

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

The regular meeting of the BBMUA was held on October 25, 2017 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	A. Zorzi	Roy Gazzara 1701 S. Central Ave.
R. Delano	R. Smith	Charles Bramble 1615 S. Central Ave.
J. Formisano	M. Testa Jr.	
J. Johnston	S. Testa	
J. Santagata		

Chairman Santagata opened the floor to the public. In attendance was Roy Gazzara who lives at 1701 S. Central Avenue and Louis Drive with questions pertaining to the Louis Drive sanitary sewer extension. Mr. Gazzara asked if the BBMUA owns the pumping station that will service the Louis Drive sanitary sewer extension. Both the BBMUA Solicitor and Engineer stated that at the present time they do not own the pumping station. The engineer, Robert Smith of Remington, Vernick & Walberg stated that they are currently working with the developer because he is ready to turn that over to the BBMUA but we do not own it. Mr. Gazzara also asked about the manhole at the end of Louis Drive on Central Avenue. He wanted to know if there is a connection into that manhole for Louis Drive and how far does that connection go into Louis Drive because if the resurfacing of Central Avenue takes place there would be a problem connecting into it. Robert Smith stated that there is a connection into that manhole for Louis Drive but it is very deep. Mr. Smith stated that the plans for the Louis Drive extension come in shallower than the existing stub. Mr. Smith doesn't think the resurfacing of Central Avenue will take place until well after the Louis Drive project is complete and may not even be done this year. Mr. Gazzara asked if the access issue to Louis Drive has been figured out. Mr. Smith stated no but he will give them an update on the project. Mr. Smith went to the council meeting for the Borough of Buena on Monday to talk to the Chairman of the Roads committee. They discussed what payment section they were going to put back for the restoration of the trench. They spoke previously about putting a secondary access and coming out the back of the Louis Drive cul-de-sac and going out to Wheat Road but it doesn't appear that the property owners will agree to that. So in the

bid documents it will be conveyed to the contractor that at the end of each day they have to make the road accessible to the residents. Unfortunately during construction during the day it is going to be difficult if not impossible to get access to some of the properties. Therefore, the contractor will have to coordinate with the property owners that they either get out before they begin work for the day and come back when they are finished for the day or exiting and entering throughout the day will not be possible. It will be a coordination issue. Mr. Gazzara asked if the residents could have a place that they could possibly park and walk to their homes during construction. Mr. Smith stated that they may be able to get permission from the owners of the Buena Drive subdivision for the residents to park on Buena Drive. Chairman Santagata stated that the residents may be able to park on Central Avenue. Mr. Smith stated that there is not much of a shoulder on Central Avenue. Mr. Smith said that they will try to make the best accommodations we can to make it as easy as possible for the residents. But, unfortunately, due to the tight quarters it is going to be a pain. Charles Bramble of 1615 S. Central Avenue asked if this is something that is going to be discussed at the meeting that is supposed to be scheduled with the residents that they are waiting for. Mr. Smith stated that the reason they wanted to speak with the residents was to discuss the alternate access. Since that alternate access is no longer an option they are going to have to make the provisions in the bid documents for the residents to have some place to park and get access. So they are going to finish up the bid documents and put it out to bid in the next week or two. Mr. Gazzara asked once the project goes out to bid how long they perceive it to be before the project begins. Mr. Smith said once it gets advertised in the newspaper it has to be out to bid for 10 days, then they will receive bids and make a recommendation to the MUA. The big issue is that the cost of the project comes in within budget. The MUA has some money set aside for the project and if it comes in within budget they will make the award and send out the contracts and go right to construction. Mr. Gazzara stated if it doesn't come in within budget is there a secondary plan for getting bonds to pay for the difference of the project. Mr. Smith said that is a better question for the Chairman or the Auditor. Chairman Santagata stated that he is asking the Auditor if we can go out for bonding and does the MUA have the capability to do that since we have a lot of outstanding debt now. Mr. Steve Testa stated that is tying into the capital discussions in the budget. Mr. Testa stated that from our perspective right now we were looking at ways that would happen within this year and not be required to be rebudgeted again next year. This projected has been budgeted for the last how many years. The plan was we were going to spend our own money on this project this year. If the cost comes in significantly higher than what we have budgeted, we have some funds in the renewal and replacement account but it is going to be tight. We may still be able to do it. Mr. Testa did say that at some point a discussion is going to have to be had as to whether it actually makes sense and if so we will have to find the money. If it comes in too high you will never get a pay back to recoup the cost of the project. We are talking about some other major projects that need to be done and we will have to borrow money for them. If we were to roll this cost into borrowing for those projects it's going to take some time which would probably be around late 2018. Mr. Gazzara asked if the MUA doesn't have the funds would they spend the funds they do have and go as far as they can on the street? Mr. Smith stated that you could do that but it's not really feasible because you have an economy of scale. The more pipe you put in the ground the lower the unit price. If you only do a portion of

the project the unit prices go up. Mr. Gazzara stated that it is his understanding that they are thinking about the possibility of not going as deep. Mr. Smith stated the problem is they have to make sure they go deep enough because some of those houses sit pretty far back from the roadway and we have to make sure we have sufficient depth so they can tie in by gravity. If they don't have enough gravity fall to get to the sewer main they would have to put in a grinder pump and we don't want anyone to do that. We want everyone to tie in by gravity. Mr. Gazzara asked if the project goes forward would we consider buying another generator for that pumping station. Mr. Zorzi stated that Mr. Gazzara is correct in saying that pump station is not supported by a stand-alone generator. However, our plan is when we upgrade our two main pumping stations #1 and #2 they would have stand-alone generators. The pumping station servicing Louis Drive, because it is such a small station that would be supported by a portable generator. Right now our main pumping stations do not have generators. So if we have a wide spread outage we are going to be out. A portable generator would be able to handle the low flow areas which would be their area, Louis Drive and Kimberly Lane. Low flow areas can go hours without power. Mr. Gazzara reiterated the question that the next step is moving ahead and putting it out to bid? Mr. Smith said yes, putting it out to bid, advertising it and getting the bids back and evaluating the bids as it relates to the amount we have budgeted. Mr. Gazzara asked Mr. Smith if he is the person who will stay on top of this. Mr. Smith said yes.

Robert Smith of Remington, Vernick & Walberg sent a letter to Chairman Santagata providing Payment Certificate No. 2 for the service of well #3 in the amount of \$81,741.80.

m/Baker s/Delano to approve Payment Certificate No. 2 for the service of well #3 in the amount of \$81,741.80. m/passed

Robert Smith of Remington, Vernick & Walberg provided a copy of the Borough of Buena Inflow/Infiltration Analysis Study for your review. The board was provided with a copy of the executive summary for their review. A master copy of the report is on file in the office in its entirety.

Michael Testa Jr. of Testa, Heck, Testa & White stated that the closing on the Lillie Property located at 501 Plymouth Road is scheduled for October 27, 2017 at 11:00 am and Chairman Santagata will be present at the closing. Mr. Casella asked Landis Title to forward the closing amount to him so the BBMUA can have a certified check prepared for settlement.

Steve Testa of Romano, Hearing, Testa & Knorr informed the board of the updated calculation of the maximum allowable connection fee to the water system as of December 31, 2016. The computed maximum allowable connection fee in accordance

with the formula provided in statute N.J.S.A. 40:14B-21 as of December 31, 2016 is \$2,415.00 per unit.

Mr. Testa also informed the board of the updated calculation of the maximum allowable connection fee to the sewer system as of December 31, 2016. The computed maximum allowable connection fee in accordance with the formula provided in statute N.J.S.A. 40:14B-22 as of December 31, 2016 is \$8,030.00 per unit.

At this time the board is not interested in increasing these connection fees, however, the Chairman stated that some time down the road they should look into evaluating the connection fees. If they are interested in raising the connection fees in the future a rate hearing would be required.

Mary Ann Chalow presented the 2018 sewer and water budget for the BBMUA to the board for introduction. Ms. Chalow began with the capital budget. She stated that there are some very large projects that we cannot fit into the renewal and replacement fund. She presented budgeting for Louis Drive, land purchase, sewer lines and laterals, septage receiving station and the sewer MBR filters and then doing a capital bond for the pumping stations. The water capital budget had \$250,000.00 being budgeted for the painting of the tank. However, the estimate for renovating the water tower per the study performed by Remington, Vernick & Walberg in the amount of \$907,000.00 should be done with a capital bond as well. Ms. Chalow included money in the capital budget for the interest that would be payable on that bond in 2018 if the board chooses to go that route. Steve Testa stated that what we probably should do is apply to the NJEIT for the sewer projects and if you aren't going to do the water project for a few years you can go out and apply to the NJEIT again. We still have to do some planning but since we have to get the budget submitted we wanted to show the projects and how we are going to finance them. Other than the interest budgeted it will not affect your actual budget for 2018. In two years you will have a bond that will drop off and if you do choose to borrow the money through NJEIT to fund your capital projects your debt service will remain steady and would not require an increase on your rate payers. Ms. Chalow explained that in the operating budget the water line items biggest adjustment was the debt service because of the bond principal increasing due to it being the next to the last year of the debt service schedule and the interest for the capital budget is in there. For the sewer operating budget the largest line item that increased was professional fees for the I&I study. Overall both budgets are almost exactly the same as last year. One budget is less than 1% less and the other is 2% higher so the amount of money is the same just adjusted accordingly. Mr. Testa stated the board should keep in mind that they are using the same percentages allocated for water and sewer as in 2017. However, when the audit was done he had suggested that a time study should be performed to see if the percentage allocated should be adjusted and distributed differently for water and sewer. If the percentages are correct as they are now at 60% for sewer and 40% for water, a rate increase will have to be talked about for the water operations. Water rates have never been raised since 1985 when the water service to residents was established. We need to

see if the percentages are correct. There is never a good time for an increase so prior to pursuing an increase a time study would be the way to go. As of now we are not proposing any sewer rate increase or water rate increase for the 2018 budget. This year we will be utilizing \$247,382.00 of unrestricted undesignated net assets to balance the water budget and we will have \$264,000.00 remaining so if everything is exactly the same as we budgeted we would have one more year and then we would have a \$260,000.00 short fall. That is why Mr. Testa is stressing that a time study is suggested.

m/Baker s/Delano to adopt Resolution R-33-2016 a resolution introducing the Sewer and Water Operation Budget for 2018. m/passed

m/Baker s/Delano to approve the minutes of the regular meeting held on October 11, 2017. m/passed

Plant Superintendent Alan Zorzi informed the board that a letter was received from Paula Blaze, Research Scientist for the State of NJ DEP Office of Quality Assurance regarding our Lab Certification No. 01204 on-site assessment corrective action that was submitted on September 28, 2017. The plan was found to be acceptable by the Office of Quality Assurance is now closed.

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

The next regular meeting will be held on November 8, 2017 at 7:00 p.m.

m/Johnston s/Delano to adjourn the meeting 7:45 p.m. m/passed

Submitted by
Cheryl Santore-BBMUA Secretary