

MINUTES FOR
REGULAR MEETING
via Zoom
THURSDAY, October 19, 2023

At 5:03 P.M., Chairwoman McMullen makes the following announcement:

The Public Meeting of the Bayshore Regional Sewerage Authority will now come to order. I hereby announce that pursuant to Section 5 of the Open Public Meetings Act, that adequate notice of this meeting has been sent to the Asbury Park Press. Notice has also been sent to the Clerks of Aberdeen, Hazlet, Holmdel, Keansburg, Keyport, Matawan, Union Beach and Marlboro and the Western Monmouth Utilities Authority. This notice is also posted in the lobby of the Bayshore Regional Sewerage Authority Administration Building.

Join Zoom Meeting:

<https://us02web.zoom.us/j/88944344251>

Meeting ID: 889 4434 4251

Passcode: 187423

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Please be advised that the Zoom link, Meeting ID and Passcode for each meeting are the same.

During the public comment period, if you would like to make a public comment, please press the "Raise Hand" button on Zoom or dialing *9 on your telephone keypad to raise your hand. A representative of the Authority will address you by name or by the last 4 digits of your telephone number to state your comment. The Authority will unmute your microphone. You must state your name and address prior to making a public comment. You may also mute and unmute yourself by pressing the microphone icon on Zoom or dialing *6 on your telephone keypad. The Authority will not accept comments made through the "chat" feature available on Zoom remote meetings.

Chairwoman McMullen asked all in attendance to stand for the Pledge of Allegiance and a Moment of Silence for the safety of US Troops all over the world.

Chairwoman McMullen calls for a roll call of attendance (via Zoom):

PRESENT: Commissioners Cavanagh, Lauro, Mioduszewski, Sutton, Whalen, and Chairwoman McMullen

EARLY DEPARTURE: Chairwoman McMullen (6:00 PM)

Also In Attendance: Mr. Peter Canal, Executive Director
Via Zoom J. Michael Broyles, Director of Operations
Roy Anderson, Superintendent
Thomas Petti, P.E., Principal Engineer
John Napolitano, General Counsel
Manuel Ponte, P.E., Consulting Engineer
Carlos Nunez-Rojas, IT
Chad Sprague, Regulatory Compliance Manager
Michael Bart, CPA, Bart & Bart
Raquel Dunn, Administrative Assistant/HR Representative

AUDIT REPORT PRESENTATION

Mr. Bart reported on the Authority financial audit performed for 2022.

- The first section of the audit relating to the Authority's financial statements resulted in a clean, unmodified opinion.
- The opinion of the internal controls over the Authority's financial reporting and compliance is also a clean, unmodified opinion.
- Mr. Bart described the next section, which was the Management's Discussion and Analysis portion. It is a summary of the mission of the Authority, its procedures for receipts and disbursements, some history of water quality at the Authority, how the Authority handles expenditures, and a description of the Authority's net position.
- Mr. Bart discussed the Statement of Net Position:
 - \$110,544,000 in Total Assets
 - \$ 27,603,703 in Liabilities
 - Net Income
 - \$1,739,977
 - Net Position
 - \$77,510,072
- Mr. Bart noted an increase in our net position compared to the previous year.
- Mr. Bart went over the comparative statement of cash flow. An increase of \$1,124,258 year over year was noted.
- The footnotes on pages 15-33 are a required disclosure that describes the Authority's accounting principles and a brief description of the Authority's operations.
- At the end of 2022, the Authority had \$161,653,000 in assets that had been capitalized on the books at their cost basis, less accumulated depreciation of \$88,155,564, which shows a net of \$73,498,037.
- Mr. Bart mentioned the Authority's dealings with FEMA and how it assisted the Authority in its recovery after Superstorm Sandy, as well as the procedure for borrowing from the New Jersey Infrastructure Bank.
- Mr. Bart explained that page 23 was a breakdown of the bonds payable by the Authority to the New Jersey Infrastructure Bank and when they will be due. There were two series of bonds, the 2018 and 2019 series. Both series will be payable in 2039.

- According to Mr. Bart, the next few pages discuss the theories and actuarial assumptions that were made to come up with liabilities for pensions and other post-employment benefits. Mr. Bart reminded the Commissioners that all of this information was supplied by the State of New Jersey.
- Mr. Bart explained that pages 24-33 discuss what the methodology was to come up with those accruals. The Authority then has to implement these numbers into its financial statements.
- Mr. Bart explained that the supplementary information portion of the report, on pages 34 and 35, includes a breakdown of the schedule of proportionate share of pension liability and other post-employment benefit liability. The State requires that these schedules be presented by the Authority for the past ten years.
- Schedules 3 and 4, on pages 36 and 37, are reconciliations and all of the Authority's restricted and unrestricted accounts, payroll, revenue, reserve accounts and operating accounts.
- Pages 38 and 39 are the schedules for operating revenues and cost funding for the Authority compared to the budget. It lines up what was budgeted for in 2022 compared to what the actual numbers were. The budget for total costs funded by operating revenues was \$9,150,537 and the actual number was \$10,694,405. The total capital outlays funded by operating revenues and net position was \$2,687,567. The total expenses of the Authority were \$11,738,643 (compared to the budget of \$10,200,537). Mr. Bart noted that there are some items that cannot be budgeted for ahead of time but that must be included in the audit report.
- The summary of the auditor's reports is on page 41. This section is required and indicates that Mr. Bart's firm provided an unmodified opinion and identified no material weaknesses, deficiencies, nor non-compliance material to financial statements. Mr. Bart noted that his firm had no recommendations for the Authority with regard to the year ending on December 31, 2022.
- Provided that the Commissioners accepted the audit report and the results of the audit, Mr. Bart asked that they pass a resolution to that effect. Mr. Bart also noted that there would be an affidavit for all of the Commissioners to sign, confirming that they had read and were in acceptance of the report. Mr. Bart thanked the staff at the Authority for their contributions relating to furnishing the financial details in order for the audit report to be completed successfully.

Commissioner Cavanagh asked if the Power Resiliency Project was fully incorporated into the report. Mr. Bart responded that roughly ten percent (10%) was in the current report, as certain portions were still in the construction phase, and that the 2024 report would show a lot more activity in the Power Resiliency Project.

Commissioner Cavanagh asked about the net loss reflected in Exhibit B, which showed a 29% increase in salaries and employee expenses. Mr. Bart explained that the figure for healthcare and pension expenses had to be adjusted once the Authority's pension liability was factored. The payroll and benefit numbers did go up and had to be adjusted for accruals. Vice Chairman Sutton added that all the jobs newly filled also contributed to the number, and Commissioner Cavanagh conceded that he had guessed as much and noted that it might be helpful to have a separate report at some point to lay out those expenses in greater detail.

AUTHORITY ANNUAL BUDGET PRESENTATION

Peter Canal, Executive Director, presented on the 2024 Authority Annual Budget

- Mr. Canal stated that the staff had conducted a series of meetings between August and October to generate the final Authority budget report. The report included a comparison of 2024 versus 2023.
- The budget is comprised of operating, capital, and debt service. The debt service is associated with the 2018 and 2019 series that Mr. Bart had discussed in his report. The debt service from the Power Resiliency Project will only be approximately 10 percent of the total cost.
- The operating budget this year is \$9,227,903, up 2.3 percent from last year.
- Capital outlays were \$1,100,000, up 10 percent from last year.
- Debt service is \$925,617, up about 0.2 percent.
- Total budget amount is \$11,253,571, up 2.82 percent from last year.
- In 2024, the Authority expects to realize \$400,000 from interest on investments, \$500,000 from connection fees, and \$15,000 from the Industrial Pretreatment Program (IPP) account. This totals \$915,000, which offsets the total budget amount, resulting in a total due from customers of \$10,338,571, which is 1.91 percent higher than last year's total treatment charges.
- Operating budget increased 2.3 percent from last year, down from last year's increase of 9.6 percent. The majority of the increase can be attributed to cost increases associated with salary (4.5 percent), health insurance (12.1 percent), chemicals (12.9 percent), TV inspection and cleaning (500 percent, after having temporarily removed this expenditure last year), and Authority insurance (7.7 percent).
- COVID is still affecting the economy. Although the CPI was 3.7 percent over the last 12 months, in January it was 6 percent. Over the last three years, it was around 17 percent.
- The cost of chemicals has continued to skyrocket. Mr. Canal indicated that while the Authority could do little about that, the staff continues to find ways to increase efficiencies.
- With regard to Capital, construction on the Power Resiliency Generation Project will commence in 2024. The Authority has a short-term loan for that, and FEMA will reimburse the Authority for 90 percent of the approved line items. The delta equates to a little over 10 percent of the overall cost.
- Construction for the Dorr Oliver Incinerator Project is anticipated to start in 2024.
- The collection system rehabilitation projects are expected to continue, as is the pump station work, and the force main projects. The Raritan Valley force main replacement project is a large part of that.
- Approximately \$27,000,000 will go toward these projects, only \$13,715,000 of which is from an unrestricted net position.
- Inflation has increased 17.2 percent in the last three years.

- In 2014, the total due from customers was approximately \$9,400,000. In 2024, it will be \$10,338,571. That is a 9.48 percent increase over 10 years as compared to the rate of inflation is around 30 percent. The Authority is well under the rate of inflation.
- Mr. Canal pointed out that in 2012, the Authority was at \$17,500,00 in debt service, so the contrast from that time to the present is drastic.
- The main line items in the Operating Budget are salary (increase of 4.4 percent), due to annual increases , staffing, and succession planning; benefits went up 9.64 percent, mostly due to New Jersey State healthcare coverage increases.
- Electricity costs went down about 16 percent because of a new electrical aggregation contract, resulting in a \$290,000 drop in costs.
- Maintenance and repair went up \$37,000 or 7 percent.
- Chemicals are up about \$69,000 or 12.9 percent. Most of that is due to hypochlorite, which continues to skyrocket in price.
- Buildings and grounds increased 2.9 percent.
- Hauling and disposal dropped 30 percent, by \$52,000. This is because the Authority plans to haul ash in one basin rather than two.
- Laboratory costs remain stable, going down 4 percent or \$1,800.
- Pump station and lines went up 92 percent because televising and cleaning was added back into the budget.
- Testing and analysis is down 64 percent because there is no need to stack-test this year.
- Permits are up 20 percent, or \$12,200, due to outstanding Title V violations.
- The cost associated with professionals is up 0.75 percent.
- Administrative costs went up 7 percent, about \$24,000.
- The total operating budget is \$9,227,903.

Commissioner Cavanagh asked if all positions are funded for the entire year, or if there are additional salary costs not reflected in the budget that may arise. Mr. Canal affirmed all positions are funded for the entire year.

Commissioner Cavanagh asked if the possibility of the Bell Works project moving forward is baked into the budget. Mr. Canal advised that it is not. Commissioner Cavanagh conjectured that it could be as much as \$1,000,000. Mr. Canal conceded that the fee could be that much, but it depends on a number of factors, which is being handled by legal counsel. He went on to say that the more capital that is raised, the less reliant the Authority will have to be on debt service.

- Mr. Canal moved onto the capital improvement plan for 2024.
 - Vehicles and equipment - \$135,000
 - Collection systems improvement - \$2,565,000
 - Pump stations equipment and improvement - \$4,325,000 (mostly from the Raritan Valley Force Main project)
 - Treatment plant equipment and improvements - \$4,115,000 (mostly from the Grit Chamber Rehabilitation project (\$1.4 Million) and HVAC improvements at the main pump station and the administration building (\$1.575 Million)
 - Incinerator equipment and improvements - \$3,075,000 (mostly from the Dorr Oliver Incinerator upgrade (\$2.5 Million)

- Power Resiliency Generation - \$13,000,000 (the Authority expects to realize only \$1,300,000 from its capital, with approximately 90 percent of the total being reimbursed by FEMA)
- Debt service for the Dorr Oliver incinerator is planned.
- Mr. Canal referred the Commissioners to the 5-year capital improvement plan. The sum of what the Authority plans to spend over the next six years equals \$81,504,300.
 - 2024 - \$27,215,000
 - 2025 - \$31,325,000
 - 2026 - \$14,404,300
 - 2027 - \$ 3,195,000
 - 2028 - \$ 3,685,000
 - 2029 - \$ 1,680,000

Commissioner Mioduszewski asked if the Raritan Valley force main was an emergency repair. Mr. Canal replied that there had been four emergency repairs on the Raritan Valley force main, followed by a study to determine the best method moving forward. That study resulted in a recommendation to drill under all four lanes of the Garden State Parkway and install a second force main to replace the existing. Commissioner Cavanagh inquired about the cost difference in this contract that was originally for \$2.9 million and is listed in the Capital Improvement Plan at \$3.8 million. Mr. Canal explained that the Authority would have to pay engineering and construction management costs and there might be some permit fees and escrow.

Mr. Canal referred the Commissioners to the DCA (Department of Community Affairs) chart and explained that the Authority's budget is converted into the DCA's spreadsheet to produce a summary for 2024. It includes the total anticipated revenue of \$11,253,571 and net total appropriations of \$10,153,572. These, plus the Capital items discussed, are included in a Resolution on for approval tonight.

ANNOUNCEMENT (by Chairwoman McMullen): This portion of the meeting is now open to the public for comments or questions related to Agenda items only. **The public is reminded; only questions or comments specific to the scope of the Agenda items are to be addressed at this time.** As a courtesy to all, please be mindful of limiting your comments to 5 minutes.

NO PUBLIC IN ATTENDANCE

EXECUTIVE SESSION

Chairwoman McMullen called for a **MOTION** to go into Closed Session at 5:55 P.M. in accordance with Section 8 of the Open Public Meetings Act, Chapter 231, P.L. 1975, permitting the exclusion of the public from a meeting in certain circumstances. This action will be taken to discuss matters falling within attorney-client privileges, specifically, pending or anticipated litigation, contract negotiations and matters of employment of public employees. It is anticipated at this time that the above stated subject matter shall be made public at such time as the need for non-disclosure no longer exists.

OFFERED BY: Commissioner Whalen, SECONDED BY: Commissioner Sutton, and carried by a unanimous voice vote recorded as follows:

AYES: Commissioners Cavanagh, Lauro, Mioduszewski, Sutton, Whalen, and Chairwoman McMullen

END EXECUTIVE SESSION

Chairwoman McMullen calls for a **MOTION** to End Closed Session and Re-Open the Regular Meeting at 6:00 P.M.

OFFERED BY: Commissioner Lauro, SECONDED BY: Commissioner Sutton, and carried by a unanimous voice vote recorded as follows:

AYES: Commissioners Cavanagh, Lauro, Mioduszewski, Sutton, Whalen, and Chairwoman McMullen

Reports

BRSA Projects, Special Reports & Connection Applications

1. **Executive Director's Report**

- **Administration** – The Association of Environmental Authorities (AEA) and New Jersey League of Municipalities will be holding their annual conferences in Atlantic City the week of November 13th. The Elected Officials seminar will be on Tuesday, November 14th at 3:45pm in Caesar's Room A, and again on Wednesday, November 15th at the Atlantic City Convention Center in Room 303. The Authority receives a \$250 discount from its annual Joint Insurance fee for every Commissioner who attends the seminar.
- **Disaster Recovery Update** – The loan for the Power Resiliency Generation Project closed on September 27. The contractor has already started submitting shop drawings and requests for information (RFI's). They will begin mobilizing as soon as the final insurance issues are resolved.
- **Finance** – Mr. Bart will submit the Audit Report to the State and the Authority will submit the notice to the *Asbury Park Press*. The budget will be submitted to the State by the end of the month. We are waiting on the calibrations for the completion of the Flow Report. We will have the report on for approval at the November Public Meeting, allowing us to calculate the towns' portion of the budget based on the flow percentages. There are payments to approve this month for Project Fund (PF) No.3, for Power Resiliency Generation Project (PRG) for Cleary Giacobbe Alfieri Jacobs LLC in the amount of \$703, HDR in the amount of \$4,490 and R3m Engineering, Inc. in the amount of \$1,408.50. Recently, the NJ Infrastructure Bank deducted, from our PRG short term loan, their administrative escrow fee of \$306,931, which is beginning to accrue interest.
- **Human Resources** – The Authority is continuing its search for a new plant Electrician. Director of Operations Mr. Broyles and the staff have been interviewing candidates and hope to have a recommendation for the November or December Public Meeting. The Authority will then look toward filling the open Custodian position. Another operator has passed the Level II licensing exam.

2. Principal Engineer's Report

- **Contract 137 – West Keansburg Force Main Replacement Phase 2** – These were repairs to the force main near the intersection of Jersey Avenue and Rose Lane. The work commenced on October 10th. All new pipe is in the ground as of October 17th and has been tested. We are back on regular flow as of this afternoon. The work is progressing well and will be wrapping up at the end of this year.
- **Contract 145 – Interceptor Sewer Rehabilitation Phase 4A** – Phase 4 was split into two phases. Phase 4A is comprised of two areas in Union Beach, Bayview Avenue and 8th Street. The contractor started preliminary televising and cleaning early in the month. They began assembling the temporary bypass piping last week. The Authority reviewed the bypass plan with Union Beach's engineer, Chief of Police, and Traffic Safety. The lining portion on Bayview Avenue is scheduled to begin the week of October 30th, after which they will move onto 8th Street.
- **Contract 148 – Interceptor Sewer Rehabilitation Phase 4B** – This is the second half of Phase 4, comprised of two areas in Union Beach (Jersey Avenue and Shore Road), as well as 13 manholes. This project went out to bid on September 22nd. There was a virtual pre-bid on October 10th. Approximately ten (10) contractors picked up plans for this project. The bids are due on October 31st so there is a potential award for this project at the November Public Meeting.
- **Contract 149 – Plant HVAC Upgrades** – We went out to bid as of September 18th. The pre-bid was held on October 5th. There are four (4) or five (5) contractors interested. Bids are due on October 31st. It is a larger project in terms of HVAC equipment and boiler upgrades in the Laboratory Building as well as underground return and supply lines. There is a potential award for this project at the November Public Meeting.
- **Odor Control Building Roof Replacement** – This is our next roof replacement project for the Odor Control Building. We do an annual roof maintenance and repairs contract and this was the next roof identified by the staff in need of replacement in conjunction with the annual inspection report. This roof is small relative to the other buildings that have already had their roofs replaced, so the work should be completed quickly. This work is being done on a cooperative purchasing agreement, which is a cheaper and faster way to do it because it eliminates the public bidding portion of the project since it is already publicly bid through the Co-Op. There is no action on this item for this month.
- **Major Subdivision, B. 64.02, L. 7, 97 Aberdeen Road, Matawan**– This is a four-lot subdivision. This was originally approved by the Authority and the Borough of Matawan in 2021. We approved the connection and the TWA with the DEP. This has already been approved by the DEP, but the applicant sold this to another developer and exceeded the one-year approval period. The new applicant went to Matawan for a new approval. There will be no changes to the site plan or flow. There is a Resolution on tonight for a one-year extension for the sanitary sewer connection and TWA.

3. Consulting Engineer – R3M Report

- **WWTP Odor Control Improvements** – We have reviewed about half of the 20 shop drawings that we anticipate receiving. The expected completion of construction date is March 2024.
- **Condition Assessment and Planning Program of Authority Force Mains: Phase IV** – We performed a preliminary review of the Matawan Pump Station. Based on the data collected, we are currently analyzing the force main pressures and comparing them to the calculated pressures.
- **Final Clarifiers 1-4 Rehabilitation** – This project is proceeding on schedule.
- **General Consulting Engineer Services** – We performed the 2023 annual inspection of the plant and its collection system and we are in the process of preparing the reports on that. We prepared a draft of the 4th Quarter 2022/2023 Flow Report and we are waiting for ABB to complete their calibration of the flow meters, which should be completed this week. Once we have the calibration report, we can finalize the flow report for 2022/2023. The Executive Director should have the finalized report to submit, along with the 2024 budget, to the DCA by the end of October.

4. Director of Operations Report

- **Plant Performance** – Due to an abundance of rain in September (9.5 inches, 5 inches of which occurred during the last 8 days of the month), the flow has increased roughly 30 percent since last month, an increase of almost 2 million gallons per day or 51 million gallons for the month.
- **Effluent Quality** – despite the increased flow, the Effluent Total Suspended Solids (TSS) concentration remained about the same as last month and Biochemical Oxygen Demand (BOD) was slightly higher. This is to be expected with increased hydraulic flow through the plant, resulting in less treatment time. Suspended Solid's and CBOD removal efficiency is down 1 percent from last month. The dilution of the Influent due to the rain reduced the Influent concentrations, lowering the removal efficiencies, even though the Effluent concentrations remained the same.
- **Incineration** – The incinerator operated throughout the month with no scheduled or unscheduled shutdowns. We realized a 10 gallon per dry ton reduction in fuel use, which is a significant reduction from last month. We incinerated more tons of sludge this month. However, the sludge cake was dryer, resulting in less water to evaporate and less fuel use. The dryness of the sludge is above average compared to what we generally achieve.
- **Odor Complaints** – We received five (5) odor complaints in September. All of these complaints were prior to the last meeting, and a few of these complaints were discussed at the last meeting. Mr. Broyles asserted that to his knowledge, the Authority had not received any new odor complaints since that last meeting.
- **Noise Complaints** – There was one noise complaint in September from Mr. Russell Nalick. He also informed Union Beach police. They responded at the treatment plant. The operators showed the officer around. Neither the operators nor the police noticed any unusual noises. However, in a follow-up investigation the next day, we found a roof fan with mechanical issues that was quite noisy. (Apparently, it had shut off automatically by the time of the police arrived the previous day, which was why no one heard anything) The problem has since been corrected.
- **Operations – Freehold Cartage** started removing ash in September. The staff spent a significant amount of time working with the contractor on the Grit Chamber Bypass job,

which is still ongoing. A number of budget meetings were held and significant time was spent with R3M Engineering, both in the treatment plant and collection system for the annual inspections.

- **Compliance, Safety, and Training** – The Authority met or exceeded all NJPDES limits for September. As a follow-up to the issue last month with the oil and grease, all remaining oil and grease samples sent out to two different labs all came back as Non-Detectable. This reinforced that the high value reported at the beginning of last month was a bad data point. Staff attended the Technology Transfer Seminar. We had in-house safety training from New Jersey Safety Services. There is a Resolution to approve the agreement between the Authority and Middletown Special Services, who provides our confined space rescue service.
- **Laboratory** – The lab is set up for the annual and semi-annual sampling event, which also includes coordination with the four industrial dischargers that provide samples for that annual testing. Our response to the NJDEP's lab audit is at the back of Mr. Broyles' report. The DEP sent a reply, indicating that our response was acceptable and any issues in the lab have been resolved.
- **Industrial Pretreatment Program** – We are still following up with Saker and planning another sampling event to evaluate what is being discharged from the building next to CEI. Additionally, the Authority is seeking water records from them to figure out what the actual loading is.

Mr. Broyles yielded to Mr. Anderson to complete the Director of Operation's Report. Mr. Anderson reported.

- **Computers, Instrumentation, and Network Administration** – The Authority's IT department worked with ARCADIS, completing the third quarter Cylinder Gas Audit (CGA) on the NIRO Incinerator Continuous Emissions Monitoring System (CEMS). Everything passed with no problems. There was a minor issue with our CPPE Mercury Adsorber carbon monoxide detector that measures carbon monoxide levels. We rebuilt the pump and changed the diaphragms inside. The Cyber JIF awarded a contract to D2 Cybersecurity for security awareness training and phishing for vulnerabilities. The staff has been working with them to identify the next steps in the program.
- **Treatment Plant Maintenance** – A motor failed for Process Water Pump #2. The department pulled it out and changed it. It has since been repaired and is back in service. A Recycle Pump failed. The spare unit was installed. We now have two new pumps working in the recycle chamber and will keep the old ones as spares. As Mr. Broyles mentioned, we replaced two bearings on Roof Fan #4 to correct the noise problem. After replacing the radiators on Generators #1 and #2, we discovered a problem with the alignment with the serpentine belt. We had to adjust a couple of pulleys to keep everything running in alignment.
- **Collection's System Maintenance** – We installed a new eccentric reducer, expansion joint and elbow at the Matawan Pump Station. Additionally, the discharge valve on the scum pump failed. The valve was replaced, which will be reflected at the next monthly meeting. We installed a new light in the wet well at West Keansburg. We continue to remove the old Potassium Permanganate Odor Control System at West Keansburg to

allow room to install new Bioxide tanks for corrosion control in the West Keansburg Force Main.

Mr. Canal indicated that he had not seen a Resolution for the approval of the Confined Space Rescue Agreement. Mr. Napolitano stated that the agreement could be ratified via motion and memorialized via Resolution at the November Public Meeting.

Motion to Ratify Confined Space Rescue Agreement with Middletown Township Fire Department Special Services Unit

OFFERED BY: Commissioner Lauro, SECONDED BY: Commissioner Whalen, and carried by a unanimous voice vote recorded as follows:
AYES: Commissioners Cavanagh, Lauro, Mioduszewski, Sutton and Whalen
ABSENT: Chairwoman McMullen

5. Legal Report – Closed Session

6. TREASURER’S REPORT

STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS

| | Balance |
|-----------------------------------------|----------------------------------|
| <u>UNRESTRICTED INVESTMENTS</u> | <u>September 30, 2023</u> |
| TD Bank -CD#1 | \$ 2,167,731.82 |
| Lakeland Bank Reserved Checking | \$ <u>2,481.27</u> |
| TOTAL UNRESTRICTED INVESTMENTS | \$ 2,170,213.09 |
| | |
| <u>TD BANK UNRESTRICTED CASH</u> | |
| Incoming Revenue Account | \$ 3,460,799.77 |
| Operating Regular Account | \$ 2,837,540.69 |
| Operating Reserve Account | \$ 6,388,926.22 |
| Operating Payroll Account | <u>\$ 768,271.68</u> |
| TOTAL UNRESTRICTED CASH | \$ 13,455,538.36 |
| TOTAL UNRESTRICTED CASH & INVESTMENTS | \$ 15,625,751.45 |
| | |
| <u>RESTRICTED INVESTMENT</u> | |
| Cash Management | \$ 7,713,407.47 |
| TD Bank CD2 | <u>\$ 3,194,001.65</u> |
| TOTAL RESTRICTED INVESTMENTS | \$10,907,409.12 |
| | |
| <u>RESTRICTED CASH</u> | |
| NJEIT Project Fund #I | \$ 1,579.83 |
| NJEIT Project Fund #II | \$ 5,556.16 |

| | |
|-------------------------------------|------------------------|
| NJEIT Project Fund #III | \$ 5,393,249.56 |
| Bond Service Fund | \$ 113,979.60 |
| TOTAL RESTRICTED CASH | \$ 5,514,365.15 |
| TOTAL RESTRICTED CASH & INVESTMENTS | \$16,421,774.27 |
| TOTAL AUTHORITY ACCOUNTS | \$32,047,525.72 |

Detail of the accounts, receipts and disbursements, including investment activity, are on file in the Administrative Office of the Bayshore Regional Sewerage Authority.

SCHEDULE OF ACCOUNTS RECEIVABLE

| | Balance |
|-------------------------------------------------------|---------------------------|
| | September 30, 2023 |
| BRSA CHARGES | |
| Hazlet Township Sewerage Utility | \$ 0.00 |
| Township of Holmdel | \$ 0.00 |
| Borough of Union Beach | \$ 186,151.15 |
| Borough of Keyport | \$ 0.00 |
| Borough of Keansburg | \$ 0.00 |
| Borough of Matawan | \$ 0.00 |
| Western Monmouth Utilities Authority | \$ 0.00 |
| Township of Aberdeen | \$ 0.00 |
| TOTAL | \$ 186,151.15 |
| | |
| OUTFALL AUTHORITY CHARGES | |
| Hazlet Township Sewerage Utility | \$ 0.00 |
| Township of Holmdel | \$ 0.00 |
| Borough of Union Beach | \$ 18,442.45 |
| Borough of Keyport | \$ 0.00 |
| Borough of Keansburg | \$ 0.00 |
| Borough of Matawan | \$ 0.00 |
| Western Monmouth Utilities Authority | \$ 0.00 |
| Township of Aberdeen | \$ 0.00 |
| TOTAL | \$ 18,442.45 |
| | |
| RENT RESERVE ACCOUNTS as of September 30, 2023 | |
| Hazlet Township Sewerage Utility | \$ 806,011.08 |
| Township of Holmdel | \$ 329,369.83 |
| Borough of Union Beach | \$ 207,807.90 |
| Borough of Keyport | \$ 307,247.26 |
| Borough of Keansburg | \$ 274,350.41 |
| Borough of Matawan | \$ 333,911.13 |
| Western Monmouth Utilities Authority | \$ 121,458.81 |
| Township of Aberdeen | \$ 505,073.22 |
| TOTAL | \$ 2,885,229.64 |

Vice Chairman Sutton called for a **MOTION** to approve the Treasurer's report.

OFFERED BY: Commissioner Cavanagh, SECONDED BY: Commissioner Lauro, and carried by a unanimous voice vote recorded as follows:

AYES: Commissioners Cavanagh, Lauro, Mioduszewski, Sutton and Whalen

ABSENT: Chairwoman McMullen

7. PAYMENT OF REQUISITIONS

Vice Chairman Sutton calls for a **MOTION** to approve payment of bills listed on:

| | |
|-----------------------------------------|---------------|
| Operating Fund Req. No. 624 (Regular) | \$ 680,538.41 |
| Payroll Account Req. No. P272 (Payroll) | \$ 226,789.16 |
| NJIB Project Fund #III Req.#PF-36 | \$ 6,601.50 |

OFFERED BY: Commissioner Lauro, SECONDED BY: Commissioner Mioduszewski, and carried by a unanimous voice vote recorded as follows:

ROLL CALL: Commissioners Cavanagh, Lauro, Mioduszewski, Sutton and Whalen

ABSENT: Chairwoman McMullen

8. APPROVAL OF MINUTES

Vice Chairman Sutton calls for a **MOTION** to approve the following Minutes:

Meeting Minutes of September 18, 2023

OFFERED BY: Commissioner Mioduszewski, SECONDED BY: Commissioner Lauro, and carried by a unanimous voice vote recorded as follows:

AYES: Commissioners Cavanagh, Lauro, Mioduszewski, Sutton and Whalen

ABSENT: Chairwoman McMullen

RESOLUTIONS

RESOLUTION (128/23): To Adopt the 2022 Annual Audit Report as presented by Bart and Bart, CPAS, BRSA Auditors

WHEREAS, N.J.S.A. 40:14A-7.1 requires the governing body of each local Authority to cause an annual audit of its accounts to be made; and

WHEREAS, the annual audit report for the fiscal year ended December 31, 2022 has been completed and will be filed with the members and customer towns served pursuant to N.J.S.A. 40:14A-7.1; and

WHEREAS, N.J.S.A. 40A:5A-17 requires the governing body of each Authority to, within 45 days of receipt of the annual audit, certify by resolution to the Local Finance Board that each member thereof has personally reviewed the annual audit report, and specifically the sections of

the audit entitled "General Comments" and "Recommendation," and has evidenced same by group affidavit in the form prescribed by the Local Finance Board; and

WHEREAS, the Commissioners of the Bayshore Regional Sewerage Authority are the members of the governing body and have received the annual audit and have personally reviewed the annual audit, and have specifically reviewed the sections of the annual audit report entitled "General Comments" and "Recommendations" in accordance with N.J.S.A. 40A:5A-17.

NOW THEREFORE BE IT RESOLVED that the Commissioners of the Bayshore Regional Sewerage Authority hereby adopt the 2022 Annual Audit Report and certify to the Local Finance Board of the State of New Jersey that each member has personally reviewed the annual audit for the fiscal year ended December 31, 2022 and specifically has reviewed the sections of the annual audit report entitled "General Comments" and "Recommendations," and has evidenced same by group affidavit in form prescribed by the Local Finance Board.

BE IT FURTHER RESOLVED that the Secretary of the Authority is hereby directed to promptly submit to the Local Finance Board the aforesaid group affidavit, accompanied by a certified true copy of this resolution.

OFFERED BY: Commissioner Lauro, SECONDED BY: Commissioner Sutton, and carried by a unanimous voice vote recorded as follows:

ROLL CALL: Commissioners Cavanagh, Lauro, Mioduszewski, Sutton, Whalen and Chairwoman McMullen

RESOLUTION (129/23): To Execute the Local Finance Board Group Affidavit Form.

We, the Commissioners constitute the members of the governing body of the Bayshore Regional Sewerage Authority being of full age and being duly sworn according to law, upon our oath depose and say:

- We are duly appointed Commissioners of the Bayshore Regional Sewerage Authority.
- We certify, pursuant to N.J.S.A. 40A:5A-17, that we have each reviewed the annual audit report for the fiscal year ended December 31, 2022, and specifically the sections of the audit report entitled "General Comments" and "Recommendations."

OFFERED BY: Commissioner Lauro, SECONDED BY: Commissioner Cavanagh, and carried by a unanimous voice vote recorded as follows:

ROLL CALL: Commissioners Cavanagh, Lauro, Mioduszewski, Sutton, Whalen and Chairwoman McMullen

RESOLUTION (130/23): 2024 Authority Budget Resolution

FISCAL YEAR: FROM: January 1, 2024 TO: December 31, 2024

WHEREAS, the Annual Budget for the Bayshore Regional Sewerage Authority for the fiscal year beginning, January 1, 2024 and ending, December 31, 2024 has been presented before the governing body of the Bayshore Regional Sewerage Authority at its open public meeting of October 19, 2023; and

WHEREAS, the Annual Budget as introduced reflects Total Revenues of \$11,253,571 Total Appropriations, including any Accumulated Deficit if any, of \$10,153,572 and Total Unrestricted Net Position utilized of \$0; and

WHEREAS, the Capital Budget as introduced reflects Total Capital Appropriations of \$27,215,000 and Total Unrestricted Net Position planned to be utilized as funding thereof, of \$13,715,000; and
and

WHEREAS, the schedule of rates, fees and other charges in effect will produce sufficient revenues, together with all other anticipated revenues to satisfy all obligations to the holders of bonds of the Authority, to meet operating expenses, capital outlays, debt service requirements, and to provide for such reserves, all as may be required by law, regulation or terms of contracts and agreements; and

WHEREAS, the Capital Budget/Program, pursuant to N.J.A.C. 5:31-2, does not confer any authorization to raise or expend funds; rather it is a document to be used as part of the said Authority's planning and management objectives. Specific authorization to expend funds for the purposes described in this section of the budget, must be granted elsewhere; by bond resolution, by a project financial agreement, by resolution appropriating funds from the Renewal and Replacement Reserve or other means provided by law.

NOW, THEREFORE BE IT RESOLVED, by the governing body of the Bayshore Regional Sewerage Authority, at an open public meeting held on October 19, 2023 that the Annual Budget, including all related schedules, and the Capital Budget/Program of the Bayshore Regional Sewerage Authority for the fiscal year beginning, January 1, 2024 and ending, December 31, 2024 is hereby approved; and

BE IT FURTHER RESOLVED, that the anticipated revenues as reflected in the Annual Budget are of sufficient amount to meet all proposed expenditures/expenses and all covenants, terms and provisions as stipulated in the said Authority's outstanding debt obligations, capital lease arrangements, service contracts, and other pledged agreements; and

BE IT FURTHER RESOLVED, that the governing body of the Bayshore Regional Sewerage Authority will consider the Annual Budget and Capital Budget/Program for adoption on December 18, 2023.

| <u>Governing Body Members:</u> | <u>Recorded Vote</u> | | | |
|--------------------------------|----------------------|------------|----------------|---------------|
| | <u>Aye</u> | <u>Nay</u> | <u>Abstain</u> | <u>Absent</u> |
| Commissioner Cavanagh | x | | | |
| Commissioner Lauro | x | | | |
| Commissioner Mioduszewski | x | | | |
| Commissioner Sutton | x | | | |
| Commissioner Whalen | x | | | |
| Chairwoman McMullen | x | | | |

OFFERED BY: Commissioner Sutton, SECONDED BY: Commissioner Lauro, and carried by a unanimous voice vote recorded as follows:

ROLL CALL: Commissioners Cavanagh, Lauro, Mioduszewski, Sutton, Whalen and Chairwoman McMullen

RESOLUTION (131/23): To Approve a One (1)-Year Sanitary Sewer Connection & Treatment Works Approval Extension to Les Zalewski, Developer of 97 Aberdeen Road Major Subdivision

WHEREAS, Les Zalewski (“Developer”), is the developer of a project, located at 97 Aberdeen Road, further designated as Block 64.02, Lot 7 in the Borough of Matawan, that was calculated to be a four (4) Equivalent Dwelling Units (“EDU’s”) Major Subdivision; and

WHEREAS, the Developer has indicated they have received all local approvals including local sanitary sewer approval and sanitary sewer connection & treatment works approval from the Bayshore Regional Sewerage Authority (“Authority”) by Resolution #151/21; and

WHEREAS, the Authority approval has expired and the Developer desires a one-year extension; and

WHEREAS, the Authority’s Principal Engineer has reviewed the request for an extension is recommending a sanitary sewer connection and treatment works approval extension; and

WHEREAS, the Developer has paid the connection fee of \$20,476.00.

NOW THEREFORE BE IT RESOLVED by the Commissioners of the Bayshore Regional Sewerage Authority that Les Zalewski is hereby granted a One (1)-Year Sanitary Sewer Connection & Treatment Works Approval Extension for the above referenced project.

BE IT FURTHER RESOLVED the Developer must properly maintain its sanitary sewer system, in accordance with the Bayshore Regional Sewerage Authority Rules and Regulations, and

BE IT FURTHER RESOLVED that this approval extension is good for a one-year period.

OFFERED BY: Commissioner Lauro, SECONDED BY: Commissioner Cavanagh, and carried by a unanimous voice vote recorded as follows:

AYES: Commissioners Cavanagh, Lauro, Mioduszewski, Sutton and Whalen

ABSENT: Chairwoman McMullen

RESOLUTION (132/23): To Approve Salary Adjustment for Tiffany Cavallaro

WHEREAS, The Bayshore regional Sewerage Authority (“Authority”) is a public body corporate and politic organized and existing under and pursuant to the Sewerage Authorities law; and

WHEREAS, Tiffany Cavallaro was hired on April 17, 2023 to be the Financial Administrator for the Authority; and

WHEREAS, in accordance with Resolution 63/23, the Authority indicated they would perform a salary review for Ms. Cavallaro after 6-months; and

WHEREAS, the Executive Director submitted a Memorandum to the Board of Commissioners dated October 13, 2023 regarding a recommendation for salary adjustment for Tiffany Cavallaro; and

WHEREAS, the Personnel Committee has reviewed the recommendations of the Executive Director; and

WHEREAS, in accordance with NJAC 5:30-5.4(a)(3), the Authority certifies the availability of funds in the Salary line item, to cover the maximum dollar value of the pending

contract as set forth in the Resolution.

NOW THEREFORE BE IT RESOLVED, that the Commissioners of the Bayshore Regional Sewerage Authority authorize the Executive Director to make an employee salary adjustment in accordance with the Director's memorandum dated October 13, 2023.

OFFERED BY: Commissioner Sutton, SECONDED BY: Commissioner Lauro, and carried by a unanimous voice vote recorded as follows:

ROLL CALL: Commissioners Cavanagh, Lauro, Mioduszewski, Sutton, Whalen, and Chairwoman McMullen

ADJOURMENT

At 6:25 P.M. Vice Chairman Sutton called for a **MOTION** to Adjourn the meeting.

OFFERED BY: Commissioner Lauro, SECONDED BY: Commissioner Mioduszewski, and carried by a unanimous voice vote recorded as follows:

AYES: Commissioners Cavanagh, Lauro, Mioduszewski, Sutton and Whalen

ABSENT: Chairwoman McMullen

Respectfully submitted,

Chad Sprague, Regulatory Compliance Manager

Raquel Dunn, Administrative Assistant/HR Representative