

THE LINDEN ROSELLE SEWERAGE AUTHORITY

The minutes of the regular meeting held on Wednesday, October 23, 2019 at 12:04 P.M. in the office of the Linden Roselle Sewerage Authority.

Chairman Strano 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 12/28/18 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: Ralph Strano, Chairman; Jamel Holley, Vice-Chairman; Edward Mikolajczyk, Treasurer; Mayor Armstead, Secretary; James Moore, Alternate Member and via conference call Reginald Atkins, Alternate Member;

Attending: David G. Brown II, Executive Director; Jeffrey A. Williams, Superintendent; Thomas Laustsen, CDM Smith; Sean McGowan, Authority's Attorney;

Visitor(s): None;

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

Recorded Vote: Mr. Strano - Yes; Mr. Armstead - Yes;
Mr. Holley - Yes; Mr. Mikolajczyk - Yes;

MOTION: Upon motion of Mr. Strano, seconded by Mr. Mikolajczyk, the Board unanimously approved the minutes of the September 16, 2019 Regular Board Monthly Meeting.

Recorded Vote: Mr. Strano - Yes; Mr. Armstead - Yes;
Mr. Holley - Yes; Mr. Mikolajczyk - Yes;

MOTION: Upon motion of Mr. Strano, seconded by Mr. Mikolajczyk, the Board unanimously approved the minutes of the September 16, 2019 Executive Session Meeting.

Recorded Vote: Mr. Strano - Yes; Mr. Armstead - Yes;
Mr. Holley - Yes; Mr. Mikolajczyk - Yes;

MOTION: Upon motion of Mr. Armstead, seconded by Mr. Mikolajczyk, the Board unanimously approved the minutes of the October 7, 2019 Special Meeting and Public Hearing.

Recorded Vote: Mr. Strano - Yes; Mr. Armstead - Yes;
Mr. Holley - Yes; Mr. Mikolajczyk - Yes;

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

Recorded Vote: Mr. Strano - Yes; Mr. Armstead - Yes;
Mr. Holley - Yes; Mr. Mikolajczyk - Yes;

EXECUTIVE DIRECTOR'S REPORT

The Executive Director presented to the Board his monthly report (see attached report). No questions of the Executive Director's report.

SUPERINTENDENT'S REPORT

Superintendent presented to the Board his monthly report (see attached report).
No questions of the Superintendent's report.

ENGINEERS REPORT

Engineer presented his written report to the Board (see attached report).
Engineer just added that a kick-off meeting was held on October 10, 2019 with Authority's Staff and Program Manager in regards to the implementation of Program Management Information System (PMIS). No other questions of the Engineer's report.

BUSINESS AGENDA

Resolution #82-19

Approving 2020 Authority's Budget

The Executive Director stated that subsequent to Board approval, the budget is subject to State review and comment prior to final adoption at the December Board Meeting. The Board can issue amendments at any time prior to or subsequent to final approval in December. The Executive Director continued that the 2020 Budget reflects a decrease of -\$144,514K or -1.54%, from the 2019 Budget. The Debt Service appropriation has decreased from 2019 to 2020 by -0.16% or -\$2K which was anticipated since the amount is flat until the next borrowing cycle, as planned. Funds are not budgeted to be raised in the 2020 Budget for the Renewal & Replacement Fund. However, the Trust Accounts are in great financial health as there is currently \$2,165,513 in the Renewal & Replacement Fund. At this time the Authority is anticipating that surplus in the amount of \$486,300 will be required to preserve the 2019 rates for 2020. Further, the Executive Director stated that the Board should be confident in the budget presented. Controllable costs have been maintained by the Staff, and uncontrollable costs have been scrutinized. The Staff continues to be innovative in exploring new streams of Revenue (i.e. Dewatering Building and Dock rentals). The Executive Director and Staff are respectfully requesting that the Board approve utilization of \$486,300 in surplus to result in a zero rate increase in the proposed 2020 LRSA Budget.

MOTION: Upon motion of Mr. Holley, seconded by Mr. Armstead the Board unanimously approved Resolution #82-19 as read and presented. (Resolution #82-19 attached)

RECORDED VOTE: Mr. Strano - Yes; Mr. Holley - Yes; Mr. Mikolajczyk - Yes;
Mr. Armstead - Yes; Mr. Atkins - Yes; Mr. Moore - Yes;

Resolution #83-19

Approving Adoption of Safety-Kleen an Industrial Discharge Permit Renewal

The Executive Director stated that Safety-Kleen Systems, Inc. has applied for an Industrial Discharge permit renewal in accordance with the requirements of the Authority's Rules and Regulations. The Authority has given proper public notice of the application for renewal and for the proposed issuance of such permit by the Authority, in accordance with the applicable State and Federal regulations. Public comment was solicited for 30 days, no comments were received. Therefore, the Authority's Staff has recommended adoption of the final permit, which will take effect December 1, 2019.

MOTION: Upon motion of Mr. Mikolajczyk, seconded by Mr. Strano the Board unanimously approved Resolution #83-19 as read and presented. (Resolution #83-19 attached)

RECORDED VOTE: Mr. Strano - Yes; Mr. Holley - Yes;
Mr. Mikolajczyk - Yes; Mr. Armstead - Yes;

Resolution #84-19

Approving a Third Addendum to the Use and Occupancy Agreement with Aries Linden LLC.

Authority's Attorney stated that the reason for a third addendum to the Use and Occupancy Agreement with Aries is simply because there were too many extension terms. When the Board approved last year the Use and Occupancy Agreement there was a 15 year initial term and Aries had 4 options of 5 year extensions, total of 20 years. However, the Division of Local Government Services advised Authority that the option terms of the contract can only equal the initial term of the contract, which is 15 years. Therefore, this third addendum to the Use and Occupancy Agreement with Aries is to reduce the option terms to 3; for 5 year extension each term, total of 15 years. Aries has approved this addendum as well and does not affect their financing.

MOTION: Upon motion of Mr. Strano, seconded by Mr. Armstead the Board unanimously approved Resolution #84-19 as read and presented. (Resolution #84-19 attached)

RECORDED VOTE: Mr. Strano - Yes; Mr. Holley - Yes;
Mr. Mikolajczyk -Yes; Mr. Armstead - Yes;

Resolution #85-19

Approving Estoppel Certificates and Consents requested by Aries Linden LLC.

Authority's Attorney stated that Resolution #85-19 contains four separate documents that Aries and their Bond Counsel has requested that LRSA execute in connection with their financing. Essentially when financing is received the vendor request that a number of documents are signed, including a Consent to Assignment of Use and Occupancy Agreement as well as Disposal Contract. In addition to the above documents Aries has requested that Estoppel Certificate and Agreement, the Memorandum of Agreement is executed, and lastly the Affidavit of Title as well. All above four documents have been reviewed by the Authority's management and professionals to ensure that the Authority's interests are protected.

MOTION: Upon motion of Mr. Holley, seconded by Mr. Armstead the Board unanimously approved Resolution #85-19 as read and presented. (Resolution #85-19 attached)

RECORDED VOTE: Mr. Strano - Yes; Mr. Holley - Yes;
Mr. Mikolajczyk -Yes; Mr. Armstead - Yes;

Resolution #86-19

Amending a Pipeline Easement held by Citgo for Installation of a Cathodic Protection System

Authority's Attorney stated that at the monthly meeting in March 2019 the Board approved Resolution #31-19 permitting Citgo to install the Cathodic Protection/CP System and to allow Citgo's employees to perform the work on the Pipeline Cathodic Protection System within the Citgo easement and cross LRSA property. However, this CP system that needs to be installed, a portion of it actually falls outside of the existing easement hold by Citgo. So, this Resolution simply amends easement that Citgo holds just to expend of a very small amount to allow the CP System to be installed outside of the existing easement. Attorney added that the Authority needs approval from the Bond Trustee and Authority's Engineer is authorized to file and execute all certifications necessary to request and obtain the Bond Trustee's approval.

MOTION: Upon motion of Mr. Holley, seconded by Mr. Mikolajczyk the Board unanimously approved Resolution #86-19 as read and presented. (Resolution #86-19 attached)

RECORDED VOTE: Mr. Strano - Yes; Mr. Holley - Yes;
Mr. Mikolajczyk -Yes; Mr. Armstead - Yes;

BIDS & PURCHASES

Resolution #87-19

Awarding a Contract for Auditing/Consulting Services

The Executive Director stated that there is a need for Auditing/Consulting Services for the performance of the annual audit for the year ending December 31, 2019 as required by N.J.S.A. 40:14A-7.1. The Authority has instituted a policy to solicit Proposals for Professional Services pursuant to a Fair and Open process. The Authority has received in accordance with a public notice, sealed proposals for Auditing/Consultant Services. The Authority has determined that the award of a contract with Suplee, Clooney & Company in the sum of \$30,200 to be in the best interest of the Authority.

MOTION: Upon motion of Mr. Strano, seconded by Mr. Mikolajczyk the Board unanimously approved Resolutions #87-19 as read and presented. (Resolutions #87-19 attached)

RECORDED VOTE: Mr. Strano - Yes; Mr. Armstead - Yes;
Mr. Holley - Yes; Mr. Mikolajczyk - Yes;

Resolution #88-19

Authorizing Membership and Participation in Sourcewell, a National Cooperative Purchasing Program

The Executive Director stated that Authority is authorized pursuant to N.J.S.A. 52:34-6.2, and N.J. Public Law 2011, Chapter 139, to make purchases and to contract for services through the use of a nationally recognized and accepted cooperative purchasing agreement that has been developed utilizing competitive bidding process by another contracting unit within the State of New Jersey, or within any other state, when available. The Authority has the need to purchase Facility Maintenance, Repair and Operations Equipment and Industrial and Building Supplies for use in its day to day operations. Therefore, it has been determined that it would be cost effective and advantageous to the Authority to purchase these commodities on an as-needed basis from Motion Industries through a contract (#121218-M11) awarded by Sourcewell, a National Cooperative.

MOTION: Upon motion of Mr. Mikolajczyk, seconded by Mr. Strano the Board unanimously approved Resolutions #88-19 as read and presented. (Resolutions #88-19 attached)

RECORDED VOTE: Mr. Strano - Yes; Mr. Armstead - Yes;
Mr. Mikolajczyk - Yes; Mr. Atkins - Yes;

Resolution #89-19

Awarding a Contract for the Construction Phase of the Phase V Building Improvements Project

The Executive Director stated that four (4) sealed bid responses were received, opened and read aloud publicly at Authority on October 8, 2019 for a contract for the construction phase of the Phase V Building Improvements Project. The bids were reviewed by the Authority Staff and the project engineer, T&M Associates and it was determined that the low bid submitted by Daskal LLC in the amount of \$958,065.00, is considered non-responsive due to the failure of Daskal LLC to possess a New Jersey Public Works Contractor Registration Certificate at the time of bid submission, in accordance with N.J.S.A. 34:11-56.48 et seq. Therefore, it has further been determined that the second lowest bid submitted by APS Contracting, Inc. in the amount of \$988,000.00 is both responsive and responsible and the Members have reviewed the written recommendation made by T&M Associates that a contract for the Construction Phase of the Phase V Building Improvements Project be awarded to APS Contracting, Inc. for an amount not to exceed \$988,000.00.

LINDEN ROSELLE SEWERAGE AUTHORITY
MEETING MINUTES
October 23, 2019

MOTION: Upon motion of Mr. Holley, seconded by Mr. Mikolajczyk the Board unanimously approved Resolutions #89-19 as read and presented. (Resolutions #89-19 attached)

RECORDED VOTE: Mr. Strano - Yes; Mr. Armstead - Yes;
Mr. Holley - Yes; Mr. Mikolajczyk - Yes;

PUBLIC COMMENT

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. Mikolajczyk, seconded by Mr. Armstead the Board unanimously approved payment of the Operating Bills in the amount of \$714,671.39 (Resolution attached)

RECORDED VOTE: Mr. Strano - Yes; Mr. Armstead - Yes;
Mr. Mikolajczyk - Yes; Mr. Atkins - Yes;

Mr. Holley momentarily stepped out from the meeting, therefore Mr. Atkins voted for above motion.

Renewal and Replacement Fund

MOTION: Upon motion of Mr. Mikolajczyk, seconded by Mr. Strano the Board unanimously approved payments of the Renewal and Replacement Bills in the amount of \$135,700.87 (Resolutions attached).

RECORDED VOTE: Mr. Strano - Yes; Mr. Holley - Yes;
Mr. Mikolajczyk - Yes; Mr. Armstead - Yes;

Mayor Armstead asked the Executive Director if he could attend the next Council meeting at the City to give a short presentation regarding the Arles project and the Authority's future projects.

ADJOURNMENT

MOTION: Upon motion of Mr. Holley, seconded by Mr. Armstead, the meeting was adjourned at 12:42 P.M. and it was ordered that the monthly Board Meeting of the LRSA be held on Tuesday, November 26, 2019 at 12:00 P.M. in the office of the Authority.

RECORDED VOTE: Mr. Strano - Yes; Mr. Holley - Yes;
Mr. Mikolajczyk - Yes; Mr. Armstead - Yes;

THE LINDEN ROSELLE SEWERAGE AUTHORITY

MONTHLY RECEIPTS

September 1, 2019 - September 30, 2019

REVENUE FUND

Non-Major User

City of Linden	Total City Hall Acct.	756,515.81
Linden Landfill (paid in full)		33,119.76

Municipality

0.00

Major Industry Users

North East Linen (2019 2nd Qtr.)	41,991.19
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Miscellaneous

PSE&G (Mo. Effluent August-19)	20,892.00
City of Linden Sewer Liens (2009-2014)	9,967.71
Paramount Plating (Fine for Rules Violation)	1,000.00

Total Revenue Fund	\$863,486.47
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OPERATING FUND

Northfield Transfer	550,000.00
2019 3rd Qtr. EE Medical (Reimbursement)	57,222.14
Aries Clean Energy (Reimbursement)	9,474.55
Miscellaneous (bids, etc.)	1,200.00

Total Operating Fund	\$617,896.69
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Escrow Account

Greek Development (formerly LPH)	65,011.03
IMTT Pipeline	15,000.00
JVM Sales	16,384.63
Aries	0.00

Ending Balance as of 09/30/19	\$96,395.66
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**LINDEN ROSELLE SEWERAGE AUTHORITY
EXECUTIVE DIRECTOR'S REPORT
October 23, 2019**

DEPARTMENTS

A. MONITORING DEPARTMENT

1. All Annual Sludge Reports were filed on time with the NJDEP and EPA.
2. Annual IPP Report due on December 1, 2019.
3. The Authority conducted the annual IPP inspection at Veolia on September 24, 2019.
4. The rainfall for September 2019 was 1.41", which is less than the August 2019 total of 4.47". The rainfall for 2019 to date is 38.99" compared to 40.33" for the same timeframe in 2018.

B. BUSINESS DEPARTMENT

1. Revenue

Residential billing revenue in the amount of \$753,651.74 was received in September 2019 along with \$2,864.07 in interest payments, \$3,264.32 in prepayments, and \$106,970.66 in miscellaneous revenue.

2. Expenses

Currently O & M Expenses YTD as of September 30, 2019 is \$6,376,212 or approximately 67.83% of the total annual budget for O & M. The Authority is approximately 7.17% below budget.

C. New Jersey Infrastructure Bank Projects

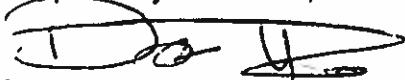
1. Phase V Building Improvements Project

Recommendation of Award is on today's agenda.

2. Aries Linden, LLC

Demolition Update

Respectfully submitted,



David G. Brown II
Executive Director

Superintendents Report to the Board October 2019

Highlighting Departments

Operations:

1. Plant performance – The plant operated well during September 2019 meeting all permit limits.
2. We did not barge in September and will not in October
3. Flows were an average 9.1 MGD with maximum daily flow 13.8 MGD
4. Overall Volatile solids % reduction is up 64.2 percent

Maintenance:

1. Performed Monthly Preventive Maintenance, electrical safety checks and normal packing maintenance.
2. changed oil in clarifiers
3. Repaired Roof heaters on GBT
4. Serviced batteries in Main Switch Gear
5. Calibrated all Plant Flow meters and Roselle Flume
6. Removed equipment in Dewatering Building

Laboratory:

1. Mercury samples were sent to outside lab and the results came back as Non-Detect.
2. All monthly quality controls were completed
3. All quarterly checks and QC QA were completed
4. NJDEP lab audit was completed. There are no violations cited within this report, only minor deficiencies and recommendations



Respectfully Submitted,
Jeffrey A. Williams Superintendent