

BOROUGH OF BUENA
MUNICIPAL UTILITIES AUTHORITY
P. O. BOX 696
MINOTOLA, NEW JERSEY 08341

The regular meeting of the BBMUA was held on March 28, 2018 at 7 p.m. This meeting notice was provided to The Daily Journal and the Atlantic County Record which are the BBMUA's official newspapers. Notices are also posted on the bulletin boards within the Municipal Building as well as the Borough of Buena and BBMUA's websites. The meeting took place in the large meeting room located in the Municipal Building, Minotola.

The meeting was called to order by Chairman, Joseph Santagata.

Those present were:

R. Baker	J. Alvarez	S. Testa
R. Delano	C. Santore	M. Chalow
J. Formisano in @ 7:01pm	A. Zorzi	Pamela Grenier 102 Fiocchi St.
J. Johnston	R. Smith	David Armanini 205 E. Summer Avenue
J. Santagata	M. Testa Jr.	

Chairman Santagata asked the board if they are in favor of authorizing the engineer to submit a proposal and put a bid together to upgrade/replace the septage receiving station.

m/Delano s/Baker to authorize the engineer to submit a proposal to bid the upgrade/replacement of the septage receiving station located at the plant. m/passed

Robert Smith of Remington, Vernick & Walberg stated he would get together with Plant Superintendent, Alan Zorzi, and then put a proposal together to present to the board for their approval.

Chairman Santagata informed the board that they were provided with a copy of the Membrane Replacement Budget Quote from the last meeting. Updated pricing and payment schedule information for the MBR Membrane Replacement Filters was provided as well. These filters have a life expectancy of 7 to 10 years and we are on year number 5 with our current filters. These prices presented are to replace the current filters that we have now. If the NJDEP approves going from 400,000 gpd to 600,000 gpd the plant will have to be modified to accept the additional flow which will in turn mean adding more membrane filters. The Chairman asked Plant Superintendent, Alan Zorzi if he wanted the board to authorize the Engineer to put a bid proposal together for these filters now. Mr. Zorzi stated that this pricing was provided to us because we can begin paying for the filters beginning January 2019 and lock in pricing. Mr. Zorzi stated that we should talk

to the Auditor, Steve Testa to see if this would be beneficial instead of putting the money in the budget and transferring it into the renewal and replacement account to be held for the time when we need to replace the filters. Mr. Testa stated that we have been budgeting for the filters in the Capital Budget but the money has been being transferred into the renewal and replacement fund. Doing this, however, does not lock the pricing in for the filters. He stated he would have to look into how that could be handled in the local public contracts law to make sure it would be able to be done legally. Chairman Santagata asked if we would have to put these filters out for bid also. Mr. Zorzi stated he isn't sure that you would be able to retrofit GE's equipment. We have a \$4,500,000.00 plant that is GE. Mr. Testa said he understands that, however you cannot use sole source as a reason for not bidding anymore. There could be another exception, however he, the engineer, and the Solicitor will have to look into this further. Mr. Delano stated that there would be a significant savings to do it that way. We are putting the money aside anyway. It's just a matter of giving up possession of it now instead of waiting until the last year. Steve Testa said that is true but they need to make sure that they don't run afoul with the local public contracts law. Chairman Santagata said we would keep that on the burner but not make a decision on this matter at this time so it can be researched further.

Resident Pamela Grenier of 102 Fiocchi Street, Minotola, NJ was in attendance at tonight's meeting. She is here in reference to the money that the Borough of Buena Mayor and Council requested from the BBMUA at their last regular meeting in the amount of \$110,000.00 which she understands has been decreased to \$30,000.00. It is her understanding that there is talk that the Borough wants to charge the BBMUA rent for having an office space in the Borough hall. It is also understood that in lieu of rent the Borough is not charged for water and sewer for all of its public buildings. Ms. Grenier asked how many buildings the Borough has for water and sewer and how would they be billed for their usage (i.e., commercial, residential, etc.). She was told by Secretary/Treasurer Cheryl Santore that the borough has 5 locations that would be billed for sewer and/or water and it would be billed as commercial which means the water is billed just as a residence but the sewer would be billed based on the water usage instead of a flat rate like a residence. Four of the five Borough accounts would be billed for water and sewer and one would be billed for water only which would be the monument at the corner of Rt. 40 and the Blvd. Ms. Grenier said she feels like the Borough is trying to enter into a contest with the MUA. She feels that they are going to say the \$30,000.00 is rent for the office space and that the MUA will then bill the Borough for water and sewer and then the Borough will charge the MUA for heat and electric. She wants to know if there is anything solid stating the Borough will not do this? Chairman Santagata stated that he will report on that as our next order of business. Ms. Grenier stated that she told Mayor Zappariello that for the last two years they have asked for money and it has never happened before. She said she feels they just want to screw everything up and make waves where there should not be waves and that it should be left alone and leave everything the way it was. She also stated that last year there was talk of merging the Borough of Buena and the MUA. She does not feel the town should merge the MUA with the Borough because they will just screw that up too. She feels this is ridiculous.

Chairman Santagata stated that a letter and resolution were received from the Borough of Buena seeking appropriations in the amount of \$110,000.00 for general appropriations which was tabled from our last meeting. Chairman Santagata spoke with Mayor Zappariello today who stated they are only looking for \$30,000.00 now not \$110,000.00. Mr. Formisano asked if the Chairman has any idea what this money is going to be used for. Chairman stated that they want to do some upgrades in the Municipal Building to the lighting and HVAC system and the business about charging the BBMUA rent is not going to happen. Ms. Grenier asked the Chairman if he has that in writing. Chairman Santagata said no he does not. Ms. Grenier said they told the public at the meeting that the money is going to go back to the residents as tax relief and she asked what are you going to give us \$2.00? And she said then you are going to piss off the MUA and they are going to raise our water and sewer rates. Ms. Grenier said don't give them the money. Chairman Santagata stated he would like to hear from the Auditor, Steve Testa, on this matter before we make a decision. Mr. Testa stated that he reviewed the figures before the amount was decreased to \$30,000.00 and he had some concerns. Chairman Santagata stated that he did also. Mr. Testa stated that the water operation runs at a loss every year albeit not a huge loss but it is a loss anyway. Therefore, he wouldn't recommend giving anything from the water budget because you will run into a problem and have to look into having a rate increase on the water. The sewer has some money available and we do have a lot of projects that need to be done so we would have to temper giving money from that as well. It sounds like the Borough did temper it a little bit when they reduced the amount from \$110,000.00 to \$30,000.00. Not giving any monies from the water side would not allow us to give them \$110,000.00 anyway because the allowable amount they can request is 5% of the operating expenses of each operation. The maximum allowable amount would have resulted in approximately \$82,000.00. With that being said, the way the net position schedule reads in 2018 we would be utilizing \$400,000.00 to balance the sewer budget which would leave slightly over \$400,000.00 left available to balance the budget in 2019. So if everything hits like we budgeted we would only have two years of surplus left before we would have to do a rate increase on the sewer. You cannot operate that way especially when you have all of these projects that will need to be addressed in the near future. So at the reduced rate the question is can we give them the \$30,000.00 requested and the answer would be we could do it, but if it is going to be a continuous draw of monies you would have to be very careful and determine if that has to be built into our budget. The other thing to remember is we don't have that budgeted. The Board really can't approve giving the Borough the funds until we do a budget amendment if you are going to approve it. It can be done simultaneously. You can have a budget amendment resolution and a resolution approving giving them the money. The Solicitor, Michael Testa, asked if Mr. Testa's recommendation is to table it until you have the budget resolution and the resolution to approve giving them the money. Mr. Testa said it depends, if the board wants to do it and do it now we could prepare a budget amendment resolution tonight but it seems to be pushing it. Chairman Santagata stated that he wanted to get the consensus of the board tonight so we can get this over with and somehow we have to let them know that we cannot do this every year. The Borough should let us know way ahead of time if it is their intention to ask the MUA for funds. Mr. Testa said if we know ahead of time we can plan better and he understands a lot of it has to do with the timing of the budgets. Authority budgets have to be prepared and

introduced in October and approved prior to January 1, 2018, where the Municipality has to be introduced prior to April 1, 2018 and can do their budget into the current year. It is tough because we have to do a budget amendment too. The Borough just introduced their budget on Monday. Ms. Grenier stated when they introduced their budget two nights ago it showed that they are in the plus now. Mr. Delano said it is also difficult for us because when they make that kind of request from us it's almost as though we are overcharging something and have to give it back somewhere else and they want us to give it back to the general pot not to the people who paid. It is NOT an overcharge, we have plans in the works for that money will be necessary for the board to use. We could have several failures next year that we don't know about due to old infrastructure. If we don't have a reserve, we end up not having service and that can't happen. Alan does a great job of keeping the services on and all the way around. Mr. Formisano stated that he went to the plant and was in the office with Alan about a month ago going over the different items that the MUA needs. One example is at the pumping stations, we don't have generators. If the power goes out, we have to get the one portable generator that we have and move it around to the areas that need it. If the electric goes out all over town we are in trouble. Each station should have its own generator right there. We went over so many items. Where are we going to get the money for them? We have motors that are from the 1970's that could go tomorrow. Chairman Santagata stated he agrees. Mr. Formisano stated that the lights in the Municipal building can stay the way they are. Chairman Santagata stated he wants to know the boards opinion and if we have a motion of any kind. Mr. Formisano motioned that we do NOT give the Borough of Buena the \$30,000.00 they are seeking. Mr. Testa stated pursuant to Robert's Rules after the Auditor has spoken, you would first have to have a motion for a budget amendment. However, technically there is already a motion on the floor because Mr. Formisano made a motion to NOT approve \$30,000.00 as an appropriation to the Borough of Buena. IF this motion carries you wouldn't even get to the motion for the budget amendment. If it doesn't get seconded then that motion dies. Chairman Santagata asked if there was a second. Mr. Delano seconded that motion. Chairman called for roll call. The Solicitor, Michael Testa Jr. stated that also pursuant to Robert's Rules the only time it is appropriate to discuss a motion is after there has been a motion and a second, so if there is any discussion on this matter it should be discussed now prior to the vote. Chairman Santagata stated that he felt really relieved when the Mayor asked for \$30,000.00 as opposed to the \$110,000.00. He couldn't handle the \$110,000.00 but he could handle the \$30,000.00. Mr. Delano stated that the Borough has to be made aware that they cannot continue to make a habit of asking. Chairman Santagata said if we do it we have to let them know that is it. Mr. Formisano said he told the Mayor that last year. Mr. Delano said they had every intention of coming back again for the same \$110,000.00.

m/Formisano s/Delano to **NOT** approve \$30,000.00 as an appropriation to the Borough of Buena.

Baker – Abstain, Delano – Yes, Formisano – Yes, Johnston – Yes, Santagata – No
m/passed

David Armanini of 205 E. Summer Avenue stated that at the council meetings they have been attending, the Council has been saying that they are entitled to have this money. Some of the Council people said they are entitled every year to go to the BBMUA and get a percentage of funds from the BBMUA “their portion” so to speak. Mr. Armanini asked “so now that you are rejecting this and not giving them this money how will that work? If they say they are entitled to it how can the board say no.” Chairman Santagata stated they are allowed to ask for it. The Auditor, Steve Testa, said they can request for us to give them up to 5% of the operating expenses of the Authority subject to whether or not there is surplus available. Mr. Armanini stated that at one of the meetings the Mayor insinuated he wanted to take \$110,000.00 and give it back as a gift to the taxpayers. So Mr. Armanini asked “What are you going to give us \$20.00? Did you do any homework and go to the BBMUA and ask them what the expenses are for the MUA? Are you going to cause their rates to go up?” Mr. Armanini stated that this isn’t very businesslike if you are going to end up forcing them to raise our rates. Mr. Armanini stated this isn’t a very good investment and it makes no sense with what they are trying to accomplish. Ms. Grenier stated that her understanding was last year they were going to ask for a one-time \$52,000.00 or \$54,000.00 which got thrown out and came back asking for \$110,000.00. That was supposed to be it. IT wasn’t supposed to be asked for again. Now they came back again this year looking for \$110,000.00. The Mayor is going to tell you they won’t be back again next year. No, He lies. He told the taxpayers that the money was going back to the residents. No, he lies. He told you it was going for the building. Regardless of the amount, Ms. Grenier asked him at the meeting you dropped this down to \$30,000.00 so what are we going to get \$1.00 and then the MUA will end up increasing our water. At no point did he say well if we are only doing \$30,000.00 we are going to take it and do renovations to the building. He did not correct it. Chairman Santagata said that is what he told him today. Ms. Grenier said that’s not what he tells the residents. She doesn’t feel he is very trustworthy across the board with everything. He says one thing to one person and something completely different to someone else. Chairman Santagata stated that the motion carried for the BBMUA to not give the \$30,000.00 to the Borough so that matter is completed. The residents said that is perfect. They were happy with the outcome.

A letter was received from Einhorn Construction regarding a bond reduction for Minotola Estates. Robert Smith of Remington, Vernick & Walberg said he hadn’t seen the correspondence. Secretary, Cheryl Santore read the letter out loud that stated “Dear Board Members: Please allow this letter to formally request a bond reduction for the subdivision known as Minotola Estates. Please consider this request at your next board meeting. Thank you, Edward Einhorn.” Mr. Smith stated he will follow up with Mr. Einhorn. Mr. Smith asked Ms. Santore if she has a copy of the bond to forward it to him. Ms. Santore stated she will look through the file again but when she was looking through the file today she did not see a copy. Mr. Smith is going to keep on working on the bond reduction issue.

Mr. Einhorn also sent an email regarding the pump station that was constructed to service the Minotola Estates subdivision. Einhorn Construction is formally requesting the BBMUA to take over the pump station and the parcel of land that it sits on with the sewer and water lines prior to the Louis Drive sewer line going live. The email also stated that the contractor performing the work on Louis Drive dumped broken asphalt and has a stone stockpile on the private road Buena Drive without the permission of Einhorn Construction. Mr. Einhorn would like to resolve these matters amicably. Secretary/Treasurer Cheryl Santore was looking through the Minotola Estates file today to see when the BBMUA began paying for the telephone, electric and maintenance of the pump station and found that we have been paying for these items since 2009/2010. Mr. Delano asked how the BBMUA taking possession of the pump station would affect the bond reduction issue. Robert Smith of Remington, Vernick & Walberg stated essentially we have taken possession of the pump station. Mr. Zorzi stated that if Einhorn Construction wants access to the pump station they have to call us. Einhorn Construction does not have free access to that pump station. Mr. Delano stated that we don't have the documentation that says it is ours to be responsible for. Robert Smith stated there was an issue that came up a few years ago that the Solicitor looked at where Einhorn Construction wanted us to take over the pump station but they didn't want to deed us the property. Mr. Smith believes the way the Land Use Board Approval was that the pump station and the ground would be dedicated to the BBMUA for use as the pump station. So if we took over operation, maintenance and payment of utilities back in 2009, we have defacto taken over the pump station. We maintain it. We service it. As far as the legal aspect we haven't formally had the land and the pump station dedicated to the BBMUA. The issue was they did not want to dedicate the land that the pump station is built on. Michael Testa Jr. will send a letter to Einhorn Construction informing him that the pump station and land need to be deeded to the BBMUA. Mr. Smith also stated that he spoke with the Contractor for Louis Drive and all of the material on the cul-de-sac has been removed. Mr. Smith then called Mr. Einhorn and let him know the material had been removed and Mr. Einhorn was fine with that. Mr. Smith also spoke with him about the pump station and Mr. Einhorn did state that he wants us to take over the pump station.

Robert Smith of Remington, Vernick & Walberg sent a letter to Mr. Anthony Dardis of Emerald Equipment Systems, Inc. returning the bid guarantee for the composting screen project upon completion of the project.

Robert Smith of Remington, Vernick & Walberg provided the final revised copy of the payment Certificate No. 3 for the Service of Well No. 3 project. The project is now complete, paid in full, and the project has been closed out.

Mr. Smith informed the board that the sewer project on Louis Drive is moving along. They are installing the main and the laterals. Mr. Smith had anticipated they would make better progress than they are making but they are moving along and it should be done shortly. There was one call from a resident about the dewatering and that was addressed.

Once this is completed they will let the trench settle prior to trench paving it. The change order that was approved for the flowable fill estimated quantity was significantly less so a formal change order will be prepared and submitted. The foreman on the job site told Mr. Zorzi that the residents are asking when they can tie in. Mr. Zorzi told him to tell the residents to come in and pay and then they could tie in. Mr. Smith stated that they would have to wait until the pressure test is done and everything is operational and we have the as builds for the project so it will take a little bit of time.

Steve Testa of Romano, Hearing Testa & Knorr informed the board that the audit will begin soon. They have their remote access fixed and will be sending information to pull for the samples shortly. Ms. Santore stated she already had some of the information pulled for them as requested the other day so once she receives the remainder she will have it ready when they come in to begin.

Secretary/Treasurer Cheryl Santore informed the board that Daniel Anderson had come in to pay his water bill on March 16, 2018. Mr. Anderson and his wife purchased this home in June 2017. There was usage in August, no usage in November, and an overage in February 2018. The meter is an old meter and the November 2017 reading cannot be verified. The customer is disputing the overage of 8,000 gallons which equates to \$12.00. Therefore the customer is requesting a credit of \$12.00 for the excess usage that would not have been billed had the November reading been correct.

m/Delano s/Baker to credit Daniel Anderson \$12.00 for the excess usage that was incorrectly billed on the March water bill. m/passed

m/Johnston s/Delano to accept the minutes of the last regular meeting held on March 14, 2018. m/passed

Plant Superintendent, Alan Zorzi, received letters from Ray Bukowski, Assistant Commissioner, from the State of New Jersey DEP Compliance and Enforcement regarding our inspection that was conducted on February 23, 2018 by Charles Bisese. The inspector determined that our facility was in compliance with applicable Department regulations and/or Permit conditions. The Department considers this inspection closed.

Mr. Zorzi received a letter from Michele Potter, Manager, of the State of New Jersey DEP Office of Quality Assurance regarding the 2018 Drinking Water Proficiency Test Study. Our laboratory performed acceptably on all parameters it was required to analyze in the 2018 Drinking Water Proficiency Test Study.

Mr. Zorzi also wanted to make the board aware that they are tying in the solar field today and hopefully when he stops back at the plant after the meeting they will be complete.

On March 21, 2018 and March 22, 2018 the plant was without power during the storm. It was out for 3 hours on the 21st and 18 hours on the 22nd and was running on generator power. This generator is a 1991 diesel generator and the new generator for the MBR plant. The men were basically working in shifts around the clock to make sure everything ran properly.

On Saturday, March 24, 2018 two water service leaks were discovered on Rt. 40. These were slow leaks and both leaks were repaired on Monday 3/26/18 and no businesses or residents had to be shut off during the repair.

m/Baker s/Johnston to file all correspondence sent out for review without reading number 1 through number 13. m/passed

The next regular meeting will be held on April 11, 2018 at 7:00 p.m.

m/Delano s/Johnston to adjourn the meeting 7:44 p.m. m/passed

Submitted by
Cheryl Santore-BBMUA Secretary