

THE LINDEN ROSELLE SEWERAGE AUTHORITY

The minutes of the regular meeting held on Wednesday, May 23, 2018 at 12:00 P.M. in the office of the Linden Roselle Sewerage Authority.

Chairman Vircik 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 12/29/17 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: George Vircik, Chairman; Robert Sadowski, Vice-Chairman; Edward Mikolajczyk, Treasurer; Emerito Ruiz, Alternate Member;

Absent: Reginald Atkins, Alternate Member; **Late:** Jamel Holley, Member

Attending: David G. Brown, Executive Director; Jeffrey A. Williams, Superintendent; Richard Rudin, Welner Law Group; Tom Laustsen, CDM Smith Co.; Robert Butvilla, Auditor from Supplee & Clooney Co.;

MOTION: Upon motion of Mr. Sadowski, and seconded by Mr. Mikolajczyk the Board unanimously approved Chairman's recommendation to appoint Mr. Ruiz voting Member for this meeting.

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

MOTION: Upon motion of Mr. Sadowski, and seconded by Mr. Mikolajczyk, the Board unanimously approved the minutes of the April 25, 2018 Regular Board Monthly Meeting Minutes.

MOTION: Upon motion of Mr. Sadowski, and seconded by Mr. Mikolajczyk, the Board unanimously approved the minutes of the April 25, 2018 Executive Session Minutes.

MOTION: Upon motion of Mr. Mikolajczyk, and seconded by Mr. Ruiz, the Board unanimously accepted Treasury Report as read.

BUSINESS AGENDA

Presentation of 2017 Final Audit Report

Mr. Butvilla presented the 2017 Authority's Final Audit report and mentioned that includes the Auditor's opinion which is "Unmodified" and this is a positive for the Authority.

Mr. Butvilla further stated that same as last year the State and all the Governmental Entities including Authorities continued disclosing the "unfunded pension liabilities" that belongs to the Authority. Although the Authority is not responsible for making pension payments to employees when they retire, GASB 68 dictates that the pro-rata share represented by Authority employees participating in PERS be reported in the audited financial statements to promote better financial clarity. Authority's net pension liability is \$9,047,887. Mr. Butvilla stated that there are in the report a series of footnotes which explained the pension plan accounting in greater detail.

BUSINESS AGENDA

Presentation of 2017 Final Audit Report (continued)

Mr. Butvilla then highlighted page 38 of the report which shows Budget versus Actual 2017 results of Total Revenue and Total Cost. The actual Revenue exceeded the budgeted revenue and the actual expenses came in lower than budgeted expenses. This resulted in a Budget surplus of \$1.2 mill for the 2017 year. Part of that is due to utilizing "unrestricted net position" of \$243,000 to balance the budget. So, in actuality the 2017 year resulted in about \$1 mill of new surplus. Mr. Holley arrived and became voting member.

Mr. Butvilla stated that in the past some of the surplus was distributed into reserve accounts; for Chapter 88, which is for retirees benefits; Insurance Reserve for insurance deductible; and Rate Stabilization Fund. Mr. Butvilla further stated that 2017 surplus money in his opinion should not be distributed to any reserve accounts due to some upcoming Capital project for this year, which will be paid by the Authority. The Executive Director added that the Authority used \$500,000 for 2018 rate stabilization.

Mr. Butvilla further stated that the last page of his report is for findings "General Comments and Recommendations", and that the Audit went well and there were no discrepancies, no problems conducting the Audit, everyone cooperated and there were no issues. Further he said that Cathy and Staff does a great job keeping the records and books up to date and seeing that everything is reconciled. Therefore, there are no general comments and no recommendations.

Mr. Butvilla stated that there is a Group Affidavit Form, which the Board supposed to sign to certify that Board reviewed the audit report and specifically the section of the audit report entitled "General Comments and Recommendations". The Audit Report then has to be submitted to the Local Finance Board with the Group Affidavit.

At this time Mr. Butvilla asked the Board for any comments and or any questions.

Mr. Sadowski asked how much money the Authority has in reserve overall. Mr. Butvilla referred the Board to page 29 of the report, which shows net position total and unrestricted net position and that there is about \$3.5 mill in reserve accounts.

The Executive Director added that previous Executive Director, Gary Fare did an excellent job to create unrestricted funds of which \$3.2 mill is in a rate stabilization fund of which the Authority is in good financial fiscal stage. The Executive Director and Staff are recommending that the Board by Resolution #30-18 accept the 2017 Audit Report as was presented by Suplee, Clooney & Company and execute Group Affidavit Form as there were no General Comments and no Recommendations.

MOTION: Upon motion of Mr. Holley, seconded by Mr. Sadowski, the Board unanimously approved the acceptance of 2017 Audit Report certifying to the New Jersey Local Finance Board that each Member has reviewed the 2017 Audit Report and specifically the "General Comments and Recommendations" section, and executed a Group Affidavit to that effect. (Resolution #30-18 attached)

Mr. Butvilla thanked the Board and left the meeting.

EXECUTIVE DIRECTOR'S REPORT

The Executive Director presented to the Board his monthly report (see attached report). Chairman asked about an affirmative defense. The Executive Director stated as it was reported last month heavy rain caused hydraulic overload and the Authority has exceedances of TSS and BOD. The Authority is designed for 17 MGD and on 4/16/18 the Authority had a peak flow of 46.5 MGD causing exceedances. This was reported to the State via Hot line and followed up with a letter. The Authority met with DEP inspector during our annual inspection. The Authority detailed affirmative defense to him. The inspector seemed to understand the problem. The Authority is still waiting for a determination on the affirmative defense.

BUSINESS AGENDA (continued)

SUPERINTENDENT'S REPORT

Superintendent presented to the Board his monthly report (see attached report). In addition to his report, the Superintendent stated that the Authority is using a BAE (Biological Activity Enhancer) for a week and the quality and settling of the effluent have improved.

No questions of the Superintendent's report.

Resolution Authorizing Refund Checks for Sewer Bills

Annually, a Resolution is needed granting the Executive Director authorization to approve payment of the 2018 sewer charge refund monies. The Trustee is being instructed to make payment covering these reimbursements from the General Fund upon the direction of the Executive Director as to the amounts and payees.

MOTION: Upon motion of Mr. Mikolajczyk, seconded by Mr. Ruiz, the Board unanimously approved Resolution authorizing the Executive Director to approve payment of the 2018 sewer charge refund checks by Trustee from the General Fund for the reimbursement of duplicate payments or overpayments for 2018. (Resolution #31-18 attached)

Approval of First Amendment to Site Access Agreement with Exxon Mobil

The Authority entered into a Site Access Agreement with Exxon Mobil Corporation on June 15, 2017, in which the Authority granted Rights of Access to Exxon Mobil Corporation within the confines of the Authority's sewer line easement pursuant to a scope of work. Exxon Mobil Corporation has asked for the Authority's approval of a first amendment to the Site Access Agreement of which would modify the scope of work so that Exxon Mobil Corporation may comply with the requirements of the New Jersey Department of Environmental Protection. The Authority's engineer has reviewed the proposed revisions to the scope of work and it is satisfied that Exxon Mobil has designed an engineering cap to result in a zero-net pressure increase on the Authority's sewer line, so that the changes in the scope of work will not negatively impact the sewer system. In addition the sewer line will be televised before and after construction. Therefore, the Executive Director along with Engineer are recommending that the Board authorize to execute the First Amendment to Site Access Agreement.

MOTION: Upon motion of Mr. Mikolajczyk, seconded by Mr. Sadowski, the Board unanimously approved Resolution authorizing First Amendment to Site Access Agreement with Exxon Mobil Corporation within the confines of the Authority's sewer line easement pursuant to a scope of work as described in the Agreement. (Resolution #32-18 attached)

BIDS AND PURCHASES

Authorize Ratify and Confirm Purchase of Biological Enhancer (BAE)

As it was presented at the last month meeting of April 25, 2018, that in order to enhance TSS and BOD removal from the Authority's wastewater stream and ensure compliance to established permit limits it was necessary to procure a Biological Activity Enhancer (BAE). After a solicitation of quotes the purchase exceeded the Executive Director's approval limit of \$10,000. Therefore, the Executive Director and Staff are recommending approval to ratify and confirm Purchase Order in the sum of \$17,493 to JSH International, LLC.

MOTION: Upon motion of Mr. Sadowski, seconded by Mr. Holley, the Board unanimously approved to authorize, ratify and confirm purchase of Biological Activity Enhancer (BAE) and issuance of a Purchase Order in the sum of \$17,493 to JSH International, LLC (Resolution #33-18 attached)

BIDS AND PURCHASES (continued)

Authorize Purchase of Equipment for the Ultraviolet Disinfection System

The Authority needs to purchase ballasts and circuit boards for its UV Disinfection System. In the opinion of Authority's engineering consultant, CDM Smith it would be in the best interest of the Authority to purchase of ballasts and circuit boards for the UV Disinfection System from Suez Treatment Solutions, Inc. Therefore the Executive Director and Staff are recommending that the Board by Resolution approve purchase of UV System Equipment in the amount of \$13,576.10 from Suez Treatment Solutions, Inc.

MOTION: Upon motion of Mr. Mikolajczyk, seconded by Mr. Holley, the Board unanimously approved and authorized as it is in the best interest of the Authority to purchase of ballasts and circuit boards in the amount of \$13,576.10 for the UV Disinfection System from Suez Treatment Solutions, Inc. (Resolution #34-18 attached)

Authorize to award a contract to provide on-call SCADA Maintenance Services

The Authority's Supervisory Control and Data Acquisition (SCADA) System is an essential computerized system that monitors, controls and analyzes data regarding the plant's equipment and treatment processing. Authority solicited for proposals to provide maintenance and support services on an as needed basis for the system through a fair and open process. One submission was received. The proposal was reviewed by Authority Staff and it was determined that the submission was complete and proposer was deemed qualified to provide these services in accordance with the submission requirements in Authority's Request for qualifications. Therefore the Executive Director and Staff are recommending that Instrumentation Technology Systems of Pumping Services, Inc. be qualified and awarded a contract for a one year period for an amount not to exceed \$10,000, with an option to renew for a second year at the mutual consent of both parties.

MOTION: Upon motion of Mr. Sadowski, seconded by Mr. Mikolajczyk, the Board unanimously approved award a contract to provide On-Call SCADA maintenance and support services on an as needed basis to Instrumentation Technology Systems of Pumping Services, Inc. for a one year period, for an amount not to exceed \$10,000, with an option to renew for a second year at the mutual consent of both parties. (Resolution #35-18 attached)

Award of Contract to provide Removal, Barge Transport and Disposal of Sludge

Bid Specifications were developed to provide Removal, Barge Transport and Disposal of Sludge for a 1 year contract period with the option to renew for a 2nd and 3rd year at the discretion of the Authority. One bid proposal was received. The bid submission of Spectraserv Inc. was reviewed and determined to be responsive. Spectraserv is the current contract holder and the Authority has been satisfied with the level of service they have provided. Therefore, the Executive Director and Staff are recommending that the Board award a one year contract for the Removal, Barge Transport and Disposal of Sludge to Spectraserv, Inc. for the not to exceed amount of \$1,826,880 consisting of 48,000 wet tons at \$38.06 per wet ton.

MOTION: Upon motion of Mr. Sadowski, seconded by Mr. Holley, the Board unanimously approved Resolution awarding a contract for the Removal, Barge Transport and Disposal of Sludge for a one year period to Spectraserv, Inc. in the amount of not to exceed \$1,826,880, with the option to renew for a 2nd and 3rd year at the discretion of the Authority. (Resolution #36-18 attached)

BIDS AND PURCHASES (continued)

Resolution Authorizing Change Order No. 3 to the Main Street Pump Station Project

A contract was awarded to Coppola Services, Inc., by Resolution #30-17 for Construction Services for the Main Street Pumping Station Improvements Project in the amount of \$680,392. At the March 2018 Board Meeting the Change Order No. 2 was approved, which was a credit change order in the amount of \$35,000. The Executive Director reviewed the Change Orders No. 3 and concurred with the engineer recommendation. Change Order No. 3 is for the new gas service at the pumping station which must be paid in the amount of \$1,629.64. Therefore, the Executive Director is recommending the Change Order No. 3 in the amount of \$1,629.64 bringing the total Contract amount to \$679,047.14.

MOTION: Upon motion of Mr. Sadowski, seconded by Mr. Holley, the Board unanimously approved a Resolution authorizing Change Order No. 3 to Coppola Services, Inc. for the Main Street Pumping Station Improvements Project in the amount of \$1,629.64 bringing the total Contract amount to \$679,047.14. (Resolution #37-18 attached)

ENGINEERS REPORT

Tom Laustsen added (to his written report) that the Main Street Pumping Station project is completed, only final inspection needed to be done. There were no other questions of the engineer.

Tom Laustsen left the meeting due to Executive Session.

EXECUTIVE SESSION

MOTION: Upon motion of Mr. Sadowski, seconded by Mr. Holley 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 12:31 P.M., Resolution #05E-18 attached).

MOTION: Upon motion of Mr. Holley, seconded by Mr. Mikolajczyk, the Executive Session was closed 12:42 P.M. and the regular business meeting resumed.

Meeting open to the public. Tom Laustsen joined the meeting.

The following actions has to be taken by Motion:

MOTION: Upon motion of Mr. Holley, seconded by Mr. Mikolajczyk, the Board unanimously approved recommendation of the Executive Director, IPP Coordinator and Office Manager to hire Keisha Petterway as an Office Clerk with a salary of \$32,500.

MOTION: Upon motion of Mr. Holley, seconded by Mr. Mikolajczyk, the Board unanimously approved recommendation of the Executive Director, Superintendent and Operations Manager to hire Kellen Bishop as a Shift Operator with a salary of \$45,395 and to place on a list Damien Johnson, Burim Berisha, Tom Temple and Redford Philippe.

MOTION: Upon motion of Mr. Holley, seconded by Mr. Mikolajczyk, the Board unanimously approved recommendation of the Executive Director, Superintendent and Maintenance Manager to hire summer help Daniel Gersick at a salary \$10.00 per hour.

MOTION: Upon motion of Mr. Holley, seconded by Mr. Mikolajczyk, the Board unanimously approved recommendation of the Executive Director, Superintendent and Maintenance Manager to hire Ibn Ali as a temporary Skilled Laborer with a salary of \$45,394.00.

The following actions has to be taken by Motion (continued):

MOTION: Upon motion of Mr. Holley, seconded by Mr. Mikolajczyk, the Board unanimously approved recommendation of the Executive Director, Superintendent and Laboratory Manager to hire Lisa Wu as the Laboratory Technician with a salary of \$53,101 and place on the list Erika Paredes and Chad Harrison.

MOTION: Upon motion of Mr. Holley, seconded by Mr. Mikolajczyk, the Board unanimously approved recommendation of the Executive Director, Superintendent and Operations Manager to promote Jose Maza as a Relief Operator with the same salary of \$60,497.

PUBLIC COMMENT

There were no public in attendance.

BILLS AND CLAIMS

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

Operating Fund

MOTION: Upon motion of Mr. Sadowski, seconded by Mr. Mikolajczyk, the Board unanimously approved payment of the Operating Bills in the amount of \$933,854.24 (Resolution attached).

Renewal and Replacement Fund

MOTION: Upon motion of Mr. Mikolajczyk, seconded by Mr. Sadowski the Board unanimously approved payment of the Renewal and Replacement Bills in the amount of \$182,385.70 (Resolution attached).

Mr. Ruiz submitted a letter of resignation and thanked the Board as he will be working at the City of Linden in the Police Department as an IT.

Chairman advised the Board that he is retiring as a City Engineer also he will not be able to attend June Board Meeting.

ADJOURNMENT

MOTION: Upon motion of Mr. Sadowski, seconded by Mr. Mikolajczyk, the meeting was adjourned at 12:49 P.M. and it was ordered that the monthly Board Meeting of the LRSA be held on Wednesday, June 27, 2018 at 12:00 P.M. in the office of the Authority.

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MONTHLY RECEIPTS

April 1, 2018 - April 30, 2018

REVENUE FUND

Non-Major User

City of Linden 145,924.99

Municipality

0.00

Major Industry Users

0.00

Miscellaneous

PSE&G (Mo. Effluent March-18) 20,481.50

Total Revenue Fund \$166,406.49

OPERATING FUND

Fortune Metal (Sale of Scrap) 423.50

Northfield Transfer 525,000.00

Total Operating Fund \$525,423.50

Linden Property Holding Escrow Account

Beginning Balance as of 04/01/18 78,140.71

LPH Negotiations & Agreement for Easements/Licenses 0.00

Ending Balance as of 04/30/18 \$78,140.71