

THE LINDEN ROSELLE SEWERAGE AUTHORITY

The minutes of the regular meeting held on Wednesday, April 24, 2019 at 12:00 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; Edward Mikolajczyk, Treasurer; Derek Armstead, Secretary; James Moore, Alternate Member; Reginald Atkins, Alternate Member-via phone;

Absent: Jamel Holley, Vice Chairman;

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

MOTION: Upon motion of Mr. Strano, and seconded by Mr. Mikolajczyk, the Board unanimously appointed Mr. Atkins as a voting member for this meeting.

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

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

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

MOTION: Upon motion of Mr. Armstead, seconded by Mr. Mikolajczyk, the Board approved the minutes of the March 27, 2019 Regular Board Monthly Meeting.

Recorded Vote: Mr. Strano - Yes; Mr. Armstead - Yes;
Mr. Mikolajczyk - Yes; Mr. Atkins - Abstain;

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. Mikolajczyk - Yes; Mr. Atkins - Yes;

BUSINESS AGENDA

Adoption of 2019 Sewer Rates and Charges

The Executive Director stated that as the Authority's budget was presented at the October 2018 Board Meeting it was determined that \$250,000.00 of surplus has to be used in order to keep the sewer rates flat. The Executive Director further stated that upon further review with Tom Schevchuk and Finance Manager it was determined that Authority has to use surplus of \$370,817.00 to maintain flat rate with no increase for residential users. Therefore, the Executive Director and Staff are recommending that the Board adopt the rates as proposed \$3.56 per 100

BUSINESS AGENDA (continued)

Adoption of 2019 Sewer Rates and Charges (continued)

cubic feet of water consumption with \$370,817.00 surplus to maintain no rate increase for residential users and small industrial properties. Further, Executive Director said that estimated amount of \$4,870,018 for 2019 to be collected from Residential Users and Small Industrial Properties with June 30, 2019 and September 30, 2019 as the dates for payment by all users in the City of Linden and adopts an interest charge of one and one half percent (1.5%) per month for unpaid balances remaining after 30 days. The Executive Director stated that an estimated amount of \$505,409 for 2019 to be collected from Major Industrial Users Class A; also an estimated amount of \$1,293,004 for 2019 to be collected from Major Industrial Users Class B. The Executive Director concluded that the charges to the Borough of Roselle for 2019 payable quarterly are in the amount of \$2,913,992 in accordance with the Municipal Agreement.

MOTION: Upon motion of Mr. Atkins, seconded by Mr. Armstead, the Board unanimously approved by Resolution adopting the 2019 Sewer Rates as presented. (Resolution #41-19 attached).

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

Issuance of an Industrial Discharge Permit Renewal to Linden Bulk Transportation

Linden Bulk Transportation has requested to renew their Industrial Discharge Permit with LRSA. They are located at 4200 Tremley Point Road and they operate a trucking service terminal which is use for the maintenance and washing of the tanker trucks. The draft permit was subject to 30-day public comment. No comments were received. Therefore the Executive Director and Staff are recommending that the Board adopt Discharge Permit Renewal to Linden Bulk Transportation, LLC with effective date of May 1, 2019.

MOTION: Upon motion of Mr. Armstead, seconded by Mr. Atkins, the Board unanimously approved Resolution authorizing Issuance of an Industrial Discharge Permit Renewal be scheduled to take effect May 1, 2019 to Linden Bulk Transportation, LLC. (Resolution #42-19 attached).

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

Approval of an Escrow Agreement with JVM Sales

Authority's Attorney, Sean McGowan stated that at last month's Board Meeting the Authority approved request from JVM Sales Corp. to construct two buildings and a bridge/loading dock on its property. JVM Sales is located over an existing easement held by the Authority on the JVM's property containing a main sewer line owned by the Authority. JVM's proposal and initial concept design documents have been reviewed and a resolution approving design containing certain conditions, one of which is an escrow account be established by JVM with the LRSA and that all cost incurred by the LRSA shall be borne by JVM and payable from the Escrow account, as per agreement.

MOTION: Upon motion of Mr. Mikolajczyk, seconded by Mr. Atkins, the Board unanimously approved Resolution approving of an Escrow Agreement between LRSA and JVM Sales, with an initial Escrow of \$25,000.00 (Resolution #43-19 attached).

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

BUSINESS AGENDA (continued)

Agreement Approving Monitoring Well Permit & Encroachment License

Authority's Attorney stated that the Authority received a request from CITCO Holdings Terminals Corp. for the Authority to execute two documents related to a Pipeline Cathodic Protection System within an easement held by Citgo on property owned by Authority. Those two documents being a CP/Cathodic Protection System and a TW/Temporary Workspace Agreements. The CP Agreement allows Citgo to construct, maintain, operate, repair, rebuild and/or replace a Pipeline Cathodic Protection System within the existing Citgo Easement that will support pipelines buried in Citgo's Easement. The TW Agreement allows Citgo's employees and/or agents to perform the work on the CP within the Citgo Easement and cross the LRSA Property to access the Citgo Easement. Attorney stated that above agreements were reviewed and he does not see any issues approving it.

MOTION: Upon motion of Mr. Atkins, seconded by Mr. Armstead the Board unanimously approved Resolution permitting the Authority to enter into the CP Agreement and the TW Agreement in substantially similar form to the drafts of the Citgo Documents and the Executive Director of the Authority shall be permitted to execute the Citgo Documents upon receipt of the Citgo Documents executed by Citgo. (Resolution #44-19 attached).

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

Agreement Approving Carlin & Ward, P.C. Michael Ash, Esq. to Serve as Conflict Counsel

Authority's Attorney, Sean McGowan stated that on February 27, 2019 Authority approved a contract for legal services to be provided to the LRSA by the law firm of Bertone Piccini, LLP, lead counsel Sean R. McGowan, Esq., for a term of one year. Accordia Realty Ventures, LLC owns the real property at 4050 Tremley Point Road in Linden, on which intends to develop a warehouse and truck terminal. Furthermore, attorney stated that to facilitate the development of the truck terminal, Accordia desires a private sewer connection that would tie-in to LRSA's Main Interceptor Sewer located on property owned by the LRSA, of which Accordia will be able to discharge its wastewater to the Authority. Attorney further said that Accordia's Tie-In Project will require legal services and that his law firm Bertone Piccini, LLP has a conflict-of-interest with Accordia. Therefore, Authority's attorney is recommending and desires to hire the law firm of Carlin & Ward, P.C., lead counsel Michael J. Ash, Esq., as "Conflict Counsel" to serve as its legal counsel for the Accordia Tie-In project.

MOTION: Upon motion of Mr. Mikolajczyk, seconded by Mr. Armstead the Board unanimously approved Resolution approving to hire Carlin & Ward, P.C., lead counsel Michael J. Ash, Esq., as "Conflict Counsel" to serve as legal counsel for the Accordia Tie-In Project at the same rate at which the LRSA compensates Bertone Piccini, LLC. (Resolution #45-19 attached).

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

Agreement Accepting NuStar 1994 Easement Extension for a one Eighteen Inch and a one Twelve Inch Pipeline

Authority's Attorney, Sean McGowan stated that on June 22, 1994, the LRSA signed an Easement Agreement with Northville Industries Corp. that provided for an easement for the benefit of Northville on the LRSA Property allowing Northville to install one (1) eighteen (18) inch diameter pipeline and one (1) twelve (12) inch diameter pipeline for petroleum products. The

BUSINESS AGENDA (continued)

Agreement Accepting NuStar 1994 Easement Extension for one Eighteen Inch and one Twelve Inch Pipeline (continued)

Authority's Attorney stated that Easement Agreement was for a duration of twenty years and contained two five-year options that could be exercised by Northville. Further Attorney said that NuStar requested twice a five-year extension, the first one from July 1, 2014 to July 1, 2019 and the second extension from July 1, 2019 to July 1, 2024. The Easement Agreement requires that the holder of the Easement provide compensation to the LRSA in the amount of \$1,000 per year (the Easement Fees), with increases to take effect every five years on the basis of the percentage change in the Producer Price Index ("PPI"). Therefore, upon receipt of all outstanding Easement Fees, Authority shall accept the extension of the Easement Agreement for the period beginning on July 1, 2019 to July 2024. Furthermore upon receipt of all outstanding Easement Fees, the Executive Director or Counsel to the LRSA is directed to confirm by way of letter to NuStar that the LRSA has accepted the extension of the Easement Agreement for the period of July 1, 2019 to July 1, 2024.

MOTION: Upon motion of Mr. Atkins, seconded by Mr. Armstead the Board unanimously approved Resolution accepting NuStar's 1994 Easement Extension Agreement for one (1) eighteen (18) inch and one (1) twelve inch Pipeline for the period beginning on July 1, 2019 to July 1, 2024 upon receipt of all outstanding Easement Fees. (Resolution #46-19 attached)

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

Agreement Accepting NuStar 1995 Easement Extension for one Twelve Inch Pipeline

Authority's Attorney stated that Easement Agreement was for a duration of twenty years and contained two five-year options that could be exercised by Northville. Further Attorney said that NuStar requested twice a five-year extension, the first one from February 1, 2015 to February 1, 2020 and the second extension from February 1, 2020 to February 1, 2025. The Easement Agreement requires that the holder of the Easement provide compensation to the LRSA in the amount of \$1,250 per year (the Easement Fees), with increases to take effect every five years on the basis of the percentage change in the Producer Price Index ("PPI"). Therefore, upon receipt of all outstanding Easement Fees, Authority shall accept the extension of the Easement Agreement for the period beginning on February 1, 2020 to February 2025. Furthermore upon receipt of all outstanding Easement Fees, the Executive Director or Counsel to the LRSA is directed to confirm by way of letter to NuStar that the LRSA has accepted the extension of the Easement Agreement for the period of February 1, 2020 to February 1, 2025.

MOTION: Upon motion of Mr. Strano, seconded by Mr. Atkins the Board unanimously approved Resolution accepting NuStar's 1995 Easement Extension Agreement for one (1) Twelve (12) inch Pipeline for the period beginning February 1, 2020 to February 1, 2025 upon receipt of all outstanding Easement Fees. (Resolution #47-19 attached)

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

Resolution Approving Declaration of Official Intent under Treasury Regulation Section 1.150-2 to Reimburse Prior Expenditures Related to Various System Improvements - Phase V

Authority's Attorney stated that LRSA intends to issue debt obligations, the interest on which is excluded from gross income and that will be used to finance various capital improvements to its

Resolution Approving Declaration of Official Intent under Treasury Regulation Section 1.150-2 to Reimburse Prior Expenditures Related to Various System Improvements – Phase V (cont.)

sewer system, specifically improvements to various existing buildings (Phase V) within its sewerage treatment facility. Attorney further said that LRSA intends to finance the Project, in part, with the Project Debt Obligations but may pay for certain costs of the Project prior to the issuance of the Project Debt Obligations with funds of the Authority which are not borrowed funds. The Project Costs to be reimbursed with the proceeds of the Project Debt Obligations will be "Capital Expenditures".

MOTION: Upon motion of Mr. Atkins, seconded by Mr. Mikolajczyk the Board unanimously approved Resolution to Provide Declaration of Official Intent Under Treasure Regulation Section 1.150-2 to Reimburse prior Expenditures Related to Various System Improvements. (Resolution #48-19 attached).

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

EXECUTIVE DIRECTOR'S REPORT

The Executive Director presented to the Board his monthly report (see attached report). No other 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.

BIDS AND PURCHASES

Recommendation to Award a contract to Furnish and Deliver Jet Mixing Pump

The Executive Director stated that bid specifications were developed to furnish and deliver Jet Mixing Pump was published and publicly opened. One bid was received and it was determined that the bid submission from Reiner Pump Systems, Inc. of \$48,750.00 was both responsible and responsive. Therefore, the Executive Director and Staff are recommending awarding a contract to Reiner Pump Systems, Inc. to Furnish and Deliver a Jet Mixing Pump in the amount of \$48,750.00.

MOTION: Upon motion of Mr. Armstead, seconded by Mr. Atkins, the Board unanimously approved Resolution awarding contract to Reiner Pump Systems, Inc. to Furnish and Deliver a Jet Mixing Pump in the amount of \$48,750.00. (Resolution #49-19 attached)

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

Authorization to Amend the Purchase of Electricity Supply for Public Use - Online Auction Website

The Executive Director stated that at last month's Board Meeting the Board approved the purchase of electricity through the on line auction services of EMEX, LLC, by Resolution #36-19. The Authority will need to amend this resolution as these auction services will now be purchased by another State approved vendor, Taurus Advisory Group as the broker for electricity, who will be compensated for their services by the successful supplier, at a no cost to the Authority.

MOTION: Upon motion of Mr. Atkins, seconded by Mr. Mikolajczyk, the Board unanimously approved Resolution to authorize amendment to the Resolution #36-19 for the Purchase of Electricity Supply Services for Public use on an Online Auction Website for the participating supplier Taurus Advisory Group Reverse Auction. (Resolution #50-19 attached)

BIDS AND PURCHASES (continued)

Authorization to Amend the Purchase of Electricity Supply for Public Use - Online Auction Website

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

Authorization to Amend Contract Award for General Contracting Services for Underground Utility Repairs

The Executive Director stated that at the last month's Board Meeting by Resolution #32-19 the Authority established a pool of Contractors to provide On-Call General Contracting Services for Underground Utility Repairs. Two of the three firms that had submitted proposals were qualified. The third firm, J. Fletcher Creamer & Son, was not qualified at that time due to questions regarding whether the Sample Cost Proposal of which they submitted met NJ Prevailing Wage Rate requirements. Based on review of NJ Prevailing Wage Rate Regulations it was determined that the bid submission of J. Fletcher Creamer & Son was in compliance. Therefore, the Executive Director and Staff are recommending that by the Resolution #32-19 the Board amend to add J. Fletcher Creamer & Son, Inc. to the pool of contractors that was established to provide On-call General Contracting Services for Underground Utility Repairs.

MOTION: Upon motion of Mr. Mikolajczyk, seconded by Mr. Strano, the Board unanimously approved Resolution to authorize amendment to the Resolution #32-19 to add J. Fletcher Creamer & Son, Inc. to the pool of Multiple Contractors that was established to provide Emergency and Scheduled Underground Utility Repairs. (Resolution #51-19 attached)

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

Recommendation to award a Contract to T&M Engineering Services for Administration and Construction Observation Services

Executive Director stated that Authority is in need to retain services of a Consulting Engineer to provide Contract Administration and Construction Observation Services for the Building Improvements Project Phase V. Therefore the Executive Director requested a proposal from T&M Associates for said services and it is recommending award of a contract which it is in the best interests of the Authority are served by the selection of T&M Associates to provide these services for a sum not to exceed \$174,400.00

MOTION: Upon motion of Mr. Atkins seconded by Mr. Strano, the Board unanimously approved Resolution awarding a Contract for Professional Engineering Services for Contract Administration and Construction Observation Services for the Building Improvements Project Phase V to T&M Engineering in the sum not to exceed \$174,400.00. (Resolution #52-19 attached).

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

ENGINEERS REPORT

No questions of the Engineer's report.

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. Armstead, seconded by Mr. Atkins the Board unanimously approved payment of the Operating Bills in the amount of \$513,290.61 (Resolution attached).

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

Renewal and Replacement Fund

MOTION: Upon motion of Mr. Atkins, seconded by Mr. Armstead the Board unanimously approved payment of the Renewal and Replacement Bills in the amount of \$13,376.50 (Resolution attached).

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

ADJOURNMENT

MOTION: Upon motion of Mr. Atkins, seconded by Mr. Mikolajczyk, the meeting was adjourned at 12:40 P.M. and it was ordered that the monthly Board Meeting of the LRSA be held on Wednesday, May 22, 2019 at 12:00 P.M. in the office of the Authority.

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

Submitted by: Urszula Luzny

THE LINDEN ROSELLE SEWERAGE AUTHORITY

MONTHLY RECEIPTS

March 1, 2019 - March 31, 2019

REVENUE FUND

Non-Major User

City of Linden 101,086.30

Municipality

Borough of Roselle (1st Qtr. 2019) 728,475.25

Major Industry Users

Paramount (2018 Capacity Fee) 3,191.76

Merck (2018 Capacity Fee) 48,170.51

North East Linen (4th Qtr. 2018) 48,272.89

PSE&G (2018 Capacity Fee) 209,940.48

Miscellaneous

Whitestone Assoc. (Wawa Construction) 2,514.93

PSE&G (Mo. Effluent Dec-18, Jan & Feb-19) 62,265.50

Total Revenue Fund 1,203,917.62

OPERATING FUND

Fortune Metal (Sale of Scrap) 234.25

Aries Clean Energy (Reimbursement) 8,040.16

2019 1st Qtr. EE Medical (Reimbursement) 51,380.65

Northfield Transfer 775,000.00

Total Operating Fund \$834,655.06

Greek Development (LPH) Escrow Account

Beginning Balance as of 03/01/19 69,212.11

LPH Negotiations & Agreement for Easements/Licenses 0.00

Ending Balance as of 03/31/19 \$69,212.11

**LINDEN ROSELLE SEWERAGE AUTHORITY
EXECUTIVE DIRECTOR'S REPORT
April 24, 2019**

DEPARTMENTS

A. MONITORING DEPARTMENT

1. All Annual Sludge Reports were filed on time with the NJDEP and EPA.
2. Cogen was sent the wastewater discharge permit application for renewal on March 30, 2019 and its due on June 30, 2019.
3. NE Linen was sent the wastewater discharge permit application for renewal on March 20, 2019 and its due on June 30, 2019.
4. PSEG Effluent Reuse is down from an average of 3.62 MG in 2018 to 3.36 MG in February 2019.
5. The rainfall for March 2019 was 3.33", which is 39% more than February 2019 total of 2.39". The rainfall for 2019 is 9.13" compared to 9.33" for 2018.
6. Forklift training is being scheduled.

J. BUSINESS DEPARTMENT

1. **Revenue**
Residential billing revenue in the amount of \$92,148.16 was received in March 2019 along with \$8,938.14 in interest payments and \$3,466.89 in prepayments.
2. **Expenses**
Currently O & M Expenses YTD as of March 31, 2019 is \$2,642,830 or approximately 28.12% of the total annual budget for O & M.
3. **Audit**
The 2018 Audit began March 20, 2019 and will continue through April 2019.

Respectfully submitted,



David G. Brown II
Executive Director

Superintendents Report to the Board

April 2019

Highlighting Departments

Operations:

1. Plant performance -- The plant operated well during March 2019 meeting all permit limits.
2. We Barged in March We are estimating our next barging will be sometime in June.
3. Since Capital Foods creased operations we have seen:

a dramatic reduction in our sludge wasting
a \$10,000 reduction in our monthly electric bill
our chemical usage has seen a dramatic reduction
we are operating on only one primary clarifier and one aeration tank
The settleability of the secondary clarifiers have improved

Maintenance:

1. Performed Monthly Preventive Maintenance, electrical safety checks and normal packing maintenance.
2. installed new tarps over switch gear roof
3. worked on flume air line and replacing drop pipes
4. repaired igniters on waste gas burners
5. Replaces filter media for blowers
6. labeled missing information on electrical panels
7. Cleaned DO probes

Laboratory:

1. The Chemical Hygiene Plan was reviewed and updated
2. Mercury samples were sent to outside lab and the results came back as Non-Detect.
3. All monthly quality controls were completed and all First quarter QA was completed.
4. The Spectrophotometer needs to be serviced
5. PT samples were run and submitted to NJDEP
6. All quarterly checks and QC QA were completed
- 7.



Respectfully Submitted,
Jeffrey A. Williams
Superintendent