

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

The regular meeting of the BBMUA was held on July 25, 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	
J. Formisano	A. Zorzi	
J. Johnston	R. Smith	
J. Santagata	M. Testa	

Chairman Santagata received a letter from Larry Liggett, Director of Land Use and Technology Programs for the State of New Jersey Pinelands Commission regarding the Pinelands Infrastructure Trust Fund. There is approximately \$15M that will be made available in projects during the 2020 fiscal year for projects relating to acquisition, construction, improvement, expansion, repair or rehabilitation or water supply, wastewater, or transportation facilities serving existing or proposed development in Pinelands Regional Growth Management Areas. The Commission is soliciting input from local government units and utilities authorities regarding planned projects that might qualify for funding. Chairman Santagata stated that we are not in the Pinelands Regional Growth Management Area but asked the BBMUA's engineer Robert Smith to verify that. Mr. Smith stated he did not believe we were eligible for this either but he would look into it and make sure.

Chairman Joseph Santagata informed the board that Pat Yacovelli, the Business Administrator/Board Secretary for Buena Regional School District, sent over the interlocal agreement renewal for services to be performed by Alan Zorzi for the school district.

m/Johnston s/Delano to adopt Resolution R-11-2018 authorizing an interlocal agreement with the Buena Regional School District for services to be provided by the BBMUA's employee Alan Zorzi. m/passed

A letter was received from Edward Dennis of Remington, Vernick & Walberg providing a proposal for a change in scope associated with the modification of the NJPDES Permit to increase the wastewater treatment discharge on behalf of the BBMUA. When the proposal was originally submitted, per Robert Smith, it did not include the expansion of the sewer service area in the Borough. Therefore the proposal is for a price not to exceed \$3,800.00 additional to submit the paperwork required for the application to expand the sewer service area.

m/Baker s/Johnston to approve the proposal submitted by Remington, Vernick & Walberg for the change in scope associated with the modification of the NJPDES Permit to increase wastewater treatment discharge and include submitting the paperwork required for the application to expand the sewer service are in the Borough for an amount not to exceed \$3,800.00. m/passed

Robert Smith of Remington, Vernick & Walberg gave an update on the restoration of Louis Drive. The contractor has sent a proposal for the extra work required to repave the entire roadway instead of trench paving the portion that was opened up to install the sanitary sewer. It will probably be somewhere in the area of \$35,000.00 additional to pave the entire roadway. As part of the original bid the contractor included 280 tons of hot mix asphalt to restore the trench. The cost of the 280 tons at \$150.00 per ton is \$42,000.00. The contractor proposed either going in and overlaying the entire roadway or to go in and pulverize the existing asphalt, reshape it and regrade it and then pave the entire roadway. In addition they submitted a price to replace the two inlets at the low point and replace the cross drain in anticipation of the Borough's drainage project. Mr. Smith presented the proposal to the roads committee and Borough Council and it is still being considered but he believes they are going to pursue that. This is contingent upon the BBMUA contributing the original amount of \$42,000.00 that was included in the contract toward the overall cost. The BBMUA Board is not opposed to that. The only thing that we will probably have to do is a very truncated interlocal agreement that once we approve the change order the Borough agrees to pay for the drainage pipe and the pulverization of the roadway. Member Jeff Johnston asked if the cost of the overall paving versus the original saw cutting and refinishing the trench equal out? Mr. Smith stated that it definitely will. The original bid was 280 tons at \$150.00 per ton which equaled \$42,000.00. To repave the entire roadway the cost estimate was 550 tons at \$80.00 per ton which equals \$44,000.00. So basically for \$2,000.00 more they will repave the entire road. Mr. Smith is working with the Borough and the Contractor to come up with the final price but as long as the MUA is still willing to pay the original \$42,000.00 that was in the contract it should move forward without a problem.

Robert Smith of Remington, Vernick & Walberg informed the board that Alan Zorzi received a call from the engineer for Liberty Village. They were indicating that they wanted to start their water main installation for the project on the Boulevard. Mr. Smith stated they have their treatment works approval and he needs to make sure they have their

approval from the bureau of safe drinking. There are some other issues going on with the drainage that they have to address. Mr. Smith asked if they paid all of their fees and was told they have not paid the connection fees yet.

Michael Testa Jr. of Testa, Heck, Testa & White addressed the board regarding the email that was sent to him by Secretary/Treasurer Cheryl Santore in regard to Teligent, Inc. and their lack of providing the required information necessary to bill their sewer strength per the BBMUA's rate schedule. Mr. Testa would prefer that he send them a letter stating that if they fail to comply with the BBMUA's regulations that they will be billed at the highest strength factor for the foreseeable future. Plant Superintendent, Alan Zorzi informed the board that Teligent did sample once on 6/29/18 and the results were forwarded to Assistant Plant Superintendent, Jonathan Erber when they were received back. When the information came back the result was a greater than result and because it was done on the last day of the quarter could not be resampled and averaged down. Teligent's lab reran the test on the sample they already took on 6/29/18 and the numbers came in even higher the second time the test was run. Due to this greater than sample when the strength calculation was done the cost of the strength bill would be \$28,875.38 on the lower sample and \$106,730.56 on the higher sample that was taken outside of the allowable holding time. Mr. Zorzi notified Teligent and told them about sampling early in the quarter so further samples could be taken and averaged. He also informed Teligent we would discuss this with our solicitor and board at tonight's meeting to determine how we were going to bill for the strength. For comparison purposes in April, the strength bill was \$1,824.09 and January the strength bill was \$4,531.28. Teligent asked what the history of the strength billing is. Mr. Zorzi informed him that we don't really have a history because this is all new with the new processes. Mr. Zorzi received an email stating that Teligent will begin sampling earlier in the quarter and try to get to the bottom of why the results are so high. Cheryl Santore stated that another contributing factor to this is the new processes they are adding there. For example they just installed the 10" meter and were doing a lot of testing to make sure the 10" line is working properly. This line alone used 557,000 gallons of water. When they are billed for sewer it is based off of their water usage. She feels one of the reasons the strength bill is so high is because of this excessive amounts of water they are using at this time. Mr. Zorzi feels this is going to be an issue. The board, the solicitor, and the engineer recommended recalculating the strength bill without the 10" meter reading and discuss this again at the next meeting.

Steve Testa of Romano, Hearing, Testa & Knorr provided the board with a copy of the Client Engagement Letter for the BBMUA Audit for year ended December 31, 2017.

Steve Testa of Romano, Hearing, Testa & Knorr reported that the 2017 Audit financial statements are complete in draft form. Mr. Testa presented the Audit for the BBMUA for the period ending December 31, 2017 to the board in draft form. Mr. Testa explained in detail the report for their review and discussion. Mr. Testa explained that GASB 68 Statement is for the accounting and financial reporting for Pensions and became effective

in 2015 for the Authority and for all of the State and Local Governmental Units in the country. There were no major changes or restatements necessary in the 2017 financial statements although the GASB 68 is going to continue to be felt. However when preparing the 2018 Audit there will be a similar transaction because anyone in the State Health Benefits plan will be required to perform a restatement to record the liability for future health benefits as well. Mr. Testa informed the board that the Authority received a clean opinion on its financial statements. There were no material weaknesses or significant deficiencies in connection with internal control and there were no instances of non-compliance required to be reported under government auditing standards or standards promulgated by the Division of Local Government Services in the State of New Jersey. As a result there were no findings and recommendations in the audit report and therefore, no corrective action is needed. Mr. Testa commended the Authority and the administrative and financial staff, specifically Cheryl Santore, Alan Zorzi, Jonathan Erber, Mary Ann Chalow, and Debbie Austino for a job well done in regard to the audit report. Mr. Testa did suggest that we should look into doing a cost study to see if the water and sewer expenses are being allocated accordingly. If the current percentages are correct, we may have to look into a rate increase for the water in the next few years. Mr. Testa will submit the final draft to the State of NJ Department of Community Affairs Division of Local Government Services by July 31, 2018 and will have the final copies for the board at the next regular meeting in August so the resolution and group form affidavit can be approved and adopted and the synopsis of the audit report advertised as necessary to submit to the State as well.

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

m/passed

m/Baker s/Johnston to accept the minutes of the last regular meeting held on June 27, 2018.

m/passed

Plant Superintendent Alan Zorzi received an email from Monica Bell of Remington, Vernick & Walberg along with Ed Wengrowski of the NJ Pinelands Commission and Avi Argaman of the NJDEP regarding expanding the sewer service area to include all of Buena Borough. Mr. Wengrowski wanted to be certain the BBMUA was complying with the MBR MOA and the Buena Campground is included in the sewer service area. Avi Argaman confirmed the Campground is already included in the adopted sewer service area as shown on the NJDEP's GIS sewer servicing mapping.

Mr. Zorzi provided the board with an update regarding the Water Quality Accountability Act. Mr. Zorzi will be meeting with Remington and Vernick to go over their proposal on Friday, July 27, 2018 and on Tuesday, July 31, 2018 with NJ Water Association to see what they have to offer.

Mr. Zorzi informed the board that our belt filter press screw snapped today. The belt filter press was taken down for repair. To order a new screw they would be down for 14 days. We cannot be down that long. J&D Machine Shop was contacted to do the repair and they estimated that it will be \$2,500.00 to \$3,000.00 for the repair and can have it back by Friday afternoon. The problem is the screw is worn. Mr. Zorzi contacted the place that manufactures the screws, they came down today and will give us a price on new screws. These screws haven't been replaced in 10 years.

Mr. Zorzi informed the board that the big generator that runs the old sewer plant is now repaired. The problem was the fuel pump and the injectors and the line. The total cost for the repair was \$10,300.15 from Reliable Power Plus and the only additional cost will be from Scalfo Electric for the rental of the 500 kW generator.

m/Baker s/Johnston to file all correspondence sent out for review without reading number 1 through number 9. m/passed

m/Baker s/Johnston to pay all bills presented for the month of July 2018. m/passed

The next regular meeting is scheduled for August 8, 2018 at 7:00 p.m. (This meeting may be cancelled depending on the amount of correspondence and there may only be one meeting on August 22, 2018 at 7 p.m. Secretary Santore will notify the board when it is closer to the meeting date.)

m/Baker s/Johnston to adjourn the meeting 8:00 p.m. m/passed

Submitted by
Cheryl Santore-BBMUA Secretary