

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

The regular meeting of the BBMUA was held on October 26, 2016 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	D. Austino	M. Chalow
R. Delano	A. Zorzi	John Lillie
J. Formisano	R. Casella	
J. Santagata	R. Smith	

m/Baker s/Delano to adopt resolution R-29-2016 authorizing employment of Cheryl Santore as Administrative Clerk, Secretary/Treasurer, Finance Officer and further authorizing execution of memorandum of agreement for a three year term of employment. m/passed

m/Formisano s/Baker to adopt resolution R-30-2016 authorizing employment of Debbie Austino as Clerk II and further authorizing execution of memorandum of agreement for a three year term of employment. m/passed

m/Delano s/Formisano to adopt resolution R-31-2016 authorizing employment of Alan Zorzi as Superintendent of Water/Sewer and further authorizing execution of memorandum of agreement for three year term of employment. m/passed

John Lillie was in attendance at tonight's meeting regarding his property that he has for sale located on Plymouth Road immediately adjacent to the BBMUA plant. Chairman Santagata referred this matter to the solicitor Robert Casella since the correspondence with Mr. Lillie has been through the solicitor. Mr. Casella stated that the board has in their deliberations looked at the property and the use value of the property to the MUA and determined that in their estimation what they have offered the board feels is a fair offer. Mr. Casella stated that if Mr. Lillie has any counter offer or additional information

that the board should be aware of the board would be glad to take that into consideration in responding to him. Mr. Lillie stated that his valuation of the property was based on two things. One being his discussions with real estate professionals regarding the possible value of building lots and second conversations he has had with Mr. Levari who the board purchased property from a few years ago in 2011. The board asked that Mr. Lillie come back to the board with his best and lowest offer and submit it to Mr. Testa's office and once the offer is received the board will either agree to the purchase price or decline the offer and that will be the end of the discussion in regard to the property Mr. Lillie has for sale as far as the BBMUA is concerned. Mr. Lillie thanked the board for their time and agreed to submit his lowest final offer.

Robert Smith of Remington, Vernick & Walberg sent an email to the Borough of Buena's Administrator, Paul Trivellini, requesting authorization from the Borough to bid contracts for the Electrical and Mechanical & Plumbing contracts. Typically when the bids are advertised they are bid in conjunction with the Borough of Buena. Both contracts expire February 10, 2017 so advertising will be in December 2016 with bids received by the end of December 2016 in order to have everything in place by February 10, 2016.

Mr. Smith sent an email to Plant Superintendent Alan Zorzi requesting quantities for the ¾" and 1" water meters for the bid preparation that Remington, Vernick & Walberg is currently working on. It was determined that they will bid the same quantities as the last bid which expires on February 10, 2017. This bid will also be advertised and received in December 2016 so everything will be in place for February 2017.

Mr. Smith submitted a change order for the service of well #3. There was a discrepancy with the depth of the pump and the quantity that was bid for the replacement column pipe. There was only 25 pieces bid and there is actually 32 pieces of column pipe. So in order to not have a cost component to the MUA Remington, Vernick, & Walberg obtained a revised price from the contractor. Instead of doing an epoxy coating on the column pipe, they would replace the column pipe with a steel column pipe which is what had come out of the ground. A couple of opinions were obtained in regard to replacing the column pipe or reusing it. The expert came out Monday, October 17, 2016 and it was determined that more than 50% of the column pipe needs to be replaced so they made a decision to replace all of the column pipe. Again in order to make up for the quantity differential between what was in the bid spec they had to eliminate the epoxy coating. The other thing is there was a bid item to service the pump motor and one of the items was to rewind the motor. The contractor determined that this is not necessary and issued a \$2,000.00 credit since the motor does not have to be rewound. The last two items are for the additional column assembly pieces at the top and at the bottom. Therefore, this is a net increase in the contract of \$210.00. We will see a cost savings at the end of the contract because there are some allowances in the contract that will not be used. Ultimately the contract will be below what the original bid was. However, in order to

replace the column pipe and order the extra pieces we have to issue a change order in the contract for the increase of \$210.00.

m/Baker s/Delano to approve change order #1 for the service of well #3 for an increase in the amount of \$210.00. m/passed

Robert Smith informed the board that the furnishing and delivery of wood chips bid and the furnishing and delivery of liquid alum bid will be received on Tuesday, November 1, 2016. Therefore we will have recommendations for the board for the meeting on Wednesday, November 9, 2016.

As for the Carbon C we are working with Steve Testa to find a way other than doing a formal bid on this item. One option is to qualify it as an extraordinary unspcifiable service or possibly doing competitive contracting. Once Steve gets back in the office, we are going to talk to him and see if he can come and meet with us the day of the bid opening to go over the options we have for the Carbon C.

Steve Testa of Romano, Hearing, Testa & Knorr was not present at tonight's meeting. However, Mary Ann Chalow presented the 2017 sewer and water budget for the BBMUA to the board for introduction. Ms. Chalow explained that as of now we are not proposing any sewer rate increase or water rate increase for the 2017 budget. The sewer budget being introduced tonight decreased by 2% and still includes the additional debt service payment as well as \$75,000.00 toward the replacement of filters for the new MBR plant. We will be utilizing \$338,285.00 of the unrestricted undesignated net assets to balance the budget. Sewer revenues are pretty much flat. As for the water budget, revenues have decreased 15%. A rate increase is not proposed at this time. We will however be utilizing \$179,000.00 of unrestricted undesignated net assets to balance the budget. It still includes the \$50,000.00 to be placed into the Equipment Renewal and Replacement Account that exists to cover the cost of maintenance of the water tower.

m/Baker s/Formisano to adopt Resolution R-33-2016 a resolution introducing the Sewer and Water Operation Budget for 2017. m/passed

John Smith of EMEX would like to hold an energy auction on Wednesday, November 9, 2016 for our electricity. The current contract we have expires on December 31, 2016. We will bid the electric for another one year term. Therefore we need to adopt a resolution authorizing the purchase of electricity supply services for public use on an online auction website.

m/Baker s/Delano to adopt Resolution R-32-2016 authorizing the purchase of electricity supply services for public use on an online auction website. m/passed

A letter of resignation was received from Jorge Alvarez due to his new appointment to the Borough of Buena Council.

The Borough of Buena provided a copy of their resolution refunding the \$56,000.00 previously given to help with budgetary needs of the Borough. The resolution and a copy of the check was provided to the board for their records.

A copy of the check from Qual-Lynx in the amount of \$1,510.00 was provided to the board. This check was for the damages of the fire hydrant that was hit at 456 Wheat Road less the deductible. Subrogation efforts are underway in an attempt to recover our entire loss. We are still waiting on two more reimbursements for two other hydrants that were damaged in motor vehicle accidents.

m/Baker s/Delano to approve the minutes of the regular meeting held on October 12, 2016.

m/passed

m/Baker s/Delano to approve the minutes of the last executive closed session meeting held on October 12, 2016.

m/passed

Mr. Zorzi informed the board that an email was sent to Lisa Powers of Ovivo USA, LLC and Michael Testa Jr. regarding the primary aerators at the BBMUA wastewater treatment plant. The aerator is failing. The oil pressure is now zero and the BBMUA staff has changed the pressure gauge and are now replacing the oil. The Solicitor has recommended waiting until something failed. That time has come. Mr. Zorzi spoke with Mr. Casella and with Dennis Yoder of Remington and Vernick. Mr. Yoder agrees that Ovivo is responsible for this. It is believed that the damage occurred when the thermostat wasn't connected and the oil cooked for a year and a half. When the contractor installed it, they were not allowed to start it up until Ovivo sent someone out to make sure it was installed properly and the Ovivo employee never connected the thermostats. Dennis is going to work with the Solicitor and reach out to the contractor Level 1 Construction to discuss the next steps. We still have the video and photos of the oil being drained and the temperature being greater than 200 degrees and we still have the oil that was drained. Chairman Santagata stated that if Ovivo won't do anything that we should begin taking legal action. Mr. Zorzi did speak with Lisa Powers last week and she stated she would get back to him and still has not received a call back from her. Mr. Casella stated that the oil pump appears to be nonfunctioning at this time and the grinding noise in the motor is continuing. It would appear that it is only a matter of time before it fails. It's incumbent that we do whatever we can to mitigate any of those potential losses so we don't have a catastrophic shut down at any time. So if there is a part that can be replaced we can replace it and know what it is. But to the extent that this has been Ovivo's doing by not properly supervising and reviewing the install, that is an issue that we will be taking up with them in the future. Mr. Zorzi stated that it would cost \$19,090.00 just for the gear

box. This does not include the cost of the crane rental and the labor to replace the unit. The gear box that will be replaced is the primary. This will be sent out to see what the extent of the damages are. Whatever is wrong with that gear box will probably happen to the secondary down the line. Dennis Yoder was adamant today that both boxes should be replaced. However, we don't know if Ovivo will even help us with one. Mr. Casella stated that we have to do what we have to do to protect ourselves. And that is to keep the functionality of the Authority because if it fails suddenly we are not processing wastewater. We have to do what we can do to keep that from happening and then keep our options open in proceeding further, legally or otherwise, to remediate this thing. At this point Mr. Zorzi wants to know how to proceed from here. Chairman Santagata and Mr. Casella both agreed that we need to keep in touch with Ovivo. However, Mr. Casella feels that we need to get the new gear box to replace the failing one. Mr. Zorzi asked how he can replace the part when it is higher than the bid threshold of \$17,500.00. Robert Smith of Remington, Vernick & Walberg asked if we can use our mechanical services contract and have them purchase the part and have them do the work to switch it out. Mr. Zorzi stated that they will mark the part up 10%. Mr. Smith and Mr. Casella agree that we should obtain a quote from our mechanical contractor, Falasca Mechanical, Inc. Once that quote is received Mr. Zorzi should email it to Mr. Casella for him to forward to Ovivo stating that our intention is to repair the gear box and give Ovivo the opportunity to choose whether they want to replace the gear box themselves or reimburse us for the cost of the repair. If Ovivo does not respond, then legal action will be taken to recover the repair costs.

Teligent ran the 10" fire line across Wheat Road and a 4" domestic line from Lincoln Avenue. Both lines were tapped today but are not connected. All that is left to do is finish installing another valve and connect the pipes. Once they are chlorinated we will charge them and take a coliform bacteria test. Once the test comes back showing that there is no coliform bacteria in the line they can use the lines.

m/Baker s/Delano to file all correspondence sent out for review without reading number 1 through number 13. m/passed

The next regular meeting will be held on November 9, 2016 at 7:00 p.m.

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

Submitted by
Cheryl Santore-BBMUA Secretary