

**Regular Meeting of the Mantua Township MUA  
March 19, 2019**

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In accordance with New Jersey law regarding “Open Public Meetings” notice of this meeting was published in the Courier Post and The South Jersey Times.

**CALL TO ORDER:** The meeting was called to order at 5:00 p.m. by Chairman Tom Gregg in the meeting room of the Authority office located at 397 Main Street in Mantua, New Jersey.

**PLEGE OF ALLEGIANCE**

**ROLL CALL:**

Members Present: Tom Gregg, Charles Burkett, Tim Sheehan, Vince Voltaggio

Alternate John Parks

Also Present: William Krebs, Executive Director  
John A. Alice, Solicitor

Mark Brunermer and Dave Palgutta, Engineers

Craig Gargano, Esquire, Bond Counsel

Susan Novick, Recording Secretary

Public Present: No one from the public attended the meeting.

Mr. Parks was designated to vote in place of Mario Dilisciandro.

**PUBLIC PORTION:**

The Public Portion of the meeting was not held as no one from the public was in attendance.

**APPROVAL OF MINUTES:**

MOTION by Mr. Voltaggio, second by Mr. Burkett, to approve the minutes of the reorganization meeting held February 5, 2019.

Motion carried

MOTION by Mr. Voltaggio, second by Mr. Sheehan, to approve the minutes of the regular meeting held February 5, 2019.

Motion carried.

**CORRESPONDENCE:**

There was no discussion of correspondence.

**TREASURER’S REPORT – Tim Sheehan:**

Balances in each bank account were reported. Bills to be approved for payment from the Operations Checking Account totaled \$421,151.91. Bills to be approved for payment from escrow accounts totaled \$1,535.00.

MOTION by Mr. Voltaggio, second by Mr. Sheehan, to accept the Treasurer’s Report and approve the payment of bills from the Operations Account totaling \$221,357.01, and from the Escrow Accounts totally \$1,535.00.

|                 |           |     |
|-----------------|-----------|-----|
| Roll Call Vote: | Parks     | Yes |
|                 | Voltaggio | Yes |
|                 | Sheehan   | Yes |
|                 | Burkett   | Yes |
|                 | Gregg     | Yes |

Motion carried.

**LEGAL REPORT – John A. Alice, Esquire:**

Dippy’s Ice Cream, Easements in general - Mr. Alice determined the simplest, most direct approach was a non-exclusive, perpetual easement to allow the Authority to make repairs in the event the owner of the sewer line fails to maintain it; the obligation to take care of the line remains on the owner. This is the simplest resolution because the easement will be of record but new deeds won’t be required. Also, the language of the easement can be tweaked and used for other instances, such as the homes Nick Salerno may be building on Grandview Dr. and connecting to sewer via private lines. Mr. Alice indicated he spoke with the engineer about getting a copy of the plan, attaching it to the deed for the easement and making sure the owner of Dippy’s records it.

**ENGINEER’S REPORT – David Palgutta:**

T-Mobile - No work is anticipate until Summer.

Verizon Wireless - Final inspection and closeout of the project is expected within the next two months.

Country Gardens - There is no update to their status.

Mantua Car Wash - There is no update to their status.

Dippy’s Ice Cream - as Mr. Alice indicated, the agreement is now in the hands of the applicant. The applicant’s engineer is drawing up plans and a legal description to attach to the agreement/easement. Mr. Baker has been coordinating with the contractor; they anticipate doing the directional drilling on the March 25. They understand they may go ahead with the work but they will not be able to use the sewer main until the easement has been finalized and signed off on by the Authority.

Barnsboro Sewer Extension – there has been significant progress over the past month. The GCUA endorsement was received and incorporated into the NJ DEP



TWA submission. Mr. Palgutta requested a check from the Authority for payment of the soil erosion fee, to move that portion of the project along. The engineer met with the DEP on March 5 to review the project. The DEP deemed the project administratively complete, which moves it into the technical review period. During the DEP meeting, the timeline for the project was discussed. Mr. Palgutta expressed the Authority's concerns over the amount of time the DEP approval process takes and inquired as to whether DEP could move forward more aggressively. The DEP seemed receptive to working with the engineers and they were able to shave a few months off the expected timeline. Mr. Gargano will be reviewing some of his findings from the meeting. Although they didn't yet know whether the Authority would be using traditional or Trust financing, the engineers started work on the planning documents, so no time would be lost either way. They are now in position to submit the planning documents by the end of the month. The next step will be drawing up the bid documents and technical specifications, and finalizing the traffic control plan.

Royal Oaks Station & Austin St. Station – The planned improvements to these pump stations are associated with the Barnsboro sanitary sewer extension. The Executive Director has authorized the Foreman to discuss both projects with the engineers. Mr. Palgutta submitted two proposals for topographic surveys for the Board's consideration, one for each pump station project.

Mr. Voltaggio and Mr. Palgutta had a brief exchange regarding the timeline for approvals, advertising, awarding the contract, and the start of construction on the Barnsboro sewer. Mr. Palgutta indicated he was able to trim the expected length of the DEP approval process from 8 months to 5, but the timeline for the bidding and construction phases of the project are already fairly tight.

Craig Gargano, Esquire, the Authority's Bond Counsel, spoke about the options for financing the improvement projects. He acknowledged that working through the NJIB [New Jersey Infrastructure Bank] can be time consuming; they require lots of review and oversight and planning specs, etc., and everything must go through their engineers. However, NJIB is pretty good about working with issuers when there is a pressing need to get a project done. The Authority currently has three projects on file with NJIB. If one is more urgent than the other two, if an emergent need can be shown, then NJIB might prioritize that project over the others and perhaps line up the funding in time for construction to begin this summer. Mr. Gargano could not guarantee that it would help, but offered to call the NJIB about the likelihood of getting a project fast tracked.

The Authority has two options for financing: the NJIB program and traditional financing. Traditional financing tends to be a little quicker because there isn't such a lengthy review process. Having said that, using traditional financing will speed up the process by only a 4 to 6 weeks.

As far as the advantages of one type of financing over the other, there are two issues: one is legal, the other is cost. The Authority is required to obtain approval from the Local Finance Board before getting any kind of financing. The Finance Board requires that you at least attempt to get financing through NJIB. If the Authority goes through the NJIB, the Bank will obtain the Finance Board approval. It's an automatic approval. No one will have to appear before the Board; no one will have to sell the Board on the project. But if the Authority wants to try to get traditional financing, then it must appear before the Local Finance Board and explain why it is not going through the NJIB program. The reason for this is that it's much more cost effective to borrow through NJIB. [The State wants to encourage/require local governments to take the most cost effective route, in the interest of the taxpayers/ratepayers.]

The risk of taking that route is that the Board could reject the Authority's reasons and require it to apply to the NJIB program anyway. At that point, you would be a month or more behind where you would have been in the process if you had gone straight to the Trust.

Loans through NJIB are more cost effective than traditional financing for a couple reasons. One is that NJIB loans are structured so that 50% of the loan is interest-free, and 50% is at NJIB's rate of borrowing. The NJIB rate will be slightly better than the borrower's. So the interest rate NJIB charges on half the loan will be less than the rate charged by a traditional lender on the whole loan. Mr. Gargano stated that even though there is more legal work involved in getting an NJIB loan, the cost savings of going through NJIB are always significant, even when the cost of the extra legal work required is factored in.

Another advantage of going through NJIB is that you only borrow what you need. With a traditional loan, the borrower estimates how much will be needed and takes out a loan for that amount. If the project comes in under budget, he will have borrowed more than needed and has to pay it back, with interest. Financing through the NJIB starts with a short term, 1 to 2 year construction loan. You borrow what you think you will need for construction, until the project is complete. The interest rate is very, very low, probably less than 0.5%. [The borrower pays for construction as it progresses, and periodically requisitions reimbursement from the lender.] Anything that is left on the loan when construction is complete is used to pay off the short term loan. The long term loan, or bond, pays off the rest of the loan. It's a much more efficient system, in the sense that the amount borrowed is the same as what was needed to complete



the project, and the borrower doesn't end up paying interest on money he didn't need to borrow.

Mr. Gargano acknowledged that submitting documentation for reimbursement used to be burdensome. He has heard that the process for submitting documents has been streamlined and more efficient about making payments.

Mr. Krebs and Mr. Palgutta advised that for the last two capital projects, which were financed through the Trust, the initial submission for reimbursement required a bit of work, but after that point it was a simple process and the Trust turned around the requests quickly and wired the reimbursements directly into the Authority's bank account.

Mr. Voltaggio stated the Board needs to have financing in place so the project can be put out for bid in July, awarded in August, and under construction before the end of the year.

Mr. Gargano suggested that scheduled was too optimistic. The NJIB will not process the financing until the Authority has "authorization to award."

There was some group discussion about authorizations to advertise and award, etc.

Mr. Palgutta also advised that DEP requires a "level 2 planning document", which in turn requires a public hearing. The document requires the Engineer to assess the environmental constraints, similar to creating a wastewater management plan. It is required because the Barnsboro sewer extension will be new infrastructure, as opposed to rehabilitation of existing infrastructure. The process will take at least 2 months, if not three. The DEP can't waive this requirement.

Mr. Sheehan asked if there was anything the Engineer needed from the Board in order to move the Barnsboro project along.

Mr. Palgutta said he was getting the sense that the Board will go through the Trust for financing. He asked for clarification, as he needed to know whether to submit the planning documents to the Trust next week. Mr. Gargano advised that as a practical matter, that is the only real choice for financing.

Mr. Alice clarified that the Authority could go before the Local Finance Board and try to make a case for bypassing the NJIB in favor of traditional financing. But it is unlikely the Authority would prevail. And if the Finance Board decided against the Authority they would be back at square one, they would have to apply to the NJIB, and they would have lost at least a month. So perhaps it is better to face the fact that we have to work through the State for financing.

Mr. Gargano confirmed that is a fair assessment.

**FOREMAN’S REPORT – William Krebs:**

Mr. Krebs advised that Licensed Operator/Foreman was at the American Water Works Association convention in Atlantic City.

Three quotes were obtained for a new line locator. The quote from A.P. Certified was \$3,775; Eastcom’s price was \$4,095; Pipe Tool’s price was \$4,185.75. Mr. Krebs recommended approving the purchase from A.P. Certified.

MOTION by Mr. Voltaggio, second by Mr. Sheehan, authorizing the purchase of a 5 watt line locator from A.P. Certified at the quoted priced of \$3,775.00

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| Roll Call Vote: | Parks     | Yes |
|                 | Voltaggio | Yes |
|                 | Sheehan   | Yes |
|                 | Burkett   | Yes |
|                 | Gregg     | Yes |

Motion carried.

Quotes for a new gate opener and remote controls for the gate at the treatment plant were requested from three contractors. Overhead Door provided the lowest quote, at \$5,400. HR Rolling Gate quoted \$5,940.00. Burger Fence did not respond, even though two follow calls were made. Mr. Krebs recommended approving the purchase from the lowest bidder.

MOTION by Mr. Sheehan, second by Mr. Burkett, authorizing the purchase of a new gate opener and remote controls from Overhead Door at the quoted priced of \$5,400.00.

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| Roll Call Vote: | Parks     | Yes |
|                 | Voltaggio | Yes |
|                 | Sheehan   | Yes |
|                 | Burkett   | Yes |
|                 | Gregg     | Yes |

Motion carried.

Quotes were obtained from Uni-Tech, A.C. Schultes, and Municipal Maintenance for repairs to Well 3. The quotes ranged from \$7,938 to \$12,635. Mr. Krebs recommended approving the lowest quote, from A.C. Schultes.

MOTION by Mr. Sheehan, second by Mr. Parks, authorizing repairs to Well 3 as quoted by A.C. Schultes, for a cost of \$7,938.

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| Roll Call Vote: | Parks     | Yes |
|                 | Voltaggio | Yes |
|                 | Sheehan   | Yes |
|                 | Burkett   | Yes |
|                 | Gregg     | Yes |



Motion carried.

**EXECUTIVE DIRECTOR’S REPORT – William Krebs:**

Mr. Krebs referred to item #3 on the correspondence list, an email from a resident regarding account 378750. The resident requested a refund of interest charges on the grounds that she did not receive the original bill. The Board took note of the fact that she has been a customer for over 12 years and has never been late in paying the bill, with the exception of the one she did not receive.

MOTION by Mr. Voltaggio, second by Mr. Sheehan, waiving \$7.32 in late charges on account 378750.

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| Roll Call Vote: | Parks     | Yes |
|                 | Voltaggio | Yes |
|                 | Sheehan   | Yes |
|                 | Burkett   | Yes |
|                 | Gregg     | Yes |

Motion carried.

Mr. Krebs remarked that once the new Invoice Cloud program is installed, customers will be able to check their accounts balances and make payments online. He expects the Board will be less lenient about waiving interest then, as customers will have no reason for missing bills.

An Edmunds employee has been in the office this week, training the staff on the new accounting program. The sewer flows have been exceptionally high this year, even after the rain is taken into consideration. The extra flow is costing the Authority, as the GCUA charges are based on flow. The Foreman has investigated and believes some residents are putting their sump pump flows into the sanitary sewer. It is illegal to do so. The MUA would like to work with the Township; ideally the CO inspector will look at where the sump pumps are dumping.

A brief group discussion ensued. Engineer Mark Brunermer noted that sump pumping into the sanitary sewer is a huge issue everywhere.

MOTION by Mr. Voltaggio, second by Mr. Sheehan, directing the Solicitor to draft a letter to residents putting them on notice that it is illegal to discharge sump pumps into the sanitary sewer.

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| Roll Call Vote: | Voltaggio    | Yes |
|                 | Dilisciandro | Yes |
|                 | Sheehan      | Yes |
|                 | Burkett      | Yes |
|                 | Gregg        | Yes |

Motion carried.

Mr. Krebs referred to a new shared service agreement with the Board of Education.

Mr. Alice added that the Authority has had a longstanding agreement for office cleaning with the Board of Education. He crafted an agreement that will allow the Executive Director some flexibility in addressing mutual areas of concern, as the needs arises.

MOTION by Mr. Dilisciandro, second by Mr. Burkett to adopt Resolution 2019-18, authorizing a Shared Services Agreement with the Board of Education.

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| Roll Call Vote: | Voltaggio    | Yes |
|                 | Dilisciandro | Yes |
|                 | Sheehan      | Yes |
|                 | Burkett      | Yes |
|                 | Gregg        | Yes |

Motion carried.

**NEW BUSINESS:**

There was no discussion of new business.

**OLD BUSINESS:**

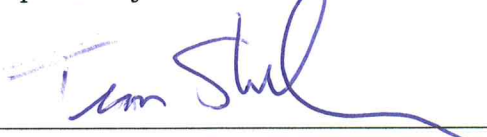
There was no discussion of old business.

**ADJOURNMENT:**

MOTION by Mr. Burkett, second by Mr. Voltaggio to adjourn the meeting at 6:10 p.m.

Motion carried unanimously.

Respectfully submitted:



Tim Sheehan, Secretary

ATTEST:   
 Susan Novick, Recording Secretary

Recorded and prepared by Susan Novick  
Approved at the meeting held on April 16, 2019