

READINGTON-LEBANON SEWERAGE AUTHORITY

August 25, 2021

OPENING: Mr. Burton, Vice-Chairman opened this regular meeting and announced that the Sunshine laws have been satisfied for the convening of this meeting.

PRESENT: Messrs. Burton, Cichone, Heller and Monaco members, Mrs. Plesnarski, Administrator. Dr. Schaible and Dr. Westfield did not attend.

APPROVAL OF MINUTES: Motion to approve the minutes from the regular meeting of July 28, 2021 as written, was carried with roll call of ayes all, nays none.

APPROVAL OF INVOICES: Motion to approve the invoices for the month of August in the amount of \$ **64,313.72** along with the authorization for the Administrator to transfer this amount into the Operating Checking account on September 1, 2021 by same motion, approval and authorization of (2) invoices totaling \$ **43,470.00** to be paid from the General Fund account also on September 1, 2021 was made by Mr. Monaco seconded by Mr. Cichone and carried with a roll call of ayes all, nays none.

APPROVAL OF BUDGET STATEMENT: Motion to acknowledge the review and approve the August Budget Statement without any exceptions noted as written was made by Mr. Cichone seconded by Mr. Monaco and carried with a roll call of ayes all, nays none.

NEW BUSINESS: *NJUAJIF Membership Renewal* – Mrs. Plesnarski informed the board that the Authority's membership to the NJUAJIF was due to expire at the end of 2021. As of May 31, 2021 the JIF has earned \$29,191,489 in surplus and returned \$25,628,108 of that to members in the form of dividends. Mrs. Plesnarski noted that there is a 5% increase in premiums expected for 2022 due to Covid, severe area storms and inflation. Members were satisfied with the coverage and premiums of the JIF. Motion to renew membership

to the NJUAJIF for (3) years and accompanying resolution was made by Mr. Monaco, seconded by Mr. Heller and carried with a roll call of ayes all, nays, none.

Proposed Budget Recalculation – Mr. Colantano, the Authority Auditor presented a proposed budget recalculation that will categorize expenditures into base/fixed versus consumption charges. Employee salaries were classified as either administrative (base) or operational (consumptive). The proposed method of recalculation was devised with subcommittee input from Lebanon Borough and Readington Township. Total charges for base expenditures comprised 48% versus consumptive expenditures comprised 52%. The fee charged to participants for base expenditures will be based on their capacity reserve allocation percentage. The fee charged to participants for consumptive expenditures will be based on their usage percentages. That fee will be adjusted in April of the budget year once final flow from the previous year is calculated. Mr. Buzak, Authority Counsel noted that the Lebanon Borough Sewerage Authority can be a participant but the Borough will still need to be liable. A deficiency agreement will need to be drafted between LBSA and Lebanon Borough with consultation from bond counsel. Mr. Burton noted that the Borough and LBSA have agreed to that theoretically. Mr. Buzak also noted that Round Valley-State of NJ is not a participant in the service agreement but a customer of RLSA. Round Valley is billed under the assured minimum calculation and he suggests that Round Valley be treated as other income and continue to be billed under the former computation. The revenue from Round Valley should be deducted from expenses first then the balance divided proportionately between the Borough and Township. During the first two years of the revised budget calculation the difference in billing for Lebanon Borough will be split 50% with Readington Township. Mrs. Plesnarski asked Mr. Colantano if the DCA would have a problem with adjusting the billing as presented. Mr. Colantano did not believe it would be a problem but will check. Representatives of Lebanon Borough and Readington Township agreed to discuss the budgetary changes with their respective entities.

Capacity Assurance Evaluation – Mrs. Plesnarski requested an allocation spreadsheet with projected gallonage allocation over the next 12 months from the Borough and Township. Mrs. Plesnarski noted that a few months after capacity thresholds are hit NJDEP will

possibly start to levy fines and a sewer moratorium. The threshold is 95% of a 12-month rolling average. The percentage will be based on each individual entity's reserves. Mrs. Plesnarski would like the Township and Borough to assist her in anticipation for possible additional capacity. It would be best to plan for additional capacity on their own terms and on the Authority's timeline instead of by state mandate. She noted that the Authority would have to submit a TWA and possibly conduct a nutrient study for additional capacity. Mr. Monaco believes that Readington Township will be within their limits for the next 12 months. Mr. Burton questioned when we would be at projected capacity. Mrs. Plesnarski noted that it would be possible in 2-3 years.

Influent Pump Station – Mrs. Plesnarski noted that the last rain event was 6" of rain. The wet well remained flooded for 12 hours. The influent pump station will need to be upgraded with the phosphorous upgrade. Two pumps are not enough for the increased flow. There will be a need for three pumps, but the current pump station is too small for three pumps. Mr. Ponte, Authority engineer advises that a new pump station be built then abandon the original IPS. Mrs. Plesnarski noted that as the plant is at the confluence of two streams the phosphorous limits will be the most stringent in NJ. Chemical costs will increase four-fold and sludge disposal increase by 40%.

OLD BUSINESS:

ADJOURNMENT: As there was no further business to come before the Board, meeting was adjourned by motion made by Mr. Monaco seconded by Mr. Burton and carried with a roll call of ayes all, nays none.

Respectfully submitted:

Richard Burton
Vice Chairman

Virginia Weierich
Recording Secretary

Readington-Lebanon Sewerage Authority
Resolution 21-16
Renewal of NJ Utility Authorities Joint Insurance Fund Membership

WHEREAS, the Readington-Lebanon Sewerage Authority is a member of the New Jersey Utility Authorities Joint Insurance Fund; and

WHEREAS, said renewed membership terminates as of December 31, 2021 unless earlier renewed by agreement between the Authority and the Fund; and

WHEREAS, the Authority desires to renew said membership;

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Readington-Lebanon Sewerage Authority agrees to renew its membership in the New Jersey Utility Authorities Joint Insurance Fund and to be subject to the Bylaws, Rules and Regulation, coverages, and operating procedures thereof as presently existing or as modified from time to time by lawful act of the Fund.
2. The Governing Body shall be and hereby are authorized to execute the agreement to renew membership annexed hereto and made a part hereof and to deliver same to the New Jersey Utility Authorities Joint Insurance Fund evidencing the Authority's intention to renew its membership.

This resolution agreed to this 25th day of August, 2021 by a vote

of: 4 Affirmative
 0 Negative
 2 Absent

Richard Burton
Vice Chairman

Attest

August 25, 2021
Date