

**CARNEYS POINT TOWNSHIP SEWERAGE AUTHORITY  
REGULAR MEETING October 15, 2019**

The meeting was called to order by Chairman Rullo at 5:30 p.m. with the pledge of allegiance and stating the following: This meeting is being held in compliance with the Open Public Meeting Act. Advance notice of this meeting was given by way of the annual notice which was filed with the Carneys Point Township Clerk, forwarded to the South Jersey Times and the Elmer Times and was posted on the bulletin board in the lobby of the Carneys Point Township Municipal Building. The pledge of allegiance was recited.

**Roll Call**

Present: Mr. Rullo, Dr. Racite, Mr. Brown, Mr. Newton, Mr. Pelura

Others Present: Mr. Biermann, Mr. James DeBlock, Mr. Telsey, Mr. Whittaker, Mr. Welding, Mrs. O'Neill and Mrs. Zee

**Payment of Vouchers:**

Dr. Racite asked Mr. DeBlock if the miscellaneous supplies are being properly allocated. Mr. DeBlock stated that there are a number of items that need to be re-allocated. Mr. DeBlock to discuss with Mr. Welding how to best complete this. Dr. Racite questioned the \$17,790 under renewal and replacement for repair of the RBC. Mr. DeBlock stated that this repair had been previously approved. Dr. Racite asked about the two retiree healthcare reimbursements. Mrs. O'Neill stated that one is for Mrs. Harris and one is for Mr. Phillips. Dr. Racite asked about Andy Whittaker garnishment and do we have a specific line item and Mrs. O'Neill stated yes there is a separate line item in the budget.

On motion by Mr. Newton, second by Mr. Brown, it was moved to approve all properly audited vouchers.

RECORDED VOTE:      Aye: Mr. Rullo, Dr. Racite and Mr. Pelura  
                                 Nay: None  
                                 Abstain: None

MOTION CARRIED:      5-0-0

**Approval of Minutes:**

On motion by Mr. Pelura, second by Mr. Newton to accept Regular Session minutes from the August 20, 2019 meetings.

RECORDED VOTE:      Aye: Mr. Rullo, Dr. Racite and Mr. Brown  
                                 Nay: None  
                                 Abstain: None

MOTION CARRIED:      5-0-0

**Old Business – Section 2:**

**Correspondence – Section 3:**

1. Formal request to Carney's Point Sewerage Authority to approve the December 1, 2018 thru June 1, 2019 retro salary. Please see attached memo.

Dr. Racite asked for the spreadsheet. Mrs. O'Neill responded that the spreadsheet had been emailed to all the board members. Dr. Racite stated that this was a previous spreadsheet and not another one. Mrs. O'Neill confirmed this statement.

**On motion** by Mr. Newton, second by Mr. Brown to approve the December 1, 2018 thru June 1, 2019 retro salary:

RECORDED VOTE:      Aye: Mr. Rullo, Dr. Racite and Mr. Pelura  
                                 Nay: None  
                                 Abstain: None

MOTION CARRIED:      5-0-0

2. Mr. Telsey received an email from Salem City and they are looking into a shared services agreement with another sewerage authority for a backup operator with an S2 license. Please see attached copy of email from the Salem City Solicitor.
  - Mr. Telsey shared this information with DeBlock and Mr. Whittaker. Mr. DeBlock stated this is a S4 facility and is required to have an S4 operator in attendance if their S4 operator is absent. Which means our operator would have to go and man their facility. Mr. Pelura suggested for Mr. Telsey to get back to Salem City and let them know we don't have the man power. Mr. Telsey agreed and will follow up.
3. Proposed Warehouse Development Block 13, Lots 6, 6.01, 7, 4,13 Block 28, Lots 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 21.01, 22, 23, 24, 29 Oldmans Township, Salem County, NJ
  - Mr. Biermann stated this property is on the opposite side of 295 across from the Gateway Business Park. The property owner's engineer, Norm Rodger, is here to explain. Mr. Rodgers works for a national company that specifically owns and operates warehouses throughout the US. They are very interested in this project. It contains

approximately 25 lots located in Oldsman Township adjoining 295 and between Pedricktown-Woodstown Rd and Strongsmill Rd to include 628 acres. We understand and acknowledge that this area is not currently in the wastewater management service area. We would seek to amend that if Carneys Point would be interested in entertaining the possibility of taking the sewerage from this location into their wastewater treatment plant. The applicant is very interested in doing and paying for whatever study you may consider for sending the sewer to the wastewater treatment plant which may include conveying from any nearby pumping station and ultimately thru the gravity system and eventually discharging thru the wastewater treatment plant. The reason being is the only alternative we would have would be to construct an on-site wastewater treatment plant. We have been looking at that and the determined estimated costs would be for that. This would be a substantial cost and they feel as though it would be a great benefit for them to utilize that money as a contribution to Carneys Point for upgrading the wastewater treatment plant and whatever receiving conveying systems is needed to support the project. Our early flows are around 100,000 gallons per day and they are planning warehousing but have not defined the total building square footage at this point as there are environmental constraints but it could vary between 4 to 6 million square feet of warehousing. Mr. Rodgers is here tonight to see if it would be possible to submit an application on behalf of our client to entertain the possibility of upgrading your systems to accommodate the 100,000 gallons daily flow for this project. Mr. Brown asked what kind of dollars are your clients talking about, just a ballpark figure? Mr. Rodgers replied that on the on-site wastewater treatment plant would be between 1-2 million dollars. Mr. Brown asked if they think they would be able to do a sewer line, pump station and increase our flow capacity for 2 million dollars? Mr. Rodgers answered that this is just a ballpark figure and that they haven't met with DEP yet so they would not have any idea what the treatment requirements. My client has several projects across the country in excess of 55 million square feet that they own and operate. They definitely have the equity to provide for this treatment plant. It would be in line with any kind of consistencies with the determination that would be required to make the property inclusive to the sewerage service area. Even if we were trying to construct an on-site wastewater treatment plant, we would have to go thru DEP to get a consistency determination and is there are any other alternatives and can we send sewer to a nearby existing wastewater treatment plant. Mr. Brown asked Mr. Biermann if he had had earlier conversations with Mr. Rodgers and Mr. Biermann replied that Mr. Rodgers had called him earlier today. Mr. Biermann told Mr. Rodgers that we are at limited capacity and that we do have a number of these request from Oldsman Township and that the Authority has been able to extend additional capacity to projects that are outside of our designated Gateway Business Park. Mr. Rullo stated that he is not in favor of giving our sewer away as we have a lot of projects moving along right now. Mr. Rullo asked Mr. Biermann if the 2 million dollars would be enough to upgrade our plant? Mr. Biermann stated that the connection fee for that 100,000 gallons a day would be 2.2 million dollars and the improvement would likely be more than that to include upgrading the plant and pump stations as well. It may be something in the future the townships want to discuss but there are big dollar numbers behind it and the townships would both have to be fully invested in order to make it happen. Mr. Pelura asked Mr. Telsey because this is a potential contractual can we discuss this in closed session? Mr. Telsey replied that if we are going to start discussing contract issues then yes we would go into closed session. Mr. Rodgers continued that he believes that the size of the property has potential for revenue and certainly be a great benefit for our client to make an investment in the treatment upgrade to Carneys Point as opposed to constructing on-site and having the requirement to have long-term treatment operations and maintenance. Mr. Brown asked if Mr. Rodgers or his clients have sat down and talked to the officials in Oldsman Township with the possibility of them investing in this project also? Mr. Rodgers stated that his client has discussed this possibility and they clearly understand that if we are moving towards that then you would have to Oldsman Township and Carneys Point make consent to include portions of Oldsman Township in the sewerage service area being directed to Carneys Point. Mr. Brown stated that is what concerns him. Mr. Rodgers is here to see if we would consider taking on the investigative report financed by his client for the upgrades to the wastewater treatment plant and if there is any other conveyance improvements that are required to be included in the summary report. Mr. Rullo asked Mr. Biermann do we have to apply for permits and such if we would upgrade our plant? Mr. Biermann stated that with a plant upgrade we would have to apply for permits and apply with DEP and DRBC. Technically this is doable and nothing that can't be done technically. It comes down to the dollars and cents and is there political pull behind it. Mr. Biermann thinks this would be worth discussing in closed session and also entail negotiations. Maybe at this point and time to acknowledge the letter formally by motion. Mr. Telsey agreed.

**On motion** by Mr. Brown, second by Mr. Pelura to accept this letter formally:

VOTE: Aye: Mr. Rullo, Dr. Racite and Mr. Newton

Nay: None

Abstain: None

MOTION CARRIED: 5-0-0

4. Sanitary Sewer Review #2: Harding Hwy Distribution Center Block 250; Lot 3 Carneys Point Township, Sale m County S&A File #CPSA-1020. Please see attached letter.
- Mr. Biermann stated that this letter and the next letter on the agenda under correspondence and Resolution 2019-27 all go together. If you like we can go over all of these at the time of the Resolution. The review letter is the standard review letter that the applicant has met all the requirements and we also issued the connection fee amounts.

Sanitary Sewer Bond Estimate & Escrow Fees for Harding Hwy Distribution Center Block 250; Lot 3 Carneys Point Township, Salem County S&A File #CPSA-1020. Please see attached letter.

Mr. Biermann continued that contains the sewer bond, escrow and inspection escrow estimate. These are reflected in Resolution 2019-27. Mr. Biermann has no objection to the Authority approving this project and by resolution establishing the amounts.

**New Business – Section 4:**

5. Resolution 2019-26 Consenting to NJDOT Route 130 Hollywood Ave Roundabout Project. (Mr. Biermann to coordinate with the NJDOT engineer in regards to specific verbiage in this resolution).
  - Mr. Biermann has had a difficult time working with the DOT engineer on this. Mr. Biermann has called him numerous times over the last 3 weeks, he has not called back and has only sent emails back and not actually clarifying why we need this amendment to the agreement. We do have an agreement to the project. Their engineer sent an email back stating the cover letter clarifies everything. Mr. Telsey added that he reviewed the email as well and concurs with Mr. Biermann. Mr. Rullo stated that we shouldn't act on this until we receive the clarification we need and Mr. Telsey agreed. Mr. Brown asked if we have sewer in the area of the DOT's project and Mr. Biermann replied yes, there is sewer along that entire corridor and basically this is a DOT paving and roadway reconstruction job and we already have an agreement with them where they reset the manhole casting and we go out and inspect them. This is a fairly simple job and not sure why we need to have an additional agreement. There may be a valid reason for it but it wasn't explained appropriately.
  - No vote at this time. Mr. Biermann left a message with the DOT engineer that if he doesn't clarify this agreement then the board will not act on it.
6. Resolution 2019-27 Approval of Harding Highway Distribution Center.
  - Mr. Biermann stated that this letter and the next letter on the agenda under correspondence and Resolution 2019-27 all go together. If you like we can go over all of these at the time of the Resolution. The review letter is the standard review letter that the applicant has met all the requirements and we also issued the connection fee amounts. Sanitary Sewer Bond Estimate & Escrow Fees for Harding Hwy Distribution Center Block 250; Lot 3 Carneys Point Township, Salem County S&A File #CPSA-1020. Please see attached letter. Mr. Biermann continued that contains the sewer bond, escrow and inspection escrow estimate. These are reflected in Resolution 2019-27. Mr. Biermann has no objection to the Authority approving this project and by resolution establishing the amounts.

**On motion** by Mr. Pelura, second by Mr. Brown to approve Resolution 2019-27:

VOTE: Aye: Mr. Rullo, Dr. Racite and Mr. Newton

Nay: None

Abstain: None

MOTION CARRIED: 5-0-0

7. Resolution 2019-28 CPTSA 2019-20 Budget.
  - Mr. Welding proposed budget this year is \$2,401,000.00 up from \$2,314,000 last year. If you go to the first page on the worksheet, we put an extra \$50,000 in the R&R account bringing it up to \$200,000. The paid accountant is \$20,000. The other appropriation increases and decreases net out to an increase of \$60,810. We are using \$271,000 in surplus to balance the budget. We used \$284,000 last year. We increased out connection fees up \$100,000. We are also using \$90,000 to distribute to the township. On pages 2 thru 6 you can see all the appropriations compared to last year. The highlighted appropriations were reviewed by Mrs. O'Neill and myself. Mr. DeBlock gave us most of the other numbers. Tim Kiel, the paid accountant, is to come in and fix the R&R accounts, start some new charge accounts so we can have a small R&R account for small projects. The infrastructure trust projects and any projects we do bonding we have separate codes and we can control the expenditures in the budget in a better manor. He can come in and help balance the end of the month records, he can maintain the fixed assets schedule. All these tasks we need for the audit and Joanne has her hands full with the day to day operations. There's a lot of things the auditor's cant complete for the Authority anymore and Tim Kiel can handle along with a multitude of other responsibilities. Mr. Pelura asked if this a professional services contract? Mr. Welding stated yes and you can award this as a fair and open so you don't have to do the RFQ. It is an hourly contract for \$120 per hour and you assign him the work. Dr. Racite asked Mr. DeBlock if anyone work with Mr. Welding in regards to the budget. Dr. Racite asked about the PERS increase? Mr. Welding explained that this an estimate as the actual bill isn't due until April 2020. Mr. DeBlock also added that the PERS last year was underfunded. Dr. Racite asked on the R&R account why we can handle this account better. Dr Racite asked if the recommendation of the additional professional services and were you directed to do that or is this your recommendation to us due to this issue that developed. Mr. Welding stated that this is his recommendation when he comes in to do the audit and do an assessment of the finance department and if they have the SKE (skill, knowledge and experience) to maintain the general ledger. Tim is a CPA he has the needed SKE. Mr. Welding stated this comes at the right time with the audit and Joanne's temporary disability. Mr. DeBlock

would like to spend some time with Mr. Welding and Mr. Kiel. Mr. Brown wants to know how long it will take to do a study after we the audit is complete to look into a rate increase as we haven't had one in several years. Mr. Brown states this is problematic that there hasn't been a rate increase in 20 years. Mr. Welding stated the last increase we had was the connection fees. Dr. Racite stated we had a projected rate increase 2 years ago. Mr. Biermann stated that it was when Michele was here and she did an evaluation of other authorities in the area. There were recommendations on what the rate would ultimately have to be once we had those projects online and had the debt service in place. It was then up to the board on staging ourselves so we can get our rates up without a big shock to the system and the public. Mr. Brown asked Mr. Biermann to send out the email from 2 to 3 years ago to everyone. Mr. Brown asked what the late fee time frame. Mrs. O'Neill responded 40 days. Mr. Welding the late fee time frame can be brought up when the rate increase is proposed to the board.

Mr. Welding stated if we would like to introduce the 2019-20 Carneys Point Sewer Authority Budget.

**On motion** by Mr. Newton, second by Mr. Brown to introduce the 2019-20 Carneys Point Sewer Authority Budget:

VOTE: Roll Call Aye: Mr. Rullo, Mr. Newton, Mr. Brown Dr. Racite and Mr. Pelura

Nay: None

Abstain: None

MOTION CARRIED: 5-0-0

8. Resolution 2019-29 Authorizing Courses Sewer Capacity Agreement.

- Mr. Biermann Courses Landing Rd. Mr. Telsey worked with Mr. Allan and Mr. Biermann to reserve the sewer capacity for the Courses Landing Road Project. They are going to pay 50% of their connection fee upfront to essentially reserve the sewer capacity and sewer connection.

**On motion** by Mr. Pelura, second by Dr. Racite to approve Resolution 2019-27:

VOTE: Aye: Mr. Rullo, Mr. Brown and Mr. Newton

Nay: None

Abstain: None

MOTION CARRIED: 5-0-0

9. Resolution 2019-30 Approving Harding Sewer Capacity Agreement.

- Mr. Biermann Courses Landing Rd. Mr. Telsey worked with Mr. Allan and Mr. Biermann to reserve the sewer capacity for the Courses Landing Road Project. They are going to pay 50% of their connection fee upfront to essentially reserve the sewer capacity and sewer connection. Mr. Biermann stated on the Harding Highway agreement that the service units need to be rounded up from 37.5 to 38 as well as the connection fee amount from \$166,787.50 to \$168,910.00 with 50% due now would be \$84,455.00. Mr. Telsey stated we will make those changes.

**On motion** by Mr. Pelura, second by Mr. Brown to approve Resolution 2019-30:

VOTE: Aye: Mr. Rullo, Dr. Racite and Mr. Newton

Nay: None

Abstain: None

MOTION CARRIED: 5-0-0

## **Reports:**

### **Solicitor's Report:**

Mr. Telsey has no report.

This concludes the Solicitor's Report

### **Engineer's Report:**

Mr. Biermann stated we discussed pretty much everything that I needed to discuss tonight. Unless there are any questions from my written report. Mr. Pelura asked where are we with the Shell Rd Bakery/gas station. Have we been out there? Mr. Whittaker stated that the property owner was to meet at the sewer plant and they were not able to make the scheduled times. Mr. Pelura stated that we need to go out to this property and complete the inspection to see if there are traps that are needed for the bakery. Mr. Brown stated to have the property owner or the business owners to allow us in to complete the inspection. Mr. Whittaker will ask the property owner to schedule the inspection of the property. Mr. Whittaker stated that they did complete the inspection at the gas station.

This concludes the Engineer's Report

### **Superintendent's Report:**

Average daily flow for the month of September was 0.6646 MGD. Average daily flow for October to date is 0.636700 MGD. The 12-month rolling average through September 2019 was 1.1879 MGD. Capacity assurance is triggered at 1.235, 95% of our design capacity.

This concludes the Superintendent's Report.

**Business Office Report:**

Mrs. O'Neill's report reflects operating revenue and expense results for September 2019 are:

Revenue: \$243,446.79    Operating Expenses: \$122,050.03

We are receiving good results from the October 2019 billing.

This concludes the Business Office Report.

**Public Session:** n/a

**Closed Session:**

Letter from Joanne O'Neill in regards to short-term disability effective November 19, 2019. Please see attached.

**On motion** by Mr. Pelura, second by Dr. Racite to go into closed session:

VOTE: Aye: Mr. Rullo, Mr. Brown and Mr. Newton

Nay: None

Abstain: None

MOTION CARRIED:    5-0-0

Mrs. O'Neill, Mrs. Zee and Mr. Whittaker were excused during this closed session.

As per Mr. Pelura closed session is not to be recorded and Mr. Pelura will be taking notes by hand during this session.

Dr. Racite entertains a motion that we agree with the letter Mrs. O'Neill sent to bring on Mrs. Zee at \$19.00 per hour during this temporary period of time while Mrs. O'Neill is out. This will be based on a 40-hour week.

**On motion** by Mr. Newton, second by Mr. Brown on the temporary hourly increase for Mrs. Zee:

VOTE: Aye: Mr. Rullo, Dr. Racite and Mr. Pelura

Nay: None

Abstain: None

MOTION CARRIED:    5-0-0

**On motion** by Mr. Rullo to entertain a motion to bring in Tim Kiel for 6 months at no more than \$20,000, second by Mr. Brown

VOTE: Aye: Mr. Newton, Dr. Racite and Mr. Pelura

Nay: None

Abstain: None

MOTION CARRIED:    5-0-0

- Authorize the engineer to reply to the Pedricktown request thank you for considering us but we don't have the capacity for their project.
- Mr. Pelura and Dr. Racite stated the outcome of the jetter equipment Mr. Brown suggested to have shared services for and they had a report done and Dr. Racite said he didn't see where there would be any benefit to put that kind of money out for this equipment. Dr. Racite stated that they went back to 2017 to present day with speaking with Mr. Whittaker and Mr. DeBlock that the cost of using an outside company doesn't compare to the cost of this equipment.

**Other Business:** n/a

**Adjourn:**

On motion by Dr. Racite, second by Mr. Brown

RECORDED VOTE: Aye: Mr. Newton, Mr. Pelura and Mr. Rullo

Nay: None

Abstain: None

MOTION CARRIED: 4-0-0

Respectfully Submitted,

\_\_\_\_\_  
Joseph F. Racite, Authority Secretary