

THE LINDEN ROSELLE SEWERAGE AUTHORITY

The minutes of the regular meeting held on Wednesday, August 24, 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; Robert Sadowski, Secretary; Edward Mikolajczyk, Treasurer; George Vircik, Alternate Member;

Attending: Gary G. Fare, Executive Director; Richard Rudin, Board Attorney; Tom Laustsen, CDM Smith; David Kendall, Staff Attorney of NJM Insurance Group/WC

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

MOTION: Upon motion of Mr. Mikolajczyk, and seconded by Mr. Sadowski, the Board unanimously approved the minutes of the July 27, 2016 Executive Session.

MOTION: Upon motion of Mr. Mikolajczyk, and seconded by Mr. Sadowski, the Board unanimously approved the minutes of the July 27, 2016 Regular Board Monthly Meeting.

Treasurer's report accepted as read.

Chairman stated that George Vircik is a voting Member due to absence of Mr. Aubourg and the passing of John Sheehy.

Tom Laustsen left the board room due to executive session.

EXECUTIVE SESSION

MOTION: Upon motion of Mr. Mikolajczyk, 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 12:04 P.M., Resolution #08E-16 attached).

MOTION: Upon motion of Mr. Sadowski, seconded by Mr. Vircik, the Executive Session was closed 1:14 P.M. and the regular business meeting resumed.

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

The following actions have to be taken by Motion:

MOTION: Upon motion of Mr. Vircik, seconded by Mr. Sadowski, the Board unanimously approved recommendation of New Jersey Manufacturers Workers Compensation to settle a worker's compensation case with Authority's former employee due to a job related injury to the knee in 2011 for the amount of \$3,500.

MOTION: Upon motion of Mr. Vircik, seconded by Mr. Sadowski, the Board unanimously approved recommendation of the Executive Director and Board to proceed with litigation in regards to the worker's compensation case with the Authority's former employee due to a job related injury to the shoulder in 2012.

MOTION: Upon motion of Mr. Vircik, seconded by Mr. Sadowski, the Board unanimously approved recommendation of the Executive Director to approved courses for Certified Municipal Finance Officer, "Municipal Budget Process" for the Authority's Financial Manager preferable evening classed if possible on Wednesday's for only 7 weeks with the cost of \$936.

MOTION: Upon motion of Mr. Vircik, seconded by Mr. Sadowski, the Board unanimously approved recommendation of the Executive Director to suspend Frank Gersick for one day in addition to serve him a Last Chance Agreement.

Advisement: Approval of LOA Wendy MacConnell, Office Clerk due to maternity leave.

BUSINESS AGENDA

Adoption of an Industrial Discharge Permit Renewal to Chemours Company

The Chemours Company applied for an industrial discharge permit renewal with Authority for a waste stream from a Sulfuric Acid Regeneration facility on the Phillips 66 site. Chemours has requested to transfer the discharge permit ownership to Veolia Regeneration Services, LLC. The Authority received correspondence that Veolia has no intention of making any immediate changes to the facility operations and/or processes. The regeneration plant produces a maximum of 109,600 gallons per day of wastewater. There is no pretreatment performed on the wastewater before being discharged to the Authority. Veolia is subject to the LRSA local pretreatment limits. The total process wastewater will be monitored for all the local limit pretreatment parameters. 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 adopts Discharge Permit Renewal for the Veolia Regeneration Services, LLC Sulfuric Acid Regeneration facility effective September 1, 2016.

MOTION: Upon motion of Mr. Sadowski, seconded by Mr. Vircik, the Board unanimously approved Resolution authorizing Adoption of an Industrial Discharge Permit Renewal effective September 1, 2016 to Chemours/Veolia Regeneration Services, LLC Sulfuric Acid Regeneration facility (Resolution #39-16 attached).

Amending Resolution #34-16 for 2015 Surplus Disposition and Funds Transfer

At the last month meeting Board approved Resolution #34-16 which authorized that \$300,000 of 2015 surplus be transferred from US Bank General Account to a newly created US Bank (LRSA Trustee) Account named "Reserve for Chapter 88 Retiree Benefits." However, it has subsequently been determined that according to the terms of the Trust Agreement dated June 7, 1984 between the LRSA and US Bank, only trust agreement mandated accounts can be maintained and administered by the Trustee Bank. Therefore, the Northfield Bank was designated an Official Depository of the Authority at the 2016 Annual Organizational Meeting the Trustee US Bank is authorized and instructed to transfer \$300,000 from US Bank General Account to Northfield Bank reserve for "Chapter 88 Retiree Benefits" Account.

MOTION: Upon motion of Mr. Sadowski, seconded by Mr. Vircik, the Board unanimously approved amending Resolution #34-16 that \$300,000 of the 2015 Surplus be transferred to new account to be created at Northfield Bank to be named Reserve for Chapter 88 Retiree Benefits and the Trustee US Bank is authorized & instructed to transfer \$300,000 from US Bank General Account to Northfield Bank Reserve for Chapter 88 retiree Benefits Account. Mr. Mikolajczyk abstained from the vote. (Resolution #40-16 attached)

EXECUTIVE DIRECTOR'S REPORT

Glatfelter Insurance

The Executive Director reported that the insurance company conducted a Risk Reduction Inspection cited recommended flood mitigation items. This report and the findings were presented to the Board at the June meeting. It was decided to look into the recommended items along with other items the Authority Staff recommended through our encounter with the Sandy Storm. Therefore the Board awarded a contract to CDM to conduct a study for Flood Mitigation. After the study is completed and reviewed the Board will decide whether or not to proceed with the project. The Authority has advised the Insurance Company of the Authority's course of action, as it was required.

New Jersey Public Employees' Retirement System

The Executive Director reported that the New Jersey PERS has randomly selected local public employers to conduct audits and Linden Roselle Sewerage Authority has been selected. The purpose of these audits are to assure the State that the local agencies are complying with the requirements and only the eligible employees are enrolled in the pension system. The State will be reviewing the Authority's personal/payroll records.

Construction Project: Main Street Pump Station

The Executive Director reported that the project is at 90% completion of design and there is no change from last month. The first reimbursement request to FEMA is still pending. The minimum reimbursement request amount is \$50,000. The Executive Director will keep the Board updated.

Digester Cleanout Project

The Executive Director reported that during the month Spectraserv installed the two variable speed drives on the mixers and all the gaskets with the exception of the large gasket for the center dome. This is the only work remaining to complete this project. The substantial completion date, which is anticipated to be met, is the end of September.

Primary Tank Sludge Collectors

The Executive Director reported that there is no status change from what was reported last month. 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 July 2016, meeting all permit limits.

Maintenance Department

➤ Corrective Repairs and Replacement

Service weather station; serviced air hoist in screen house; replaced bottom tank valve & expansion joint on digester #1; general maintenance on all mixers on digester tank #1; repaired low pressure effluent water strainer in blower building; repaired G-5 electronic drive; repaired autoclave in lab; repaired gear operator in Sludge Storage Tank #1.

HIGHLIGHTING DEPARTMENTS (continued)

Monitoring Department

➤ **Rainfall**

Rainfall for July was 5.07 inches. Year to date rainfall is 17.81 inches, compared to 17.85 inches for the first seven months of 2015.

➤ **Bayway Stormwater Chamber**

No leaks were detected at the monthly inspection.

➤ **IPP Program**

◆ **Linden Bulk Transportation**

A Show Cause Hearing was held on August 3rd regarding results of two oil and grease samples collected in May, which were in violation of the daily limit. Although a serious violation did not occur, a \$1,250 penalty was assessed due to a history of exceeding the oil and grease limit. Linden Bulk presented enough information and the Authority granted them Affirmative Defense, also no penalty was issue.

◆ **Cogen**

Representatives met with LRSA on August 1st to discuss purchasing LRSA effluent for reuse in their process. The quality of the water they use is stringent and advanced treatment technologies would have to be used to meet their standards. They also inquired about recycling of the digester gas instead of burning it at the flares. The meeting was a good exchange of ideas, however purchasing of 300,000 gallons per day high quality of water will not be cost effective for the Authority.

◆ **General Magnaplate**

Exceeded their nickel limit at a level to be classified as a serious violation. A Show Cause Hearing is scheduled for August 30, 2016, which includes a proposed minimum mandatory penalty of \$1,000.00.

◆ **NJDEP Audit**

The NJDEP conducted an audit on July 26th. The technicians were interviewed, and the SOP's were reviewed by NJDEP. The focus was on quality control procedures. A summary of the findings was prepared by the lab supervisor and was reviewed by the lab staff. The official report of the findings is pending.

➤ **Air Program/Air Permit Compliance**

◆ **Subchapter 8 Permit**

On August 2, 2016 LRSA reported a violation of its Subchapter 8 Permit limit for digester gas production for the compliance period of August 2015 – July 2016. The calculation is based on a rolling 12 month period. A violation of this limit had occurred in May 2016 also. The limit was exceeded by a small margin for both of the months. While operating only one digester, #2 to perform maintenance work on digester #1, the gas production is higher than normal. When reviewing the limit, it was learned that it is incorrect. NJDEP assigned the same limit to the amount of gas burned at the flares. It's impossible to have the same limit at both locations – gas production and the flares since the Authority uses a good portion of the gas produced in the heat exchangers. NJDEP gave two options to address the error in the permit; to apply for an increase to the limit or to request the limit be removed from the permit. Both options involve keeping records of pollutant emissions on a more frequent basis.

Monitoring Department (continued)

- **NJPDES Permit**
PCB Monitoring – The Executive Director reported that the first dry weather sample event for the NJPDES PCB Project was conducted the week of June 12th. Results from contract lab, Pace Analytical, are pending.

Business Department

- **Expenditure Report**
The Executive Director reported that at the seventh month of 2016, expenditures are at a level of 58% at 58% of the fiscal year. As anticipated the Authority caught up with the earlier year expenditures and now is right in line with the budget.
- **Revenue Report**
The Executive Director reported the Authority's loading data for the first six months of 2016 from class A & B users are lower than the projected budget, however have come up since last month. This is attributed to Public Service increasing in the last few months and Unitex coming online. It is too early for any year end forecast, but it is anticipated that the loads will meet the budget projections.
- **NJEIT Payments**
The Executive Director reported that the second annual payment due August 1, 2016 has been paid by the Authority's Trustee (US Bank). The amounts made were \$754,963.60 for the 2013 loan for Sludge Area Upgrade project and \$363,239.05 for the 2012 loan for Liquid End Upgrade project.
- **Capital Budget/Projects**
The Executive Director presented the semi-annual revision to the capital project list. This is conducted to assure that the Authority is evaluation its infrastructure and addressing items based on a priority order. The Authority should evaluate next whether or not it's right to borrow funds through the trust. The following projects are committed by the Authority as follows: Primary Tank 2016; Digester clean out, gasket and variable-speed drive replacements 2016; Main Street Pump Station 2017 and Inspection of the Main Sewer Interceptor.

No questions of the Executive Director's Report.

BIDS AND PURCHASES

Recommendation to Award 2016 Auditor's Contract

Sealed proposals to provide Audit Services were solicited through a fair and open process and were publicly opened on August 16, 2016. Only one submission was received from Suplee, Clooney Company. The proposal was reviewed by Authority's Staff and it was determined that the submission was complete and the proposer was deemed qualified in accordance with the submission requirements in Authority's Request for Qualifications. Suplee, Clooney & Company most recently performed these services for the 2014 and 2015 fiscal years and the Authority was very satisfied with their services. Therefore, the Executive Director and Staff are recommending, as it is in the best interest of the Authority, that the Board award a contract to Suplee, Clooney & Company to provide Audit Services to the Authority for 2015-2016 in the amount of not to exceed \$27,750.

MOTION: Upon motion of Mr. Sadowski, seconded by Mr. Mikolajczyk, the Board unanimously approved Resolution recommending to award of a contract to Suplee, Clooney & Company to provide Audit Services to the Authority for 2016 fiscal year in the amount of not to exceed \$27,750, as it is in the best interest of the Authority. (Resolution #41-16 attached)

Recommendation for 2016 Insurance Advisor

The Executive Director briefly overviewed the Authority's current annual insurance procurement procedures and suggested that after researching other Authorities practices, the Authority look into obtaining a Broker in lieu of an insurance advisor. The pro's and con's are discussed as outlined in a memo. The Executive Director recommends the Board review the memo and act upon it at the next meeting. After brief discussion it was decided to table it for next month.

ENGINEERS REPORT

No question of the Engineer's Report.

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. Sadowski, seconded by Mr. Mikolajczyk, the Board unanimously approved payment of the Operating Bills in the amount of \$660,361.74 (Resolution attached).

ADJOURNMENT

MOTION: Upon motion of Mr. Vircik, seconded by Mr. Sadowski, the meeting was adjourned at 1:35 P.M. and it was ordered that the next monthly meeting of the LRSA be held on Wednesday, **September 28, 2016 at 12:00 P.M.** in the office of the Authority.

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MONTHLY RECEIPTS

July 1, 2016 - July 31, 2016

REVENUE FUND

Non-Major User

City of Linden 278,434.59

Municipality

Linden Board of Education 95,434.64

Major Industry Users

0.00

Miscellaneous

PSE&G (Mo. Effluent June-16) 19,819.00

Total Revenue Fund \$393,688.23

OPERATING FUND

Miscellaneous (faxes, copies, bids, etc.) 10.05

Brayco (Reimb. For Legal Srvcs. - Weiner Lesniak) 6,007.50

NJ Manufacturers Ins. Co. (Wkrs Comp. Reimb.) 26,650.85

Northfield Transfer 650,000.00

Total Operating Fund \$682,668.40

Linden Property Holding Escrow Account

Beginning Balance as of 07/01/16 78,140.71

LPH Negotiations & Agreement for Easements/Licenses 0.00

Ending Balance as of 07/31/16 \$78,140.71