

**OLD BRIDGE MUNICIPAL UTILITIES AUTHORITY
REGULAR MEETING
April 17, 2013**

Call to Order: The Regular Meeting of April 17, 2013 was called to order at 7:00p.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 (arrived at 7:20 p.m.)
Arthur Haney, Secretary
Richard Greene, Treasurer
Rocco Donatelli, Commissioner
Reginald Butler, 1st Alternate – Assistant Secretary
Anita Greenberg, 2nd Alternate - Assistant Treasurer (arrived at 7:03 p.m.)

Absent:
None

Also present:
Michael Roy, P.E.
Stephen A. Florek II, Comptroller
Louis E. Granata, Esq.

Executive Director's
Report: Guy Donatelli, Executive Director

Monthly Water Distribution and Drinking Water Analysis

Executive Director Donatelli discussed the Drinking Water Analysis-Monthly Coliform Summary Report Form from Precession Laboratories and the Monthly Water Distribution for March 2013.

Perrine Road Tank Update

Executive Director Donatelli stated that on March 13, 2013 the Perrine Road Tank was shut down for interior cleaning. The new pre and post chlorine injection points have been installed and are operating. The THM monitor was installed on April 15, 2013 which will allow the Authority to monitor Middlesex Water Company's THM's as they enter the system. Bids are about to be taken for a tank mixer with a proposed installation date in late

June. The results of the HAA5 tests taken by the Authority indicate a range from 26 to 29 ppm which is well below the 60 ppm limit.

Submersible Tank Mixer

Executive Director Donatelli stated that bids for the installation of the submersible tank mixer for the Perrine Road Water Storage Tank have been solicited.

Furnishing and Delivery of Chemical Supplies and Laboratory Testing of Industrial Sewage

Executive Director Donatelli stated that bids for the Sewer Division – Chemical Supplies have been solicited. The bid opening date is April 30, 2013, the results of which will be presented to the Commissioners on May 10, 2013.

Hiring of Personnel

Executive Director Donatelli stated that the Sewer Division Superintendent has requested (2) new employees to fill the vacancies that occurred due to attrition and long-term disability. Currently, there are nine rank and file employees of the fifteen positions accounted for in the Sewer Division’s Organizational Chart (two or three of these positions will be eliminated due to the implementation of the SCADA system).

Executive Director Donatelli recommended hiring the two Old Bridge residents who have been interviewed. Both candidates possess the mechanical skills necessary to maintain the thirty-five pump stations currently in operation.

A motion to hire Travis Nugent and Christopher Johnson for the Sewer Division at the new scale recently negotiated with the Union as recommended was made by Mr. Galante and seconded by Mr. Greene.

The roll call was as follows:

AYES: Donatelli, Greene, Haney, Butler, Galante

NAYS: None

ABSENT: Testino

5 Ayes 0 Nays 1 Absent

Laurence Harbor Bulkhead

Executive Director Donatelli stated that due to Hurricane Sandy the area long the Raritan Bay sustained considerable damage. Since a bulkhead is necessary to protect the Authority’s facilities in that area, he suggested a meeting with Alaimo to review a proposed project to build a bulkhead. Thereafter proposals will be submitted to the Commissioners for review.

Mr. Haney stated that in the past the DEP was approached by the Authority regarding the potential damage that a storm such as Hurricane Sandy could create. Although the DEP did not say “no” to the creation of a bulkhead, they did not approve it. Since one-third of the town’s waste water passes through this area, it is important that the Authority attempt to get this project approved.

A motion to accept the Report of the Executive Director was made by Mr. Galante and seconded by Mr. Haney.

The roll call was as follows:

AYES: Greene, Haney, Butler, Greenberg, Galante

NAYS: None

NO PARTICIPATION: Donatelli

ABSENT: Testino

5 Ayes 0 Nays 1 No Participation 1 Absent

Chairman’s Report: Thomas Galante, Chairman

Mr. Florek announced that for the ninth year the Authority has received the Certification for Excellence Award in Accounting and Finance from the Government Finance Officers in the United States and Canada.

Previous Minutes: Reorganization Meeting - February 6, 2013
Regular Meeting - February 20, 2013
Executive Session - February 20, 2013
Regular Meeting - March 13, 2013
Executive Session - March 13, 2013

A motion to approve the Reorganization Minutes of February 6, 2013, the Regular and Executive Session Minutes of February 20, 2013, and the Regular and Executive Session Minutes of March 13, 2013 was made by Mr. Donatelli and seconded by Mr. Butler.

The roll call was as follows:

AYES: Donatelli, Greene, Haney, Butler, Galante

NAYS: None

ABSENT: Testino

5 Ayes 0 Nays 1 Absent

Previous Minutes Continued

Budget Workshop - March 6, 2013

A motion to approve the Budget Workshop Minutes of March 6, 2013 was made by Mr. Haney and seconded by Mr. Butler.

The roll call was as follows:

AYES: Donatelli, Haney, Butler, Greenberg, Galante

NAYS: None

ABSTAIN: Greene

ABSENT: Testino

5 Ayes 0 Nays 1 Abstain 1 Absent

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

- Toby Garden Apartments/Midtown Water Company
(Previously San Koreyva, Amboy National Bank)**
- 1. W204-554, Final Water – 38 Apartments + 4 Fire +
1 Existing Single Family = 43 EDCU's**

Mr. Roy reported that this project located at the intersection of Cherry Hill Lane (private road) and Ehlers Lane west of Rt. 9 is for

the construction of approximately 900 LF of twelve and eight inch (12” and 8”) DIP water main to connect into an existing water main in Rt. 9 and an existing private water main in Cottonwood Lane (Glenwood Apartments).

The balances of Final Escrow, Construction Water and Connection Fees have not been paid. The new Applicant is challenging payment of Inspection Escrow Fees and Connection Fees.

As advised by General Counsel, Mr. Roy recommended approval. In a letter dated March 14, 2013, Mr. Granata stated that conditional Final Water Approval may be granted subject to payment of Water Connection Fees.

A motion to approve Toby Garden Apartments/Midtown Water Company (previously San Koreyva, Amboy National Bank) W204-554, Final Water as recommended was made by Mr. Donatelli and seconded by Mr. Greene.

The roll call was as follows:

AYES: Donatelli, Greene, Haney, Butler, Galante

NAYS: None

ABSENT: Testino

5 Ayes 0 Nays 1 Absent

**Toby Garden Apartments/John J. Brunetti
(Previously San Koreyva, Amboy National Bank)
2. S204-434, Final Sewer – 38-EDCU’s (Apartments)**

Mr. Roy reported that this project located at the intersection of Cherry Hill Lane (private road) and Ehlers Lane west of Rt. 9 is for the construction of approximately 800 LF of eight inch PVC sewer to connect into the existing private gravity sewer in Cherry Hill Lane (Glenwood Apartments).

The Final Review and Inspection Fees have been paid, but the Sewer Connection Fees have not. The New Applicant is challenging payment of the Sewer Connection Fees.

In a letter dated March 14, 2013, Mr. Granata stated that Final Sewer Approval may be granted subject to the posting of a

Performance Guarantee in the form of a Letter of Credit for the full amount of Sewer Connection Fees to ensure that the New Applicant completes its obligations under the 1995 Sewer Agreement.

A motion to approve Toby Garden Apartments/John J. Brunetti (previously San Koreyva, Amboy National Bank) S204-434, Final Sewer as recommended was made by Mr. Greene and seconded by Mr. Donatelli.

The roll call was as follows:

AYES: Donatelli, Greene, Haney, Butler, Galante

NAYS: None

ABSENT: Testino

5 Ayes 0 Nays 1 Absent

A&P Shopping Center – Retail Pad/J.B. Old Bridge Limited Partnership

- 3. W10-615, Amended Minor Water – 2+ 1 Irrigation = 3 EDCU’s**
- 4. S10-482, Amended Minor Sewer – 2 ECU’s**

Mr. Roy reported that this project located at the intersection of Rt. 9 and Ferry (Trans Old Bridge) Road on the site of the existing A&P Shopping Center is for the construction of approximately 200 LF of eight inch (8”) water main connecting into an existing on-site water main to service a proposed 5,300 SF retail pad.

Minor Review, Inspection and Connection fees have been paid. Technical requirements sufficient for Minor Water and Sewer Approval have been satisfied.

Mr. Roy recommended approval based upon the conditions outlined in his report.

A motion to approve A&P Shopping Center – Retail Pad/J.B. Old Bridge Limited Partnership W10-615, Amended Minor Water and S10-482, Amended Minor Sewer as recommended was made by Mr. Galante and seconded by Mr. Donatelli.

The roll call vote was as follows:

AYES: Donatelli, Greene, Haney, Butler, Galante

NAYS: None

ABSENT: Testino

5 Ayes 0 Nays 1 Absent

Visionstream/Visionstream, LLC

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

Mr. Roy reported that this project located on the north side of Rt. 516 approximately five hundred feet (500’) east of Higgins Road is for the construction of approximately 400 LF of eight inch (8”) DIP to connect into an existing water main in Rt. 516 to service a 18,239 SF retail building with 27 apartment units on the second and third floors.

Final Review, Inspection and Connection Fees have been paid. All technical requirements have been satisfied. Mr. Roy recommended Final Water and Sewer Approval based upon the conditions outlined in his report.

A motion to approve W10-622, Final Water and S10-487, Final Sewer as recommended was made by Mr. Galante and seconded by Mr. Donatelli.

The roll call vote was as follows:

AYES: Donatelli, Greene, Haney, Butler, Galante

NAYS: None

ABSENT: Testino

5 Ayes 0 Nays 1 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. Donatelli and seconded by Mr. Butler.

The roll call vote was as follows:

AYES: Donatelli, Greene, Haney, Butler, Galante

NAYS: None

ABSENT: Testino

5 Ayes 0 Nays 1 Absent

Engineering Reports: Michael Roy, P.E.

1. Higgins Road Tank Connection, Authorize Engineering Construction Services to CME Associates.

Mr. Roy stated that the Authority is in the process of applying for a State low-interest loan for this project. The scope of the project involves the construction of approximately 3,400 LF of interconnecting pipe between the existing Higgins Road and Rt. 516 Water Storage Tanks, replacement of the altitude valve chamber at the Rt. 516 Water Storage Tank, installation of cathodic protection and a tank mixer in each water storage tank and cleaning and repainting the interior and exterior of each water storage tank. This project will allow for more efficient management of the water storage within the Higgins Road Tank so it can be utilized with the Rt. 516 Water Booster Station.

In accordance with a requirement of the DEP, the Authority must enter into an agreement for construction services with an Engineering Firm before soliciting bids. The following amounts have been proposed by CME as estimates of engineering fees:

1. Bid Phase - \$8,846
2. Engineering Services During Construction - \$146,732
3. Construction Inspection - \$342,896

Mr. Roy stated that the dollar amount of these estimated fees appears to be reasonable. The project duration is anticipated to be six (6) months of actual construction, with an overall contract time

of approximately twelve (12) months to account for weather conditions associated with painting.

The Engineer's Estimated Construction Cost for this project is approximately \$4.4 million. The project is included in the 2014 NJEIT list of projects to be funded.

Mr. Roy recommended that CME Associates be authorized to proceed with the Bid and Construction Phases of the referenced project.

2. Rt. 516 Water Main Replacement, Authorize Engineering Construction Services to CME Associates.

Mr. Roy reported that over the course of several years there have been several breaks in the water main in front of the Route 516 Booster Station. The scope of the project involves the replacement of approximately 2,200 LF of twelve inch (12") cast iron water main in Rt. 516 with new sixteen inch (16") PVC water main.

The DEP is requiring a separate loan application for the Higgins Road Tank Connection to be filed for this project. To meet a deadline, CME has already designed the project. The following amounts have been proposed by CME:

1. Design - \$29,520
2. Bid Phase - \$7,630
3. Engineering Services During Construction - \$40,160
4. Construction Inspection - \$51,280

Mr. Roy stated that the dollar amount of these estimated fees appears to be reasonable. 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. The project duration is anticipated to be two (2) months of actual construction, with an actual contract time of approximately four (4) months.

The Engineer's Estimated Construction Cost for this project is approximately \$900 thousand dollars. This project is included in the 2014 NJEIT list of projects to be funded.

Mr. Roy recommended that CME Associates be authorized to proceed with the Design, Bid and Construction Phases of the referenced project.

A motion to authorize CME Associates to proceed with the Higgins Road Tank Connection Bid and Construction Phases and the Rt. 516 Water Main Replacement Design, Bid and Construction Phases, as recommended was made by Mr. Donatelli and seconded by Mr. Greene.

The roll call vote was as follows:

AYES: Donatelli, Greene, Haney, Butler, Galante

NAYS: None

ABSENT: Testino

5 Ayes 0 Nays 1 Absent

3. Butler Subdivision, W10-618, S10-484, Developer Agreements.

Mr. Roy reported that this project is for the construction of approximately 2,260 LF of eight inch (8”) DIP water main and approximately 1,400 LF of eight inch (8”) PVC sewer main to connect into existing mains in Matchaponix Road to service thirty-four (34) single family homes.

The Water and Sewer Developer Agreements for this application have been prepared and signed in accordance with the Final Water and Sewer Approvals granted on September 12, 2012.

The agreements have been signed by the Developer, and Mr. Roy recommended that the Authority countersign those agreements.

A motion to approve Butler Subdivision, W10-618, S10-484, Developer Agreements as recommended was made by Mr. Galante and seconded by Mr. Butler.

The roll call vote was as follows:

AYES: Donatelli, Greene, Haney, Testino, Galante

NAYS: None

5 Ayes 0 Nays 0 Absent

Financial Report: Stephen A. Florek II, Comptroller

Selective Insurance 2013-2014 Renewal – General Liability, Auto, Property Casualty, Workers Comp and the Umbrella Policy

Mr. Volk stated that there is a 3.5% increase in the commercial package (general liability, property, umbrella, and commercial auto). With respect to the workmen’s compensation policy, there will be a \$78,000 increase in the annual premium. This increase (23%) is due to the experience modification (in years 2009, 2010 and 2011) which is directly related to claims.

Mr. Testino suggested having current appraisals performed on property and equipment.

Mr. Volk stated that the Authority is covered for replacement costs for buildings and contents at the value set in the insurance policy.

Mr. Testino expressed his concern that replacement costs have risen.

Mr. Volk stated that Selective Insurance is moving towards a “blanket” insurance value. The Authority’s buildings and contents are currently insured for \$76 million.

Mr. Testino encouraged the formation of a program to assess what property and equipment is at risk and what the insurance coverage should be in light of a threat of another superstorm.

Mr. Volk stated that with respect to the beachfront properties, elevation certificates are being completed for the buildings in that area.

Mr. Florek stated that three of the facilities for which elevation certificates are being sought are not in the beach area, i.e., River Street, Brookside Avenue and Raritan Boulevard. These are areas that are exposed in low-lying areas that flood due to rivers, streams, etc.

Mr. Volk stated standard flood insurance would not provide coverage for the main pump station on Boulevard West. Once the elevation certificates are secured, he will have to seek coverage

outside the national flood insurance program to provide coverage for four stories below ground.

Mr. Testino suggested a plan to move the electrical components above the flood plain.

A motion to authorize the continuation of Selective Insurance Company for General Liability and Workmen's Compensation Insurance as recommended was made by Mr. Testino and seconded by Mr. Haney.

The roll call was as follows:

AYES: Donatelli, Greene, Haney, Testino, Galante

NAYS: None

5 Ayes 0 Nays 0 Absent

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

The roll call was as follows:

AYES: Donatelli, Greene, Haney, Testino, Galante

NAYS: None

5 Ayes 0 Nays 0 Absent

Legal Report: Louis E. Granata, Esq.

Tara Realty

Mr. Granata reported that with respect to Tara Realty, there was a meeting of the Condemnation Commissioners on March 18 to set a value on the property which is being taken. The price was set at \$26,000. Tara Realty, not satisfied with the award, and has filed an appeal of that decision. Tara Realty is seeking approximately \$140,000. Judge Rose Marie Williams sent her voucher in the amount of \$4,300; the other Commissioners are at \$2,700.

A motion to allow the sum of those amounts to be deposited with the Court as recommended was made by Mr. Testino and seconded by Mr. Donatelli.

The roll call was as follows:

AYES: Donatelli, Greene, Haney, Testino, Galante

NAYS: None

5 Ayes 0 Nays 0 Absent

Brunetti OPRA Request

Mr. Granata stated that the attorneys representing Brunetti have submitted an open public records request focused on him. Among the requested items are his compensation history, pension information, health benefits (none), employment and legal services agreements, resolutions appointing him as legal counsel to the Authority, invoices from him dating back to 1994 and all executed documents by him since 1994.

Under the Open Public Records Act, the Brunetti organization is entitled to those documents. Mr. Florek has compiled this information (3,300 pieces). He has prepared a letter to Mr. Brunetti's attorney explaining that although he is entitled to these documents, a fee will be assessed for the reproduction of the documents and the hours spent doing so. He believes that this request has nothing to do with the ongoing litigation, and that this is harassment.

Mr. Testino reminded Mr. Granata that reproduction fees are governed by statute.

Mr. Florek stated that the Authority is only legally obligated to retain vouchers and bills which date back to 2006.

Bills & Claims \$2,648,958.94

A motion to approve Bills & Claims was made by Mr. Greene and seconded Mr. Testino.

The roll call was as follows:

AYES: Donatelli, Greene, Haney, Testino, Galante

NAYS: None

5 Ayes 0 Nays 0 Absent

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

New Business: None

Open to Public: Mr. Estanwick addressed the Commissioners with respect to a reduction in the charge for minimum water use.

Mr. Haney stated that a rate study was performed about six years ago. He requested that Messrs. Donatelli and Florek review the rate structure and make recommendations as to a change in the current rate structure.

Seeing no further hands Chairman Galante closed the public portion.

Executive Session: A motion to go into Executive Session at 7:50 p.m. was made by Mr. Galante and seconded by Mr. Donatelli.

The motion was approved by an ALL AYES vote.

The Regular Meeting reconvened at 8:10 PM.

During Executive Session Mr. Granata discussed Brunetti litigation.

Adjournment: A motion to adjourn at 8:11 p.m. was made by Mr. Galante and seconded by Mr. Butler.

The roll call vote was as follows:

AYES: Donatelli, Greene, Haney, Testino, Galante

NAYS: None

5 Ayes 0 Nays 0 Absent

Respectfully submitted,

Arthur M. Haney, Secretary