

**SOUTH MONMOUTH REGIONAL SEWERAGE AUTHORITY
MINUTES - CAUCUS MEETING – AUGUST 10, 2017**

CALL TO ORDER:

The Caucus Meeting of the South Monmouth Regional Sewerage Authority was called to order at 7:00 p.m. on Thursday, August 10, 2017.

Moment of Silence and Salute:

Led by Chairman Mattia

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 Clerks of our member municipalities on February 21, 2017; and to the Asbury Park Press and the Coast Star on February 23, 2017. The minutes of this meeting will be available after Board approval at a subsequent meeting.

Roll Call:

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

Messrs. Bonello, Bujak, Krause, Timbrook and Ruppel.

Excused:

Commissioner McLean

ATTORNEY'S REPORT:

Mr. Bonello stated he had nothing to report in addition to what the Executive Director will be reporting during his Executive Director Report.

EXECUTIVE DIRECTOR'S REPORT:

Outfall Project

Mr. Krause reported the shop drawings for the Outfall Project have been completed and is expecting the contractor to mobilize next week.

Inflow & Infiltration

Mr. Ruppel reported the Authority completed its Inflow and Infiltration (I&I) Project approximately 14 years ago for six of its eight member towns. He had a discussion regarding additional I&I work during a recent Engineering Committee Meeting and further discussion with Commissioner Lynch who represents Lake Como and is one of the six member towns that was favorably affected by the results of the project. In speaking with Commissioner Lynch and Authority staff members, he believes there is more I&I work to do within the eight municipalities. He suggested to the Commissioners that it may be time to have some dialogue with the municipalities to inquire whether they would be interested in another I&I project. The

funds borrowed for the original project will be retired in six years therefore if another project was undertaken it could potentially represent a zero percent increase to sewer rates and continue to build on their own assets while at the same time keep pace with those communities that are doing I&I work outside the scope of the original I&I Project. Chairman Mattia stated that while Spring Lake was not one of the participating communities in the original I&I Project, it may be interested in having an I&I project in the future.

Purchase of Energy Utilizing an Online Auction:

Mr. Ruppel reported staff has conducted a reverse energy auction utilizing an approved Division of Local Government Services vendor in an effort to procure basic generation electrical services for the Authority. The rates ranged from .6935 for a two year commitment to .666/kWh for a three year commitment compared to JCP&L rate of 8.993kWh. A resolution has been placed on the Regular Meeting Agenda for Board of Commissioners consideration and approval authorizing the Executive Director to accept or reject all bids based upon their respective cost effectiveness and benefit to the Authority.

Cogeneration Resiliency Upgrades

Mr. Krause reported that the Authority received and reviewed a draft air permit from the NJDEP within the last week, since then staff has returned the permit with comments and is awaiting its return. The comments and changes were minor and believes the Authority will have the modified air permit within the month. A resolution has been placed on the Regular Meeting Agenda for Board of Commissioners consideration and approval authorizing the Executive Director to enter into an agreement with the NJDEP by signing the modified Air Permit. Once the air permit is returned and accepted by the Authority there will be an additional 30 day required public comment period. Due to the many delays in acquiring the air permit, the Energy Resilience Bank (ERB) has agreed to extend their deadlines for the project from September 2017 to March 31, 2018.

Asset Management Program – Roof Inspection:

Mr. Krause reported in keeping with the SMRSA's Asset Management Program, a roofing consultant was hired to perform an inspection of the roofs within the Plant. The inspection went well and staff is awaiting the report. Preliminary discussions with the consultant revealed that the Administration Building will need a new roof in the very near future. The Control Building and other small building roofs have more time before needing replacement.

In addition, Mr. Krause reported that an inspection was also completed for the Screw Pumps. Mr. Timbrook added the inspection confirmed minimal wear on the bearings and may require superficial painting and cleaning. During the inspection, staff paid particular attention so that this type of inspection can be done by Authority staff in the future.

Belmar Pumping Station Borrowing:

Mr. Bujak reported he is working with the NJEIT to finalize the long-term borrowing numbers with regard to the Belmar Pump Station. A resolution has been placed on the Regular Meeting Agenda for Board of Commissioners consideration and approval authorizing the issuance of

subordinated debt as it relates to the Belmar Pump Station Project. He stated that although there is only one resolution, the Authority will be issuing two series of debt. The first is a Fund portion which will occur in late October 2017 to include the 19% principal forgiveness and the second will be the Trust portion. Even though there is only one debt, there will be two separate closings (Series 2017B and Series 2017C) with semi-annual payments due in February and August. The legal advertisement will be placed in the Asbury Park Press on Monday, August 14, 2017 with a 20 day comment period.

Annual Procurement and Services Contracts:

Mr. Bujak reported it is the time of year when the Authority solicits for its 2018 annual procurement and services contracts. Two resolutions have been placed on the Regular Meeting Agenda for Board of Commissioners consideration and approval. The first is the solicitation of Sodium Hypochlorite, Magnesium Hydroxide and Sludge Hauling Procurement Contracts and the second is for the solicitation of the Electrical Repair Services and Maintenance Repair Services Contracts for the 2018 contract year.

Engineering RFEI:

Mr. Bujak also stated that he had discussed with Mr. Ruppel and Mr. Krause the rotation of the Professional Services Agreements (Engineering, Auditing Services, Legal Services, etc.). As it has done since September 2007, it is the intention of the Authority to solicit one discipline within a 5-year rotation. This year the Authority will be soliciting for Professional Engineering Services and Mr. Krause has initiated an Engineering Request for Expression of Interest (RFEI) and a resolution has been placed on the Regular Meeting Agenda for Board of Commissioners consideration and approval to solicit via an RFEI for Engineering Services.

Sewer Extension:

Mr. Krause stated there are two separate resolutions for Sewer Extensions for Board consideration and approval on the Regular Meeting Agenda. The first is a sewer extension for a project known as the Tenth Avenue Associates, LLC in Belmar, NJ which will consist of 60 apartments and the second resolution is for the Wall Promenade Project which will include several retail establishments in Wall Township.

BUSINESS:

- Resolution to Authorize the Issuance of Subordinated Sewer Revenue Bonds
- Resolution to Authorize Solicitation of Bids to Furnish and Deliver Sodium Hypochlorite, Magnesium Hydroxide and for the Removal and Hauling of Sewer Sludge
- Resolution to Authorize Solicitation of Bids to Contract Equipment Repair, Rental, Maintenance & Installation Services; and Electrical Diagnostic, Troubleshooting and Repair Services
- Resolution Authorizing the Executive Director to Solicit Requests for Expression of Interest Proposals from Consulting Engineering Firms in a Non-Procurement Action for Fiscal Year 2018

- Resolution Ratifying the Purchase of Energy Generation Services for Public Use Utilizing an Online Auction Website
- Resolution to Approve a Sewer Extension for the project known as Wall Promenade
- Resolution to Approve a Sewer Extension for the Project known as the Tenth Avenue Associates
- Resolution Authorizing the Signing of NJDEP Air Permit for the SMRSA Co-Generation Resiliency Upgrade Project.

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 Burne, and seconded by Commissioner Cory to close the public portion of the meeting. On voice vote, all voted.

ADJORNMENT:

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