

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

The regular meeting of the BBMUA was held on July 27, 2022 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 while practicing social distancing.

The meeting was called to order by Chairman Joseph Santagata.

Those present were:

J. Formisano	A. Zorzi
J. Johnston	R. Smith
J. Santagata	R. Casella
A. Abriola	S. Testa
C. Santore	Matthew Robinson & Frank Carpino

Chairman Santagata stated the first order of business tonight was the public portion. Matthew Robinson, Attorney for Frank Carpino came before the board to discuss Mr. Carpino's Liberty Village II BBMUA accounts for water and sewer service. Mr. Robinson and his client are asking the board to reconsider the application of Resolution R-09-2005 which authorizes the BBMUA to assess the minimum fee on all sewer units after a continuous period of 18 unoccupied months during the pandemic utility moratorium and request the 18-month time frame for the unused connection fees be tolled during the moratorium and begin again when the moratorium was lifted on March 15, 2022. Mr. Robinson stated that while waiting for their approvals to begin building the project the pandemic hit and caused delays in the project in March 2020 while they were approaching the 18-month time frame per the resolution. Therefore, Mr. Robinson and his client are asking the board, given the pandemic and the moratoriums for utilities and shut off moratoriums, to consider a limited carve out which would not create or set any precedent. Mr. Carpino would like the same opportunity for that moratorium due to Atlantic City Electric being shut down and supply chain issues in the last two years due to the pandemic. Mr. Robinson is asking for the board's consideration for a one-time exemption to the resolution due to the pandemic in regards to the outstanding balance due relating to minimum charges for unused connection fees. Chairman Santagata agrees that the pandemic and supply chain issues really hamper what Mr. Carpino is trying to do with this project and asked exactly what Mr. Robinson is proposing. Mr. Robinson stated that their request tonight is that the Governor's moratorium ended on March 15, 2022 and

are requesting that the 18-month period start fresh on March 15, 2022. Mr. Carpino stated that he has 11 homes occupied right now and would surely pay for those. Mr. Carpino stated he did put some money in a few months ago but is not sure if it was applied correctly. Secretary Cheryl Santore stated that the system applies payments to interest first and then applies to the oldest balance and that we cannot pick and choose where it gets applied. Mr. Carpino stated he sent a little chart in with the payments as to what exactly he was paying. Mr. Carpino said he is not looking for a pass for anything that is being occupied. Mr. Robinson stated that whatever the board may consider tonight would include payment in full of actual usage for all houses that are occupied immediately. Chairman Santagata stated if the board is in agreement, he would entertain a motion to extend the moratorium for 18 months from March 15, 2022. Mr. Formisano asked Mr. Carpino if he did pay one time. Mr. Carpino stated he did pay one time. Mr. Formisano asked Plant Superintendent Alan Zorzi if he had anything to say. Mr. Zorzi asked Ms. Santore if there are any other projects or people that are in this 18-month situation because even though Mr. Robinson says this won't set a precedent if there are others who are in this situation this may affect them. Ms. Santore stated that the Minotola Estates project has lots left that have not been built on and have been paying on those lots since their 18-month period expired as one example. Mr. Zorzi stated that this 18-month resolution was also implemented because our sewer only had so much availability. That was explained to Mr. Carpino at the time of payment of the connection fees. That is why Mr. Carpino paid the connection fees and secured the connections for his project. Ms. Santore has a question billing wise about this moratorium. If there are already 11 homes built with people living in them, I can't start the moratorium and bill in 18 months. My system will not allow me to bill for only the 11 that are there because there is only one line going in for water and one line going in for sewer for the 44 units paid for on one lot. There are not 44 different lots it is one water account and one sewer account servicing 44 units. Ms. Santore also stated that even though there was a moratorium set by the Governor for that two-year time period and we were not allowed to do shut offs or bill interest on water accounts, all customers were still being billed for water and sewer. It isn't like anyone else who has water and sewer were not being billed. Mr. Robinson stated there should be some exchange and you should get what you paid for. Mr. Zorzi said and he paid for 44 units that were locked in for his project and the allocation that goes with those 44 units was reserved for Mr. Carpino's project. Mr. Robinson said there were 44 units that he could not utilize because of the pandemic. Mr. Zorzi stated Mr. Carpino had the option per the 18-month resolution to come before the board and ask for those units to be refunded to him. Mr. Zorzi asked when the units were paid for. Ms. Santore stated the units were purchased on October 15, 2018. Mr. Zorzi stated the pandemic started when. Mr. Robinson stated he doesn't want to dive into this and that he has everything documented as to what happened on what dates. Mr. Zorzi said he just wants to have this on record. Mr. Robinson stated they have a unique situation with the largest unused connection fee project in the Borough. He stated there were other issues that delayed the project once the connection fees were paid. They did not receive the Borough's approval until 5 months before the pandemic started and they did not get Atlantic City Electric's approval for 6 months after the pandemic started because they shut down and wouldn't let anyone in the door and wouldn't issue anything. Mr. Zorzi stated Mr. Carpino could have purchased the connections after those approvals

were granted. The BBMUA Solicitor, Robert Casella asked Ms. Santore if there any other developers in a similar situation. Ms. Santore stated there is not one with a 44 unit development but you could argue the fact that Minotola Estates has 10 lots left to develop in that development, sold six lots to several Patel's who purchased those lots and were building homes in the Minotola Estates development during the pandemic and were still paying their quarterly sewer charges and were still paying sewer charges on the 4 remaining lots. Chairman Santagata stated that Mr. Carpino could sell them back to the BBMUA. Mr. Zorzi stated that is how the Resolution reads. Ms. Santore stated that another issue would be that there is only one line going in for water and one line going in for sewer and at that point it would be a police state where we would have to constantly check to see if another home was brought online. Engineer Robert Smith stated we could monitor that when a CO is issued. Ms. Santore stated they do not get COs and Mr. Carpino said it is a 309 HUD form that is issued by the State Inspectors not the Borough of Buena. Mr. Carpino said they are not here to cheat the MUA out of a penny he wasn't trying to avoid anything. Chairman Santagata asked how long it will take to complete the project. Mr. Carpino stated he will be done in the 18 months and if not, he knows he will have to pay for whatever units aren't complete. Mr. Formisano stated he would like to table this issue to find out what is going on. Mr. Abriola stated he needs clarification of when the extension would start. Would it be March 15, 2022. Robert Smith stated that the connections were paid for in October 2018. The 18 months would mean they would begin to be charged in April 2020. What Mr. Robinson and Mr. Carpino are asking for is to start the 18-month clock from March 15, 2022. Ms. Santore stated if the board decides to do that it is entirely up to the board but how do we bill him for the units that have already been sold and brought online. The chairman stated that shouldn't be an issue and we should be able to add each unit as it comes online. Ms. Santore stated that we bill quarterly and she doesn't have the ability to bill for a unit when a house comes online. The BBMUA's Auditor, Steve Testa, stated that whatever the board decides to do has to be memorialized in a resolution form and needs to be adopted. Mr. Robinson asked if the board would entertain the idea to start the billing as of today for all 44 units and Mr. Carpino will pay whatever needs to be paid for the 11 units that came online when they came online and the remaining balances owed are credited so they would start at \$0.00 from today and pay for all units going forward from today. They want to pay for whatever units they actually used and be credited the remaining amount for the units that were not used. The 18-month period would end today and would begin being billed for all 44 units beginning with the next quarterly billings. Chairman Santagata asked Steve Testa if that would work. Mr. Testa stated the board can do it but it has to be put in resolution form and the resolution must be adopted because there is still a receivable that has to be written off. Mr. Robert Casella, Solicitor for the BBMUA, stated that he feels Mr. Robinson needs to put their proposal in writing so we can match it up against the actual billing and timing and see what we would have to quantify in a resolution to make this fit if agreeable and make this available to the full board to review and consider that and give the board time to think about it and talk to all the professionals to come up with a solution that works for everyone. Mr. Robinson wants to settle this tonight if possible. If Ms. Santore can go get the payment that Mr. Carpino paid with the dates he says they came online Mr. Robinson can figure out the numbers and come back in at the public comment and a decision can be made. Mr. Abriola feels it would be best to table this

until the meeting next month. Mr. Robinson asked if they should send the proposal in to be presented to the full board at the next meeting and then not be present to have their day in court so to speak. Mr. Casella stated to send in their proposal and that they should be present at that meeting to answer any questions that may arise by the members that are present to rectify this situation. Within the correspondence they will have numbers that can be put into a resolution to make a decision on. The proposal will be made correspondence for all members to review and ask questions about. Mr. Robinson asked the board members what he should include in this proposal and if the sticking point is the 18 months or is it the numbers that need to be put in writing of what the board would be willing to consider just so he has a direction to go with when writing the proposal. The board stated they would like to see the actual numbers that would be up for discussion. Mr. Robinson said he would prepare that and submit it for consideration at the next meeting on August 24, 2022.

Robert Smith of Remington & Vernick informed the board that he submitted the renewal application to the New Jersey Department of Environmental Protection Office of Permits Management Administrative Review Unit Division of Water Quality regarding the Residual Permit Renewal Application NJPDES Permit No. NJ0104337.

Mr. Smith informed the board that the State did the inspection of the pump stations and grit system on the project on July 26, 2022 and there were no issues.

Mr. Smith also stated he is looking into a FEMA Grant for the installation of a generator at well number 3 which is identified in the 10-year capital improvement plan. They are continuing to look for other grants also that will help with other projects that need to be completed.

m/Johnston s/Abriola to approve the treasurer's report as read.

m/passed

Secretary Cheryl Santore received an email from Mary Pearsall of the NJ I-Bank providing the invoice and A-2 schedule for the BBMUA's 2022A-1 loan with the first payment due on 8/1/2022.

Bond Counsel for the BBMUA, Jason Capizzi, forwarded an email from Richard Myslinski of McCarter & English, Bond Counsel for the NJ I-Bank confirming the I-Bank closed with respect to the issuance of its Environmental Infrastructure Bonds, Series 2022A-1. The loan documentation was released from escrow and was implemented and applied to the Fund Loans on June 23, 2022.

Secretary Cheryl Santore notified the board of a situation that was discovered when a phone call was received on July 8, 2022 about the Eli's Realty property located on the corner of Weymouth Road and N.E. Blvd. Someone from Eli's Realty called and asked how much water they are allowed to use per day and how much sewer they are allowed to discharge per day because they are looking into a project at this building. I told them they had to call the plant and speak with Alan Zorzi our Plant Superintendent. Jonathan Erber the Assistant Plant Superintendent received a phone call on Monday, July 11, 2022 from EOG Plumbing asking about water and sewer allowances. Jon then called me at the office to ask how many connections they have and what size line they have etc. In our conversation I stated that in my computer system it had a 2" meter listed for the 450 N.E. Blvd. location and a 2" meter which I was always told was a sewer meter located on the Weymouth Road side of the building which we read because when the building was owned by Fibertech they used to be billed for industrial strength and that reading was factored into the strength billing for the sewer. I only know what I have been told but have never even been in the building. I informed Jon that I don't show much usage if any water usage and have questioned that several times over my time with the BBMUA in the past 15 years but was told there was never really much activity at the building if any so assumed the reading was correct. While investigating Jon Erber and Jim Stiteler discovered there is a 4" meter on the 450 N.E. Blvd side so there must be a 4" line servicing this building. I did some investigating with the Land Use Office in the Borough and then going through receipts in our office for Connection Fees and found that Fibertech paid for a 4" Connection and a 4" meter in 2002. This was not reflected in the Edmunds system when it was purchased and installed in 2003. While investigating Jon took a photo of the meter head with a reading so we could compare to what I show in the system as the reading reported to me for billing when the meters are being read. There was found to be a big discrepancy in what the meter box that is read shows and what the actual meter head shows. For billing purposes, the bills generated were for the rates based on their usage which were based on the 4" line and sewer bills based on usage like any other commercial establishment and were always paid. We need to install a new radio read head on that meter so we no longer have the incorrect readings from here on out. The meter was ordered and when it comes in the new radio read meter will be installed to prevent this from happening in the future. This malfunctioning of the meter could have attributed to the unaccounted water that was pumped and is not something faulty on our end.

Ms. Santore also brought up the fact that there is supposed to be a representative from the BBMUA on the Land Use Board and there has not been for a very long time. Someone needs to bring that up with the Borough Council so that someone can be appointed to the Land Use Board to look out for the BBMUA's best interest.

m/Johnston s/Abriola to accept the minutes of the last regular meeting held on June 8, 2022. m/passed

Plant Superintendent Alan Zorzi informed the board that plant employees Nicholas Montgomery, Jesse Sacco, and James Stiteler would like to take the Advanced Wastewater Collection Program beginning August 1 to September 21, 2022 in the amount of \$849.00 each if the board agrees to allow them to do so as per the Educational Clause in the Union Contract executed on November 19, 2019 for the period effective January 1, 2020 through December 31, 2022.

m/Abriola s/Johnston to approve Nicholas Montgomery, Jesse Sacco & James Stiteler to take the Advanced Wastewater Collection Program class in the amount of \$849.00 each for a total of \$2,547.00. m/passed

Plant Superintendent Alan Zorzi obtained a quote estimate for a replacement sign for the plant due to the current sign deteriorating. Designs by James quoted a price of \$1,263.40.

m/Abriola s/Johnston to approve the purchase of a new sign from Designs by James for the price quoted of \$1,263.40. m/passed

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

m/Johnston s/Abriola to pay all bills presented. m/passed

The next regular meeting will be held on August 24, 2022 at 7:00 p.m.

m/Johnston s/Abriola to adjourn the meeting 8:10 p.m. m/passed

Submitted by
Cheryl Santore-BBMUA Secretary