

WANAQUE VALLEY REGIONAL SEWERAGE AUTHORITY

INTERIM EXECUTIVE DIRECTOR'S REPORT

For the meeting of

January 24, 2018

SENATE BILL 848

Senate Bill 848 (and its companion Assembly Bill 5339) was signed into law on January 16, 2018. The bill establishes (among other things) a 2% cap on the fee a regional sewerage authority can charge member municipalities. The bill also provides for exceptions to the 2% rule including emergencies, capital expenditures, pension payments and health insurance increases greater than 2%. It is not clear on first reading how the expenditure exceptions noted will be reconciled against the 2% revenue cap. We will await further guidance for the NJ Division of Local Government Services on this and other implementation issues. A copy of the bill is attached to this report for your reference.

DASHBOARD REPORTS

SEPTAGE HAULER MONTHLY AND FIRST QUARTER FY 2018 REPORT

Revenue for the first quarter of fiscal year 2018 ended higher than in any of the previous five years. First quarter FY 2018 revenue exceed \$230K as compared to approximately \$200K in FY 2017 and a five-year average of \$214K. While the Authority's largest hauler showed a slight increase in first quarter revenue as compared to FY 2017 (but remaining considerably below the five-year average), the overall rise can be attributed to extremely strong first quarter revenue from Coppola, AWS and All County. Using a simple straight-line projections annual revenue for FY 18 would exceed \$940K or more than \$100K over original budget estimates trend (down 4.5% from FY 2016 and down almost 40% from their 5-year average), revenues from the Authority's second largest revenue producer, Coppola, Inc. increased \$57K (72%) over FY 2016 levels...

SLUDGE DISPOSAL MONTHLY REPORT

Sludge disposal volume continues to remain considerably below 2017 levels. At the close of the calendar year, total volume was down 16.6% (783,000 gallons) as compared to calendar year 2016. The lower disposal levels continue to have a positive effect on the Authority's budget.

PLANT FLOW MONTHLY REPORT

Average daily flow for December 2017 remained in the 900,000 gpd range consistent with the levels since August. Calendar year 2017 ended with an average daily flow of 979,863 gpd as compared to an average daily flow for calendar year 2016 of 836,716 gpd, an increase of 17%. The increase in average daily flow is directly attributable to the wetter weather in 2017.

UTILITY TRACK MONTHLY AND FIRST QUARTER FY 2018 REPORT

First quarter FY 2018 electrical costs were nearly identical to the first quarter of FY 2017 (up 1% for the main plant facility and 3% for the Haskell Pump Station)

BANK RECONCILIATION MONTHLY REPORT

The overall cash balance of \$3,026,186 at the close of December showed a slight increase over the November close out. Levels remain considerably below 2016 levels due mostly to cash flow related to NJEIT reimbursement of funds expended on the Haskell Pump Station project. November meeting.

FY S&W BUDGET TRACKING MONTHLY REPORT

Through 8 payrolls in FY 2018 payroll expenses are tracking almost identical to the FY 2018 budget of \$879,000. Using a straight-line projection for the balance of FY 2018 shows an annual expense of approximately \$875,000.

OVERTIME & SHIFT DIFFERENTIAL MONTHLY REPORT

Overtime expenses through 8 pay period are tracking lower than for the same period in FY 2017 but higher than FY 2018 budgeted amounts. Shift differential expenses are also tracking lower than FY 2017 levels for the same period but above budgeted amounts. We continue to monitor these figures over the next several months.