

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

The regular meeting of the BBMUA was held on March 23, 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 via freeconferencecall.com phone in meeting software due to the COVID-19 pandemic and the Borough offices being displaced due to renovations.

The meeting was called to order by Chairman Joseph Santagata.

Those present were:

R. Baker	C. Santore
B. Delano	A. Zorzi
J. Johnston	R. Smith
J. Santagata	R. Casella
A. Abriola	S. Testa

Robert Smith of Remington & Vernick Engineers spoke with the board regarding the final requisition for the NJ I-Bank project. As a result of delays in the project completion due to material delays, Remington & Vernick has incurred additional inspection costs over the approved amount. The additional cost through the end of February is a total of \$16,571.84 in inspection and contract administration fees. Through the end of last week, they are up to approximately \$19,000.00. If there are funds available Remington & Vernick would like to forward an invoice to the MUA for the additional costs. Chairman Santagata asked the BBMUA's auditor Steve Testa if the funds are available for this. Mr. Testa stated there will not be funds available in the NJ I-Bank Loan to cover this amount. That being said there will not be funds available to cover the balance of the project in the NJ I-bank loan either. Therefore, we will have to utilize some of the Authority's existing net position in the amount of \$153,000.00. There could be funds available but you would have to do a contract amendment and it will still be charged to the Capital Budget. Chairman Santagata asked that Remington & Vernick invoice the additional costs incurred and we will go from there. The Chairman did ask how the delays in materials and the project cause Remington's fees to go up. Mr. Smith stated that because there were the delays it took longer for the project to be completed and because of those delays they had to prepare the change orders and do additional inspections. Mr. Smith did state that he is also submitting a change order tonight for approval which will result in a decrease in the contract in the amount of \$14,560.00. This change order will result in a net decrease in the contract amount of \$10,112.89. Plant Superintendent, Alan Zorzi,

stated that the BBMUA also had additional expenses that were not included in the project amount that were purchased and were not through the contract.

Robert Smith emailed the board regarding Buena Vista Campground. As the board is aware Robert Smith and Remington & Vernick along with Alan Zorzi have been working with the Campground to try to find a way to allow the Campground to discharge some of their septic tank waste into their pump station and discharge into the BBMUA treatment system. Mr. Smith has been working with Plant Superintendent Alan Zorzi and Monica Bell of Remington & Vernick to come up with some parameters that accomplish the goal the campground wanted which is to dispense some of their discharge from their septic tanks which consist of sewage/rainwater/groundwater wastewater but to protect the MUA to make sure it will not have any adverse effect on the treatment processes. Robert Smith and Monica Bell from Remington & Vernick and Alan Zorzi and Jonathan Erber came up with a contract that would be executed by the BBMUA and the Campground that would allow this to happen. They feel this contract is in a form that protects the BBMUA adequately. Mr. Smith forwarded a copy of the contract to Mr. Robert Casella, Solicitor for the BBMUA, for review and provided a copy to the Board for their feedback. If the Board and the Solicitor have no questions and concerns Mr. Smith would like permission to forward this to the Campground for their review and if all of the conditions recommended are amenable to the Campground that both parties execute that contract. Chairman Santagata asked Alan Zorzi if the NJDEP is ok with this contract. Mr. Zorzi stated that they did reach out to the NJDEP and they included them in the drafting of the contract and they are ok with it. BBMUA Alternate Member Anthony Abriola had a few questions. He asked if the wording in the first paragraph second sentence was factual where it stated sewerage, rainwater and ground water. He was told that was factual. Mr. Abriola said he always thought that rainwater and ground water were prohibited in the sewerage. Mr. Smith asked Alan Zorzi to convey his conversation with Charles Bisese of the NJDEP. Mr. Bisese stated that there in an administrative consent order that was established for the Campground and them dispensing into the BBMUA treatment facility has already been approved and there isn't really much we can do except come up with a contract that both parties are satisfied with. The State of NJ is pushing for the Campground to tie in. Mr. Abriola asked if that means that residents will be able to dispense their rain water and ground water into the system since the Campground will be allowed to do that. Mr. Zorzi told him no the residents will not be allowed. Mr. Zorzi stated that we would be required to do I & I studies if we had too much rainwater and ground water in our system and that was his comment to both Remington & Vernick as well as the NJDEP. Mr. Smith told Mr. Abriola that because the Campground is under this Administrative Consent Order, they had come in about two years ago and proposed construction of several new septic systems and also to tie 39 of their units into our system. The way they had proposed to do that was to run a force main and various pump stations and tie into their pump station which ultimately discharged into the BBMUA's system. After talking to Alan Zorzi and they found out that within 10 years of the date the BBMUA is granted approval to increase capacity of the treatment plant, they had to tie the entire campground into the BBMUA Sanitary Sewer System. Instead of expending the funds for the construction of the new septic systems the Campground

switched gears and are trying to come up with an overall sanitary sewer system that will discharge into our system. This is more or less a stop gap measure for them since they are already paying for 39 residential sewer units and to take advantage of the fact they are paying quarterly for this flow and discharge some of that flow into their pump station and into our system. This is merely a short-term situation. Once the Campground gets everything tied into our system this contract will be discontinued. Mr. Zorzi said they currently own sewer units that they pay for quarterly and are also pumping those septic tanks out and are bringing it into our plant as septage which they also pay for and dumping through our septage receiving station instead of through our influent flow. Mr. Abriola stated that we are projecting 11,000 gallons per week and asked if there will be any compensation for the additional 11,000 gallons or is that already incorporated in the 39 units. He was told this is already incorporated in the 39 units. Mr. Abriola stated that item 12 talks about sampling and a cost of \$250.00 per sample and allowing up to 12 per year and wants to know if once a month is sufficient. Mr. Abriola also asked what we would be testing for and what the acceptable limits or ranges for those items are. Mr. Abriola asked if that should be included in the contract. Mr. Zorzi stated this would just basically be protection for us and would be ph solid basic chemistry samples. This would just give us a baseline to give us an idea of what is in that flow. Mr. Abriola asked what happens if we get two adverse samples two months in a row. Mr. Zorzi and Mr. Smith stated we can discontinue this contract at any time. Robert Casella, BBMUA Solicitor stated that if Robert Smith and Alan Zorzi are confident that they have the tools they need to properly monitor this situation he is fine with it too. However, he had one question as to whether the Campground is agreeable to the 11,000 gallons per week. Mr. Smith stated they are agreeable to it. Mr. Casella also stated the indemnification portion is backwards and forwards as it is written. The BBMUA is indemnified both ways by the Campground in the event of any third-party litigations or claims made that the BBMUA has the absolute right to expect them to indemnify any expenses that we incur in defending ourselves in this. Chairman Santagata asked if we could require that the Campground list us as an additional insured on their insurance policy. The Chairman asked if everyone is ok with this, we can forward this to the Campground for their attorney and engineer to review and come back to us with any comment. The Board agreed to give permission for Robert Smith to go ahead and submit this to the Campground for their review and comment.

Robert Smith of Remington & Vernick submitted Change Order #3 to the board to amend the contract with MBE Mark III Electric, Inc. for the rehabilitation of pump stations #1, #2, #3 and the grit removal system. The change order is for a net decrease in the contract in the amount of \$14,560.00. The final payment certificate was submitted also for payment tonight, however there are a few punch list items that need to be completed so Mr. Smith asked BBMUA Secretary/Treasurer, Cheryl Santore, to hold the check until all work is complete.

m/Delano s/Baker to adopt resolution R-11-2022 accepting change order #3 to amend the contract with MBE Mark III Electric, Inc. for the rehabilitation of pump stations #1,

#2, #3 and the grit removal system. The change order is for a net decrease in the contract amount of \$14,560.00. m/passed

Steve Testa of Romano, Hearing, Testa & Knorr provided the client engagement letter for the 2020 Audit Engagement to the board. The services are covered under their contract; however, Accounting and Auditing standards require that the auditor formalize their services in the form of a client engagement letter.

An email was received from Mary Pearsall providing a copy of the accrued interest statement for the month ending February 28, 2022 for the construction loan on the pump station rehabilitation project. This interest should be added into the permanent financing but if they cap the project at the \$1,250,000.00, we may end up owing that interest but fortunately the interest rate is so low that it isn't really a significant amount. The interest owed as of February 28, 2022 is \$827.38.

Mr. Testa informed the board that a local finance notice has been issued by the Division of Local Government Services Department of Community Affairs dated March 7, 2022 stipulating Pandemic-Related Water, Sewer and Electric Arrearages and Updates to the COVID-19 Utility Ratepayer Relief Notices. This mainly focuses on the fact that we have to offer payment plans to those in arrears unless they were already sold at tax sale. Payment plans can't be less than a year unless the customer requests a shorter period. There are disclosure requirements that should be posted to the website. They do want you to mail them to however that would be quite an expense. Therefore, posting to the website and in Borough Hall is a good idea and as long as we make a good faith effort it should be sufficient. Mr. Delano asked if we have a picture of how big of an impact this is having on us. Steve told Mr. Delano that reports can be run in Edmunds to give us exact numbers.

Mr. Testa informed the board that he and Secretary/Treasurer Cheryl Santore looked at the reimbursement requests so far for the Pump Station Project to see where we are at this point since we are looking to complete the project and move forward with the permanent financing. Mr. Testa spoke with the BBMUA's Bond Counsel as well. The NJ I-Bank loan was for \$1,250,000.00 which is what the BBMUA adopted a resolution for. The NJ I-Bank and the NJDEP knew that when the construction contract was awarded for \$1,188,378.00. So initially there was only \$1,000,000.00 budgeted there and there were other items that were budgeted like the administrative expense and the contingencies also. Basically, they took those monies and put them toward the building costs but even with that it only brought the total to \$1,067,624.00 and never got up to the \$1,188,378.00. There was talk that the project could possibly cost \$1,500,000.00 and bond counsel was going to prepare an amended resolution but there was a thought that there would be savings in the project that would not even bring the project cost to the full amount that was budgeted. Clearly that did not happen. Even though there is a net decrease in the

project of \$10,000.00 the total cost will still be around \$1,078,000.00 and be over what was budgeted. When this type of things happens during a project or early on if you can get the wheels in motion and adopt a new bond resolution and if you can get the NJ I-Bank to agree to the additional cost it's a lot easier to do it during the process. So, coming to the end of the project and asking to have a permanent loan for a higher amount is unlikely. The amount of \$1,250,000.00 will likely be the amount of permanent financing per Bond Counsel. The amount that will go into the spring pool for the permanent financing will likely be the \$1,250,000.00 which is why you have to submit all expenses now. The only other way to borrow additional funds is to do supplemental borrowing with the NJ I-bank and they will probably give it to you but it doesn't make economical sense to do that because it will incur additional costs. If you are only over approximately \$150,000.00 it would be better to pay that than to finance the additional funds. So where would we get the \$150,000.00 from? When we refunded the bond with Capital Bank in 2014, that required a 10% bond reserve fund to be established because the total borrowing was \$1,500,000.00. Since that bond was paid off last year, we do not need to keep that bond reserve fund and we can use that money to pay the additional funds for this project. In terms of approvals for any additional amounts, you would have to have a contract amendment to increase the contract award and certify the funds. We do have money budgeted in the Capital Budget to certify the additional funds. Steve Testa feels this would be the best avenue to take to cover the additional costs of the project. This will keep the overall cash position untouched and will pay the additional costs in the project.

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

m/passed

Secretary Cheryl Santore provided the board with a copy of the letter that was sent to Brian Wasilewski, Director of Facilities and Operations for Buena Regional School District providing a rough cost breakdown to connect the Buena Regional High School into the city water system.

Ms. Santore received an email from Matthew Robinson, the attorney for Frank Carpino, asking when the BBMUA will be having in person meetings again. Mr. Robinson also requested our allocation ratios for his client because he wants to know what percentage of the allocations are currently in use and our total sewer capacity, etc.

Ms. Santore received a payment from Mr. Frank Carpino of Liberty Village II with his breakdown of how his checks correspond with the payment amounts he made since he did not pay balances in full. Prior to making the deposit Ms. Santore contacted the BBMUA Solicitor to make sure that if we accepted the payments that it did not indicate that we were settling for the amounts he paid. Solicitor Robert Casella said to post the checks to Mr. Carpino's account and to mail him a letter providing receipts and the

breakdown of how the payments Mr. Carpino made were applied to his water and sewer accounts for the Liberty Village II project located at 517 S.W. Blvd. in Landisville.

Ms. Santore received an email from the BBMUA's Bond Counsel, Jason Capizzi. This email contained the fee proposal relating to the permanent financing in an amount not to exceed \$1,250,000.00 through the NJ Infrastructure Bank related to the Authority's Sanitary Sewer Pump Station Improvements for an amount not to exceed \$30,400.00 plus disbursements. Mr. Capizzi provided a breakdown of his computation.

m/Baker s/Johnston to approve the fee proposal relating to the permanent financing through the NJ Infrastructure Bank related to the Authority's Sanitary Sewer Pump Station Improvements for an amount not to exceed \$30,400.00 plus disbursements to Jason P. Capizzi Esq. who is the Bond Counsel handling the permanent financing.

m/passed

m/Baker s/Delano adopt resolution R-12-2022 authorizing the execution and delivery of loan agreements to be executed by the Borough of Buena Municipal Utilities Authority and each of the New Jersey Infrastructure Bank and the State of New Jersey, Acting by and through the New Jersey Department of Environmental Protection, and further authorizing the execution and delivery of an Escrow Agreement, all pursuant to the State Fiscal Year 2022 New Jersey Water Bank Environmental Infrastructure Financing Program.

m/passed

m/Baker s/Delano to accept the minutes of the last regular meeting held on February 23, 2022.

m/passed

Plant Superintendent Alan Zorzi received a quote from BERCO Fleet Services for the repair of Truck #5. This is for an engine for our Spare sludge truck. When taking it to BERCO they found a severe coolant leak that was unable to be repaired because the block was cracked. A new block cannot be found. BERCO was able to find a used motor. There is no warranty on the motor and it is a huge risk to take but having this truck keeps our septage process running if our new truck is out of commission for any reason. Approximately 15 years ago we purchased a new sludge truck and this old truck keeps our process running if our new truck is down. The quote received from BERCO Fleet Services is in the amount of \$10,182.47. This is a truck that is not used everyday but it is of value to our operation.

m/Abriola s/Delano to approve the repair of Truck #5 by BERCO Fleet Services in the amount of \$10,182.47.

m/passed

Mr. Zorzi informed our board that our Caterpillar 930M Loader went down and went into a limp mode on January 17, 2022 to March 4, 2022. We called Foley CAT out to repair the loader. They found that an EGR cooler was leaking. That part has to do with the emissions. The parts have been extremely hard to obtain. Once they received the parts they came out and repaired the loader. When we received the invoice, the cost was \$19,296.01. After receiving the invoice, we called Foley CAT and asked them to review their invoice because the cost is above our Bid Threshold and we were never given an estimate of what the repair was going to cost prior to making the repair. The labor on the invoice was high, especially due to the fact that the technician that was sent to do the repair was troubleshooting other jobs while he was onsite with our repair. The technician admitted that to us. Foley CAT is reviewing the invoice and hopefully the cost will be lowered. Mr. Abriola noticed the machine has 6,616 hours on it and asked if we have a projection of when we would look to replace that machine. Mr. Zorzi stated our evaluation is that machine is new. That machine still has a lot of life in it and the machine is approximately 10 years old.

Mr. Zorzi obtained a quote for 20 250-foot rolls of single wall perforated poly pipe for our composting process. Caterina Supply came in with the lowest quote in the amount of \$3,800.00.

m/Baker s/Delano to approve the purchase of the 20 rolls of single wall perforated poly pipe from Caterina Supply in the amount of \$3,800.00. m/passed
Baker – yes; Delano – yes; Johnston – yes; Abriola – abstain; Santagata - yes

m/Baker s/Abriola to file all correspondence sent out for review without reading number 1 through number 14. m/passed

m/Baker s/Delano to pay all bills presented. m/passed

The next regular meeting will be held on April 13, 2022 at 7:00 p.m.

m/Baker s/Johnston to adjourn the meeting 8:09 p.m. m/passed

Submitted by
Cheryl Santore-BBMUA Secretary