

**SOUTH MONMOUTH REGIONAL SEWERAGE AUTHORITY
MINUTES - CAUCUS MEETING – FEBRUARY 8, 2018**

CALL TO ORDER:

The Caucus Meeting of the South Monmouth Regional Sewerage Authority is called to order at 7:00 p.m. on Thursday, February 8, 2018.

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.

CHAIRMAN

Chairman Mattia acknowledged the 5-year re-appointment of Commissioner Farrell for the Borough of Sea Girt and Mr. Joseph May's 5-year term appointment for the Borough of Spring Lake Heights.

LEGAL COUNSEL

Mr. Bonello swore Commissioner May as the SMRSA Commissioner representing the Borough of Spring Lake Heights.

Roll Call:

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

Messrs. Bonello, Bujak, Krause, and Timbrook.

ATTORNEY'S REPORT:

Mr. Bonello stated during the month he worked with Mr. Krause and Mr. Bujak regarding tonight's agenda items and reviewed an engineer's contract which will be covered in the Executive Director's Report.

EXECUTIVE DIRECTOR'S REPORT:

Mr. Krause congratulated Commissioner Farrell on his re-appointment and welcomed Commissioner May as the new Commissioner for the Borough of Spring Lake Heights.

SYSTEMS

Outfall Project:

Mr. Krause reported the Ocean Outfall Project has been completed. During the project the Authority purchased several helix anchors to be installed on the Outfall Pipe, but once the project was completed, there remained a surplus of the anchors. Last week, Mr. Krause was contacted

by the former subcontractor of the Outfall Project inquiring if he could purchase the surplus anchors from the Authority. However, the Authority is not permitted to sell these anchors directly to an individual but could sell them through the Division of Local Government Services' approved internet-based on-line auction (GovDeals). He stated there is approximately \$16,000.00 worth of surplus material that could be sold and it is his recommendation to sell them through the on-line auction. A resolution has been placed on the Regular Meeting Agenda to conduct an on-line auction for the sale of this property on Friday, February 9, 2018 for Board of Commissioners consideration and approval.

Outfall Access Chamber Project:

Mr. Krause reported that the Ocean Outfall Access Chamber Project is progressing. CDM Smith, Inc. is currently preparing the project's specifications. The current schedule is to bid this project in the Spring and construct in the Fall.

Cogeneration Resiliency Upgrades:

Mr. Krause reported that the Cogeneration Resiliency Upgrade Project was awarded during the January 11, 2018 Open Public Meeting. A Pre-construction Meeting was held on Tuesday, February 6, 2018 with SMRSA Staff and the contractor. However, due to the long lead times for some of the material, the contractor will not be on site until June or July of this year.

FINANCE/ADMINISTRATION

Annual Reorganization:

Mr. Bujak stated that during the Regular Open Public Meeting, the Authority will hold its 2018 Annual Reorganization Proceedings. For the Reorganization section of the meeting, there are several repetitive annual resolutions that need to be addressed, for example, the Rotation of Chairs, Scheduling of Meeting Dates, identifying the Authority's Depositories and Signatories. There are a few additional resolutions in this year's reorganization then traditionally included. These resolutions include the award of Financial Advisor/Consulting Disclosure Services to NW Financial Group and Special Counsel for NJPDES Matters to Hall and Associates. As Mr. Krause has assumed the Executive Director position of the Authority, there are additional resolutions that are necessary such as appointing Mr. Krause as the Authority's Representative to US Bank and naming him as the Custodian of Records. Mr. Bujak and Mr. Krause need to be appointed as the Fund Commissioner and Alternate Fund Commissioner of the New Jersey Joint Insurance Fund, as well as the traditional re-appointment of Mr. Bujak as the Public Assistance Compliance Officer (PACO) and the Qualified Purchasing Agent (QPA) for the Authority.

Senate Bill No. 848:

Mr. Krause reported Senate Bill No. 848 was voted into law on Monday, January 15, 2018. The bill calls for a 2% cap each year on sewer rate increases and a 2% increase cap on all customer billing for all regional sewerage authorities. During the month, Mr. Krause met with several other Regional Sewerage Authorities Executive Directors and the New Jersey Department of Environmental Protection (NJDEP) to address the concerns with this Law. During the meeting, each of the Executive Directors addressed the representative of the NJDEP with their perceived

issues with the Law and suggested strategies that could be put in place to avoid these restrictions. Mr. Krause stated that he believed the meeting was positive but will most likely lead into another meeting with the DCA as the NJDEP is not the Agency that will be regulating the Law it will be regulated by the Local Finance Board. The DEP representatives have agreed to meet with the DCA and hopefully, the Regional Authority Executive Directors will be invited to the meeting to plead their case. The law will take effect in 2019, but meetings are being scheduled with the AEA Legislative Committee and its Board of Directors in the hopes that the Law can be implemented to the benefit of the Regional Authorities. Additional discussion followed between the Authority Attorney and the Board of Commissioners regarding the 2% cap imposed on the sewer user billing. Mr. Krause informed the Board that he had put together a chart that included the Authority's billing to its eight municipalities over the past 10 years reflecting their flows, percent share of those flows, their annual billing dollar amount, and the effective percent of increase or decrease of the billings for each given year. The results were very sporadic with a 15% increase one year and negative 2% increase the next.

Staffing:

Mr. Krause reported The Human Resource Committee met prior to the February 8, 2018 Board of Commissioner Meeting to discuss and accept the recent resignation of Employee # 31280. A resolution has been placed on the Regular Meeting Agenda for Board of Commissioners consideration and approval to ratify the acceptance of the resignation of Employee #31280, effective January 29, 2018.

Proposed Time Change - Board of Commissioner Meetings:

Mr. Krause approached the Commissioners with regard to changing the existing monthly Board of Commissioners Meeting start time from 7:00 p.m. to 5:30 p.m. After a brief discussion, the Board unanimously agreed to change the start time of the Caucus Meeting from 7:00 p.m. to 5:30 p.m. with the Regular Meeting immediately following the Caucus Meeting.

BUSINESS:

- Reorganization
 - Appointment of 2018 Authority Officers
 - Appointment of 2018 Committee Assignments
 - Adoption of 2018-2019 Scheduled Meeting Dates
 - Adoption of Official 2018 Depositories
 - Adoption of Official 2018 Signatories
 - Adoption of Official 2018 Newspapers
 - Award Professional Service Contracts
 - Auditor
 - Bond Counsel
 - Legal Counsel
 - Labor Counsel
 - Special Counsel for NJPDES Matters
 - Financial Advisor/Consulting Disclosure Services
 - Risk Manager Consultant for Danskin Agency
 - Laboratories Services
 - I/T Services

- Pre-qualified Engineering Services
- Resolution Appointing Ryan R. Krause as the Authority's Representative to US Bank
- Resolution Appointing Ryan R. Krause as the Authority's Custodian of Records
- Resolution Appointing Bernard J. Bujak and Ryan R. Krause as Fund Commissioner and Alternative Fund commissioner for NJ-JIF
- Resolution Appointing a Plan Administrator to the SMRSA Deferred Compensation Plan
- Resolution Re-appointing Bernard J. Bujak as the Authority's Public Assistance Compliance Officer (PACO)
- Resolution Re-appointing Bernard J. Bujak as Qualified Purchasing Agent for the Authority
- Resolution Re-authorizing Petty Cash Fund & Special Operations Account
- Resolution Authorizing the Sale of Surplus Property
- Resolution Ratifying the Resignation of Employee #31280

PUBLIC PORTION:

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

ADJOURNMENT:

Commissioner Lynch made the motion to adjourn the Caucus Meeting. Commissioner Farrell seconded the motion. On voice vote, all voted aye. The time was 7:14 p.m.