

**SOUTH MONMOUTH REGIONAL SEWERAGE AUTHORITY
AGENDA - CAUCUS MEETING – OCTOBER 10, 2019**

CALL TO ORDER:

The Caucus Meeting of the South Monmouth Regional Sewerage Authority is called to order at 6:00 p.m. on Thursday, October 10, 2019.

Moment of Silence and Salute:

Led by Chairman Cory

Announcement:

This meeting is called in accordance with the provisions of the Open Public Meetings Act in that an announcement of the same has been 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, Krause, and Timbrook.

ATTORNEY'S REPORT:

Mr. Bonello reported that prior to this meeting he met with Mr. Bujak to review the items on the Executive Director's report in addition to reviewing and preparing for the Sewer Use Rate Hearing.

Trickling Filter Technology:

Before the Executive Director's Report, Mr. Krause shared a video with the Commissioners where he and Mr. Timbrook took part in a video regarding Trickling Filter Technology with one of SMRSA's vendors. This video was premiered at the recent WEFTEC Conference in Chicago.

EXECUTIVE DIRECTOR'S REPORT:

Sewer Extension for Glen Oaks at Wall:

A resolution has been placed on the Regular Meeting Agenda to approve a Sewer Extension for the project known as Glen Oaks at Wall for the Board of Commissioner consideration and approval. This project is 180 units' multi-family residential at the North West corner of Route 138 and Allenwood Road in Wall Township.

SMRSA Pump Stations Upgrade Project:

Mr. Krause reported the Pump Station Upgrade Project is under shop drawing review and measurements at this time.

Co-Generation System Upgrades:

Mr. Krause reported staff has completed a partial start-up for the two older co-gen engines. Over the past several weeks they have been experiencing issues with the start-up. Both engines are currently operational but will need additional work completed to continue operation which will make it necessary for the Contractor to revisit the plant at a later time.

He stated with regards to the Co-Generation System Upgrades, a resolution has been placed on the Regular Meeting Agenda for Board of Commissioners consideration and approval to authorize the execution of Change Order #1 for the project with Northeast Remsco Construction Inc. The purpose for the Change Order is not related to the Co-Generation Project but rather for additional work and cost required to install the VFDs purchased through the North Jersey Wastewater Co-Op Program with the remaining New Jersey Energy Resilience Bank (ERB) funds. The cost to install the VFDs is \$123,000.00 which was purchased separately. Barring any unforeseen issues, the final negative change order when the project is complete should be approx. \$80,000.00 so the total net increase to the project will be approx.. \$40,000.00 at the end of the contract.

Plant NJPDES Permit Renewal:

Mr. Krause informed the Commissioners that the Treatment Plant's NJPDES Permit which allows the Authority to discharge water into the Ocean is expiring in June 2020 with the renewal application due before December 31, 2019. Staff is currently preparing the renewal application.

ADMINISTRATION:

2019 Revised & 2020 Proposed Budgets:

Mr. Bujak stated that within each Commissioners Meeting Package and previously mailed on September 24, 2019 is a copy of the Amended 2019 Budget and the 2020 Proposed Income, Appropriation and Capital Budgets. These budgets were discussed in length with the Finance Committee on September 20, 2019. Both the Amended Budget and the Proposed Budget is consistent and constant as prepared in the past. The Amended Budget as always done in the October timeframe accounts for the ancillary income received to date into the budget stream. Reserve funds originally approved in the adopted budget have been eliminated. Also within the amended budget, revisions have been made for the 4-5 vacant positions still in existence and have been re-allocated to the Special and Capital Project sections of the budget. The Authority has partially funded its pension liability and during the September Finance Committee Meeting, there was discussion regarding the probability of beginning to fund SMRSA's healthcare liability in 2020. The proposed budget eliminates the need for the use of reserve funds from the beginning of the year which is a great milestone for the Authority. The proposed budget accounts for the full year expense of the five vacancies as well as the associated healthcare. The Budget assumes a 5% increase in healthcare costs even though the Authority has yet to receive the official notice from Pension and Benefits. The proposed budget also reports the actual chemical and sludge hauling expenses that were estimated in the bid and approved at the September Board of Commissioner Meeting. The Budget also includes provisions for its asset management plan with improvements to its SCADA systems and controls as well as the force main assessment program. Overall the budget contains a 2.73 percent increase which is consistent with requested budget increases within the past three years. In 2017, the Authority authorized a 4.54 percent increase, in 2018 a 2.80 percent and 2019 a 2.76 percent increase. He, Mr. Krause and Mr. Timbrook

believe that these modest increases will result in increased efficiency, increase the value of the Authority, continue develop its Asset Management Program as well as deliver the high quality of service that its ratepayers have come to expect and deserve.

Collective Bargaining Negotiations:

Commissioner May asked the status of the Collective Bargaining Negotiations. Mr. Bujak replied that he could put something together to reflect the percent increase expected. Commissioner May asked him to give a ballpark figure for the percent increases and what the major disagreement is? Mr. Krause stated that the Authority has long utilized a step program based on the length of time in the position equal to approximately 2% per year. There are also provisions where employees graduate to a higher pay grade with the appropriate experience and licenses. The Union has requested a 2.5 percent increase across the board including the employees that are capped in their pay scales. Mr. Krause reported that every employee could follow the incentive program by taking classes to achieve the next level/paygrade or they can remain stagnant resulting in their salary being capped. Certain jobs are only worth a certain amount, there is a glass ceiling, and if all the employee is doing is unskilled labor tasks and receives a 3% percent increase every year at the end of their career they could be making \$100,000 plus benefits. He explained that the Authority is generally using a six-year step program where there are boxes that have to be checked in order to move to the next category. More discussion followed regarding certifications and licenses.

Mr. Krause reported the next negotiation between Management and the Collective Bargaining Unit is scheduled for November 19, 2019.

Inter-Local Agreements with SBRSA & PVSC for Disposal of Liquid Sludge:

Mr. Krause stated two separate resolutions have been placed on the Regular Meeting Agenda for Board of Commissioners consideration and approval for the 2020 Annual Inter-local Agreement(s) for the disposal of liquid sludge. The first is with Passaic Valley Sewerage Commission and the second is with the Stony Brook Regional Sewerage Authority. There has been no increase in rates from last year.

Staffing:

Mr. Krause stated a resolution has been placed on the Regular Meeting Agenda for Board of Commissioners consideration and approval ratifying the action taken by the Executive Director as it relates to Employee Number 28079.

Imagine A Day Without Water Campaign:

Mr. Krause stated a resolution has been placed on the Regular Meeting Agenda for the Board of Commissioners consideration and approval recognizing “Image A Day Without Water” Campaign. The actual day of the Campaign is scheduled for October 23, 2019.

AEA Annual Meeting

Mr. Krause reported the Association of Environmental Authorities has scheduled its 2019 Annual Meeting and Conference for Tuesday and Wednesday, November 19th and 20th 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 12, 2019 Caucus & Regular Meeting Minutes as written
- Resolution to Approve the 2019 Amended Income and Appropriation Budgets
- Resolution Recognizing the "Imagine A Day Without Water" Campaign
- Resolution to Approve a Sewer Extension for the Project known as Glen Oaks at Wall
- Resolution Ratifying the Actions of the Executive Director as it Relates to Employee # 28079
- Resolutions to approve Inter-local Agreements with Passaic Valley Sewerage Authority and Stony Brook Regional Sewerage Authority for the year 2020
- Resolution to Approve the 2020 Proposed Income, Capital and Appropriation Budgets
- Resolution to Adopt the 2020 Municipal Sewer Use Schedule of Charges
- Resolution Authorizing the Execution of Change Order #1 to the Go-Generation Resiliency Project with Northeast Remsco Construction Inc.

PUBLIC PORTION:

It was moved 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 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 Lynch seconded the motion. On voice vote, all voted aye.