

**SOUTH MONMOUTH REGIONAL SEWERAGE AUTHORITY
MINUTES - CAUCUS MEETING – AUGUST 8, 2019**

CALL TO ORDER: The Caucus Meeting of the South Monmouth Regional Sewerage Authority was called to order at 6:00 p.m. on Thursday, August 8, 2019.

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 Clerks of our member municipalities; and to the Asbury Park Press and the Coast Star on February 15, 2019. The minutes of this meeting will be available after Board approval at a subsequent meeting.

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

Messrs. Bujak, Krause, Timbrook.

Excused: Mr. Bonello and Commissioner May

EXECUTIVE DIRECTOR’S REPORT:

SMRSA Pump Stations Upgrade Project:

Mr. Krause reported the construction contract has been signed for the Pump Station Upgrade Project with a pre-construction meeting scheduled for August 20, 2019.

Co-Generation System Upgrades:

Mr. Krause reported Engine Number One was started up using natural gas with some problems occurring with the digester gas which will be worked out when Engine Number Two arrives on-site next week. The intention is to have both operational soon after. The new 315 kW Engine continues to operate efficiently.

Senate Bill 3870:

Mr. Krause stated Senate Bill 3870 would allow municipalities to sell their sanitary sewer collection systems to either another municipality or the private sector. A resolution in opposition of the Senate Bill 3870 has been placed on the Regular Meeting Agenda for Board of Commissioner consideration and approval. He stated the Association of Environmental Authorities (AEA) is very involved in the opposition of this bill and have met with Senator Vin Gopal who is also opposing the Bill.

M Street Property:

Mr. Krause reported the Authority Attorney, Mr. Bonello is working with Wall Township's Attorney Mr. Sean Kean to transfer the M-Street Property to Wall Township. A resolution has been placed on the Regular Meeting Agenda for Board of Commissioner consideration and approval to authorize the Executive Director, Mr. Krause to enter into an agreement with Wall Township for the sale of the property.

ADMINISTRATION:

2018 Annual Audit:

Mr. Bujak reported earlier this week he distributed the 2018 Audit to all Commissioners. The Audit does comply with the Government Accounting Standing Board 75 (GASB75) which was the reason for the delay in the issuance. The 2017 Audited Financial Statements have been restated to properly apply that GASB75 to last year as well. The Finance Committee met on Thursday, July 25, 2019 to review the Audit. Mr. Bujak stated the Authority remains financially stable and strong. The Audit contains an unmodified opinion with no comments or recommendations. Due to GASB75 this year and last year the Authority has incurred and absorbed a liability of approximately \$15,000,000.00, however, despite this the Authority still has a net positive value of \$1,688,000.00. Highlights of this year's audit are as follows:

- The Audit confirms the Authority debt continues to decline.
- The income and expense numbers are fairly consistent to last year.
- The Audit confirms that the Authority has drawn down on its construction funds.
- The Authority's Reserves are reported at approximately \$4,067,000.00 which includes Rate Stabilization, Asset Management, Declining Debt, and its' Pension Liability.
- Mr. Bujak reported the MD&A tells the story of the Authority and is one of the few Authorities that put time and effort into its MD&A.

A resolution has been placed on the Regular Meeting Agenda for Board of Commissioner consideration and approval of the 2018 SMRSA Financial Audit.

2019 Amended Capital Budget:

Mr. Bujak reported when the original Capital Budget was submitted it had two line items entitled "Repairs & Maintenance to Sewer Equipment" and "Major Repairs & Upgrades". During the July 11, 2019 Regular Open Public Meeting the Board of Commissioners approved the Pump Station Upgrade Project, thereby re-identifying these line items as one project. He stated budget figures have not changed from the original submission of the 2019 Capital Budget. A resolution has been placed on the Regular Meeting Agenda for Board of Commissioner consideration and approval of the 2019 Amended Capital Budget identifying the Pump Station Upgrade Project.

Purchase of a Ford F-150 Truck:

Mr. Krause reported that a resolution has been placed on the Regular Meeting Agenda for Board of Commissioner consideration and approval of the purchase of a Ford F-150 Truck utilizing the Educational Services Commission of New Jersey Cooperative Pricing System. This Truck will replace an older Authority's own Ford Ranger Truck.

Staffing:

Mr. Krause reported two separate resolutions have been placed on the Regular Meeting Agenda for Board of Commissioners consideration and approval ratifying the actions of the Executive Director in hiring two employees; Mr. Zachary W. Doll and Mr. Jesse J. Haines to fill the two Apprentice II vacancies.

Collective Bargaining Negotiations:

Mr. Krause reported there is no update to the Collective Bargaining Negotiations as the Fact-Finding Mediation Session is scheduled for September 16, 2019.

BUSINESS:

- Resolution to Authorize the Transfer of Funds from the Revenue Fund to the Operating and Payroll Funds for the explicit purpose of payment of all known calendar year 2019 listed bills
- Resolution to Authorize Payment of the Current Month's Construction Project Bills
- Approve the July 11, 2019 Caucus & Regular Meeting Minutes as written
- Resolution to Approve the 2018 Audit for the Fiscal Year Ending December 31, 2018
- Resolution to Amend the 2019 Capital Budget
- Resolution Opposing Senate Bill 3870 and Assembly Bill 5361
- Resolution Authorizing the Transfer of SMRSA's M- Street Property to Wall Township via Agreement
- Resolution Authorizing the Intent to Purchase a Ford F-150 Truck Utilizing the Educational Services Commission of New Jersey Cooperative Pricing System
- Resolution Ratifying the Actions of the Executive Director in Hiring Mr. Zachary W. Doll as an Apprentice II
- Resolution Ratifying the Actions of the Executive Director in Hiring Mr. Jesse J. Haines as an Apprentice II

PUBLIC PORTION:

A motion was made by Commissioner Mattia and seconded by Commissioner Farrell 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 Mattia 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 Donovan seconded the motion. On voice vote, all voted aye.