

**SOUTH MONMOUTH REGIONAL SEWERAGE AUTHORITY  
MINUTES - CAUCUS MEETING – FEBRUARY 16, 2017**

**CALL TO ORDER:**

The Caucus Meeting of the South Monmouth Regional Sewerage Authority was called to order at 5:00 p.m. on Thursday, February 16, 2017.

**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 10, 2017; and to the Asbury Park Press on February 9, 2017. The minutes of this meeting will be available after Board approval at a subsequent meeting.

**CHAIRMAN**

Chairman Nicol acknowledged the 5-year re-appointment of Commissioner Lynch for the Borough of Lake Como and Mr. Edward Donovan's appointment to fulfill the unexpired 5-year term of Mr. Dempsey for the Borough of Manasquan.

**Moment of Silence and Salute:**

Led by Chairman Nicol

**LEGAL COUNSEL**

Mr. Bonello swore Commissioner Donovan as the SMRSA Commissioner representing the Borough of Manasquan.

**Roll Call:**

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

Messrs. Bonello, Bujak, and Ruppel.

**Excused:**

Commissioner Lynch

**ATTORNEY'S REPORT:**

Mr. Bonello reported he worked with Mr. Ruppel on several items which will be included in the Executive Director Report.

**EXECUTIVE DIRECTOR'S REPORT:**

**Annual Reorganization:**

Mr. Ruppel stated that during the Regular Meeting, the Authority will hold its 2017 Annual Reorganization Proceedings.

## **SYSTEMS**

### **Outfall Project**

Mr. Ruppel reported staff has met with the contractor for the Ocean Outfall Rehabilitation Project and are beginning to receive and review the shop drawings. He reminded the Commissioners SMRSA had submitted a Project Worksheet (PW) for the Ocean Outfall which was denied. The Authority then appealed the denial and was successful in receiving an award of \$497,000.00 for the project. Through the efforts of Mr. Bujak and Mr. Krause, the Authority was recently awarded an additional \$530,000.00 of hazard mitigation funds resulting in a total FEMA contribution toward the Outfall Project of \$1.027 million dollars. The projected construction cost is approximately \$2.3 million dollars with the Authority receiving almost an 50% recovery of the construction costs.

### **Cogeneration Resiliency Upgrades**

Mr. Ruppel reported staff continues to work on the design. The critique of 60 percent of the design has been intensive due to its type of project. In order to enhance the Co-generation System's ability to generate power with the methane and natural gas it produces and allows the Authority to have the capability of "islanding" if another such natural disaster were to happen.

### **Belmar Pumping Station:**

Mr. Ruppel reported staff has resolved the Belmar Pump Station Project's closeout requisitions for the contractors. He stated the final costs reflect the project will come in \$45,000.00 under the original projected budget. Mr. Ruppel then proceeded in a discussion regarding the benefits of the NJEIT-SAIL Program. This is the program the Authority co-wrote with the NJEIT for the purpose of Sandy relief but is due to terminate shortly. He stated during a recent conference call with NJEIT that there is a need to close the SAIL loan and move forward with the closing of a long term loan. The Authority originally would have had to absorb \$10 million dollars in construction costs for the Belmar, Lake Como and Pitney Pump Station Projects, however, working with the NJEIT-SAIL Program SMRSA received approximately \$6.4 million dollars to accomplish the work necessary. With the FEMA awarded funds, the Authority was able to construct the Pitney Avenue Pump Station with a remaining long-term debt obligation of \$125,000.00 rather than the original \$2,500,000.00, and the Lake Como Pump Station with a long term debt obligation of \$245,000.00. Originally, the Belmar Pump Station Project was not awarded FEMA funding which currently results in a \$2.5 million dollars capital cost for the Authority; however, staff is pursuing FEMA through an application for hazard mitigation funds of \$1.2 million dollars. Even though staff is aggressively pursuing FEMA for the \$1.2 million dollars, a decision has to be made whether SMRSA takes the \$600,000.00 the NJEIT has offered in principal forgiveness or wait for FEMA's decision if it will award the Authority the \$1.2 million dollars. The Board unanimously decided to postpone any decision or action pending additional information from staff, the NJEIT, FEMA and engaged professionals. Additionally, a Finance Committee Meeting is scheduled for March 8<sup>th</sup> to discuss the matter in detail; Board action will be scheduled at its March 9<sup>th</sup> Regular Meeting. Mr. Ruppel reminded the Board of Commissioners that immediately following Super Storm Sandy, the Authority was concerned about its long-term debt obligations not knowing if it would receive any FEMA funds for damages sustained and prior to the NJEIT SAIL Program. In dealing with this, the Authority initiated a systematic rate increase of 1.5% rate increase for the last three years. The 1.5% was implemented and the revenue was placed in a separate account dedicated towards Sandy relief.

The revenue within this account over time has been compounded resulting in a 4-5% revenue stream today and ultimately the program worked. The Authority, with the concurrence of the Board of Commissioners is now able to use these funds to pay down the debt for the Pitney and Lake Como Pump Station Projects. It will still leave a \$250,000.00 surplus in the account from the NJEIT-SAIL Program that can be applied towards long term debt associated with the Belmar Pump Station Project.

### **AEA Spring Conference:**

Mr. Ruppel reminded the Commissioners of the upcoming AEA Spring Utility Conference scheduled for March 14 & 15, 2017. Mr. Ruppel as President of the AEA believes it will be a worthwhile conference and encouraged all interested to attend.

## **ADMINISTRATION**

### **Staffing:**

Mr. Ruppel reported Mr. James Brennan retired effective February 1, 2017. Mr. Tim Timbrook who was acting as the Interim Superintendent for the last year was promoted to Superintendent and has been performing better than anticipated due to his efforts and his attendance at the AEA Academy. He has far exceeded staff's expectations in both his new position as Superintendent and as a mentor.

Staff has continued to solicit for new hires and has interviewed a person it is considering making an offer to as a Journeyman II (entry level) with the expectation of him moving into a mechanic position within the future.

Staff has met with the Collective Bargaining Unit twice and will meet again on March 10, 2017. He stated that negotiations are going well and believes SMRSA objectives will be met. There is a different union team assigned to the negotiation with a different philosophy from in the past. The prior team seemed to want to negotiate and come to resolution quickly; whereas this team seems to want to politically establish a presence among its membership.

The termination of an employee last month who filed a grievance has withdrawn this grievance.

The Employee who was absent without leave has resigned from the Authority. The Authority has accepted his resignation.

The Employee who had previously retired and during his post retirement filed a worker compensation claim. The case recently went before a worker's compensation judge with the Authority being represented by the JIF and the Authority's Labor Attorney, Mr. Bruce Padula. The opposing team has been non-responsive to the Authority's request for materials and disclosure of requested information. The opposing team entered the courtroom seeking an extension to which JIF's attorney rebutted. After leaving court the JIF attorney filed a motion to dismiss due to the opposing team's failure to respond to the Authority's requests. The Judge will give his ruling next week, however, the Authority's position remains the same there is no validity to the claim.

## **BUSINESS:**

- Reorganization
  - Appointment of 2017 Authority Officers
  - Appointment of 2017 Committee Assignments
  - Adoption of 2017-2018 Scheduled Meeting Dates
  - Adoption of Official 2017 Depositories
  - Adoption of Official 2017 Signatories
  - Adoption of Official 2017 Newspapers
  - Award Professional Service Contracts
    - Bond Counsel
    - Legal Counsel
    - Labor Counsel
    - Auditor
    - Risk Manager Consultant
    - Laboratories Services
    - I/T Services
    - Pre-qualified Engineering Services
  - Resolution Re-authorizing Petty Cash Fund & Special Operations Account
  - Resolution to Re-appoint Bernard Bujak as Qualified Purchasing Agent for the Authority
  - Resolution to Appoint Mr. Bernard Bujak as the Authority's Public Assistance Compliance Officer (PACO)

## **PUBLIC PORTION:**

It was moved by Commissioner Mattia and seconded by Commissioner Cory 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 Burne 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. The time was 5:30 p.m.