CALL TO ORDER: The Caucus Meeting of the South Monmouth Regional Sewerage Authority was called to order at 5:30 p.m. on Thursday, October 11, 2018.

Moment of Silence and Salute: Led by Chairman 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; and to the Asbury Park Press and the Coast Star on February 12, 2018. The minutes of this meeting will be available after Board approval at a subsequent meeting.

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

ATTORNEY’S REPORT:
Mr. Bonello stated he previously reviewed the items with Mr. Krause that will be covered in the Executive Director’s Report.

EXECUTIVE DIRECTOR’S REPORT:

Outfall Access Chamber Project:
Mr. Krause reported the Outfall Access Chamber Project is on schedule and construction is due to begin to install the Access Chamber within the next couple of weeks.

SMRSA Pump Stations Upgrade Project:
Mr. Krause reported that staff met with the engineer, Mott MacDonald on September 25, 2018 to review its preliminary engineering survey and their recommendations for the Pump Stations Upgrades.

Force Main/Outfall Condition Assessment Plan:
Mr. Krause reported he and staff had a Kick-off Meeting via conference call with CDM Smith regarding Phase I of the Force Main/Outfall Condition Assessment Project.

Co-Generation System Upgrades:
Mr. Krause reported the Co-Generation Upgrade Project is on schedule and ongoing. A majority of the electrical work has been completed and the contractor is currently installing gas and hot
water piping for the new generator. The new generator should be arriving within a couple of weeks. There have been some weather-related delays as the company supplying the generator is based in South Carolina.

**M Street Property:**

Mr. Krause reported there has been no change in the M Street Property. He believes that the Township still wants to do soil samples and once they are completed, he thinks they will move forward with the ownership of the property.

**CFO/HR DIRECTOR’S REPORT:**

**2018 Amended Income and Appropriation and the 2019 Proposed Budgets:**

Mr. Bujak reported the Finance Committee met on September 10, 2018 and discussed in detail the amended 2018 Income and Appropriation Budgets, and the 2019 Proposed Income, Capital and Appropriation Budgets. Since then there have been no changes to these budgets and has previously distributed the budgets to all Commissioners for their review. On the revenue portion, the amended budget takes into account the ancillary income (connection fees, interest income, discharge fees, etc.) and eliminates the reliance on the set-aside funds that were approved in January 2018. On the expense portion, while the amended budget is approximately $78,000 less than the original adopted budget back in January, it is the operating efficiencies that truly make up the difference. The 2018 salaries have been adjusted in order to account for any vacancies and those funds have been redirected to specific funds as was done last year to fund the Authority’s pension liability as well as other named projects, for example, the purchase of a backhoe, wet well cleaning, and VFDs, etc. A resolution has been placed on the Regular Meeting Agenda for the Board of Commissioners consideration and approval to amend the 2018 Income and Appropriation Budgets.

A second resolution has been placed on the Regular Meeting Agenda for the Board of Commissioners consideration and approval to introduce the 2019 Income, Capital and Appropriation Budgets. Mr. Bujak stated that in 2019 the Authority will absorb the full expense of Healthcare for all SMRSA retirees. While the Authority has replaced these retired individuals the replacements have opted for healthcare themselves. In addition, the Authority provides for its Capital Projects and to continue accounting for its set-aside funds as it relates to declining debt service.

**2019 Quarterly Meter Calibrations & Related Services:**

Mr. Bujak stated a resolution has been placed on the Regular Meeting Agenda for the Board of Commissioners consideration and approval to award a Non-fair and Open Contract to TJM Controls for the 2019 Quarterly Meter Calibrations and Related Services.

**Technology Cyber Risk Policy and Management Program**

Mr. Bujak reported cyber security has become an issue that is serious and cannot be ignored either by the local authorities or the private sector. The Joint Insurance Fund has been very proactive in getting its members to adopt a program that includes security training, timely changing of passwords, etc. The Authority has satisfied all mandates of the New Jersey Utility Authorities Joint Insurance Fund (JIF) regarding cyber security and have instituted a Technology
Cyber Risk Policy and Management Program, which will result in a reduction in SMRSA’s information technology deductible from $10,000.00 to $2,500.00. A resolution has been placed on the Regular Meeting Agenda for the Board of Commissioners consideration and approval to adopt the Authority’s Technology Cyber Risk Policy and Management Program.

**2019 Sewer Use Service Rate Hearing:**

Mr. Bujak stated that at the conclusion of the Caucus and Regular Meeting, the Authority will hold its 2019 Sewer Use Service Rate Hearing. During the Hearing the only order of business is the approval of the Sewer Use Rate for 2019. As in the past, the Authority’s Sewer Rate Hearing consists of testimony by the Authority Auditor and is consistent with its Sewer Use Service Agreements.

**AEA Annual Meeting**

Mr. Bujak reported the Association of Environmental Authorities has scheduled its 2018 Annual Meeting and Conference for Tuesday and Wednesday, November 13th and 14th at **BALLY’S** in Atlantic City.

**BUSINESS:**

- Resolution to Authorize the Transfer of Funds from the Revenue Account to the Operating/Payroll Account
- Resolution to Authorize Payment of the Current Month’s Construction Project Bills
- Approve the September 13, 2018 Caucus & Regular Meeting Minutes as written
- Resolution to Approve the 2018 Amended Income and Appropriation Budgets
- Resolution to Award a Non-Fair and Open Contract to TJM Controls Inc. for the 2019 Quarterly Meter Calibrations and Related Services
- Resolution to Adopt a Cyber Security Risk Management Program
- Resolution to Approve the 2019 Proposed Income, Capital and Appropriation Budgets
- Resolution to Establish the 2019 Sewer Use Service Rate
- Resolution to Adopt the 2019 Municipal Sewer Use Schedule of Charges

**PUBLIC PORTION:**

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

**ADJOURNMENT:**

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