

THE LINDEN ROSELLE SEWERAGE AUTHORITY

The minutes of the Special meeting held on Wednesday, October 10, 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 10/04/18 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: George Vircik, Chairman; Edward Mikolajczyk, Treasurer; Mayor Armstead, Member; Mr. Strano, Alternate Member;

Late: Jamel Holley, Member;

Absent: Reginald Atkins, Alternate Member;

Attending: David G. Brown, Executive Director; Jeffrey A. Williams, Superintendent; Richard Rudin, Weiner Law Group;

Visitors: Aries representatives: Chris Kidd, Phil Gennarelli and Robert Burke;

EXECUTIVE SESSION

MOTION: Upon motion of Mr. Mikolajczyk, seconded by Mr. Armstead the Board unanimously approved Resolution to hold an Executive Session to discuss "Aries Project" and any other matters as may come before the Members. (At 12:04 P.M., Resolution #09E-18 attached). Mr. Holley arrived and is voting Member.

MOTION: Upon motion of Mr. Holley, seconded by Mr. Mikolajczyk the Board unanimously approved that the Executive Session was closed 12:15 P.M. and the Special meeting resumed.

Meeting open to the public.

Aries Energy representatives joined the meeting.

At this point Chairman asked if there are any questions from Board to Aries representative.

Mayor stated that he spoke with tax assessor and informed that this property will be taxable, also asked Aries representative to review some other numbers that City will receive through this project. Aries representative stated that about \$40,000 per year will go to Linden Technical Training Program provide for the High School as a vocational program; about \$250,000 will benefit community directly to the City of Linden; with a full package of \$350,000 to \$400,000 in post community benefits. These numbers are included in Aries proposal to the City and they are not finalized yet, just a proposal. In addition to the City package, Aries representative stated that about \$130,000 they will pay for rent to the Authority. In conclusion, Aries representative stated that they will renovate LRSA landscaping etc., also and at the end of the day there will be a significant savings to the Authority.

MOTION: Upon motion of Mr. Armstead, seconded by Mr. Mikolajczyk the Board unanimously approved Resolution #49-18 to enter an "Option Agreement for the Licensing of Real Property" and "Use and Occupancy Agreement" between Linden Roselle Sewerage Authority and Aries Linden, LLC.

ADJOURNMENT

MOTION: Upon motion of Mr. Armstead, seconded by Mr. Mikolajczyk, the Special Board Meeting was adjourned at 12:30 P.M.

THE LINDEN ROSELLE SEWERAGE AUTHORITY

The minutes of the regular meeting held on Wednesday, October 24, 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; Jamel C. Holley, Vice Chairman; Edward Mikolajczyk, Treasurer; Derek Armstead, Secretary; Reginald Atkins, Alternate Member; Ralph Strano, Alternate Member;

Attending: David G. Brown, Executive Director; Jeffrey A. Williams, Superintendent; Richard Rudin, Weiner Law Group; Tom Laustsen, CDM Smith Co.;

Visitors: Craig Halloran, Linden resident.

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

MOTION: Upon motion of Mr. Mikolajczyk, and seconded by Mr. Armstead, the Board unanimously approved the minutes of the September 26, 2018 Regular Board Monthly Meeting.

MOTION: Upon motion of Mr. Mikolajczyk, and seconded by Mr. Armstead, the Board unanimously approved the minutes of the September 26, 2018 Executive Session.

MOTION: Upon motion of Mr. Mikolajczyk, and seconded by Mr. Armstead, the Board unanimously approved the minutes of the October 10, 2018 Special Board Meeting.

MOTION: Upon motion of Mr. Mikolajczyk, and seconded by Mr. Armstead, the Board unanimously approved the minutes of the October 10, 2018 Executive Session.

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

BUSINESS AGENDA

Presentation of the Authority's 2019 Budget

The Executive Director presented the proposed budget which was submitted in a separate booklet. He stated if the budget is approved tonight, it will then be submitted to the State Division of Local Government Services by the due date of October 31, 2018 for approval. The Authority will make the necessary adjustments or address any items the State may cite. The budget will then be presented to the Board at the December meeting for final adoption. The Executive Director reminded that the budget can be amended or changed at any time during the year. For the purpose of review, the 2019 budget is summarized in three charts (see attached). In addition the Executive Director added as follows: Chart #1 - O&M Budget that CY2019 is \$9,330,705 a \$34,529 decrease from CY2018 plus \$1,507,536 in debt service totaling a total budget of \$10,847,241; Chart #2 - Total Appropriation & Revenue which is a \$29,494 decrease from CY2018; and Chart #3 - Renewal & Replacement shows a \$7,505,000 but more realistic that this will be in the ball park of \$15 mm and will be used for upcoming five (5) major projects:

BUSINESS AGENDA (continued)

Presentation of the Authority's 2019 Budget (continued)

1) Building Restoration Phase V; 2) Gravity Thickener Grit Removal System; 3) UV System Replacement; 4) Instituting Flood Mitigation Plan; 5) Conveyors System for Screening. Mr. Holley stepped out from the meeting at this time.

In addition the Executive Director presented to the Board Table #1 - 2019 Authority's preliminary rate projections at various levels of surplus utilization and proposing no increase of sewer rates for 2019. Therefore, the Executive Director respectfully requesting that the Board approve "Option B" of the proposed 2019 Authority's Budget utilizing Surplus of \$202,400.

Chairman asked public, Craig Halloran if he has any questions in regards budget presentation. Mr. Halloran just mentioned that quite some time ago he heard that DEP provided 0% finance interest for some projects. The Executive Director stated that exactly what the Authority is doing. The Infrastructure Bank is part of DEP, which passes through federal money with less than 1% finance interest and possible forgiveness principal.

MOTION: Upon motion of Mr. Atkins, seconded by Mr. Mikolajczyk, the Board accepted Resolution approving the 2019 Authority Budget Option B (\$202,400) of Chart 1 as presented and authorization to submit to the Local Finance Board. (Resolution #52-18 enclosed)

RECORDED VOTE:

Mr. Vircik – Yes

Mr. Mikolajczyk – Yes

Mr. Holley – Absent

Mr. Armstead – Yes

Mr. Atkins – Yes

Mr. Strano – Yes

EXECUTIVE DIRECTOR'S REPORT

The Executive Director presented to the Board his monthly report (see attached report).

The Executive Director added to his written report that the Authority is slightly up with O&M budget and closely watching and scrutinizing any spending, however Authority's biggest expense right now is sludge.

The Superintendent added that we just barged and until end of the year Authority will have another barge, of which at this point could bring the Authority over the budget. Superintendent further stated that Authority is seriously starting to look for alternatives of how to reduce sludge. Authority found a source of high BOD coming to the plant and this issue is been addressed via permit; secondly Authority currently is doing "pilot program" with a Biological Enhancer, which is shown a very good reduction in sludge in other sewer authorities. This pilot program for the first two months are free of charge. Thereafter, Authority figure out that annually might cost about \$100,000, however the cost saving of sludge will be much greater.

SUPERINTENDENT'S REPORT

Superintendent presented to the Board his monthly report (see attached report).

No questions of the Superintendent's report.

Establishing Procurement Card Policies and Procedures

New Jersey amended a law and now allows local units greater discretion in implementing the claimant certification requirement, as well as nullifying the requirement in most circumstances. Therefore, as a continued, internal control law requires local units to have a "written or electronic certification of some officer or duly designated employees of the local unit having knowledge of the facts that the goods have been received by, or the services rendered to, the local unit" prior to any disbursement of funds. The Authority will no longer require a Claimant's "Vendor"

BUSINESS AGENDA (continued)

Establishing Procurement Card Policies and Procedures (continued)

Certification, with the exception of the following circumstances: a) reimbursement or advance of employee expenses; b) service(s) provided exclusively and entirely by an individual (sole proprietor). Therefore, the Executive Director and Staff are recommending the Board approve Resolution #53-18 establishing Policies and Procedures for the Payment of Claims and Claimants Signature for Payments.

MOTION: Upon motion of Mr. Atkins, seconded by Mr. Mikolajczyk, the Board unanimously approved Resolution establishing Policies and Procedures for the Payment of Claims and Claimants Signature for Payments. (Resolution #53-18 attached)

Establishing Procurement Card Policies and Procedures

The Board authorized the use of a Procurement Card (P-Card) by Resolution #29-18. The Authority wishes to establish policies and procedures for the use of the P-Card as required by law. Therefore, the Executive Director is recommending that the Board adopts the following policies and procedures for the use of P-Card for purchases by the Authority, which is detailed in the attached Resolution #54-18.

MOTION: Upon motion of Mr. Atkins, seconded by Mr. Armstead, the Board unanimously approved Resolution establishing Procurement Card (P-Card) Policies and Procedures. (Resolution #54-18 attached)

BIDS AND PURCHASES

Award of Contract for Furnishing and Delivering Sodium Hypochlorite

The Authority issued a request for bids to Furnish and Deliver Sodium Hypochlorite for a two year period. Four bids were received. The lowest bidder was Main Pool and Chemical Co. The bid specifications were reviewed and it was determined that the bid submission of Main Pool and Chemical Co. in the amount of \$24,920 for two years was both responsible and responsive. Therefore, the Executive Director and Staff are recommending that the Board award a contract for Furnishing and Delivering Sodium Hypochlorite to Main Pool and Chemical Co., in the sum of \$24,920 for a two year period, on its bid of \$1.78 per gallon. Currently the Authority is paying \$2.435 for this commodity.

MOTION: Upon motion of Mr. Armstead, seconded by Mr. Atkins, the Board unanimously approved Resolution awarding a contract for Furnishing and Delivering Sodium Hypochlorite for two year period to Main Pool and Chemical Co. in the amount of \$24,920. (Resolution #55-18 attached)

ENGINEERS REPORT

Tom Laustsen added to his written report in regards to LPH bridge project, which looks like everything is ok with construction. Further Tom said that JVM and Exxon televised their line and it seems everything is good.

PUBLIC COMMENT

Mr. Halloran, Linden resident thanked the Authority for allowing him to have a tour of the facility. Resident had some questions which were immediately answered by the Executive Director and Superintendent.

Tom Laustsen and Linden resident left the meeting due to Executive Session.

EXECUTIVE SESSION

MOTION: Upon motion of Mr. Mikolajczyk, seconded by Mr. Atkins 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 12:58 P.M., Resolution #10E-18 attached).

MOTION: 12:59 P.M. Mr. Holley joined the meeting.
Upon motion of Mr. Holley, seconded by Mr. Mikolajczyk, the Executive Session was closed 1:20 P.M. and the regular business meeting resumed.

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

Following actions has to be taken due to Executive Session.

MOTION: Upon motion of Mr. Holley, seconded by Mr. Mikolajczyk, the Board unanimously approved 1st, 2nd and now 3rd LOA without pay for Clayton Sanders II from August 25, 2018 through November 22, 2018.

MOTION: Upon motion of Mr. Holley, seconded by Mr. Mikolajczyk, the Board unanimously approved recommendation of the Executive Director to promote Keisha Petterway with her official title as a Monitoring Clerk effective November 1, 2018 with a salary of \$38,000.

MOTION: Upon motion of Mr. Holley, and seconded by Mr. Mikolajczyk the Board unanimously approved Employment Agreement for five years, until 12/31/2023 for the Executive Director, David G. Brown II and Superintendent, Jeffrey A. Williams.

BILLS AND CLAIMS

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

Operating Fund

MOTION: Upon motion of Mr. Atkins, seconded by Mr. Mikolajczyk, the Board unanimously approved payment of the Operating Bills in the amount of \$756,484.14 (Resolution attached).

The Executive Director and Superintendent thanked the Board for approving their Employment Agreement.

ADJOURNMENT

MOTION: Upon motion of Mr. Holley, seconded by Mr. Armstead, the meeting was adjourned at 1:25 P.M. and it was ordered that the monthly Board Meeting of the LRSA be held on Tuesday, November 20, 2018 at 12:00 P.M. in the office of the Authority.