

WANAQUE VALLEY REGIONAL SEWERAGE AUTHORITY

INTERIM EXECUTIVE DIRECTOR'S REPORT

For the meeting of

August 28, 2019

NJDEP CAPACITY ANALYSIS REPORT

A Capacity Assurance Plan was forwarded to the New Jersey Department of Environmental Protection today in compliance with the DEP's August 24 deadline. A copy of the plan is attached to this report. A copy of the plan was also forwarded to the Borough of Wanaque.

FY 2020 BUDGET INTRODUCTION

A draft FY 2020 budget will be reviewed by the Finance Committee on Monday morning in anticipation of introduction at Wednesday's meeting. We will circulate budget documents to the full Board of Commissioners after the Finance Committee meeting.

<p><i>DASHBOARD REPORTS</i></p>
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SEPTAGE HAULERS (DB1 – DB29)

Septage hauler revenue in July decreased for the first time in more than four months dropping 22% from June. On a positive note July 2019 revenue exceeded July 2018 revenue by 1.5%. Revenues year to date are down 12% (\$86K) from the same period last year and are now tracking to a year end at approximately \$60,000 less than the budget target of \$825,000. The drop in volume is mostly consistent among all haulers with the exception of couple of small volume haulers.

SLUDGE DISPOSAL (DB30)

Sludge disposal volume in July increased slightly to 329,000 gallons, a 2.2% increase from June as well as a 2.2% increase over July 2018. Year to date sludge disposal volume is 8.7% lower than the level of 2018 for the same period. Volume is down 12.3% as measured against a seven-year average.

PLANT FLOW(DB31)

Average daily flow for July reached its lowest point of the fiscal year at an average daily flow of 1,065,806 mgd down 7.8% from Junes average daily flow but over the 1 mgd for the twelfth consecutive month (and for 16 of the last 18 months). As noted above a Capacity Assurance Plan has been forwarded to the NJDEP with copy to the Borough of Wanaque.

DASHBOARD REPORTS (continued)

ELECTRICITY COST (DB32 – DB35)

Electric costs in July remained at a more normal level of approximately \$16,000. I have attached recent emails from the NJ Sustainable Energy Joint Meeting (the group of local governments that we joined with some time ago to pool utility bids). The NJSEM will be issuing the Authority a check in the amount of \$21,055.18 and a second check in the amount of \$9,449.66 (total of \$30,505.54) to cover the net costs of overcharges to the Authority as a result of the NJSEM's failure to include the Authority in the last joint bid. Moving forward the NJSEM was able to secure a separate contract for the Authority with third party generator Constellation Energy at a rate of \$0.075 per kwh (down nearly 25% from the JCP&L we were paying a few months ago) which should result in another \$10K savings. While there are still some unexplained increases in power consumption, this largely resolves the price spike issues that we have been struggling with over the last two years.

BANK RECONCILIATION(DB36)

The total cash balance at the end of July remained roughly flat from the June close and up 25.9% from the July close in 2018.

FY S&W(DB37-DB38)

Through 23 (of 26) payrolls of FY 2019, overall S&W costs are tracking slightly under budget (yearend projections show a surplus of approximately \$7,700). Likewise overtime and shift differential costs are tracking within budget when project to the end of the fiscal year.

OVERTIME & SHIFT DIFFERENTIAL(DB39-DB51)

As noted above overtime expenses through the 23 payrolls are running approximately 9% under budget on annualized basis. Shift differential costs are tracking exactly on budget year to date and on an annualized basis.

<p><i>DASHBOARD REPORTS (continued)</i></p>
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INTERIM ADMINISTRATOR(DB52)

A total of 218 hours has been worked through August 23 (median = 4 hours /week; \$380/week) and, at current levels, are projected to end at approximately 50% less than the \$50K budgeted.