I'll double-check and make sure that we are due a Maintenance Bond on that, which I believe would be 10-15% of the Performance Bond. We'll check on that before we close anything out. Mr. Carney asked if this was financed with the I-Bank and Mr. Anastasio stated yes. Mr. Carney stated that usually a Maintenance Bond and an Environmental Maintenance Bond are requirements for that. Mr. Anastasio stated we will tackle that as part of all the Contract Closeout which we haven't gotten to yet. What we are going to talk about in Closed Session, if things do get resolved as far as the outstanding claim, perhaps in July that could all be wrapped up and taken care of. We will talk more about that as we get closer.

2. Update on the Plantwide Electrical Rehabilitation Project

Mr. Anastasio stated that this project is complete. They have finished updating their punch list items. The last change order for that project was Change Order #8 which was the new electrical system for the Maintenance Shop that was an afterthought. We got a good price on that. They are in the process of demobilizing now and have a couple of trailers on-site and a piece of equipment. They demobilized from all of the work areas, and they are staging out on the concrete pad where the old carbon towers were located. We told them that by the end of the

month we expect them to be demobilized, which would be this week. That project went very well and there is a payment on the bill list tonight. We'll do the final closeout payment probably at the July meeting.

3. Update on the Sale of the Somerville Borough Collection System

Mr. Anastasio indicated that the update is that he really doesn't know anything about how well it went. I understand the bid opening was June 22nd, the last time I checked. It could have changed to another day. I have a couple calls into the Borough Administrator but haven't heard back from him. I draw your attention to the front of the Reports Section in the Board Book. At the May meeting, we talked about the Authority sending a letter with our concerns and we did that. That was authored by our legal team with some input from us. We got a response from Somerville which wasn't really what we wanted to hear. They told us they don't think it'll cost us any more money to borrow money in the future and also, you made a couple phone calls regarding this sale, so we don't owe you any money for consultants. A couple of people have mentioned that we should answer this and Brad, Joe Maraziti and I, and others, will be talking about what our answer to their answer letter will be. We'll see where it goes. Ms. Quabeck said we should definitely respond but my question is have we gotten any information back from the I-Bank? Ron said not yet. Bob Beinfield forewarned us of this, that they may not put the work involved into giving us an answer until they know that the sale looks like and if it will go to referendum or maybe even until the results of the referendum are in. This is some unfamiliar territory for them and as Ms. Quabeck said, they may not want to pay legal fees either. We haven't gotten anything yet from Bond Counsel Beinfield. There is work involved in it and they don't want to do it unless they have to.

Mr. Pratt asked who are the potential buyers of Somerville's system, why are they selling it and is there a precedent for this sort of thing? Mr. Anastasio commented that systems, speaking, are starting to be sold in the State. There were some that were earlier on, like Bayonne was 20 years ago. Bound Brook was voted on being sold last summer. It is starting to pop up in the State. Somerville's system is the first participant in a Regional Authority that is potentially being sold. The others were parts of County Authority's. Egg Harbor Township was part of Atlantic County Utilities Authority and Bound Brook Borough, which is part of Middlesex County Utilities Authority. There are little differences to how those agencies are set up. Is it like privatization? Yes, it is. They are selling it and private companies are interested in buying it. The usual "suitors" are typically water companies but its not limited to water companies. There's been a couple in the State that are in process now that are looking to be purchased by Hedge Funds. I think Bayonne is owned by a Hedge Fund. Like Peter pointed out in our earlier meeting tonight, Pleasantville Borough down near Atlantic City, was set to sell their system to a Hedge Fund and there have been recent articles in the papers that they are changing their mind and are trying to back out of that deal. The landscape is out there and the legislature put laws in place to nudge companies to want to do this. Generally speaking, what we've heard is that they make the big money on the systems when they improve the systems. There is a certain law that is in place called "Wastewater System Improvement Charge". They can charge 9% profit on capital dollars spent. The worst condition a system is in, the more opportunities there are to improve it and make 9%. Who knows, electric companies could get into this business. It's a new thing and

that's why in dealing with Somerville, some of the implications of it, financially, are unknown. When they first approached us to tell us that they were selling the system, which was late April, they were thinking they were going to be out of our relationship. They were looking to hand it off to the buyer and potentially the buyer could have seats at this table. That's evolved through discussions with our general counsel and bond counsel, that as long as the Authority has debt, that Somerville cannot get out of that relationship. They've changed things around on their end to say, ok we're here at the table and you won't essentially know who the buyer is. You'll deal with us if you have a problem, and we'll deal with the buyer. That is the way it is right now. We don't even know if they had the bid opening yet. Rich Mathews said he hasn't heard anything around town. It will probably appear on our agendas for a while. Mr. Impellizeri stated that the bottom-line is that if Somerville improves their system, the people pay for it. If they sell it, this company improves their system, the people of Somerville pay for it plus a premium. I don't see where it helps the Borough citizens.

Ms. Quabeck stated let's not forget that we should respond to this letter. Mr. Anastasio said it was on his list and he will start working on it soon.

4. Update on the Electromagnetic Inspection of the Storm Control Pump Station Pre Stressed Concrete Cylinder Pipe (PCCP) Forcemain

We inspected this pipe in early in March. We were able to inspect 88% of the pipe. The remaining 12% was on a hill within the plant, coming up a hill from the river and the crawler cannot travel uphill. Due to the configuration of our system, we cannot pull it uphill as it is very difficult to get into the end of the pipe. At the time, we thought we'd only pay for what we inspect so we only inspected 88%. Of that 88%, 16.6% of the pipes had broken prestressed wire wraps, which with the prestressed concrete cylinder pipe, is a key factor to keep in mind when you are assessing the condition of it. As these wires snap internally, it allows the concrete to relax around the steel cylinder, so it is not under stress thereby making weaker pipes. Built into the authorization to CDM, we had a structural analysis portion that we weren't sure we would need. We are employing that now. In the 88 pipes that have the wire damage, there are 5 to 90 broken wires in each pipe segment which may be meaningless but to put that in perspective, a few wires to a lot of wires. Some of the 88 pipe sections may be ok to leave in place, others we may be more concerned about. Two pipe lengths out of the total of 541 lengths of pipe, the entire pipe had damaged prestressing wires. We are going to identify these areas of concern and we will talk about what we may want to do with them. We may have to incorporate repairs, maybe as part of the interceptor project because it is similar work or make it its own job. We don't know enough yet to think that far ahead. This is another "stay-tuned" project. As we learn more, we will report to the Board.

Mr. Lifrieri asked that can we assume that the 12% is no good? Mr. Anastasio replied, and then a discussion ensued. No, the thought was that we are going to study the results we get so we are able to draw a correlation, for instance, do we think that 12% is ok because most of the 88 was ok. The fact that the 16% of the 88% has problems, which may cause us to rethink the 12% and go after it in a different way. Why couldn't they pull the camera through? We tried. We do not have direct access over the top of the end of the force main pipe. It would go through a chamber

that is a bit of a labyrinth and there is no way to pull on the cable without digging into the concrete walls of the chamber and they were afraid to do that. It would cause a cable to snap because we're pulling this rig up the hill and the testing equipment rig weighs about 400-500 lbs. we did as much as we could. Mr. Schoettle commented that this is not a simple camera like you would normally use. It has an electromagnetic device to look at the wire integrity, so it is not just a visual inspection. There's a lot of equipment. If you couldn't pull it up, couldn't you let it go? It's all an access issue. We didn't have the necessary access at the time. We couldn't get it in the chamber. You can't physically lift it, it has to be lowered in. We couldn't get in the chamber and have guys carry it and stick it in the end of the pipe and drop it down the hill. We hated to leave that 12% on the table. We would have rather inspected it, and we tried. We stopped at a safe place before we got to a spot where we could not potentially be able to walk back. This thing has to crawl out.

A commissioner asked, up until you got to that trouble spot, the distance before it, what condition was it in? Ron responded, that's what we're telling you. It looked ok on the camera, but there is some spalling of pipes where the concrete was peeling apart. Of those pipes, 1 pipe has significant spalling; 1 joint has moderate spalling. Fifteen (15) pipes were observed to have spalling. That is a handful compared to 88 pipes. That didn't look so bad, but it is the electromagnetic aspect, which is the key thing we paid for, that is looking through the steel and the concrete and it senses which of those wires are broken. Now we have to analyze; 25% of the wires are broken in a length of pipe. Is it still strong enough? Should we let that section stop us from improving the rest of it? We may have to make some spot repairs on it, but we'll have to see if the problem areas are all clumped together. This is a closed pipe, and it is very hard to work on and we're really going to have to figure it out. There is an access point every 2,000 feet so it is not as easy to deal with as the interceptor pipe. I just wanted to just point it out to the board and that is in the back of our minds, and we'll see what happens with that one. It has been there 50 years and we got a lot of miles out of it and we may have to do a little work to get another 50.

B. Engineer/Consultants – Mr. Schoettle stated that he had nothing else to add.

C. Attorney – Maraziti Falcon, LLP – Mr. Carney indicated he had nothing further to add.

D. Department Reports:

1. Operations
2. Regulatory Compliance
3. Laboratory
4. Maintenance/Electrical

E. Facility Engineer Reports:

1. Facility Engineers Monthly Report
2. Capacity Allocation
3. Capacity Assurance
4. Monthly Flow Report

Minute 12 – Communications – Standard monthly communication submittals to the State are in the Board book.

Minute 13 - Res. No. 22-0523-7 – Payroll

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

Roll Call Vote:

Robert Albano	Yes	Philip Petrone	Absent
Louis Esposito, Jr	Absent	Reinhard Pratt	Yes
Joseph Lifrieri	Yes	Gail Quabeck	Yes
Edward Machala	Yes	Randy Smith	Yes
Richard Mathews	Yes	Peter Stires	Absent
Michael Pappas	Absent	Michael Impellizeri	Yes

Minute 14 - Res. No. 22-0523-9 – Bills

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

Roll Call Vote:

Robert Albano	Yes	Philip Petrone	Absent
Louis Esposito, Jr	Absent	Reinhard Pratt	Yes
Joseph Lifrieri	Yes	Gail Quabeck	Yes
Edward Machala	Yes	Randy Smith	Yes
Richard Mathews	Yes	Peter Stires	Absent
Michael Pappas	Absent	Michael Impellizeri	Yes

Minute 15 –Adjournment to Closed Session - Resolution Authorizing Closed Session for the Purposes of Contract Negotiation Discussions Regarding the Construction Delay Claim of PKF Mark III Related to the Storm Control Treatment Facility Construction Project

Upon Motion of Mr. Lifrieri, Second of Mr. Impellizeri, the above Resolution was approved.

Roll Call Vote:

Robert Albano	Yes	Philip Petrone	Absent
Louis Esposito, Jr	Absent	Reinhard Pratt	Yes
Joseph Lifrieri	Yes	Gail Quabeck	Yes
Edward Machala	Yes	Randy Smith	Yes
Richard Mathews	Yes	Peter Stires	Absent
Michael Pappas	Abstain*	Michael Impellizeri	Yes

***Mr. Pappas joined the meeting at 7:27 pm.**

The meeting adjourned to Closed Session at 7:28 pm.

Open Session reconvened at 7:54 p.m.

Minute 16 - Adjournment

Upon Motion of Mr. Albano, Second of Mr. Mathews, the meeting was adjourned at 7:55 p.m.

Roll Call Vote:

Robert Albano	Yes	Philip Petrone	Absent
Louis Esposito, Jr	Absent	Reinhard Pratt	Yes
Joseph Lifrieri	Yes	Gail Quabeck	Yes
Edward Machala	Yes	Randy Smith	Absent
Richard Mathews	Yes	Peter Stires	Yes
Michael Pappas	Yes	Michael Impellizeri	Yes

NEXT REGULAR BOARD MEETING WILL BE HELD ON
JULY 25, 2022