

THE LINDEN ROSELLE SEWERAGE AUTHORITY

The minutes of the regular meeting held on Wednesday, July 27, 2016 at 12:00 P.M. in the office of the Linden Roselle Sewerage Authority.

Chairman Koczur announced that the Public Notice of time and date of the Public Meeting has been duly executed in accordance with the Open Public Meeting Act, P.L., 1975, Ch. 231, notification being mailed 12/31/15 to the Local Source, Star Ledger, Home News Tribune, and to the municipal clerks of Linden and Roselle for posting in a public place.

Present: Frank Koczur, Chairman; John Sheehy, Vice Chairman; Robert Sadowski, Secretary; Edward Mikołajczyk, Treasurer; George Vircik, Alternate Member;

Absent: Yves Aubourg, Alternate;

Attending: Gary G. Fare, Executive Director; Richard Rudin, Board Attorney; Tom Laustsen, CDM Smith;

MOTION: Upon motion of Mr. Sheehy, and seconded by Mr. Sadowski, the Board unanimously approved the minutes of the June 21, 2016 Executive Session.

MOTION: Upon motion of Mr. Sadowski, and seconded by Mr. Sheehy, the Board unanimously approved the minutes of the June 21, 2016 Regular Board Monthly Meeting.

MOTION: Upon motion of Mr. Sheehy, and seconded by Mr. Sadowski, the Board unanimously approved the Agenda set for below.

Treasurer's report accepted as read.

Tom Laustsen left the board room due to executive session.

EXECUTIVE SESSION

MOTION: Upon motion of Mr. Sheehy, seconded by Mr. Sadowski, the Board unanimously approved the Resolution to hold an Executive Session to discuss "Personnel Matters" and any other matters as may come before the Members.
(At 12:05 P.M., Resolution #07E-16 attached).

MOTION: Upon motion of Mr. Sadowski, seconded by Mr. Sheehy, the Executive Session was closed 12:19 P.M. and the regular business meeting resumed.

The regular business meeting resumed; Tom Laustsen, CDM Smith rejoined the meeting.

BUSINESS AGENDA

Acceptance of 2015 Audit Report

At last month's meeting the Auditors, Suplee, Clooney & Company gave a presentation of the 2015 Audit Report. The Authority is required to accept the Audit Report and any of the Auditor's recommendations within 30 days. The Audit Report then has to be submitted to the Local Finance Board with the Group Affidavit. In review the Executive Director was pleased to report that there were no comments or recommendations made by the Auditor.

The Executive Director and Staff are recommending that the Board by Resolution #33-16 accept the 2015 Audit Report as was presented by Suplee, Clooney & Company.

MOTION: Upon motion of Mr. Mikolajczyk, seconded by Mr. Sheehy, the Board unanimously approved the acceptance of 2015 Audit Report certifying to the New Jersey Local Finance Board that each Member has reviewed the 2015 Audit Report and specifically the "General Comments and Recommendations" section, and executed a Group Affidavit to that effect. (Resolution #33-16 attached)

VOTE:	Mr. Koczur - Yes	Mr. Sadowski - Yes	Mr. Mikolajczyk - Yes
	Mr. Sheehy - Yes	Mr. Vircik - Yes	Mr. Aubourg - Absent

Approval of 2015 Surplus Disposition and Funds Transfer

The audited financial statements, as prepared by Suplee, Clooney & Company, reflected a net surplus in excess of \$465,000 from the 2015 fiscal year end, bringing the Authority's surplus total to just over \$4.3 million at 12/31/15. The Executive Director and Staff are recommending that \$300,000 of this surplus be transferred to a newly created US Bank (LRSA Trustee) Account named "Reserve for Chapter 88 Retiree Benefits."

The Executive Director also detailed to the Board the current allocation of surplus funds. The "Rate Stabilization Reserve" account will remain at the balance of \$3 million dollars to stabilize future rate increases. The funds are split between accounts at Northfield Bank Operating Account B which currently has a balance of \$1.607 million and the balance in accounts at US Bank. \$1 million had also been transferred from surplus to the Renewal and Replacement account for the Main Street Pump Station project, with \$900,000 anticipated to be reimbursed by FEMA. All remaining undesignated surplus funds reside in the Authority's General Fund to be used for cash flow requirements as necessary.

MOTION: Upon motion of Mr. Sadowski, seconded by Mr. Sheehy, the Board unanimously approved the recommendation of the Executive Director and Staff that \$300,000 of the 2015 Surplus be transferred to US Bank for a new account to be known as "Reserve for Chapter 88 Retiree Benefits". Mr. Mikolajczyk abstained from the vote. (Resolution #34-16 attached)

EXECUTIVE DIRECTOR'S REPORT

Worker's Compensation

In a follow up to a question posed by Mr. Sadowski at last month's Board meeting concerning how many Workers Compensation settlements there have been in the last few years, the Executive Director reported that there has been a total of \$75,275 in payouts from 2011-2015, with one settlement still pending. There was a brief discussion of the Authority's Safety Program and how New Jersey Manufacturers handles Workers Compensation claims.

EXECUTIVE DIRECTOR'S REPORT (continued)

Construction Projects

➤ **Main Street Pump Station**

The Executive Director reported that the project is at 90% completion of design and it is anticipated that it will go out to bid in September. The first reimbursement request to FEMA will be submitted next month. The minimum reimbursement request amount is \$50,000. The Executive Director will keep the Board advised how long it takes to be reimbursed and reminded the Board that last year the Authority had taken \$1 million dollars out of surplus to fund the project, to avoid violating the Prompt Payment Law. Once the project is completed, these funds will be reimbursed back to the Authority and it will be decided if the funds will be placed into Surplus or the Renewal and Replacement Account.

➤ **Digester Cleanout**

The Executive Director reported that all shop drawings have been approved, the tank has been cleaned out and the guide rails have been painted. Gaskets for the pressure relief valves and domes on the cover will be replaced next week. In August, the contractor will work on the final phase, installation of the 2 variable speed drives on the digester mixers. The substantial completion date, which is anticipated to be met, is the end of September.

➤ **Primary Tank Sludge Collectors**

The Executive Director reported that all shop drawings have been approved and that the Authority is awaiting the delivery of equipment. It is anticipated that Spectraserv will start work on September 10th, with the job to be completed in 1 month.

HIGHLIGHTING DEPARTMENTS

Operations Department

➤ **Plant Performance**

The plant operated well during the month of June 2016. Clarifier #1 which was down was put back in service. All 3 clarifiers are now back in service. Oswald came in and jetted the overflow lines for the gravity thickener and gravity belt units due to the buildup of solids and grit material in the lines.

Monitoring Department

➤ **Rainfall**

Rainfall for June was 1.69 inches. Year to date rainfall is 12.74 inches, compared to 16.02 inches for the first six months of 2015.

➤ **IPP Program**

◆ **Safety Kleen-Groundwater Discharge PCB Track Down**

The replacement of the riser piping at Safety Kleen, a contributor of PCB's into the plant did not affect the PCB levels as anticipated. They stayed the same. Other options are now being considered.

◆ **Inspection**

Nine of the thirteen annual majors IPP inspections were completed.

◆ **Drop-a-Load Laundromat**

A facility (Drop-a-Load Laundromat) on St. George Avenue that wasn't in our system due to incorrect water records has been identified and is being investigated to determine its user class (residential, Class A or Class B) for billing purposes. If the facility is a 'major', it would require an industrial discharge permit. A flow meter will be installed and a study conducted to collect BOD and TSS data on the process discharge. Sampling will begin on September 1st and a determination will be made by December 1st. They have also been back charged for 3 years.

EXECUTIVE DIRECTOR'S REPORT (continued)

◆ **New State Requirement**

NJDEP is requiring POTW's and their regulated industries to have an Emergency Preparedness Plan in the event the treatment plant is temporarily compromised due to a catastrophic event like Sandy. A plan to implement the program is being developed.

➤ **Safety Issues**

- ◆ On June 29th a training session for Hazard Communication/Right to Know was held for 3 new employees.
- ◆ The second of two annual training sessions on Personal Protective Equipment was held on June 29th.
- ◆ On June 20th the Safety Officer and Lab Supervisor conducted a training session on the Chemical Hygiene Plan. The next session is scheduled for November 4th.

➤ **Laboratory**

◆ **NJDEP Audit**

Two state employees were on-site yesterday and conducted an audit of our laboratory. Findings will be reported to the Board when they are received in writing from the State.

➤ **Air Program**

◆ **Subchapter 8 Permit**

On June 9th, the Authority reported a violation of its Subchapter 8 permit for the report period June 2015 - May 2016. On June 14th the NJDEP issued a citation for exceeding the limit for methane gas. The limit was exceeded by a small margin and was the result of operating on only one digester instead of the normal two, resulting in a higher than normal gas discharge. One was taken out of service temporarily for preventative maintenance in order to replace the gaskets to ensure gas isn't emitted that way, which would be more of an environmental hazard.

When the air permit was in draft form in 2013, the Authority commented on this proposed condition, as we did not agree with the limit. Our position was that there is already a limit on the maximum gas combusted at the waste gas burners and that the volume of gas produced by the sludge digestion process cannot be controlled. Gas production is a good indicator that a reduction in bio solids is being achieved and that they are being stabilized for final disposal. The Authority's position that it was being conscientious in performing this maintenance was explained to the state and the Authority questioned if there was any provision in the permit for this temporary operating scenario without being subject to a citation. The State did not agree with our position, but made the assurance that the violation would not carry with it a monetary penalty. The Authority is now working on modifying the permit to try to have the limit removed.

A second Notice of Violation (NOV) was received from NJDEP on June 16, 2016 for violation that occurred 5 years ago under our Title V permit. One of the permit conditions, a limit on the heat exchanger capacity did not reflect the correct information from the tag on the boiler unit. The second permit condition concerned the temperature limit on the flare. Both of these issues were resolved through permit modifications and the NJDEP had reflected this under the corrective action section of the NOV. When the Executive Director inquired of the enforcement officer as to why the NOV was being issued five years after the deviation, the response was that the NJDEP is behind on its paperwork.

EXECUTIVE DIRECTOR'S REPORT (continued)

Business Department

➤ **Expenditure Report**

At the sixth month of 2016, expenditures are at a level of 52% at 50% of the fiscal year. This slight overage is not due to over expenditures, but reflects some large payments that must be made early in the year such as insurance and pension payments and the NJPDES permit fee. It is anticipated that expenditures will be in line with the budget in the upcoming months.

➤ **Revenue Report**

The Authority's loading data for the first five months of 2016 from class A & B users are lower than the projected budget. It is too early for any forecast, especially since Public Service had been down for their annual maintenance activities during this period of the year. The Residential user side is up and the Authority is collecting more than had been anticipated. There was a brief discussion in response to a question as to the reason why the residential billing is up.

No questions of the Executive Director's Report.

BIDS AND PURCHASES

Awarding a Contract to Purchase a Liquid Polymer Feed System

The Authority is in need of a polymer system which would enhance the settling of solids and improve the clarity of the overflow in the final clarifiers in order to maintain compliance with Authority's discharge permit. Authority received four quotes, which the lowest quote to purchase the SNF Floquip EM Series Polymer System was received from the SNF/Polydyne Corporation. Therefore the Executive Director and Staff are recommending that the Board approve the issuance of a purchase order to SNF/Polydyne Corporation, to purchase a polymer feed system which is necessary in order to ensure continued compliance with the Authority's discharge permit in the sum of \$11,575.00.

MOTION: Upon motion of Mr. Sadowski, seconded by Mr. Sheehy, the Board unanimously approved Resolution authorizing purchase of the Polymer Feed System from SNF/Polydyne Corporation for a not to exceed amount of \$11,575.00 (Resolution #35-16 attached).

Awarding a Contract for Flood Mitigation Evaluation Study

At the Authority a risk assessment was conducted by Glatfelter Insurance Group, the Authority's insurer, which recommended implementation of flood mitigation measures in certain areas, in order to avoid a repeat of another Sandy event. This report was presented and discussed at the last Board meeting. The Executive Director reported that there are several other areas not mentioned in the report, where flood mitigation efforts should be addressed, such as the Authority's main switchgear and emergency generators, which came very close to being flooded during Sandy. Based on the above, Authority retained the services of CDM Smith a Consulting Engineer to provide a Flood Mitigation Evaluation Study. The Authority's Staff reviewed their proposal and are in agreement with the scope of work and consider the proposal amount of \$11,500 to be fair and reasonable. Therefore the Executive Director and Staff are recommending that the Board award a contract to CDM Smith for Flood Mitigation Evaluation Study for an amount not to exceed an upper limit of \$11,500.00

MOTION: Upon motion of Mr. Sadowski, seconded by Mr. Mikolajczyk, the Board unanimously approved Resolution awarding a contract for Flood Mitigation Evaluation Study to CDM Smith and shall not to exceed an upper limit of \$11,500.00 (Resolution #36-16 attached).

BIDS AND PURCHASES (continued)

Recommendation to Award Contract to GLEC for 2015/2016 Technical Advisor Services

Since 1993, the NJHDG has retained Great Lakes Environmental Center (GLEC), a professional consultant, to act as a technical advisor on matters relating to regulation of discharges to the NY/NJ Harbor Estuary. The NJHDG is comprised of nine members representing eleven POTWs. The cost for services is apportioned amongst the members. The program involves the study of impacts to the NY/NJ Harbor Estuary from identified pollution sources, including POTWs.

EPA, who administers the Harbor Estuary Program, has targeted pathogens, nutrients and toxic pollutants as pollutants of concern. More recently the EPA's approach is focused on the role that science can play in achieving the goals of the Clean Water Act and has agreed to consider an alternate approach to study the biological life in the areas where Dissolved Oxygen (DO) compliance is an issued and to assess the impacts to these populations. Dissolved Oxygen is reduced when there are high levels of nutrients in the ambient water and, POTW's discharge nutrients, which is nitrogen and phosphorus.

GLEC submitted proposal for 2016/2017 services for the total amount of the contract \$190,000 of which LRSA's share is \$12,768. The level of effort is increased from last year's primarily due to the comprehensive field study to be conducted. The Executive Director and Staff are recommending the Board authorize the award of a contract to Great Lakes Environmental Center for the Authority's share of \$12,768.

MOTION: Upon motion of Mr. Sheehy, seconded by Mr. Sadowski, the Board unanimously approved Resolution awarding a contract for Technical Advisory Services to the Great Lakes Environmental Center (GLEC) at a total cost to the NJHDG of \$190,000, of which the Authority's share is \$12,768. (Resolution #37-16 attached).

Award a contract for Rental and Cleaning of Uniforms

The Authority received one proposal for the Rental and Cleaning of Uniforms. The proposal was reviewed by Authority Staff and it was determined that the bid submitted by American Wear was both responsible and responsive. American Wear, Inc. is the current contract holder and the Authority has been satisfied with their level of service. The Executive Director and Staff are recommending the Board award a contract for Rental and Cleaning of Uniforms to American Wear, Inc. in the sum of \$31,243.68 for a three year term.

MOTION: Upon motion of Mr. Mikolajczyk, seconded by Mr. Sheehy, the Board unanimously approved Resolution awarding contract for Rental and Cleaning of Uniforms to American Wear, Inc. in the sum of \$31,243.68 for a three year period. (Resolution #38-16 attached).

ENGINEERS REPORT

A question was raised in regard to the Main St. Pump Station Project as to whether the influent manhole on the adjacent property can be part of the fenced-in area. The Engineer will research if the Authority has the right of way on that property.

PUBLIC COMMENT

No one from public was present.

BILLS AND CLAIMS

Certification and recommendation received from the Executive Director, Purchasing/Contract Manager, and Financial Manager.

Operating Fund

MOTION: Upon motion of Mr. Sheehy, seconded by Mr. Sadowski, the Board unanimously approved payment of the Operating Bills in the amount of \$684,222.91 (Resolution attached).

Renewal and Replacement Fund

MOTION: Upon motion of Mr. Sheehy, seconded by Mr. Sadowski the Board unanimously approved payment of the Renewal and Replacement Bills in the amount of \$63,098.00 (Resolution attached).

ADJOURNMENT

MOTION: Upon motion of Mr. Mikolajczyk, seconded by Mr. Sheehy, the meeting was adjourned at 1:17 P.M. and it was ordered that the next monthly meeting of the LRSA be held on Wednesday, **August 24, 2016 at 12:00 P.M.** in the office of the Authority.

THE LINDEN ROSELLE SEWERAGE AUTHORITY

MONTHLY RECEIPTS

June 1, 2016 - June 30, 2016

REVENUE FUND

Non-Major User

City of Linden	1,100,465.22
County of Union	27,393.36
Infineum USA LP.	27,233.14
Clean Harbors (Safety Kleen)	12,000.13
City of Linden (City Properties)	11,581.33
General Magnaplate Corp.	10,979.32
Brunswick Park Assoc.	9,304.48
ETO Sterilization	5,396.17
Budget Inn Motel	3,987.77
B & B Electroplating	2,857.54
D'Angelo Metal Products Co.	1,451.36
Williams Transcontinental Gas Pipeline	495.51

Municipality

0.00

Major Industry Users

Linden Bulk Transportation Co.	139,034.82
North East Linden (1st Qtr.)	56,920.04
The Chemours Co. (Dupont)	48,067.01
Clean Harbors (Safety Kleen)	26,755.96

Miscellaneous

PSE&G (Mo. Effluent May-16)	19,819.00
Linden Landfill	15,651.60
ST Linden Terminal (Easement)	1,608.13
Linden Free Public Library	906.08

Total Revenue Fund \$1,521,907.97

OPERATING FUND

PERS (Reimbursement)	19.59
Sale of Scrap	54.00
2016 2nd Qtr. EE Medical (Reimbursement)	46,195.27
Northfield Transfer	500,000.00

Total Operating Fund \$546,268.86

Linden Property Holding Escrow Account

Beginning Balance as of 06/01/16	78,140.71
LPH Negotiations & Agreement for Easements/Licenses	0.00
Ending Balance as of 06/30/16	<u>\$78,140.71</u>

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