

**OLD BRIDGE MUNICIPAL UTILITIES AUTHORITY
REGULAR MEETING
April 18, 2012**

Call to Order: The Regular Meeting of April 18, 2012 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 (left at 7:45 P.M.)
Edward Testino, Vice Chairman
Kiran Desai, Secretary (arrived at 7:10 p.m.)
Rocco Donatelli, Commissioner
Richard Greene, Treasurer
Reginald Butler, 1st Alternate – Assistant Secretary

Absent:
Anita Greenberg, 2nd Alternate - Assistant Treasurer

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 for March 2012 as well as the Daily Water Averages for 2009, 2010, and 2011 as included in the Commissioners' packets.

The DEP performed a Sanitary Survey of the MUA's facilities on March 1, 2012, and the report indicates total compliance.

Executive Director Donatelli announced that NJEIT loans have been granted for Crossroads Regional Interceptor Sewer, Summerfield Gravity Sewer Replacement and SCADA (Sewer Division) in the amount of \$14.5 million with loan forgiveness in an amount totaling \$2 million which equates to a savings of \$100,000 per year for twenty years.

Mr. Roy added that the reason for this is because all deadlines were met by the Authority. We received \$2 million in “free” money. Credit must be given to the Commissioners also for awarding contracts in a timely manner.

The Commissioners were given an article published in the Suburban summarizing the actions to be taken by the OBMUA along with East Brunswick and Marlboro Township outlining the intervention on a proposal by Middlesex Water Co. to increase water rates by about 17.5 percent.

A motion to approve the Executive Director’s report was made by Mr. Testino and seconded by Mr. Butler.

The roll call was as follows:

AYES: Donatelli, Greene, Testino, Butler, Galante

NAYS: None

ABSTAIN: Desai

5 Ayes 0 Nays 1 Abstain 0 Absent

Group Employee Benefits Renewal

Mr. Kurtz, Governmental Risk Management Associates, Inc., presented an overview of the renewal premium for 2012:

Fixed costs (administration and excess insurance)

Current:	\$408,918.4	Proposed:	\$426,819.24
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Claims costs

Current:	\$1,615,363.44	Proposed:	\$1,811,697.60
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Total cost

Current:	\$2,024,282.28	Proposed:	\$2,238,516.84
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Mr. Kurtz suggested adding a feature which would allow employees to obtain medical care in an “out of state” network. This multi-claim network wraps around Qualcare and is available for an additional \$6 per employee per month.

Mr. Florek stated that the total cost per year would be \$6,480 which when added to the renewal health benefit rates is less than what was budgeted for.

A motion to accept the proposal to add an out of state rider to the existing employee health benefits plan was made by Mr. Butler and seconded by Mr. Donatelli.

The roll call was as follows:

AYES: Desai, Donatelli, Greene, Butler, Galante

NAYS: None

ABSTAIN: Testino

5 Ayes 0 Nays 1 Abstain 0 Absent

Previous Minutes: Budget Workshop – March 7, 2012

A motion to approve the previous minutes was made by Mr. Butler, seconded by Mr. Testino.

The roll call was as follows:

AYES: Desai, Donatelli, Greene, Testino, Galante

NAYS: None

5 Ayes 0 Nays 0 Absent

Engineering Reports: Michael Roy, P.E.

Report on Developer's for Approval

Rt. 18 Marketplace Irrigation/Eco Systems
1. W112-633, Minor Water – 1 EDCU

Mr. Roy stated that this project located on the southbound side of Rt. 18 at Maple Street is for the installation of a lawn irrigation system to connect into the internal plumbing of the Rt. 18 Marketplace currently under construction. This was not included as part of the original Water Approval.

Application and connection fees have been paid. Based on the proposed number of units, it was determined that the additional demand on the water distribution system is insignificant.

The Applicant has requested no separate water meter for this irrigation system and has acknowledged that sewer charges will be based on the total water usage. The installation work is subject to approval by the Township Plumbing Sub-Code Official.

Since all technical requirements have been satisfied, Mr. Roy recommended Minor Water Proposal subject to the six conditions outlined in his report.

A motion to approve Rt. 18 Marketplace Irrigation W-112-633, Minor Water as recommended was made by Mr. Desai and seconded by Mr. Testino.

The roll call was as follows:

AYES: Desai, Donatelli, Greene, Testino, Butler

NAYS: None

ABSENT FROM PODIUM: Galante

5 Ayes 0 Nays 1 Absent From Podium 0 Absent

Superintendent's
Report:

Al Lunkenheimer, Superintendent Sewer Division

A motion to approve the Superintendent's Report was made by Mr. Greene and seconded by Mr. Testino.

The roll call was as follows:

AYES: Desai, Donatelli, Greene, Testino, Galante

NAYS: None

5 Ayes 0 Nays 0 Absent

Engineering Reports: Michael Roy, P.E.
None

Financial Report: Stephen A. Florek II, Comptroller

Mr. Florek offered to entertain questions about the Financial Report as contained in the Commissioners' packets.

A motion to approve the Financial Report was made by Mr. Testino and seconded by Mr. Donatelli.

The roll call was as follows:

AYES: Desai, Donatelli, Greene, Testino, Galante

NAYS: None

5 Ayes 0 Nays 0 Absent

Prior to the roll call vote the following discussion took place.

Mr. Desai asked for an explanation of \$2 million less in expenses.

Mr. Florek explained that because 2011 was a very wet summer, the anticipated amount of water did not have to be purchased from Middlesex Water Company. There has also been a large savings as a result of the contract with Hudson Energy, and retirees have not been replaced.

Legal Report: Louis E. Granata, Esq.

Crossroads

Mr. Granata reported that with respect to the Crossroads Easement condemnation, he was unable to successfully negotiate with the property owners. Although they have a copy of the appraisal, their attorney is recommending condemnation. The Authority may be required to file approximately \$30,000 in Superior Court as a deposit on the condemnation.

Brunetti

Mr. Granata announced that he has successfully defended the claims made by John Brunetti. After hearing all the testimony, the court granted his motion to dismiss the entire complaint. He then proceeded with a counter claim on the failure of Mr. Brunetti to meet the sewer service agreement deadlines. The court found that Mr. Brunetti had a material breach of the contract which usually means an award of damages. He was able to demonstrate that

because of the failure of Mr. Brunetti to make connections to the system, the pipe had to be relined by the Authority.

The judge was not satisfied that Mr. Brunetti's failure to connect would have altered the damage to the pipe, i.e., low flows creating corrosion and other factors causing deterioration to the pipe.

The judge did require Mr. Brunetti to perform all the terms of the sewer contract – install Phase II; post a \$1.7 million bond; hold a pre-construction meeting with the engineer, Caruso, who has to begin installing the second phase of the sewer pipe which will divert the flow from Glenwood into the new pipe. Within six months of the judge's order, Mr. Brunetti must produce plans, designs and a permit application for Phase III which will run the sewer pipe to Rt. 9 to accommodate the property on the other side. This work must be done within two years of completing Phase II.

Mr. Granata has submitted an order asking the court to impose costs. Legal fees will be discussed in closed session.

A motion to accept the Legal Report was moved by Mr. Desai and seconded by Mr. Galante.

The roll call was as follows:

AYES: Desai, Donatelli, Greene, Testino, Galante

NAYS: None

5 Ayes 0 Nays 0 Absent

Bills & Claims:

A motion to approve Bills & Claims in the amount of \$1,674,286.15 was made by Mr. Greene and seconded by Mr. Butler.

The roll call was as follows:

AYES: Desai, Donatelli, Greene, Testino, Galante

NAYS: None

5 Ayes 0 Nays 0 Absent

Old Business:

Brunetti Oaks at Glenwood Development – Status

To be discussed in Executive Session

Recharge Basin Study – Status

Mr. Traina (CME) stated that two hundred foot borings were performed in February to determine where the water table is and to try to get the water into the aquifer. The next step is to determine what the State will require in order to make an application for the recharge basin. The state requires pump tests and one year's worth of data analysis, and he is working with the DEP and the State Geological Society attempting to find a way to expedite this by doing so in smaller portions.

Mr. Greene asked about the involvement of the Arms Corps of Engineers.

Mr. Roy responded that CME is preparing an application to submit prior to a FEMA deadline.

Executive Director Donatelli stated that although the Authority is pursuing this, there has to be coordination with the Township.

Mr. Greene asked what the goal of the Army Corps of Engineers is.

Mr. Roy stated that there was a meeting with the Army Corps of Engineers and a separate meeting with FEMA. The Army Corps of Engineers is doing a comprehensive study of the Matchaponix Brook drainage area to determine how stormwater may be mitigated throughout the entire basin which includes Old Bridge, Monroe and other towns.

In a separate meeting FEMA discussed how this recharge basin could serve as a stormwater management project. The Authority would like to make an application to ascertain the availability of funding from FEMA.

Mr. Greene inquired if another hurricane occurs, could Old Bridge pick up water to alleviate possible flooding in other towns.

Mr. Roy stated that the application for this project in Old Bridge is a small part of the larger drainage basin study.

Executive Director Donatelli stated that other towns are reaching out to determine if money can be spent and mitigation performed.

Mr. Roy stated that the recharge basin project right now has a dual purpose to both recharge the aquifer giving us more groundwater credit, and will also be a stormwater management project. If the DEP fails to approve the project for groundwater credit, the Authority can try to pursue the stormwater project.

Executive Director Donatelli added that water to fill the basins will be taken during a storm event which will halt flooding on River and Appleby Streets. The Army Corps of Engineers is looking at flooding downstream.

Mr. Greene asked if there would be an opportunity for the Authority to obtain funding.

Executive Director Donatelli responded that the Authority is making an application to obtain funding for larger pipes and bigger pumps to accommodate larger flows.

Mr. Greene asked for a confirmation that this money would be used for this specific purpose only.

Executive Director Donatelli stated that the money could not be used elsewhere.

New Business: None

Open to Public: Seeing no hands Chairman Galante closed the public portion.

Executive Session: A motion to go into Executive Session at 7:35 p.m. was made by Mr. Testino and seconded by Mr. Donatelli.

The roll call was as follows:

AYES: Desai, Donatelli, Greene, Testino, Galante

NAYS: None

5 Ayes 0 Nays 0 Absent

**The regular meeting resumed at 7:52 p.m.
During Executive Session Mr. Granata discussed Brunetti litigation.**

Adjournment: A motion to adjourn at 7:53 p.m. was made by Mr. Butler and seconded by Mr. Desai.

The roll call was as follows:

AYES: Desai, Donatelli, Greene, Butler, Testino

NAYS: None

ABSENT: Galante

5 Ayes 0 Nays 1 Absent

Respectfully submitted:

Kiran Desai, Secretary