

WANAQUE VALLEY REGIONAL SEWERAGE AUTHORITY

INTERIM EXECUTIVE DIRECTOR'S REPORT

For the meeting of

July 24, 2019

FY 2019 CALENDAR FOR THE BALANCE OF THE FISCAL YEAR

As you are aware, the Authority's fiscal year will come to a close on September 30. For the balance of the year we will need to consider the following:

July 24 Meeting:	FY2020 Salary Resolution
August 28 Meeting:	Introduction of FY2020 Budget
September 25 Meeting:	Public Hearing and Adoption of FY2020 Budget

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

Septage hauler revenue in June increased for the fourth consecutive month exceeding May levels by 4% and 5% higher than compared to revenue levels in June 2018. Despite the positive trend year to date revenues are 13.4% (\$87K) less than for the same period in FY 2018. On an annualized basis revenue is projected to fall short of the \$825,000 budget target by \$70,000. This figure continues to be skewed however by the extremely low volume during the early part of FY 2019. If the current positive trend continues the overall budget shortfall should continue to lessen by the end of the fiscal year in September.

SLUDGE DISPOSAL (DB30)

Sludge disposal volume in June rose to dropped to 322,000 gallons, a 9.5% increase from May but a 19% drop as measured against June of last year. The drop, at least in part, can be attributed to the adjustments in the sludge thickener as reported last month. Year to date sludge volumes are down 9.8% as compared to the same period in 2018 and down 11.8% as compared to the seven-year average.

DASHBOARD REPORTS (continued)

PLANT FLOW(DB31)

Average daily flow for June remained considerably above 1 MGD for the eleventh consecutive month (and for 15 of the last 17 months). Staff and Boswell Engineering continue to work on the Capacity Assurance Program report due to the NJDEP in late August. On July 5 I along with Greg White and a representative from Boswell Engineering met with Borough Administrator Paul Carelli to review the flow issue and the Authority's responsibility for the August report to the NJDEP. We agreed that we would, over the next month review data to determine if the flow problem is related to an I & I problem (this will entail a comparison of water usage at the Borough and flow to the plant) and to attempt to isolate priority areas for detailed I & I research.

ELECTRICITY COST (DB32 – DB35)

Electric costs in June returned to a more normal level of approximately \$20,000. On June 19 I met with a representative of JCP&L to review billing for the last two years. Unfortunately, nothing was resolved as a result of the meeting. JCP&L will be taking a closer look, however, at two sixty-day billing cycles in January/February and April/May of this year. Our billing appears to indicate an overlap during those periods. The JCP&L representative indicated that sixty-day billing cycle are extremely unusual. The rep also pointed to fluctuations in third party generation pricing beyond the control of JCP&L. Neither of these issues on their own appear to explain the large spike in electric costs this year. Interestingly an analysis of KW (peak) demand seem to discount the theory that higher energy usage might be driven by plant pumps working harder due to the higher flows caused by wet weather. The discussion with JCP&L will continue over the next few weeks. In follow up analysis there appears to be a discrepancy between the third party (South Jersey Energy) kwh charges and the kwh charge the Authority is supposed to realize as a member of our energy coop. I am working with reps to further analyze the discrepancy.

BANK RECONCILIATION(DB36)

The total cash balance at the end of June rose 13.8% from the May close (please be advised that the June close is an estimate since we did not have the Highlands Bank statement for the ditch cleaning account as of this writing – an account that varies only slightly month to month) and up 23.8% from the June close in 2018. Levels, however, are generally consistent with past levels at this time of year.

FY S&W(DB37-DB38)

Through 20 payrolls of FY 2019 overall S&W costs are tracking exactly on budget (yearend projections show a surplus of approximately \$3,500). Likewise overtime and shift differential costs are tracking within budget when project to the end of the fiscal year. We may see an increase in overtime costs, however, over the next several months as we compensate for the loss of an employee to a medical disability for approximately three to four months. The increase in overtime costs should, however, be more than offset by the reductions in base salary costs due with the commencement of insurance disability pay to the affected employee.

OVERTIME & SHIFT DIFFERENTIAL(DB39-DB51)

As noted above overtime expenses through the 20 payrolls are running approximately 5% under budget on annualized basis. Shift differential costs are tracking exactly on budget year to date and on an annualized basis.

INTERIM ADMINISTRATOR(DB52)

A total of 182.5 hours has been worked through July 12 (median = 4 hours /week; \$380/week) and, at current levels, are projected to end the year at less than 50% of the \$50K budgeted. Hours will increase over the next several weeks, however, due to the preparation of the FY 2020 budget and the deeper analysis of electric costs noted above.