

**SOUTH MONMOUTH REGIONAL SEWERAGE AUTHORITY  
MINUTES - CAUCUS MEETING – DECEMBER 10, 2015**

**CALL TO ORDER:**

The Caucus Meeting of the South Monmouth Regional Sewerage Authority was called to order at 7:00 p.m. on Thursday, December 10, 2015.

**Moment of Silence and Salute:**

Led by Vice Chairman Nicol

**Announcement:**

This meeting was called in accordance with the provisions of the Open Public Meetings Act in that an announcement of the same was mailed to the Asbury Park Press, the Coast Star; and to the Clerks of our member municipalities on February 13, 2015. The minutes of this meeting will be available after Board approval at a subsequent meeting.

**Roll Call:**

**Present:**

Commissioners Burne, Cory, Farrell, Lynch, Mattia, McLean and Nicol.

Messrs. Bonello, Bujak and Ruppel.

**Excused:**

*Commissioner Thompson*

**ATTORNEY’S REPORT:**

Mr. Bonello reported he worked with Mr. Ruppel on many of the items which will be reported during the Executive Director Report, particularly the Belmar Pump Station Project, problems with JCP&L and its electric conduit and several personnel related issues.

**EXECUTIVE DIRECTOR’S REPORT:**

**SYSTEMS:**

**Pitney Avenue Pump Station:**

Mr. Ruppel reported the Pitney Avenue Pump Station has been completed with exception of a small remaining balance on the contract to be paid once all documentation has been received.

**Belmar Pumping Station:**

Mr. Ruppel reported the Pump Station project construction is currently on hold due to the late discovery of electrical wires on the site owned by JCP&L. As JCP&L had plans to upgrade the size of the existing transformer and relocate it to another site anyway, the Authority was able to orchestrate an agreement which would allow the relocation to take place and be performed by the SMRSA Contractors. Staff was able to structure an agreement where JCP&L would reimburse SMRSA for the cost of the construction required to upgrade and relocate the existing transformer on their behalf. A resolution has been placed on the Regular Meeting Agenda for Board consideration and approval of an agreement with JCP&L for a “Pay-now” Refundable Line Extension Contract with the Authority.

**Short-term Project Financing:**

Mr. Ruppel reported that a recent decision had to be made regarding all three of the pump station projects which are currently being funded through the Authority's short-term financing through NJEIT in SAIL funds. He stated that since the rehabilitation of the Belmar Pump Station is yet to be completed and the Pitney Avenue Pump Station has not been closed out yet, the Authority decided to delay permanent financing. Staff reviewed the matter with its Bond Counsel as well as NJEIT representatives and it was decided to continue with the current interim short-term financing. This decision will ultimately limit costs of issuances as all three projects will be consolidated into one long term borrowing.

**Outfall Project:**

Mr. Ruppel reported the outfall project continues to progress, designs are being reviewed and permits have been submitted and are awaiting approval.

**2015 Final Income and Appropriations Budget:**

Mr. Ruppel reported that a resolution has been placed on the Regular Meeting Agenda to approve the final 2015 Income and Appropriations Budget for Board consideration and approval. He stated the final revision accounts for additional income (connection fees and investment interest) subsequent to the October version.

**S72 Bill – Regional Sewerage Authority Oversight Bill:**

Last month, Mr. Ruppel reported what the effects of "S72 and A72 the Regional Sewerage Authority Oversight Bill" would have on state-wide regional authorities. The Bill as it is written has three major elements, the first is it would place a 2% increase cap on all regional sewerage authorities' appropriation budget for each billing cycle. The second element would also cap the billing for any local unit or its customer to a 2% increase year over year; lastly, it would provide for an increased oversight of the DCA from there it would go to the Governor's desk. He reported this month that the sponsoring Senator and his aides have committed to contacting him as well as other concerned authorities to discuss revisions to the bill as currently written. It appears as if the bill is not going to be on this year's agenda and hopefully if it resurfaces next year the DEP and the Department of Community Affairs are now aware of the bill and will be more educated on its negative effects on regional authorities state-wide.

**Generators – Possible Pilot Program:**

Last month Mr. Ruppel reported to the Commissioners of a possible joint venture with Tech 3 Solutions. As this joint venture became more defined, it has not become clear what the Authority's pricing would be and even if it could sell the power or define what the Authority will pay in fuel costs and if it will be reasonably close to what was originally anticipated. The Authority could be looking at a cash outlay of \$500,000.00 assuming that there is no participation from the New Jersey Resilient Bank or any other state agency. A half a million dollar investment will probably have a 1 year to 1-1/2 year return on investment which includes all cost of operations and maintenance after which a positive cash flow of anywhere from \$300,000.00 to

\$600,000.00 a year for could be generated for the main lifecycle of a five-year window of time. He will continue to update the commissioners.

**Personnel Items:**

Mr. Ruppel reported in the pursuit of hiring Operators, staff found another Applicant, Andrew J. Moore. Mr. Moore's qualifications fit the position, therefore, an offer of employment was extended to him and he is scheduled to begin his employment with SMRSA on December 14, 2015. Mr. Moore resides in Toms River but is originally from South Carolina. He was employed as an Operator in South Carolina, then came to New Jersey and received his Operator Certificate and is currently working in contract operations for Ch2m Hill. A resolution ratifying his hire has been placed on the Regular Meeting Agenda for Board consideration and approval.

In regards to another personnel item, on October 13, 2015 the Authority hired an Operator who is still within his 90 day probation period. After consulting with Managers and a review of his work ethics and history, it is clear to Management that he will not meet the requisite expectations of being a permanent operator journeyman either in the balance of the remaining probation period or within a reasonable period of time thereafter. After consulting with Mr. Padula, the SMRSA Labor Counsel, and Mr. Bonello, SMRSA's Legal Counsel, Mr. Ruppel terminated his relationship with the Authority on December 10, 2015. A resolution has been placed on the Regular Meeting Agenda ratifying the termination of this relationship for Board of Commissioners consideration and approval.

**Annual Professional Service Agreements:**

Mr. Ruppel reported that staff is currently soliciting its annual professional service agreements and expects to report on them next month. He reported that most of the professionals have not increased their cost for the same services. He stated that it is the intent of the Authority to initiate a separate and new solicitation for engineering services defined as other supporting services such as, geo technical, survey and drafting services. Mr. Krause, the Authority's in-house Engineer will have the need for these types of services locally within the next several years.

**AEA Annual Meeting:**

Mr. Ruppel reported that he is of the opinion the conference was a success and initiated intelligent discussions which were the corner stone of this year's AEA Conference. In 2016, it is the intent of AEA to canvass the State in order to renew the general awareness of work ethics. SMRSA has always supported ethics initiative and endorses the AEA's activities in heightening ethic polices state-wide.

**BUSINESS:**

- Resolution to Finalize SMRSA's 2015 Income and Appropriation Budgets
- Resolution to Approve an Agreement with JCP&L for a "Pay-Now" Refundable Line Extension Contract for the Belmar Pump Station Upgrades
- Resolution Ratifying the Hiring of Mr. Andrew J. Moore for the Shift Operator Vacancy
- Resolution severing the employment relationship between the Authority and Employee No. 20203, effective December 10, 2015

**PUBLIC PORTION:**

It was moved by Commissioner Burne and seconded by Commissioner Mattia to open the public portion of the meeting. On voice vote, all voted aye. A motion was made by Commissioner Mattia, and seconded by Commissioner Lynch to close the public portion of the meeting. On voice vote, all voted aye.

**ADJORNMENT:**

Commissioner Mattia made the motion to adjourn the Caucus Meeting. Commissioner Burne seconded the motion. On voice vote, all voted aye.