

OLD BRIDGE MUNICIPAL UTILITIES AUTHORITY
REGULAR MEETING
August 3, 2011

- Call to Order: The Regular Meeting of August 3, 2011 was called to order at 7:00 p.m. with the Pledge of Allegiance by Chairman Galante.
- Announcement Chairman Galante announced that this meeting is being held in conformance with the Open Public Meetings Act. Notice has been given to the newspapers and notice of the meeting has been posted in public places.
- Roll Call: Present:
Thomas Galante, Chairman
Edward Testino, Vice-Chairman
Nicholas Smolney, Treasurer
Kiran Desai, Secretary
Rocco Donatelli, Commissioner (left meeting 7:15 PM)
Richard Greene, 2nd Alternate – Assistant Treasurer
- Absent:
Reginald Butler, 1st Alternate – Assistant Secretary
- Also present: Guy Donatelli, Executive Director
Michael Roy, P.E.
Stephen A. Florek II, Comptroller
Louis E. Granata, Esq.
- Executive Director's Report: Executive Director Donatelli referred to the Drinking Water Analysis-Monthly Coliform Summary Report Form from the Garden State Laboratories as well as the Monthly Water Distribution for June 2011 as included in the Commissioners' packets.
- Promotion to Office Manager**
Executive Director Donatelli recommended Robin Brooksbank be promoted to the position of Office Manager at a salary of \$91,300.00. Her current position will not be filled.
- Mr. Desai commended the Executive Director for combining positions thereby saving a salary.
- A motion was made, as recommended, to promote Robin Brooksbank to the position of Office Manager, by Mr. Smolney and seconded by Mr. Desai.

The roll call was as follows:

AYES: Desai, Donatelli, Smolney, Testino, Galante.

NAYS: None.

ABSENT: None.

5 Ayes 0 Nays 0 Absent

Water Division Consultant

Executive Director Donatelli recommended a one-year contract renewal be granted to John Murphy as the Water Division Consultant under the same terms and conditions as the existing contract.

A motion was made, as recommended, to renew the one-year contract with John Murphy as the Water Division Consultant at a salary not to exceed \$15,000 by Mr. Testino and seconded by Mr. Smolney.

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The roll call was as follows:

AYES: Desai, Smolney, Testino, Greene, Galante.

NAYS: None.

NOT PARTICIPATING: Donatelli.

ABSENT: Butler.

5 Ayes 0 Nays 1 No participation 1 Absent

Middlesex Water Company Rate Increase

Executive Director Donatelli stated that the Middlesex Water Company has petitioned for the approval of a purchased water adjustment clause as allowed by NJAC 14:7.1 et seq. The Authority has hired Hesser McBride, Jr., an attorney with the firm of Wilentz Goldman & Spitzer, to review the documents submitted. Mr. McBride has contacted Middlesex Water Company and the BPU with respect to the inconsistencies found. As a result of the settlement, there will be an increase of \$16 per million

gallons. This increase has been anticipated in the Authority's budget.

Mr. Greene requested that Executive Director Donatelli elaborate on this issue for the members of the public in attendance.

Executive Director Donatelli explained that Middlesex Water Company is entitled to a rate increase. When Middlesex Water invests in its infrastructure, they receive a guaranteed rate of return on that investment.

Special Counsel

Executive Director Donatelli stated that there have been two responses to the request for qualifications for legal counsel relating to various DEP issues.

A motion was made, as recommended, to appoint the law firms of Inglesino, Pearlman, Wyciskala & Taynor and Riker, Danzig, Scherer, Hyland & Peretti as Special Counsel to assist the Authority with matters pertaining to various DEP water and sewer issues by Mr. Smolney and seconded by Mr. Testino.

The roll call was as follows:

AYES: Desai, Smolney, Testino, Greene, Galante.

NAYS: None.

ABSENT: Donatelli, Butler.

5 Ayes 0 Nays 2 Absent

Vehicle Purchase

Executive Director Donatelli requested authorization to purchase a 2011 F150 from the State Bid List and to surplus four vehicles on GovDeals.com.

A motion was made, as recommended, to authorize the purchase of a 2011 F150 from the State Bid List and to surplus four vehicles on GovDeals.com by Mr. Smolney and seconded by Mr. Desai.

The roll call was as follows:

AYES: Desai, Smolney, Testino, Greene, Galante.

NAYS: None.

ABSENT: Donatelli, Butler.

5 Ayes 0 Nays 2 Absent

125 Plan

A motion was made, as recommended, to retain Hodulik & Morrison, P.A. to establish a 125 Plan for the forthcoming health benefits contributions by Mr. Smolney and seconded by Mr. Testino.

The roll call was as follows:

AYES: Desai, Smolney, Testino, Greene, Galante.

NAYS: None.

ABSENT: Donatelli, Butler.

5 Ayes 0 Nays 2 Absent

Recharge Basin Project

Executive Director Donatelli requested additional funds for Wilentz, Goldman & Spitzer P.A. for the continuance of the work on the recharge basin in an amount not to exceed \$10,000.

A motion was made, as recommended, to continue the contract with Wilentz, Goldman & Spitzer for services in connection with the recharge basin for an amount not to exceed \$10,000 by Mr. Smolney and seconded by Mr. Desai.

The roll call was as follows:

AYES: Desai, Smolney, Testino, Galante.

NAYS: None.

ABSTAIN: Greene.

ABSENT: Donatelli, Butler.

4 Ayes 0 Nays 1 Abstain 2 Absent

Laurence Harbor Trunk Line Rehabilitation

Executive Director Donatelli stated that the Authority is attempting to recoup funds for the lead remediation performed. To that end, he recommended authorizing the law firm of Cooper Levinson, Special Counsel, to assist in the process of reimbursement from the Hazardous Discharge Site Remediation Fund from the DEP.

A motion was made, as recommended, to authorize a contract with Cooper Levinson for the recovery of the lead remediation costs associated with the Laurence Harbor Trunk Rehabilitation in coordination with the Township of Old Bridge in an amount not to exceed \$5,000, by Mr. Smolney and seconded by Mr. Testino.

The roll call was as follows:

AYES: Desai, Smolney, Testino, Greene.

NAYS: None.

ABSTAIN: Galante.

ABSENT: Donatelli, Butler.

4 Ayes 0 Nays 1 Abstain 2 Absent

Previous Minutes: Regular Meeting - June 15, 2011
 Executive Session - June 15, 2011
 Public Rate Hearing - June 15, 2011

A motion was made to approve the previous minutes listed above by Mr. Smolney and seconded by Mr. Galante.

The roll call was as follows:

AYES: Smolney, Greene, Galante.

NAYS: None.

ABSTAIN: Desai, Testino.

ABSENT: Donatelli, Butler.

3 Ayes 0 Nays 2 Abstain 2 Absent

Engineering
Report:

Michael Roy, P.E.
Reports on Developers for Approval.

**Middlesex Long Term Care Facility Irrigation County of
Middlesex**

1. W11-625, Minor Water – 3 Deco’s **TABLED**

Mr. Roy reported that this project is located between Marlboro Road and East Greystone Road south of the Authority’s Marlboro Road Water Storage Tank. Construction consists of an irrigation system which will be connected to the internal plumbing to service the existing long-term care facility.

Mr. Roy explained that usually there is a separate meter for a “water only” account for outside irrigation, but the facility does not want to install a separate meter. The Developer, on behalf of Middlesex County, acknowledges that sewer charges will be accrued upon total water usage.

After discussion among the Commissioners, the consensus was that this arrangement may not be in the best interest of Middlesex County.

A motion was made to TABLE the approval of Middlesex Long Term Care Facility Irrigation W-11, Minor Water – 3 EDCU’s by Mr. Desai and seconded by Mr. Smolney.

The roll call was as follows:

AYES: Desai, Smolney, Greene, Galante.

NAYS: None.

ABSTAIN: Testino.

ABSENT: Donatelli, Butler.

4 Ayes 0 Nays 1 Abstain 2 Absent

Engineering Reports: Michael Roy, P.E.

1. Oakwoode at Old Bridge, 2004 Regional Water Agreement Bond Release.

Mr. Roy reported that this is a three-party agreement between Madison Crossings, K. Hovnanian and D.R. Horton in which water mains were installed on Marlboro Road, from Birch Hill across Rt. 9 to the Shoppes at Old Bridge and across Rt. 18 to Plaza Grande, and on Trans Old Bridge Road across Rt. 9 and the new bridge. Improvements were also made to the booster station at Marlboro Road Water Tank.

Installation and testing of the water construction is complete and satisfactory. As-builts drawings are approved and mylar and electronic copies have been received. All water utilities are installed within public right-of-ways and easements. The original \$2 million performance bond was previously reduced to \$1million.

Mr. Roy recommended the release of the \$1 million performance bond conditioned upon the submission of a two (2) year Water Maintenance Guarantee in the amount of \$300,000 which represents fifteen percent (15%) of the water performance bond.

A motion was made, as recommended, to release Oakwoode at Old Bridge \$1 million performance bond subject to the submission of a two ((2) year Water Maintenance Guarantee in the amount of \$300,000 which represents fifteen percent (15%) of the water performance bond by Mr. Smolney and seconded by Mr. Desai.

The roll call was as follows:

AYES: Desai, Smolney, Testino, Greene, Galante.

NAYS: None.

ABSENT: Donatelli, Butler.

5 Ayes 0 Nays 2 Absent

2. Kohl’s, Water Application W206-574, Water Bond Release

Mr. Roy reported that this project consisted of the relocation of approximately 250 LF of private water main due to a building addition. Installation and testing of water construction is complete and satisfactory. As-built drawings are approved, and mylar copies have been received. All water lines will remain privately owned by the Applicant.

Mr. Roy recommended the release of the Water Performance Bond without condition.

A motion was made, as recommended, to release Kohl’s Water Application W206-574, Water Bond without condition by Mr. Smolney and seconded by Mr. Desai.

AYES: Desai, Smolney, Testino, Greene, Galante.

NAYS: None.

ABSENT: Donatelli, Butler.

5 Ayes 0 Nays 2 Absent

3. Repair of Well No. 1, Contract No. W11-153, Final Quantities Change Order

Mr. Roy reported that this change order consists of the reduced cost of the actual work performed on Well No. 1. The actual amount of chemicals used during the work was less than the contract amount, and there was also no need for the miscellaneous work provided for in the contract documents.

The total cost of the Change Order is a minus \$15,500 which is a seventeen point six percent (17.6%) decrease from the original contract amount of \$88,250.00 to a new contract amount of \$72,750.00.

Mr. Roy recommended the approval of the Final Quantities Change Order for Repair of Well No. 1.

A motion was made, as recommended, to approve Repair of Well No.1, Contract No. W11-153, Final Quantities Change Order in the amount of minus \$15,500.00 by Mr. Desai and seconded by Mr. Smolney.

The roll call was as follows:

AYES: Desai, Smolney, Testino, Greene, Galante.

NAYS: None.

ABSENT: Donatelli, Butler.

5 Ayes 0 Nays 2 Absent

4. Sewer Division SCADA System, Engineering Services to R3M

Mr. Roy reported that a proposal has been received from R3M Engineering for Engineering Services for the Bid, Construction and Start-Up Phases of the Sewer Division SCADA System project as follows:

1. Bid Phase - \$8,500
2. Engineering Services During Construction - \$340,925
3. Construction and Inspection - \$133,500
4. Start-up Services - \$41,225

Mr. Roy added that the fees are based upon an estimate of the number of hours required for the level of effort anticipated for each of the engineering tasks and that the fees are reasonable.

The project duration is anticipated to be seven (7) months of actual construction with an overall contract time of approximately fourteen (14) months.

The Engineer's Estimated Construction Cost for this project is approximately \$3.5 million. The NJDEP has included this project in the 2012 New Jersey Infrastructure Fund (NJEIT) list of projects to be funded.

The scope of the project involves installation of radio and telephone based SCADA System for the sewer system to control and remotely monitor the thirty-five (35) sanitary sewer pump stations throughout the Township.

Mr. Roy recommended that R3M be authorized to proceed with the Bid, Construction and Start-up Phases of the SCADA project.

A motion was made, as recommended, to authorize a contract with R3M to proceed with the Bid, Construction and Start-up Phases of the SCADA project as recommended by Mr. Smolney and seconded by Mr. Galante.

The roll call was as follows:

AYES: Desai, Smolney, Testino, Greene, Galante.

NAYS: None.

ABSENT: Donatelli, Butler.

5 Ayes 0 Nays 2 Absent

Prior to the roll call vote Mr. Greene requested an explanation of the SCADA system for the benefit of the members of the public in attendance.

Mr. Samuel (R3M) explained that this project is the implementation of a SCADA system for the thirty-five pump stations as well as the Sewer Division control building located in Laurence Harbor. The project is funded through the NJEIT, and the will soon be advertised. This system will provide the Authority with central control and computer monitors utilizing a SCADA based system to monitor all pump functions, i.e., running or not; wet well levels; flow out of the pump stations; alarm conditions; and other important control features functions which are currently performed by operators who drive to each of the facilities multiple times per day. This system allows for the ability to effectively respond to an alarm and to maintain the operations of the system.

The system includes a series of both radio as well as cellular communication. The construction cost is approximately \$3.5 million. The proposed Engineering Construction Services are within the funding limits allowed by the NJEIT.

Although there will not be a staff reduction, there will be a decrease in overtime.

Executive Director Donatelli added that more effective line maintenance will be able to be performed because operators will have more time to do so.

Superintendent's
Report:

Al Lunkenheimer, Superintendent Sewer Division

A motion was made to approve the Superintendent's Report as included in the Commissioners' packets by Mr. Smolney and seconded by Mr. Desai.

The roll call was as follows:

AYES: Desai, Smolney, Testino, Greene, Galante.

NAYS: None.

ABSENT: Donatelli, Butler.

5 Ayes 0 Nays 2 Absent

Financial Report:

Stephen A. Florek II, Comptroller

Mr. Florek reported that rebate money has been received from FEMA in connection with the blizzard in December 2010.

A motion to approve the Financial Report as included in the Commissioners' packets was made by Mr. Smolney and seconded by Mr. Desai.

The roll call was as follows:

AYES: Desai, Smolney, Testino, Greene, Galante.

NAYS: None.

ABSENT: Donatelli, Butler.

5 Ayes 0 Nays 2 Absent

Legal Report:

Louis E. Granata, Esq.

Mr. Granata reported that a meeting has been scheduled with Mr. Heilbrunn and his client to determine if alternate routing is feasible. The appraiser has been asked to complete the condemnation appraisal.

With respect to the Summerfield Gravity Sewer, a final appraisal is anticipated.

Brunetti litigation and a settlement proposal will be discussed in Executive Session.

Mr. Granata introduced Howard Mankoff, Esq. as Special Counsel appointed by the insurance carrier to defend the individual Commissioners on the claims raised by the Brunetti organization.

Bills & Claims \$2,602,693.32

A motion was made to approve Bills & Claims by Mr. Smolney and seconded by Mr. Desai.

AYES: Desai, Smolney, Testino, Greene, Galante.

NAYS: None.

ABSENT: Donatelli, Butler.

5 Ayes 0 Nays 2 Absent

Old Business: **Brunetti Oaks at Glenwood Development – Status**
To be discussed in Executive Session.

Recharge Basin Study – Status
Mr. Roy stated that this study is on-going, and a meeting with the DEP is anticipated.

Crossroads, Summerfield, Sewer Division SCADA NJEIT Projects – Status
These items have been previously discussed.

Open to Public: Dr. Greenberg asked for an explanation of the Crossroads project.

Mr. Roy stated that this project is the construction of nine thousand (9,000) feet of fifteen (15) inch pipe into the Crossroads area near Texas and Marlboro Roads. It is referred to as “Crossroads” because it occurs at the intersection of Rts. 9 and 18. There are no new development units connecting to this project. This project will allow the Authority to connect homes which are now on septic

systems, and to eliminate two (2) sewer pump stations, and to service the Crossroads Area in the future.

Dr. Greenberg inquired about the fee increase to the Middlesex Water Company.

Executive Director Donatelli stated that there was a discrepancy in the formula that Middlesex Water Company put forth, and the number that came out of discussions with legal counsel and the BPU was \$16 as opposed to the original \$36. Middlesex Water Company may ask for an increase at least once per year, but if they experience infrastructure improvements, they may ask for an increase more frequently.

Dr. Greenberg asked for a clarification of \$10,000 spent for a recharge basin study and how much money is anticipated to be spent to see this project to fruition.

Mr. Roy responded that this will depend on recommendations made by the DEP. It is difficult to estimate how much the project will finally cost.

Executive Director Donatelli stated that several hundred thousand dollars have already been spent to get the point where the first round of requests from the DEP were submitted, i.e., soil borings, etc. There will be a meeting with the DEP to discuss the work plan to determine what the DEP will want, i.e., more models, further site investigation, and additional borings. In the current budget there is a line item entitled "Aquifer Basin", and the amount allocated is \$500,000 which is for money we need going forward. The auditor utilized an estimate of \$15 million to determine if this project was viable.

Executive Session: A motion was made to go into Executive Session at 7:42 by Mr. Galante and seconded by Mr. Smolney.

The roll call was as follows:

AYES: Desai, Smolney, Testino, Greene, Galante.

NAYS: None.

ABSENT: Donatelli, Butler.

5 Ayes 0 Nays 2 Absent

Regular Meeting Reconvened at 8:55 p.m.

During Executive Session, Mr. Granata discussed pending litigation and negotiations.

Adjournment: A motion was made to adjourn at 8:56 p.m. by Mr. Desai and seconded by Mr. Smolney.

The motion was approved by an ALL AYES vote.

Respectfully submitted:

Kiran Desai, Secretary