

**OLD BRIDGE MUNICIPAL UTILITIES AUTHORITY
REGULAR MEETING
September 21, 2011**

Call to Order: The Regular Meeting of September 21, 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.

Resigned on September 1, 2011: Rocco Donatelli

Roll Call: Present:
Thomas Galante, Chairman
Edward Testino, Vice Chairman
Nicholas Smolney, Treasurer
Kiran Desai, Secretary
Reginald Butler, 1st Alternate – Assistant Secretary

Absent:
Richard Greene, 2nd Alternate – Assistant Treasurer

Also present:
Guy Donatelli, Executive Director
Michael Roy, P.E.
Stephen A. Florek II, Comptroller
Anne Zaccardi, Esq.

Executive Director's Report: Executive Director Donatelli discussed the Drinking Water Analysis-Monthly Coliform Summary Report Form from the Garden State Laboratories as well as the Monthly Water Distribution for August 2011 which was included in the Commissioners' packets.

Recharge Basin

Executive Director Donatelli expressed his desire to hire John P. Inglesino of the firm of Inglesino, Pearlman, Wyciskala & Taylor, LLC at a cost not to exceed \$10,000. Mr. Inglesino's expertise will bring the recharge basin to a higher level at the DEP in order to establish a more comprehensive view of the project.

A motion to authorize a contract with John P. Inglesino, Esq. for an amount not to exceed \$10,000 in connection with recharge basin negotiations with the DEP as recommended was made by Mr. Smolney and seconded by Mr. Butler.

The roll call vote was as follows:

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

NAYS: None.

5 Ayes 0 Nays 0 Absent

Laurence Harbor Plant and Joseph Court Garage

Executive Director Donatelli stated that plans and specs are being prepared for the demolition of the Laurence Harbor Plant and the Joseph Court Garage. Bid advertisement will take place during October.

Mr. Roy stated that the salvage value will be included in the price because of the large amount of steel contained at the Laurence Harbor Plant.

Executive Director Donatelli added that once the sites are cleared, the property will be auctioned as conforming building lots which are surplus to the Authority.

DEP Request to Terminate Sewer & Water Services and Waive Fees on River Street.

Executive Director Donatelli stated that the DEP is working with the Township to abandon the homes most severely affected by Hurricane Irene. He, along with Messrs. Roy and Florek, agree with the request from the DEP, but would seek legal counsel with regard to setting precedent.

Ms. Zaccardi stated that the homes will be demolished in accordance with the Green Acres Program. The fees to be waived are not significant (under \$200 per home). In her opinion, the fees may be waived.

A motion to terminate sewer and water services for the DEP homes on River Street and to waive the fees in connection therewith as recommended was made by Mr. Smolney and seconded by Mr. Butler.

The roll call vote was as follows:

AYES: Desai, Smolney, Butler, Galante

NAYS: None

ABSTAIN: Testino

4 Ayes 0 Nays 1 Abstain 0 Absent

A motion was made to accept the Executive Director's report by Mr. Smolney and seconded by Mr. Butler.

The roll call vote was as follows:

AYES: Desai, Smolney, Testino, Butler, Galante

NAYS: None

5 Ayes 0 Nays 0 Absent

Previous Minutes: Regular Meeting - August 3, 2011
Executive Session - August 3, 2011
Regular Meeting - August 17, 2011
Executive Session - August 17, 2011

A motion was made to approve the Previous Minutes by Mr. Smolney and seconded by Mr. Desai.

The roll call vote was as follows:

AYES: Desai, Smolney, Testino, Galante.

NAYS: None.

ABSTAIN: Butler.

4 Ayes 0 Nays 1 Abstain 0 Absent

Engineering Reports: Michael Roy, P.E.

Report on Developers for Approval:

Turn Bright/Turn Bright, LLC
1. W11-626, Minor Water – 1 EDCU

Mr. Roy reported that this project is located on Rt. 516 approximately one hundred feet west of Southwood Drive at an existing day care center and consists of a two inch (2”) fire service to connect into an existing twelve inch (12”) main in Rt. 516 to supply a fire suppression system installed within the building. They have applied for a minor review. All fees, including the connection fees, have been paid. The Applicant has acknowledged that all proposed water lines will remain privately owned and maintained by the Applicant. Technical requirements sufficient for Minor Water Approval have been satisfied.

Minor Water Approval is recommended subject to the eleven conditions outlined in his report.

A motion to approve Turn Bright/Turn Bright, LLC W11-626, Minor Water as recommended was made by Mr. Smolney and seconded by Mr. Butler.

The roll call vote was as follows:

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

NAYS: None.

5 Ayes 0 Nays 0 Absent

Barbara Smith Sewer/Barbara Smith
2. S11-491, Minor Sewer – 1 Unit

Mr. Roy reported that this project consists of the construction of a private grinder pump and approximately 175 LF of one and one-half inch (1 ½”) force main to connect into an existing gravity sewer in Middlesex Avenue in Cliffwood Beach to service an existing residence at 20 Middlesex Avenue which is currently a water customer.

Minor Review, Inspection and Connection Fees have been paid. The Township plumbing inspector will be involved in this project.

The technical requirements sufficient for Minor Sewer Approval have been satisfied.

Minor Sewer Approval is recommended subject to the ten conditions outlined in his report.

A motion to approve Barbara Smith S11-491, Minor Sewer as recommended was made by Mr. Testino and seconded by Mr. Butler.

The roll call vote was as follows:

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

NAYS: None.

5 Ayes 0 Nays 0 Absent

Visionstream/Visionstream, LLC

- 3. W10-622, Preliminary Water – 5 EDCU’s Retail, 27 Apartments, 1 EDCU Irrigation + 1 Fire = 34 EDCU’s**
- 4. S10-487, Preliminary Sewer – 5 EDCU’s Retail + 27 Apartments = 32 EDCU’s**

Mr. Roy reported that this project is located on Rt. 516 approximately five hundred feet (500’) east of Higgins Road (former Volkert property). The water construction consists of approximately 400 LF of eight inch (8”) DIP to connect into an existing water main in Rt. 516 to service a 19,816 retail/office building and twenty-seven (27) apartment units on the second and third floors. The applicant is proposing to connect into an existing water main in Rt. 516.

Planning Board approval was granted on October 14, 2010. This property contains one (1) existing residential water customer; therefore, this application will only add an additional thirty-three (33) units to the water system. There are no existing residential dwellings in the area to be provided with municipal water service. The Applicant has acknowledged that all proposed water mains and fire hydrants will remain privately owned and maintained by the Applicant. Technical design review of the drawings will be performed after receipt of a complete Tentative Water Applicant submittal.

Preliminary water approval is recommended subject to the four conditions outlined in his report.

Mr. Roy reported that the sewer portion of the project consists of the construction of 650 LF of gravity sewer across Rt. 516 (near the Berg Animal Hospital), a private pump station and approximately 350 LF of two inch (2") force main to service a 19,816 SF retail/office building and twenty-seven (27) apartment units on the second and third floors.

The existing dwelling (3992 Rt. 516, Lot 16.12) is not connected into the Authority's sanitary sewerage system which is currently available on the south side of Rt. 516. This applicant will be installing a manhole on the north side of Rt. 516 which will make sewer service more accessible to the adjacent dwelling. The Applicant has acknowledged that all proposed on-site sanitary sewage pumps, force main and gravity lines will remain privately owned and maintained by the Applicant. Technical design review of the drawings will be performed after receipt of a complete Tentative Sewer Applicant submittal.

Preliminary Sewer Approval is recommended subject to the four conditions outlined in his report.

A motion to approve Visionstream/Visionstream, LLC W10-622, Preliminary Water and S10-487, Preliminary Sewer as recommended was made by Mr. Butler and seconded by Mr. Smolney.

The roll call vote was as follows:

AYES: Desai, Smolney, Testino, Butler

NAYS: None

ABSTAIN: Galante

4 Ayes 0 Nays 1 Abstain 0 Absent

Wawa-Rt. 9/Wawa, Inc.

5. W208-595, Final Water – 5 + 2 Irrigations = 7 EDCU's

6. S208-469, Final Sewer – 5 EDCU's

Mr. Roy reported that this project is located on the southbound side of Rt. 9 just north of All American Ford (formerly Oasis) and

consists of a fire hydrant and two inch (2") water service to connect into the existing water main in Old Amboy Road to service a proposed gas station and a 4,73 SF mini-mart (WAWA).

The Township Zoning Board granted final approval in January 2011. The property contains two (2) existing residential customers; therefore, this application will only add an additional five (5) units to our water system. The Applicant has acknowledged that all proposed water mains and fire hydrants will remain privately owned and maintained by the Applicant. Technical requirements sufficient for Final Water Approval have been satisfied.

Final Water Approval is recommended subject to the nine conditions as outlined in his report.

Mr. Roy reported that the sewer portion of this project consists of a four inch (4") sewer lateral to connect into the existing gravity sewer in Old Amboy Road to service a proposed gas station and a 4,773 SF mini-mart. The property contains one (1) existing residential sewer customer; therefore, this application will only add an additional four (4) units to our sewer system. Technical requirements sufficient for Final Sewer Approval have been satisfied.

Final Sewer Approval is recommended subject to the ten conditions as outlined in his report.

A motion to approve Wawa-Rt. 9/Wawa, Inc. W208-595, Final Water and S208-469, Final Sewer as recommended was made by Mr. Desai and seconded by Mr. Butler.

The roll call was as follows:

AYES: Desai, Smolney, Testino, Butler, Galante

NAYS: None

5 Ayes 0 Nays 0 Absent

Superintendent's
Report:

Al Lunkenheimer, Superintendent Sewer Division

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

The roll call was as follows:

AYES: Desai, Smolney, Testino, Butler, Galante

NAYS: None

5 Ayes 0 Nays 0 Absent

Engineering Reports: Michael Roy, P.E.

**1. Electrical Annual Contract – Quality Electric,
Contract W09-141, One-Year Contract Extension**

Mr. Roy reported that the Authority awarded a contract to John Faccas, Inc. t/a quality Electrical Construction Co. on November 9, 2009 (Resolution No. M-60-09) on a unit price basis. The Authority authorized a one (1) year extension of the referenced Contract on October 26, 2011 (Resolution No. M-61-10) expiring October 31, 2011. The Contract Documents allow for an additional one (1) year extension upon mutual agreement of both parties using the current NJDEP “Index Rate” for any price adjustments in accordance with the Public Contracts Law. John Faccas, Inc. t/a Quality Electrical Construction Co. has agreed to a one (1) year extension of this contract.

Quality Electrical has performed their work in an effective and efficient manner. A one (1) year extension is recommended based on the price increase in the Index Rate. All contract provisions will be in accordance with the same terms and conditions of the original contract which will now expire on October 31, 2012 at which time the contract will be rebid.

A motion to authorize Electrical Annual Contract – Quality Electric, Contract W09-141, One-Year Contract Extension as recommended was made by Mr. Butler and seconded by Mr. Smolney.

The roll call was as follows:

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

NAYS: None.

5 Ayes 0 Nays 0 Absent

2. Browntown Water Treatment Plant Repainting – Award Contract No. 432

Mr. Roy stated that many of the structures at the Browntown Plant are rusting. The clarifier was built in 1986 and has not been repainted. On September 7, 2011 nine (9) bids were received for this project. The anticipated price was in excess of \$500,000. Two of the bidders' price is less than \$250,000; seven of the nine bidders' price was less than \$500,000; the remaining two were slightly above.

CME has made a recommendation to award the contract to the low bidder, Pro-Spec Painting with a price of \$215,000.

Mr. McClelland reported that references were contacted and ascertained that Pro-Spec Painting performed satisfactorily on similar types of work, and in consideration of the low price, he recommended awarding the contract to Pro-Spec Painting.

Mr. Testino questioned whether prevailing wages are paid and emphasized that the Authority must be in compliance.

Mr. McClelland responded that the payroll is certified.

Mr. Roy added that a pre-construction meeting will take place to review the requirements and be sure that this is documented in the minutes.

A motion to award Contract No. 432 Browntown Water Treatment Plan Repainting to Pro-Spec Painting, Inc. as recommended was made by Mr. Smolney and seconded by Mr. Butler.

The roll call was as follows:

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

NAYS: None.

5 Ayes 0 Nays 0 Absent

3. Purchase Backhoe – Award Contract No. W11-155

Mr. Roy reported that the purchase of a backhoe for the Water Division replaces that which was given to the Sewer Division (the

old Sewer Division’s backhoe will be placed on auction). Bids were received on September 13, 2011. The two (2) bidders submitted lump sum prices as follows:

Harter Equipment	\$ 86,000
Foley, Inc.	\$111,706

Harter Equipment submitted a price for a backhoe that does not conform to the specifications. The bid proposal contained five (5) exceptions to the nine (9) basic specification requirements that reflect significant differences. Hart Equipment’s proposal is not “equal to or superior to” the equipment specifications. Hart Equipment withdrew their bid on September 16, 2011.

The second lowest bidder, Foley, Inc., took only one (1) exception on their bid proposal involving a GPS optional feature which has been determined to not be necessary.

His recommendation is to waive the GPS option requirement and to award the contract to the lowest responsible bidder, Foley, Inc. in the amount of \$111,706 subject to legal review.

A motion to award Contract No W11-155 Backhoe Purchase to Foley, Inc. in the amount of \$111,706 as recommended was made by Mr. Butler and seconded by Mr. Smolney.

The roll call was as follows:

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

NAYS: None.

5 Ayes 0 Nays 0 Absent

Financial Report: Stephen A. Florek II, Comptroller

Audit

Mr. Florek stated that he distributed to the Commissioners a draft yearend audit report, and he gave a brief overview of the audit which will be presented for adoption on October 19, 2011.

The Authority’s revenues exceeded budget by \$1,330,365 or 4.2%. Actual Revenues were \$33,246,869 versus a budgeted amount of \$31,916,504. The expenses of \$29,771,958 were under the budgeted amount of \$31,916,504 by \$2,144,546 or 6.7%. The

combination of both the revenues exceeds forecast and the expenses less than forecasted amounted to a net income of \$3,474,911 for the year ending May 31, 2011.

Mr. Testino inquired about the increase of \$1 million in accounts receivable.

Mr. Florek responded that tax sales will reduce this amount.

Mr. Testino asked for a clarification of Mr. Florek's statement that projections were off because the accounts receivable were up by \$1 million.

Mr. Florek responded that he would have more useable cash.

Executive Director Donatelli stated that he believed that Mr. Testino would like to know how much the useable retained earnings increased.

Mr. Florek responded that the useable retained earnings could increase by \$1.8 million which is less than the forecasted \$2.1 million.

Mr. Testino asked why the Authority would not collect 100%.

Mr. Florek responded that 100% could be collected, but the rest is current receivables not subject to tax sale yet.

Mr. Testino inquired about the collection program.

Executive Director Donatelli responded that delinquent notices are sent, but there have been no shut offs because delinquent notices will bring in what is owed. Those who don't pay will be charged 18% until a tax sale.

In response to a question posed by Mr. Desai, Mr. Florek stated that the Authority's cut off for the tax sale is May 31, the end of the fiscal year. The Township has its tax sale in December. Only those amounts delinquent at year end may be shown on a tax sale, which is six months delayed.

Mr. Testino inquired when the Authority would be realizing the same interest rate as the Township.

Mr. Florek responded that interest begins to accrue thirty days after billing.

Mr. Testino fears that many of the homeowners who are under water are going to walk away.

FEMA Hazardous Mitigation Grant Program

Mr. Florek explained that the FEMA Hazardous Mitigation Grant Program was authorized through the Disaster Mitigation Act of 2000. Whenever a federal disaster area is declared, and FEMA becomes involved, the Hazardous Mitigation Grant Program comes into effect. The Authority is eligible to participate in the program for one and possibly two of the sewer pump stations.

Mr. Florek requested authorization for R3M to make an application for the Hazardous Mitigation Grant Program.

A motion to authorize R3M to prepare an application for the Hazardous Mitigation Grant Program in an amount not to exceed \$10,000 as recommended was made by Mr. Smolney and seconded by Mr. Butler.

The roll call was as follows:

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

NAYS: None.

5 Ayes 0 Nays 0 Absent

A motion was made to accept the Financial Report by Mr. Smolney and seconded by Mr. Butler.

The roll call was as follows:

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

NAYS: None.

5 Ayes 0 Nays 0 Absent

Bills & Claims \$1,395,596.11

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

The roll call was as follows:

AYES: Desai, Smolney, Testino, Butler, Galante

NAYS: None

5 Ayes 0 Nays 0 Absent

Old Business:

Emergency Sewer Repair – Marlboro Road – Status

Mr. Roy stated that in November 2010 a sink hole occurred on the sewer on Marlboro Road which is located on the residential properties on Marlboro Road. Some of the pipe was replaced at a cost of between \$20,000 to \$30,000. In February 2011 another sink hole developed which was repaired. Patches were put on the inside of the pipe. There is another hole which is pouring water into the sewer. Although there is a plan to reline other areas, this area is in imminent danger of collapsing again. The hole must be plugged at a cost of approximately \$3,000 and nine hundred feet of eight inch sewer must be relined at a cost of approximately \$48,000.

The staff does not believe that there is time for plans and specs to be developed and put out to bid. This is an emergency and based on the Administrative Code Law requirements, Mr. Roy would like to have this declared an emergency. Purchase orders have been issued, and work is in progress.

Ms. Zaccardi stated that situation would affect the public health and welfare.

Mr. Roy added that the residents will be without service during the curing process, and they will be notified.

Mr. Testino recommended that in the future there be a contract for time and material for situations such as this.

Mr. Roy stated that Viking is the emergency contractor who we can call to repair pipes, but he digs up the pipe to do the repair. This project is relining. It is difficult to put out a unit price contract when it involves a particular area of the town and a specific scope of work.

A motion to authorize a contract with Allstate Power Vac for the relining project on Marlboro Road as recommended was made by Mr. Smolney and seconded by Mr. Butler.

The roll call was as follows:

AYES: Desai, Smolney, Testino, Butler, Galante

NAYS: None

5 Ayes 0 Nays 0 Absent

Brunetti Oaks at Glenwood – Status

Mr. Roy stated that Brunetti has submitted an amended preliminary water approval which will be considered at the October 19th meeting.

Recharge Basin Study – Status

Mr. Roy reported that a response was sent to the DEP with respect to its questions and concerns.

Crossroads, Summerfield, Sewer Division SCADA NJEIT Projects – Status

Mr. Roy reported that there was a meeting with the DEP to discuss status. He awaits approval.

New Business:

Chamber of Commerce Business Leader of the Year Award Dinner and Township with a Heart Annual Dinner Dance

A motion to support the Chamber of Commerce Business Leader of the Year Award Dinner and the Township with a Heart Annual Dinner Dance by purchasing a full-page journal ad and to authorize a donation equivalent to the cost of a table was made by Mr. Smolney and seconded Mr. Galante.

The roll call vote was as follows:

AYES: Desai, Smolney, Butler, Galante

NAYS: None

NOT PARTICIPATING: Testino

ABSENT: Greene

4 Ayes 0 Nays 1 No Participation 1 Absent

Adjournment: A motion to adjourn at 7:58 p.m. was made by Mr. Smolney and seconded by Mr. Galante.

The roll call vote was as follows:

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

NAYS: None.

5 Ayes 0 Nays 0 Absent

Respectfully submitted:

Kiran Desai, Secretary