

**SOUTH MONMOUTH REGIONAL SEWERAGE AUTHORITY
MINUTES - CAUCUS MEETING – DECEMBER 8, 2011**

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 8, 2011.

Moment of Silence and Salute: Led by Chairman Cory

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 Asbury Park Press, the Coast Star, and to the Clerks of our member municipalities on February 11, 2011. The minutes of this meeting will be available after Board approval at a subsequent meeting.

Roll Call:

Present: Commissioners Blasi, Cory, Farrell, Lynch, Mattia, Nicol, and Schmeling.

Messrs. Bonello, Bujak, and Ruppel.

Excused: Commissioner Burne

ATTORNEY’S REPORT: During the month, Mr. Bonello reviewed with the Executive Director, Mr. Ruppel alternative methodologies in calculating future annual sewer use charges. He also reviewed bid submittals received by the Authority for the electrical diagnostic and troubleshooting repair services, and the equipment maintenance and repair services.

EXECUTIVE DIRECTOR’S REPORT:

Mr. Ruppel reviewed with the Board of Commissioners the following recommendations from the Finance Committee Meeting held on December 6, 2011:

Sewer Use Rate:

The Finance Committee reviewed the Authority’s proposed sewer use rate and connections fees for the 2012 fiscal year and the Authority’s sewer use rate billing practices. Historically the Authority has provided its member municipalities with estimated upcoming fiscal year sewer use rate charges on a monthly basis throughout the last quarter of each calendar year. Currently, the Authority uses the total discharged current year flow by each member municipality as its determining factor in calculating the subsequent year annual sewer use rate charges. However, estimating flows during the last quarter of each (current) calendar year has proven to create confusion and uncertainty with the member municipalities, particularly as they prepare for their respective annual budgets. Since it is the intent of the Authority to provide the member municipalities with complete and accurate fiscal year sewer use rate schedules without the need for estimating, Mr. Ruppel with the Finance Committee recommendation is requesting the Board of Commissioners to consider other alternative methods in determining future annual sewer use

rates for its member municipalities. A resolution has been placed on the Regular Meeting Agenda directing the Executive Director to conduct a thorough and comprehensive evaluation of the current Authority sewer use rate billing practices and to provide the Board of Commissioners with his findings and recommendations for improvement no later than the Authority's regularly scheduled Board of Commissioners Meeting in April of 2012.

2011 Final Income & Appropriation Budgets:

The Finance Committee approved and recommended the adoption of the Authority's 2011 Final Income and Appropriation Budgets. A resolution has been placed on the Regular Meeting Agenda for Board consideration and approval.

Request for Proposals for Auditing Services:

Several years ago, the Authority adopted a policy where an annual solicitation would be conducted for each of the Authority's respective annual professional appointments (i.e., legal counsel, bond counsel, laboratory services, etc.). This year the Authority has solicited through a fair and open process requests for proposals for its auditing services from member auditing firms associated with the Association of Environmental Association. During the month, the Authority received seven proposals for review and consideration. Staff reviewed each proposal and recommended to the Finance Committee that the Authority retain its current auditing services firm of Ferraioli, Wielkocz, Cerullo & Cuva, P.A. The Finance Committee reviewed and accepted staff's recommendation and a resolution appointing Ferraioli, Wielkocz, Cerullo & Cuva, P.A. will be placed on the 2012 February Regular Meeting Agenda for Board consideration and approval.

All remaining professional services have submitted their 2012 cost proposals to the Authority. After staff review it was determined that all of the 2012 rates for professional services remain the same as the previous year with one exception that of metering services. Due to the Authority's newly installed SCADA system, additional work is required thereby increasing the cost of these metering services.

Annual Maintenance & Repair Services Contracts:

Through the continued operations of the Authority's plant and pumping stations, there is a need to publicly bid for electrical diagnostic, troubleshooting and repair services, and equipment repair, maintenance and installation services in order to ensure the plant and pumping stations remain operational.

During the month of October, bids were solicited and received for the SMRSA annual maintenance and repair services contracts. All solicitations were reviewed by SMRSA staff and counsel. Mr. Ruppel recommended to the Board the following contracts be awarded to the lowest responsive bidders during the Regular Meeting.

- Equipment Repair, Maintenance and Installation Service Contract to Shafts and Sleeves Company, Inc. Bordentown, New Jersey.
- Electrical Diagnostic, Troubleshooting and Repair Service Contract to Little Silver Electric, Inc., Little Silver, New Jersey.

Wall North Pump Station:

The South Monmouth Regional Sewerage Authority has a need to replace the roof and additional outside maintenance repairs to the Wall North Pump Station. Victoria Siding and Roofing of Ocean, New Jersey has submitted a proposal dated December 7, 2011, indicating they can perform aforesaid services for \$8,400.00. The Authority's Financial Manager has determined that the value of the service will exceed the cumulative \$17,500.00 annual Pay to Play threshold for this contractor, but does not exceed the \$36,000.00 Public Bidding Threshold. A resolution has been placed on the Regular Meeting Agenda authorizing the Executive Director to enter into a non-fair and open contract with Victoria Siding and Roofing to proceed with the roof replacement and outside maintenance repairs to the Wall North Pump Station.

Pump Stations Update:

Mr. Ruppel updated the Board of Commissioners on the status of the following pump stations:

- The Glimmer Glass Pump Station – the generator has been delivered to Shinn Cranes in Lakewood. It will be installed after the concrete pad has cured and been brake tested.
- The Lake Como Pump Station – a temporary bypass remains in place at the pump station. In November, Mr. Ruppel met with Lake Como's Clerk, Louise Mekosh, Commissioner Lynch, and other representatives from the Borough to review the Authority's plans for a permanent bypass for the Lake Como Pump Station.
- The Authority has determined the need to renovate and rebuild its Pennsylvania Avenue Pump Station in order to make the pumping station and its equipment resistant to flood damage, improve functionality, and address access and safety concerns with the station. CME Associates, the project engineer has developed a preliminary construction cost estimate and the Authority is moving forward with the bid phase of this project.

On-going Projects:

Control Building Fascia:

Staff has received the necessary building permits and the contractor is obtaining the materials to replace the siding on the Control Building. Completion of this project is expected prior to the end of December.

SMRSA Ocean Outfall:

Last month, Mr. Ruppel reviewed with the Board of Commissioners the need for engineering services related to the review, evaluation and planning for the South Monmouth Regional Sewerage Authority's (SMRSA) ocean outfall based on recent damage observed and documented in LGA Engineering's SMRSA Ocean Outfall Underwater Inspection of March 9-10, 2010 and June 16-17, 2010. CDM Engineers are awaiting optimal weather and water conditions before divers are dispatched to assess the current condition of the outfall pipe. Currently, the engineering team is revising existing maps, which can then be dispatched to the Coast Guard.

BUSINESS:

- Review and approve 2011 FINAL Income & Appropriation Budgets.
- Authorize the Executive Director to investigate the negative impacts of the current procedures utilized in establishing the Authority's annual sewer use rate charges on its member municipalities.
- Award the 2012 Electrical Diagnostic, Troubleshooting & Repair Service Contract to Little Silver Electric, Inc.
- Award the 2012 Equipment Repair and Maintenance Service Contract to Shafts and Sleeves, Inc.
- Award a Non-Fair and Open Contract for Replacement of the Roof and Additional Repairs to the Wall North Pump Station to Victoria Siding & Roofing.

PUBLIC PORTION:

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

ADJORNMENT:

Commissioner Mattia made the motion to adjourn the Caucus Meeting. Commissioner Schmeling seconded the motion. On voice vote, all Commissioners voted aye.

Michael J. Ruppel, Executive Director

January 3, 2012

Date