

**SOUTH MONMOUTH REGIONAL SEWERAGE AUTHORITY
MINUTES - CAUCUS MEETING – DECEMBER 14, 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, December 14, 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 Cory, Farrell, Lynch, Mattia, McLean, and Nicol.

Messrs. Bonello, Bujak, Krause, Timbrook.

Excused:

Commissioners Burne, Donovan and Mr. Ruppel

ATTORNEY’S REPORT:

Mr. Bonello stated he worked with Mr. Krause and Mr. Bujak regarding the items which will be covered in the Executive Director’s Report.

Chairman Mattia asked Mr. Bonello to report on the Senate Bill No. 848 which caps the amount of increase in charges for Regional Sewerage Authorities.

Mr. Bonello reported that Senate Bill No. 848 is unnecessary and potentially disruptive to the operations of many regional sewerage authorities. The South Monmouth Regional Authority joined the Association of Environmental Authorities (AEA) in opposing the legislation. He further recommended the Authority approve a resolution opposing Senate Bill No. 848 and distribute it to both the members of the Senate and AEA members.

EXECUTIVE DIRECTOR’S REPORT:

Outfall Project:

Mr. Krause reported the Ocean Outfall Project has been completed with the final payment scheduled for January 2018. He stated when the Outfall Repair Project was originally bid in 2016, it included an Access Chamber on land which was to be positioned near the Pitney Avenue Pump Station. Including the Access Chamber within the original bid resulted in much higher construction costs than projected. In the rebid, the Access Chamber was removed from the bid to be bided separately. This access structure will give SMRSA land access to its outfall pipe for

future inspection reports concerning the pipe's integrity. Mr. Krause stated he received and reviewed a proposal from CDM Smith, Inc., for the repackaging of the bid documents for the Access Chamber. A resolution has been placed on the Regular Meeting Agenda for Board of Commissioners consideration and approval to award CDM Smith, Inc. a Professional Engineering Service Contract for the bidding services pertaining to the Access Chamber.

Cogeneration Resiliency Upgrades:

Mr. Krause reported on November 28, 2017, three (3) construction bids were received for the Co-Generation Resiliency Upgrade Project. The lowest apparent bid was that of Northeast Remsco for \$3.39 million dollars. The bid amount is higher than the original estimate due to additional emission controls required for the air permit by the Department of Environmental Protection (DEP). Since the cost of the project exceeded project estimates, it was necessary to return to the Energy Resilience Bank (ERB) for additional funding approval. Over the past two weeks, he worked with the ERB and was successful in procuring additional funding to absorb the additional costs of the Co-Generation Project.

Mr. Krause stated on the Regular Meeting Agenda there are two separate resolutions that pertain to the Cogeneration Resiliency Upgrade Project, the first is to approve the Local Finance Board's Findings received by the Authority with respect to the project's financing; and the second is the authorization for the Issuance of Subordinated Sewer Revenue Bonds which is a promissory note from the Authority to the ERB as collateral for the project loan.

Senate Bill No. 848:

Mr. Krause reported within each Commissioner's Meeting Package is the Senate Bill No. 848 which is being voted on Monday, December 18, 2017. The bill calls for a 2% cap each year on sewer use rate increases for all regional sewerage authorities. This Senate Bill also includes a 2% cap on all sewer customer billing. The SMRSA's customer billing rate is based on a percent share of its flow based on each municipality's flow where some municipalities' flow is more than others. The AEA is lobbying to oppose the bill, however, the concern is that it will pass in the Senate with a similar Bill sent to the Assembly and become law. AEA is also asking Board Members and Executive Directors to call their local Senators in opposition to the Bill. Mr. Bujak added that this bill had been dormant for the last several months but he believes with the new administration, it has been resurrected.

Request For Expression of Interest (RFEI):

Mr. Krause reported that the RFEI proposals have been reviewed by Mr. Ruppel, Mr. Timbrook and himself. The Authority received twelve (12) proposals and reviewed and graded them resulting in a short list of Engineering Firms to be considered. An Engineering Committee Meeting has been scheduled for January 3, 2018, for Committee Members' review of the engineering firms which made the short list.

2017 Amended Income, Capital and Appropriation Budgets:

Mr. Bujak reported that enclosed within each Commissioner's Preliminary Meeting Package was the Final 2017 Income and Appropriation Budgets for their review. He stated staff reviewed the Budget approved in October with the awareness that due to subsequent events the Authority

would not spend all the funds budgeted for succession planning or chemicals. In past years, the Authority was not in the habit of approving a final current year Budget through resolution, however, adopted this process under the advice of the Authority's Auditor. He stated approximately \$100,000.00 in funds were transferred between line items clarifying items on the Administration side were moved into rate stabilization and items from Operations and Maintenance were moved into Asset Management with no changes to the total Income or Expense Budget. A resolution has been placed on the Regular Meeting Agenda for Board of Commissioners consideration and approval of the 2017 Final Income and Appropriation Budgets.

Federal Emergency Management Agency (FEMA) Reimbursement:

Mr. Bujak reported the Authority experienced several wet weather events in 2011 and 2012, most importantly, Super Storm Sandy. Initially, when working with FEMA for Superstorm Sandy FEMA reimbursed 75% of the total estimated damages. However not long after this time, FEMA instituted the New Jersey Emergency Management Grant Website where FEMA no longer reimbursed on the estimated damages but only on actual damages incurred. With the recent subsequent FEMA events, Puerto Rico, Texas, California, and Florida, FEMA is looking to recover as much funding as they can and re-direct those funds to the current disasters. The Lake Como Project was funded by FEMA on estimates and with the Authority currently in its closeout process, FEMA has discovered they overpaid the Authority. In 2014, the Management Team was aware that FEMA had overpaid the Authority regarding this particular Project Work Sheet but its position was that the overpayment would be held until close out of the remaining seven (7) Project Work Sheets, assuming, in the end, the overpayment would net-out. However, FEMA has taken the position to close out every Project Worksheet individually. The staff has verified that the Authority did receive reimbursements under the old formula as well as the new formula and a resolution has been placed on the Regular Meeting Agenda to return those funds to FEMA for Board of Commissioners consideration and approval.

Staffing:

Mr. Krause reported the Authority hired Ms. Kristen Langel in 2012 to assist the current Lab Associate as part of an SMRSA Internship Program. He further stated Ms. Langel has expressed interest to him of not only continuing her laboratory position but has inquired which courses are necessary to become a Wastewater Operator at SMRSA once she graduates College. Ms. Langel has exceeded staff's expectations in the performance of her duties within the Laboratory and it is his recommendation that Ms. Langel becomes a permanent part-time employee of the SMRSA with the associated salary increase. A resolution has been placed on the Regular Meeting Agenda for Board of Commissioners consideration and approval to hire Ms. Langel as a permanent part-time non-union Employee and to adjust her salary accordingly.

Mr. Bujak added that in 2015, Mr. Ruppel established an internship program which is a direct result of staff nurturing Ms. Langel into her current position. Ms. Langel has also been meeting weekly with Mr. Krause to pursue her interest in a career in Wastewater, particularly with SMRSA. Staff is currently investigating instituting another Internship Program which can only increase awareness into wastewater treatment in the Authority.

Mr. Krause updated the Commissioners on the remaining staff vacancies stating staff has interviewed three potential candidates for the Engineer's position. His intent is to hire someone into the position by mid-January. Staff interviewed several other candidates for the vacant plant

positions and Mr. Timbrook has scheduled several more interviews in the upcoming weeks. Discussion ensued between the Commissioners and the Management Team regarding the potential of a new internship and suggestions for creating awareness regarding wastewater treatment in local vocational schools.

Mr. Bonello stated he believes the current difficulty the Authority is experiencing with its hiring reflects on how important it is to have an Internship Program, enabling employees to learn from the ground and identifying the practices of the Authority enabling training and promoting from within.

Mr. Krause reported that staff had interviewed a strong candidate for the Mechanic position, however, that person chose to stay with his current employer.

BUSINESS:

- Resolution to approve a Sewer Extension for the Project known as My Warehouse Site Plan.
- Resolution to award a Professional Engineering Service Contract to CDM, Smith for the Access Chamber Design for the SMRSA Ocean Outfall Rehabilitation Project.
- Resolution to Approve the Local Finance Board Findings in accordance with the Provisions of the N.J.S.A. 40A:5A-7 with respect to a project financing of the SMRSA.
- Resolution finalizing the 2017 Income and Appropriations Budget
- Resolution Adjusting the Salary for Kristen Langel (Intern)
- Resolution Authorizing the Issuance of Subordinated Sewer Revenue Bonds, Series 2018 (Energy Resilience Bank, Loan Promissory Note).
- Resolution Authorizing the South Monmouth Regional Sewerage Authority to Reimburse the Federal Emergency Management Agency \$ 74,383.47 in Satisfaction of Project Worksheet Overpayments.
- Resolution Opposing the Senate Bill No. 848 capping the amount of increase in charges for Regional Sewerage Authorities.

PUBLIC PORTION:

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

ADJOURNMENT:

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