

**SOUTH MONMOUTH REGIONAL SEWERAGE AUTHORITY
MINUTES - CAUCUS MEETING – JUNE 13, 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, June 13, 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 May, and Nicol.

Messrs. Bonello, Bujak and Krause.

Excused: Mr. Timbrook

EXECUTIVE DIRECTOR'S REPORT:

Outfall Access Chamber Project:

Mr. Krause reported the Outfall Access Chamber Project is essentially complete. All the construction has been completed, however, a final quantity change order is required to officially close out the project as its costs were less than originally projected. He expects to have the negative change order for approval at the July Board of Commissioners Meeting.

SMRSA Pump Stations Upgrade Project:

During the May 9, 2019 Open Public Meeting the Board of Commissioners rejected all bids received on May 7, 2019 for the Pump Station Upgrade Project. Mr. Krause reported the project bid has been revised and is out for re-bid. The consultant Project's Engineer believed the previous bid was priced high due to the recent steel tariffs and unavailability of many of the usual contractors. The re-bid has been packaged to give the opportunity to award either two, three or four of the Stations if funds are not available for all four stations. The re-bid is scheduled for July 3, 2019 for award at the July Board of Commissioners Meeting.

Force Main/Outfall Condition Assessment Plan:

Mr. Krause reported that the Forcemain/Outfall Condition Assessment Plan is close to completion. He has received a draft report and has submitted his comments. A meeting with the Consultant Engineer is scheduled next week to begin to evaluate the existing force main and the outfall pipe.

Co-Generation System Upgrades:

Mr. Krause reported progress continues for the Co-Generation Project. Engine Number One has been returned to the Authority and is currently being connected with a startup date for the last week of June 2019.

The award for the Co-Generation System Project included \$300,000.00 for contingency funds (unexpected costs or materials). As there have been no unexpected costs for the project, Mr. Krause has been negotiating with the Energy Resilience Bank (ERB) to use the contingency funds for other ERB projects. He believes the Energy Resilience Bank might agree to use these funds to replace and purchase motors for the plant process pumps.. The plan would be to purchase these motors utilizing the recently approved North Jersey Wastewater Cooperative Purchasing System. He also stated there are several Variable Frequency Drives (VFDs) in the control room that are 15 to 18 years old that could be replaced and would be purchased and installed using these funds thereby becoming more energy efficient.

M Street Property:

Mr. Krause reported he has been advised by Wall Township that there is interest in the transfer of the M Street Property and it will be placed on the Township's next Board Meeting Agenda. He and Mr. Bujak will continue to work with the township as well as having the Authority's Attorney, Mr. Bonello contact Wall Township's Attorney, Mr. Kean to transfer the property.

Laboratory Certification for Enterococci Testing:

Mr. Krause informed the Board of Commissioners that the Authority has received its Laboratory Certification for the in-house testing of Enterococci. Prior to this certification, the Authority had to use an outside laboratory for this testing.

ADMINISTRATION:

2018 Annual Audit:

Mr. Bujak reported the 2018 Annual Audit fieldwork and notes are complete. The Auditor has given the indication that there are no comments or recommendations. He and the Executive Director, Mr. Krause have the Management Discussion and Analysis (MD&A) in draft form and once the Auditor supplies Mr. Bujak with the financial numbers to incorporate into the grids the audit will be complete. Mr. Bujak informed the Board that after June 15, 2018 SMRSA must comply with the Government Accounting Standing Board 75 (GASB75) which requires the Authority to report its liability for post-employment benefits other than pension on its Financial Statement to include healthcare costs for SMRSA retirees and their dependents. The Division of Pension and Benefits has yet to supply these costs for any agency participating in the State Benefit Health Plans causing a delay in the issuance of the audit. Because of current Securities and Exchange Commission (SEC) requirements to post all relevant continuing disclosure information (including financial statements) on the Electronic Municipal Market Access (EMMA) Website, he contacted the Division of Local Government Services (DLGS), Mr. Cuva, the Authority Auditor, and the Authority's Financial Advisor NW Financial and all agree to delay the issuance of the 2018 Audit until the Division of Pension and Benefits supplies the numbers needed rather than paying an additional auditing service fee to re-state the financial statements. It is Mr. Bujak's recommendation to the Board of Commissioners that the 2018 SMRSA Audit issuance be delayed. To satisfy the SEC requirements, the Authority will post a draft of the

2018 Audit to the EMMA website to remain in regulatory compliance. In addition, it is also necessary to have a “Single Audit” performed due to the receipt of grant funds from the Energy Resilience Bank.

Collective Bargaining Negotiations:

Mr. Krause reported May 17, 2019 Collective Bargaining Mediation Session was not successful and the Mediator is recommending escalating the matter to the Fact-Finding level. The SMRSA Labor Attorney, Mr. Padula informed him that the Fact-Finding process can take several months to complete.

Staffing:

Mr. Krause reported two resolutions have been placed on the Regular Meeting Agenda for Board of Commissioners consideration and approval accepting the resignations of two SMRSA Plant employees. In losing these two employees it will affect the productivity of the mechanic/systems side of the Authority. He stated the Authority continues to be fully staffed with regards to Operators. Both Systems positions will be posted internally for 10 days prior to posting them on SMRSA’s website and within the industry.

Commissioner Mattia inquired what the general description for a mechanic position is. Asking if they work with pumps and whether or not a wastewater certification is required, Mr. Krause replied that it is preferred that the candidate have a certification but it is not required for the initial hire.

Education Services Commission of New Jersey Cooperative Pricing System Membership:

A resolution has been placed on the Regular Meeting Agenda for Board of Commissioners consideration and approval to authorize the Authority to enter into an Agreement with the Education Services Commission of New Jersey Cooperative Pricing System (ESCCPS). It is anticipated that membership in this Cooperative Pricing System will result in cost savings when purchasing goods, supplies, and services for the Authority.

Manasquan’s Mayor Election:

Mr. Krause and the Commissioners congratulated Mayor Donovan for his victory in the Manasquan primary.

ATTORNEY’S REPORT:

Mr. Bonello stated he reviewed the items with Mr. Krause that were covered in the Executive Director’s Report.

COMMISSIONER COMMENTS:

Chairman Cory stated that on June 9, 2019 while he was walking by the Belmar Pump Station he noticed two vehicles parked on the property with four adults and two children exiting from the vehicles. When he approached the gentlemen and inquired why they parked on this property, he was advised that they had permission as a SMRSA employees to park on the property. Mr. Krause explained that this practice has been ongoing and that the employee was under the assumption that the property was available to him as a SMRSA employee. Chairman Cory believes this practice could lead to negative perceptions from other beachgoers or residents that parking is available at the Belmar or any other Pump Station with a placard to park. A discussion ensued between the Commissioners and it

was decided that the practice of using a parking placard would no longer be valid for personal non-business related matters.

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 May 9, 2019 Caucus & Regular Meeting Minutes as written
- Resolution Accepting the Resignation of Employee Number 30841
- Resolution Accepting the Resignation of Employee Number 71393
- Resolution Authorizing SMRSA's Participation in the Educational Services Commission of New Jersey Cooperative Pricing System

**COMMISSIONER'S
COMMENTS:**

PUBLIC PORTION:

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