

**SOUTH MONMOUTH REGIONAL SEWERAGE AUTHORITY
MINUTES - CAUCUS MEETING – OCTOBER 8, 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, October 8, 2015.

Moment of Silence and Salute:

Led by Chairman Thompson

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, Nicol and Thompson.

Mr. Bonello and Mr. Bujak.

Excused:

Mr. Ruppel

ATTORNEY'S REPORT:

Mr. Bonello reported he had nothing to report that would not be covered in the Management Report to be given by Mr. Bujak.

EXECUTIVE SESSION:

It was moved by Commissioner Mattia and seconded by Commissioner Farrell to go into an Executive Session for the purpose of Personnel. On voice vote, all voted aye.

A motion was made by Commissioner Mattia, and seconded by Commissioner Burne to close the Executive Session. A motion was made by Commissioner Mattia and seconded by Commissioner Burne to re-open the Caucus Meeting. On voice vote, all voted aye.

MANAGEMENT REPORT:

2015 Capital, Income and Appropriations Budgets:

Mr. Bujak shared with the Board of Commissioners the Authority's budget philosophy recognizing that the 2016 Proposed Budget was previously approved. He stated the 2016 Proposed Budget includes the Board's authorization of a 1.83% increase which resulted in an increase to the sewer use charges of approximately \$126,000.00. This increase accomplishes many positive results for the Authority allowing it to continue to set aside funds for long-term Sandy borrowing. Two years ago when the budget was initiated post Sandy, the intention was to set aside funds for borrowing closing and associated costs to which the 2016 Proposed Budget included. The Authority has also

identified projects in both the 2015 Amended and 2016 Proposed Budgets totaling \$192,000.00. Another item specifically identified in the 2016 Proposed Budget is staff succession planning for the Authority. The Budget contains setting aside funds for the hiring of new individuals to shadow more seasoned employees, allowing them the ability to assume those responsibilities immediately, if necessary. Mr. Bujak reported that approximately \$75,000.00 has been budgeted for succession planning, and is not something it has done in the past as it has not experienced as much turnover. Another item which was addressed in the 2016 Proposed Budget is the Enterococci Testing that is now required under the new NJDES Permit to which the Authority has budgeted \$20,000.00 strictly for the study of it. Sludge management has been previously addressed by the Executive Director with the Board of Commissioners and the 2015 Amended Budget contains \$20,000.00 to ensure tanks do not reach the elevated level as they have been in the past. Mr. Bujak concluded stating he believes the 2016 Proposed Budget is a strong and stable budget enabling the Authority to continue its mission, in addition to upgrading its infrastructure. The 2015 Amended Budget takes into account the SMRSA connection fees, interest income, etc. This year the Authority did receive a significant connection fee for Sunnyside Manor and believes this budget is also very stable and secure.

Mr. Bujak reported that the Authority's debt structure is now starting to decline which is positive for the Authority. When the Authority bonded the 2011 Sewer Bonds, it was structured so that within four or five years, its debt structure would be reduced. It is the intention of Staff to review with the Finance Committee the possibility of utilizing this debt reduction in order to continue a long-term rate stabilization fund as well as a long term asset management program. If these funds were to be set aside, in the event there is a need to replace VFDs, or a force main or generators, etc. the Authority would have those funds readily available. This would not only be innovative for the Authority, but also results in a cumulative and expedient result in future years. This initiative would further comply with trending NJEIT borrowing requirements regarding short and long term asset management programs. With this implementation, it would avoid any negative publicity if the Authority had to borrow and would comply with the NJEIT requirements. This would allow SMRSA to document, solidify and memorialize by resolution a long-term asset management program at its next re-org meeting in February 2016.

Mr. Bujak stated that in September 2015, the Board of Commissioners unanimously agreed to increase its borrowing of \$1 million dollars for the Belmar Pump Station Project and wait until October to amend the 2015 Capital Budget. A resolution has been placed on the Regular Meeting Agenda for Board consideration and approval amending the 2015 Capital Budget.

Mr. Bujak gave an update on the Authority's Annual Procurement Contracts. MAG, Hypo, and Sludge bids were advertised on October 1, 2015 with the Bid Openings scheduled for October 29, 2015 with the intention of awarding in November. In addition, Requests for Expression of Interest (REFI) for Sludge Disposal has been distributed, however it is too early to tell how this is going to effect the budget since two years ago the Authority split this sludge contract resulting in a disposal site contract and a sludge hauling contract and until bids are received for the sludge hauling can it be put into the matrix to see where it fits. The belief is that it is going to be a little bit lower due to the decrease in fuel prices and the ongoing SMRSA Sludge Management Project. The Executive Director is of the opinion that our sludge may be of a thinner content than in the past. If it is thinner than the contracted disposal site could charge a lesser rate.

2010 Wet Weather Event Close-out:

Mr. Bujak reported that Authority Staff has been actively working with FEMA regarding the late Autumn 2010 wet weather event close-out. Staff is gathering all required documents and does not anticipate any problems.

Ratify the Hiring of an Operations Journeyman:

A resolution has been placed on the Regular Meeting Agenda to ratify the hiring of an Operations' Journeyman, Mr. Joseph Buchko. Mr. Buchko lives in Forked River, New Jersey and has previous wastewater experience. Both Mr. Ruppel and Mr. Brennan interviewed him. He was hired as an Operations Journeyman with the hope and intention that he will within the next year or so regain his Wastewater License so that when an Operator's position does become available, he will be qualified and able to participate in the bidding process.

SYSTEMS:

October 2015 Potential Storm:

Mr. Bujak reported that in preparation of the potential wet weather event predicted for October 2, 2015, he shared with the Board of Commissioners via either email or phone the storm preparations that were put in place. He stated that the Authority spent between \$7,500 and 10,000.00 in storm preparations which included the rental of two (2) bypass pumps and backhoe that have since been returned, the procurement of sand and gravel, and batteries, flashlights, etc. all with the intention of ensuring the Authority would be well prepared. The Authority also made contact and reviewed preparations with the OEM and a few of the municipalities. It was fortunate for everyone concerned that the wet weather event did not take place, however, a portion of the expense was not in vain as the Authority would have incurred certain expenses as a part of its year-end maintenance schedule.

Pitney Avenue Pump Station:

Mr. Bujak reported that the Authority has begun the close-out of both the construction and procurement contracts. He stated there is still some punch list items to be completed. Commissioner Mattia added that some of the neighbors across the street from the Pumping Station, have requested that rather than the fence the Spring Lake Planning Board selected for the project, they would prefer a wooden fence. He, the Executive Director, Mr. Ruppel and Authority Engineer, Mr. Krause met with these neighbors and explained that the Authority is obligated to follow the Spring Lake Planning Board guidelines but will approach the Planning Board with their request. The Authority approached the Planning Board, and with their approval the Authority sent several fence options to these concerned residents. They chose a particular fence style to which Commissioner Mattia will present to the Planning Board next week. In addition, the Authority intends to do some landscaping around the pump station as well.

Belmar Pumping Station:

Mr. Bujak reported that all contracts have been executed and returned. A pre-construction meeting was held on September 14, 2015 to which Commissioner Cory and members from the NJDEP, NJEIT, Allied Construction and Authority Staff attended. It was a positive discussion with project responsibilities identified, shop drawing requirements and SMRSA's payment procedures were reviewed as well.

Outfall Project:

Mr. Bujak reported that the Outfall Project remains on schedule, the design teams continues to review the shop drawings as well as other drawings. As the Executive Director mentioned at a previous Board Meeting, FEMA originally denied the PW for this project, however, the Authority filed an appeal regarding this decision to which was approved. Staff continues to work with FEMA and the insurance adjuster with the challenge being the insurance adjuster who reviewed the project has since retired. FEMA is resurrecting those documents and Mr. Bujak has been working with the Authority's Insurance Adjuster. No major problems are anticipated.

AEA Annual Meeting

The Association of Environmental Authorities has scheduled its 2015 Annual Meeting for Tuesday and Wednesday, November 17th and 18th in Atlantic City. Mr. Bujak is aware of several Commissioners who will be attending, and asked if anyone else is considering attending to let him know so accommodations can be made for them.

BUSINESS:

- Amend the 2015 Capital Budget
- Amend the 2015 Income and Appropriation Budgets.
- Ratify the hiring of Joseph Buchko as an Operations Journeyman.

PUBLIC PORTION:

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

ADJORNMENT:

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