

**SOUTH MONMOUTH REGIONAL SEWERAGE AUTHORITY
MINUTES - CAUCUS MEETING – JULY 13, 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, July 13, 2017.

Moment of Silence and Salute:

Led by Vice-Chairwoman Burne

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, Farrell, Lynch, McLean, and Nicol.

Messrs. Bonello, Bujak, Krause, and Ruppel.

Excused:

Commissioner Mattia, Mr. Timbrook

Absent:

Commissioner Donovan

ATTORNEY’S REPORT:

Mr. Bonello reported 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. Ruppel reported the Outfall Project continues on schedule. Although physical work will not be started until October 2017, geotechnical soundings in the ocean will be conducted in August.

Cogeneration Resiliency Upgrades

Mr. Ruppel reported that the Cogeneration Project has been bid ready for months but obtaining the air permit continues to be a challenge. The engaged engineer, T&M Associates has completed the design for the project, however the State of New Jersey continues to hold up the progress of the project by delaying the necessary air emission permit. Staff has been dealing with one person within the DEP who seems to be subjectively interpreting the EPA Regulations

creating a situation where every time the Authority submits a document responding to his questions, he raises additional questions. The questions are not typical ones and not easily answered as they require constant changes to the bid specifications resulting in a change in scope of the project. Due to the additional work required, staff is recommending an increase to the value of T&M Associates Engineering Contract of approximately \$29,000.00. A resolution has been placed on the Regular Meeting Agenda for Board consideration to approve a change order to the T&M Associates Contract. Currently staff is expecting to receive a draft permit shortly and once received will have an opportunity to accept, deny, or make comments. It will then be determined whether or not it will be possible to build or run the engine under the DEP requirements with any level of comfort.

Belmar Pumping Station Borrowing:

The Belmar Pumping Station Project borrowing is scheduled for October 2017. Mr. Bujak stated that he is expecting information from the NJEIT shortly.

Control Building HVAC Failure:

Mr. Ruppel reported the HVAC condenser system that supports the Control Building has failed. It is a 10 year old single unit system which cools the entire building. The estimated cost to replace the system will be a \$40,000.00 investment. Since this amount exceeds the Local Pay to Play value, a resolution has been placed on the Regular Meeting Agenda for Board consideration and approval to Declare a State of Emergency due to the failure of the Control Building's HVAC Condenser System. This will allow the Executive Director to authorize a contract that exceeds the Pay to Play value but less than the public bidding threshold in order to replace the HVAC condenser system.

ADMINISTRATION

2016 Audit Approval:

Mr. Ruppel reported a Finance Meeting was held on Monday, June 19, 2017 where the 2016 Audit was reviewed and an exit interview conducted. Mr. Ruppel stated that the Authority is in a better financial condition than previous years. There were no recommendations in the Audit, however, there was one finding. As the Commissioners are aware, in closing out the fiscal year, unspent funds are taken from line items that were appropriated in the original or amended budgets and directed into the Authority's Asset Management Fund. The Auditor has been aware of this practice in past audits, however, this year he deemed that technically the Authority cannot make this type of transfer without a resolution. Going forward, staff has agreed to initiate a resolution or budget appropriation before transferring these type funds into another account. A resolution has been placed on the Regular Meeting Agenda for Board consideration and approval to initiate these type of transfers through resolution or budget appropriation.

BUSINESS:

- Resolution to approve the 2016 Audit for the Fiscal Year Ending December 31, 2016.
- Resolution to adopt a Corrective Action Plan pursuant to the Auditor's recommendation in the 2016 Audit.

- Resolution authorizing a Change in Scope/Cost Amendment to the T&M Associates Contract related to the Co-Generation Resiliency Upgrade Project.
- Resolution Declaring a State of Emergency Due to the Failure of the HVAC Condenser System in the Control Building.

EXECUTIVE SESSION:

Mr. Ruppel requested to go into Executive Session to discuss items of personnel nature. It was moved by Commissioner Farrell and seconded by Commissioner McLean to open an Executive Session and close the Caucus Meeting. On voice vote, all voted aye. A motion was made by Commissioner Nicol, and seconded by Commissioner Lynch to close the Executive Session and re-open the Caucus Meeting. On voice vote, all voted aye.

PUBLIC PORTION:

It was moved by Commissioner Nicol 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 Nicol, and seconded by Commissioner McLean to close the public portion of the meeting. On voice vote, all voted aye.

ADJORNMENT:

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