

WANAQUE VALLEY REGIONAL SEWERAGE AUTHORITY

**INTERIM EXECUTIVE DIRECTOR'S REPORT**

**For the meeting of**

**September 25, 2019**

**FY 2020 BUDGET**

The FY2020 budget was submitted to the NJ Division of Local Government Services (NJDLGS) after last month's introduction. A few minor comments by the State have been addressed (with no change to any line item or bottom line; copies of State comments and WVRSA response attached to this report). Budget has now been approved for by NJDLGS for adoption by the Board of Commissioners on September 25. As you know I will be away and unable to attend. Our auditor Paul Cuva will be in attendance.

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

Septage hauler revenue in August increased slightly (1.7%) over July levels and slightly (2.3%) as compared to August 2018. Overall through 11 months of the fiscal year, revenue is down \$88K (11.1%) as compared to the same 11-month period if FY2018 and down \$104K (12.9%) as compared to a six-year average of the same period. With one month remaining in the fiscal year, revenues are projected to be approximately \$50K less than the \$825,000 anticipated in the FY 2019 budget. As we discussed in August, I have begun a more in depth septage volume/revenue analysis including a comparison of grey water v. septage volume/revenue over the past three years. This information will hopefully be useful in meeting with septage haulers and in making any modification to the rate structure in FY2020.

**SLUDGE DISPOSAL (DB30)**

Sludge disposal volume in August dropped 70,000 gallons (21.3%) from July. Year to date sludge disposal volume through 11 months of the fiscal year is 11.6% lower than the level of 2018 for the same period. Volume is down 13.5% as measured against a seven-year average for the 11-month period.

**PLANT FLOW(DB31)**

Average daily flow for August remained about level as compared to July (decrease of 0.5%) to a new technical low point of the year at 1,084,800 average daily flow. Unfortunately flow remained in excess of 1 mgd for the thirteenth consecutive month (and for 17 of the last 19 months). We have not yet received any comments from the NJDEP on the Capacity Assurance Plan filed in August.

***DASHBOARD REPORTS (continued)***

**ELECTRICITY COST (DB32 – DB35)**

Electric costs in August remained at a more normal level of for the third consecutive month with total costs (plant plus pump station) of approximately \$20,000. I have been advised by a representative of the NJSEM that we should be receiving our reimbursement checks from the SEM and from South Jersey (in a combined amount of approximately \$30K) by the end of September.

**BANK RECONCILIATION(DB36)**

The total cash balance at the end of August dropped \$483K (13.5%) driven largely by a \$1M bond payment made during the month. Cash levels at the close of August are approximately \$120K less than at the close of August 2018. We will monitor to determine if the lower amount becomes a trend in the coming months.

**FY S&W(DB37-DB38)**

Through 25 (of 26) payrolls of FY 2019, overall S&W costs are tracking slightly under budget (yearend projections show a surplus of approximately \$9,500). Likewise overtime and shift differential costs are tracking close to (OT = +2% over; Shift Diff = +1% over) budget when project to the end of the fiscal year.

**OVERTIME & SHIFT DIFFERENTIAL(DB39-DB51)**

As noted above overtime expenses through the 25 payrolls are running approximately 2% (\$1,400) over budget. Shift differential is tracking at 1% (\$540) over budget. The recent increase in OT expenses have been driven by a short-term staffing shortage caused by employee absences due to disability and disciplinary actions.

**INTERIM ADMINISTRATOR(DB52)**

A total of 274 hours has been worked in FY2019 through September 13 (median = 4.5 hours /week; \$427/week) and, at current levels, are projected to end at approximately 50% less than the \$50K budgeted.