

WANAQUE VALLEY REGIONAL SEWERAGE AUTHORITY

INTERIM EXECUTIVE DIRECTOR'S REPORT

For the meeting of

December 5, 2018

BEAST 2 INSTALLATION

We expect to finalize price quote solicitations this week for site preparation work. Giselle will provide an update as part of her report on Wednesday night. Delivery/installation is now anticipated in January

PROFESSIONAL SERVICES REQUEST FOR PROPOSALS (RFP) FOR 2019

Requests for proposals for the following professional services will be advertised within the next week or two.

Legal Counsel
Auditor
Engineer
Bond Counsel
Risk Management Consultant

The non-boiler plate technical specifications for each position are attached. Proposals will be opened on January 17, 2018 for anticipated awards at the reorganization meeting of February 28.

DASHBOARD REPORTS

The now prolonged period of wetter than normal weather is beginning to have a negative impact on plant operations and the FY 2019 budget. Average daily flow for November exceeded 1.5 MGD or well in excess of the plant's permitted flow. This extended period of elevated flow has caused equipment to work harder which, in turn, has driven electricity costs up substantially. The extreme flows have made it necessary to close the plant to septage haulers on several occasions which has had a serious impact of revenue through the first two months of the fiscal year. While there is obviously a large part of the fiscal year remaining, these early trends are troubling. Unlike past years where revenue deficits could be made up through an increase in the fee to the Borough of Wanaque in the subsequent budget year, we are now faced with a 2% cap on the amount we can charge the Borough in FY 2020. Obviously, we will continue to monitor the situation closely making recommendations as needed and appropriate throughout the year.

SEPTAGE HAULERS

Please note that, starting with this report, tracking has been added for all septage haulers currently disposing at the Authority. Past reports only include tracking for the largest haulers.

As noted above the plant was closed to septage haulers for multiple days during the last month due to the excessive rain driven flows. Revenues for November were down 50% as compared to October and down almost 40% (\$34,618) as compared against November of 2017. Overall year to date revenues for the first two months of Fiscal Year 2019 are down 23% from levels of one year ago and are now projected to end the year \$30,000 less than the budget target of \$825,000. The lone positive is that revenue from our largest hauler, Zuidema Inc. is actually up 57% over the same level last year.

SLUDGE DISPOSAL

Sludge disposal volume for November dropped 22% as compared to October and 10% as compared to November of 2017. Year to date sludge disposal is up 4.6% as compared to the same period for Fiscal Year 2018 largely to due to the higher sludge disposal volume in October.

PLANT FLOW

Average daily flow in the month of November reached its highest level in more than 7 years reaching almost 1.6 MGD. As noted above the sustained higher levels of discharge have a negative impact on plant operations, expenses and revenues.

ELECTRICITY COST

As of the writing of this report, electric billing for the month of November was not yet available. For October, however, electric costs for the main plant facility were up almost 40% as compared to October 2017. We will continue to monitor this expense closely and to determine the impact of weather conditions moving forward.

BANK RECONCILIATION

As of this writing bank reports for the month of November were not yet available. At the end of October there was \$2.8M in cash on deposit in the various Authority bank accounts. While this is down from FY 2018, \$800K+ received from the Borough after the close of the month should improve the cash position for November.

FY S&W

Please note that, with this report, salary tracking has expanded to take a closer look at the breakdown of overtime cost into regular OT, double time and holiday pay.

Through the first four payrolls of FY 2019 overall salary costs are running slightly ahead (\$3K) of the budget target of \$913,000.

OVERTIME & SHIFT DIFFERENTIAL

Overtime expenses through the first four payrolls of the fiscal year are running approximately 14% above the level for the same period last year driven almost entirely by higher overtime costs in the second payroll.

Shift differential costs for the year are tracking on target to the budget of \$45,000.

INTERIM ADMINISTRATOR

A total of 46 hours was worked in in the first two months of the fiscal year (median = 5 hours /week; \$475/week) and, at current level of work, are projected to end the year at about 50% of the \$50K budgeted.