

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

The regular meeting of the BBMUA was held on June 24, 2020 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 via freeconferencecall.com phone in meeting software due to the COVID-19 pandemic and no one being allowed to gather in large groups in person per order of the Governor of the State of New Jersey and the President of the United States of America.

The meeting was called to order by Chairman Joseph Santagata.

Those present were:

R. Baker	J. Alvarez	S. Testa
B. Delano in @ 7:12	C. Santore	Gerald Batt Attorney for R. Gillis
J. Formisano	A. Zorzi	Robert Gillis 201 N. Harding Hwy.
J. Johnston	R. Smith	
J. Santagata	R. Casella	

Chairman Santagata stated that Matthew Robinson of Robinson Law who is the attorney for Frank Carpino sent an email regarding the 18 month sewer billing and asking the board to reconsider the 18 month period. Mr. Johnston asked for clarification as to why Mr. Carpino is blaming the engineer for the delay in the project. Chairman Santagata asked for Engineer Robert Smith to clarify the situation. Mr. Smith stated that during the process that Mr. Carpino was doing his sight work he was still working on his final plans for the project. There is no doubt that it took some time for Mr. Carpino's engineer and Remington's office to work out the details where they could finally sign off on the plans. It is certainly up the discretion of the board however, Mr. Carpino is working toward the point of getting houses up and running and occupied. Mr. Smith feels that typically individuals purchase connections possibly without the intention of proceeding with development. However this individual is aggressively proceeding with his development but ran into some issues with Atlantic City Electric getting utility service to the property which halted the development. Mr. Smith stated that he does not remember what happened back in 2018 with regard to the payment of the connection fees. It is possible that we told him he had to pay the connection fees prior to starting to install the sanitary sewer infrastructure. He believes at the time Mr. Carpino had requested to pay for the units as they came online and that was denied by the board. Plant Superintendent Alan Zorzi stated that is correct. Our policy is that connection fees have to be purchased prior to starting a project because units may not be available in the future. Mr. Zorzi used the

school that will be built on Wheat Road as an example. The school submitted an application for sanitary sewer connections and purchased them without any plans even being drawn up. Although it has not been 18 months yet, they will be charged for their first sewer bill in April of 2021 once the 18 month term has come. If we did not have people pay for the connections for their project and they built that project and the sewer connections weren't available upon completion of the project what would the BBMUA do? Paying for the connections allows the BBMUA to allocate that usage for the project once it is up and running. The BBMUA is only granted so much allowance for sanitary sewer from the NJDEP on our permits. Secretary Cheryl Santore said that she has not seen any activity going on at the sight now so if nothing is holding him up at this point Mr. Carpino is still not doing anything there. Mr. Johnston asked if the project is tied in to sewer and water system. He was told that yes the property is tied in. Mr. Formisano said he passes that property every day and there is nothing going on at that sight. Mr. Formisano stated that if we give him an extension he will be back again asking for another extension, etc. Chairman Santagata asked for a straw vote. Mr. Baker stated to leave it as is, Formisano stated to leave it as is, Mr. Johnston stated to leave as is, Mr. Alvarez stated to leave as is. Chairman Santagata stated the bill will stand as is and is due and owing.

Chairman Santagata asked if there is anyone in the public who would like to address the board. Mr. Robert Gillis and Mr. Gerald Batt of Lipman, Antonelli, Batt, Gilson, Rothman & Capasso who represent Mr. Gillis were on the phone to address the board. They were in attendance to request the BBMUA reconsider the previously submitted request to settle for 3% of the amount owed for the Infinity Fence property located at 201 N. Harding Highway. Because there is a sale potential in place they are requesting the settlement of 3% of the approximate sum of \$17,000.00 owed for water and sewer charges. They recognize this is a small amount, however, Mr. Batt thinks everyone is interested in what is best for the Borough of Buena and its citizens. At the present time there is a nonfunctioning, decaying property which is becoming worse as time goes on. There is no possibility of a change in this situation other than the potential sale that is proposed and the anticipated actions of the buyer to rehab the property and make it into a functioning business enterprise. Without that the property is going to remain and get worse and worse and be an eyesore as it is now. The bank holds a mortgage in excess of \$112,000.00 and is agreeing to accept the sum of \$3,500.00, 3% in exchange for the release of the lien of all judgement against the borrower. The bank stated it will not foreclose on the property or become title holder under any circumstances. They are unwilling to do that due to the minimal value of the property in its present dilapidated condition. There is no other viable buyer other than the one they have now come to an agreement with. The offer is \$5,200.00 with a \$400.00 seller allowance. The buyer is a company called Portnoy & Sons Real Estate Investments, LLC. That company has agreed and indicated it wants to purchase the property and rehabilitate the property into a functioning business. If that is accomplished the Borough will benefit tremendously. It will generate money coming into the Borough and the MUA. This is the only sale they have been able to come up with due to the horrendous condition of the property. Mr. Batt urges the MUA to commit this sale to happen. The BBMUA holds the key for the

property to go from a burden to an asset to the Borough of Buena. Without the concession from the BBMUA, there will be no sale, the property will languish and the property will continue to be an eyesore and decline. There is no other buyer for this property. The two partners in the LLC have gone through bankruptcy and there is no money available from them and no other properties are held by the LLC. Mr. Gillis asked the BBMUA to step in line with the Borough and the Bank. They did not just pull this number out of the air. The Borough of Buena Tax Office came up with that figure of 3% of the back taxes owed which is over \$60,000.00. Chairman Santagata asked if the Borough of Buena had any conditions tied to the 3% with the Borough. Mr. Gerald Batt stated that the Borough has taken back its offer due to the time lapse, but he was told by the Mayor that if the BBMUA is willing to take the 3% they will call an immediate special meeting and their agreement is to let the taxes go and the taxes begin to be owing as of January 1, 2020 which the LLC has agreed to pay under those circumstances. So the Borough would be willing to give up all of the back taxes owed if the taxes are paid beginning January 1 of this year. Chairman Santagata asked if there were any conditions such as the Borough requiring the building be demolished or renovated within a certain period of time. Mr. Gillis stated he did not know about that. He does know that the buyer's attorney and the buyer stated they were ready to move forward with this immediately upon the title being cleared and were prepared to rehabilitate the property immediately. Chairman Santagata stated the 3% seems to have come from what the bank is willing to accept. He wants to know why everyone has to accept 3%. Mr. Batt stated the 3% came from the cost of the sale. That is the \$5,200.00 less the \$400.00 and divide up all of the amounts it just happens to come to 3%. Chairman Santagata asked why we can't negotiate another amount with them. Mr. Batt stated there is no more money available and the buyer is not willing to pay any more. Mr. Gillis stated that is why he has to pay an additional \$400.00 to settle the sale because the seller is only paying \$4,800.00 and in order to cover the 3% for the taxes Mr. Gillis has to contribute an additional \$400.00 because the seller is not willing to contribute any more money to the sale. Chairman Santagata asked the board members for their opinions and to come to an agreement on the matter. Robert Delano said that if we accept whatever was billed since January 1, 2020 like the Borough has agreed to do we should treat this as a new connection with a new business and collect the full water and sanitary sewer tap in fees. Chairman Santagata would like some kind of agreement with the buyer stating that they will agree to make this a viable property in a certain period of time. Robert Casella stated that we are not dealing with the buyer and have not spoken to the buyer so to add that concession would complicate and stretch out any resolution to this matter. We are just dealing with Mr. Gillis at this point. Mr. Delano still does not understand why the bank did not foreclose on this property 12 to 15 years ago. Mr. Batt stated that the bank does not want the property due to the condition. Mr. Delano stated the bank stepped in the middle of the short sale many years ago and he doesn't understand why the bank is not responsible for any of this. Chairman Santagata asked for a motion. Mr. Delano asked if we could hold billing against that property from January until now. Mr. Gillis stated that the Borough agreed that the taxes would be made at the settlement table and make clear title. You could make the same concession that everything would be paid at settlement. The board wants to make a motion that the seller owes 3% of the water and sewer fees from 2019 back and would have to pay all of the water and sewer billed in 2020 to this

point. The buyer of the property would be responsible for the full water and sewer connection fee at the time of purchase.

m/Delano s/Formisano to bill the seller Mr. Gillis for 3% of the water and sewer fees from 2019 and prior and pay all of the water and sewer fees billed in 2020. The buyer of the property will be responsible for the full water and sewer connection fees at the time of purchase. m/passed

Robert Smith of Remington & Vernick informed the board that Monica Bell from his office sent an email to John Maselli of the NJDEP requesting the reactivation of the TWA application submittal for the BBMUA and the discharge increase request. During the approval of the amendment the Treatment Works application was submitted and had a 90 day approval term. It was requested that we rescind that application until the amendment moved further on and the amendment is very close to being approved. Therefore, we spoke with the NJDEP and the TWA was resubmitted. Hopefully we should hear something after the 90 day approval period.

Robert Smith sent a draft copy of Remington & Vernick's change in scope proposal for the Septage Receiving Station project for review and discussion with the board. When the original Septage Receiving Station proposal began the equipment that was being looked into was in the \$200,000.00 to \$300,000.00 range all in. As the project has evolved the equipment has basically been upgraded and due to the height of the equipment a concrete pad would have to be installed to elevate the discharge truck so it can all be done by gravity. It would also need a significant water supply and heat trace and insulation to some of the pipes. Therefore, what was originally envisioned as a \$200,000.00 to \$300,000.00 project has turned into a \$600,000.00 plus project. In order to move forward with completing the design for the new station there is an additional engineering cost in the amount of \$38,000.00. To date they have expended the original approved engineering services cost of \$18,900.00. They have done some of the electrical design and some other design and incurred an additional cost of \$2,200.00. At this point and time they wanted to make sure the BBMUA wants to proceed with the project at the additional cost before they continue. If the board wants to proceed with the project Remington is asking for approval of the additional engineering fees of \$38,200.00. Chairman Santagata asked for input from Plant Superintendent Alan Zorzi. Mr. Zorzi stated that this project is now estimated at 3 times the original cost. This money was going to be paid from our equipment renewal and replacement in our Capital Budget and we are not even sure if we can afford that. Mr. Steve Testa asked if this was the NJEIT project. It was verified this was not. Therefore, Mr. Testa stated that we would have to check to see if we have funds available and could certify the funds for the amendment to this original contract. The project has not gone out for bid and the design is not completed either. If we went out to bid and move forward with the project we would have to amend the budget. This is significantly more than the original project amount and Mr. Testa feels that while we could certify the funds for the additional engineering fees he doesn't feel we could utilize the equipment renewal and replacement fund and

may have to secure other funding for the project. Mr. Zorzi stated that this was supposed to help us be more cost effective but if we are talking about a project that is 3 times the cost originally anticipated is it really worth upgrading the system at this time. Mr. Zorzi stated he was under the impression that the canopy was going to be an alternate bid and that the BBMUA was going to run the water and then the water supply design was changed but he never anticipated the cost being so high. It was decided that even though we have \$18,000.00 in engineering fees invested this will have to be reevaluated at a later date. Steve Testa stated that if we want to go with this project we will have to reevaluate what funds are available and we may need to look to borrow money to cover the project from another source when the time comes. Mr. Smith asked the board if the project will be put on hold if they can approve the \$2,200.00 in extra engineering costs that have been done so far.

Chairman Santagata asked the status of the project for the pumping stations project that we applied to the NJIB for funding. Mr. Smith stated they are waiting for the NJDEP to give the go ahead to put the project out for bid. Mr. Smith asked Mr. Zorzi if he received the bid package for review. Mr. Zorzi stated that he did and his office is reviewing the package. Mr. Zorzi will be back to Mr. Smith with the questions and comments he has on the package by the end of the week.

Steve Testa of Romano, Hearing, Testa & Knorr stated the 2019 Audit is underway remotely. The due date from the State of NJ for audits has been extended to June 30, 2020 due to COVID-19 but it doesn't seem realistic that they can stick with that date. The State of NJ pension and health benefits report needed to complete the audit has just been released. The auditors will need some further information from the office and will have to make arrangements to come in to review the necessary information. Mr. Testa will keep the board posted as that progresses as well.

Karen Burris of the Association of Environmental Authorities (AEA) sent an email regarding a bill the Governor signed permitting Authorities to Waive Interest and Limit Lien Enforcement (A4126) for certain delinquent water and sewer utility payments during emergency circumstances. The bill now needs to go before the Senate committee. The Chairman was unsure how a bill could be signed if it still has to go before the Senate.

m/Baker s/Formisano to approve the treasurer's report as read. m/passed

m/Baker s/Delano to accept the minutes of the last regular meeting held on May 27, 2020. m/passed

m/Baker s/Delano to accept the minutes of the last closed executive session meeting held on May 27, 2020. m/passed

Plant Superintendent Alan Zorzi received an email from Michael Drummy of Comcast providing a new promotional discount and “upgrade” to the new technology enhancements Comcast has to offer. The current rate the BBMUA is paying is \$158.35 plus tax and fees. The new proposed rate is \$168.34 after a \$10 auto pay discount plus taxes and fees. This would be a promotional price for a 2 year period. Ms. Santore asked if we could still receive the promotional price without the auto pay. Mr. Zorzi is going to reach back out to Mr. Drummy and ask that question and have an answer for us at the next regular meeting.

Mr. Zorzi informed the board that the Xylem EQ mixer went. They had to order a new mixer because it is a necessity. The lead time for a new mixer is 9 to 10 weeks and the cost is \$6,939.67. Our spare mixer was not able to be repaired to keep on the shelf. Therefore, we need to order this now to be assured we have this on the shelf to avoid any violations with our permit and avoid fines. Three quote attempts were made and Xylem came in with the lowest quote.

m/Formisano s/Baker for a Xylem Flight EQ Mixer in the amount of \$6,939.67. m/passed

The sludge mixing truck has been giving us issues. We had taken the truck local to have it repaired and were told they could not repair it. The truck was then taken to Ford and they did a regen at Lilliston. A month later it did the same thing again. Lilliston recommended sending it to Gentilini Ford. Gentilini stated they could not repair the truck and recommended sending it to Clegg’s Garage. Clegg’s was able to repair the issue for \$2,963.57.

m/Baker s/Delano to file all correspondence sent out for review without reading number 1 through number 7. m/passed

m/Baker s/Delano to pay all bills presented for the month of June 2020. m/passed

The next regular meeting is scheduled to be held on July 8, 2020 at 7:00 p.m. however, due to it being summer it will only be held if necessary. Otherwise the next regular meeting will be July 22, 2020 at 7:00 p.m.

m/Delano s/Baker to adjourn the meeting 8:13 p.m.

m/passed

Submitted by
Cheryl Santore-BBMUA Secretary