

OLD BRIDGE MUNICIPAL UTILITIES AUTHORITY
REGULAR MEETING
November 18, 2013

Call to Order: The Regular Meeting of November 18, 2013 was called to order at 12:00 p.m. with the Pledge of Allegiance by Thomas Galante, Chairman.

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
Arthur Haney, Secretary
Richard Greene, Treasurer
Rocco Donatelli, Commissioner
Reginald Butler, 1st Alternate – Assistant Secretary
Anita Greenberg, 2nd Alternate - Assistant Treasurer

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 Precision Analytical Labs and the Monthly Water Distribution for October 2013.

2013 Sewer Relining

Executive Director Donatelli stated this project consists of relining sanitary sewers within portions of the Southwood Development and portions of the Iresick Trunk Sewer. The bid opening date is December 3, 2013 for presentation to the Commissioners on December 18, 2013.

Higgins Road Tank Connection

Executive Director Donatelli stated that NJEIT has approved this project for public bidding with a bid opening date of December 4, 2013 with presentation to the Commissioners on December 18, 2013.

Route 516 Water Main Replacement

Executive Director Donatelli stated that the NJEIT has approved this project for public bidding with a bid opening date of December 4, 2013 for presentation to the Commissioners on December 18, 2013.

Mr. Greene asked for an overview of the projects.

Executive Director Donatelli stated that with respect to the 2013 Sewer Relining, the Sewer Division preforms CCTV inspection of the sewer system every year to determine where the most critical areas are located. Areas in the Southwood development and portions of the Iresick Trunk Sewer have been identified for relining.

Executive Director Donatelli stated that there are water storage tanks located on Higgins Road and on Rt. 516. Due to the hydraulics of the system, the water storage tank on Higgins Road does not lend itself to the operations of the MUA. With the connection of the two water storage tanks, there will be a two million gallon tank on Rt. 516 and a three million gallon tank on Higgins Road producing a useful storage of five million gallons combined. There will less of a draw down during peak usage. The tanks will be receiving rehabilitation as part of the contract.

Executive Director Donatelli stated that with respect to the water main replacement on Rt. 516, there have been an inordinate amount of water main breaks in the vicinity of Rt. 516 and Lambertson/Farrington/Partridge Roads. Two thousand feet of water main will be replaced.

Laurence Harbor Bulkhead

Executive Director Donatelli stated that a CAFRA permit application has been submitted to the NJDEP by Alaimo Associates for construction of a bulkhead along the Authority's property fronting the Raritan Bay. The staff will report to the Commissioners concerning the status of the pending permit and funding which may be available as a result of "Sandy".

Subdivision Applications to the Township of Old Bridge Planning Board

Executive Director Donatelli stated that Alaimo Associates is appearing before the Planning Board of December 3, 2013 to request a subdivision of the Authority's property on Prospect Avenue and Marlboro Road. These sites were the location of a treatment plant and water storage tank facilities which have been demolished. The Authority wishes to sell these lots to a developer to offset operations expenses. Although the Planning Board is allowing CME subdivision plans to be the certified plans of record, it is requiring an Engineer and Planner other than CME to appear before the board.

MCUA Sewer Rate Increase

Executive Director Donatelli stated that the MCUA budget contains an 8% increase in sewer rates which translates to a 2% increase to the MUA. The Authority's staff will be attending an MCUA meeting on November 22, 2013 for an explanation of its proposed budget.

MWC Water Rate Increase

Executive Director Donatelli stated that Middlesex Water Company has petitioned the BPU for an overall water rate increase of nearly 16% which would translate into an approximately 7% water charge increase to the Authority's rate payers.

Dr. Greenberg stated that if this increase is as a result of "Sandy", she would think that federal money would be available for any needed system repairs.

Mr. Greene stated that it is important for the rate payers to understand that payments to the MCUA constitute approximately 39% of the MUA's budget.

Mr. Haney stated that the MCUA should be made to justify the increase.

Mr. Florek stated that the MCUA should have applied to the NJEIT for a loan with repayment over twenty years.

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

The roll call was as follows:

AYES: Greene, Haney, Testino, Butler, Galante

NAYS: None

NO PARTICIPATION: Donatelli

5 Ayes 0 Nays 1 No Participation 0 Absent

Previous Minutes: Regular Meeting - September 18, 2013
Executive Session - September 18, 2013

A motion to approve the previous minutes was made by Mr. Donatelli and seconded by Mr. Galante.

AYES: Donatelli, Greene, Haney, Testino, Galante

NAYS: None

5 Ayes 0 Nays 0 Absent

Engineering Reports: Michael Roy, P.E.

**Report on Developers for Approval
No Developer Applications**

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. Testino.

The roll call was as follows:

AYES: Donatelli, Greene, Haney, Testino, Galante

NAYS: None

5 Ayes 0 Nays 0 Absent

1. Demolition of Decommissioned Sites, Contract No. 433, Final Quantities Change Order

Mr. Roy stated that this Change Order relates to the demolition of a drinking water plant on Prospect Avenue and consists of the increase cost for additional soil sampling and the reduction in the actual amount of contaminated soil disposal and clean fill material that was provided for in the contract documents. The total cost of the Change Order is a MINUS \$109,084.01 which is a 47.7% decrease of the original contract amount of \$289,145.00 to a new contract amount of \$180,060.00.

A motion to approve Contract No. 433, Final Quantities Change Order as recommended was made by Mr. Testino and seconded by Mr. Greene.

The roll call was as follows:

AYES: Donatelli, Greene, Haney, Testino, Galante

NAYS: None

5 Ayes 0 Nays 0 Absent

2. Submersible Tank Mixer, Contract No. W13-162, Final Quantities Change Order.

Mr. Roy reported that Change Order No. 1 to Utility Service Co., Inc. consists of the decrease in cost of the allowance that was provided for in the Contract Documents. The total cost of the Change Order is a MINUS \$10,000 which is a 13.7% decrease of the original contract amount of \$73,160.00 to a new contract amount of \$63,160.00.

A motion to approve Submersible Tank Mixer, Contract No W13-162, Final Quantities Change Order as recommended was made by Mr. Haney and seconded by Mr. Greene.

The roll call was as follows:

AYES: Donatelli, Greene, Haney, Testino, Galante

NAYS: None

5 Ayes 0 Nays 0 Absent

3. Summerfield Gravity Sewer Replacement. Contract No. 2011-01, Change Order No. 2

Mr. Roy reported that Change Order No. 2 to Caruso Excavating, Inc. consists of a 163 day extension of time for delays associated with relocating the retaining wall due to the discovery of an existing buried wall within the slope area to be stabilized and for costs associated with various additional work that includes foundation redesign, tree clearing, revised wall layout, unforeseen buried material and an additional heat shield for the emergency backup generator on the proposed sewer pump station.

The total cost of this Change Order No. 2 is \$34,019.00 which is a 2.7% increase of the original contract amount of \$1,264,462.00 to a new contract amount of \$1,298,481.00.

A motion to approve Summerfield Gravity Sewer Replacement Contract No. 2011-01, Change Order No. 2 as recommended was made by Mr. Donatelli and seconded by Mr. Galante.

The roll call was as follows:

AYES: Donatelli, Greene, Haney, Testino, Galante

NAYS: None

5 Ayes 0 Nays 0 Absent

4. Sewer Division SCADA System, Contract No. 2011-03, Change Order No. 2

Mr. Roy stated that Change Order No. 2 to MBE Mark II consists of a 140 day extension of time for various reasons including delays due to contractual disagreement on system architecture (which has now been resolved), coordination and adjustment to the Verizon communication network incorporated into the system, and a number of required field changes to add or delete and relocate instruments due to lack of available space.

The total cost of Change Order No. 1 is ZERO and the contract amount remains at \$2,180,000.

A motion to approve Sewer Division SCADA System, Contract No. 2011-03, Change Order No. 2 as recommended was made by Mr. Butler and seconded by Mr. Testino.

The roll call was as follows:

AYES: Greene, Haney, Testino, Butler, Galante

NAYS: None

NO PARTICIPATON: Donatelli

5 Ayes 0 Nays 1 No Participation 0 Absent

5. Perrine Road Water Storage Tank Repainting, Authorizing Engineering Services to CME

Mr. Roy stated that there is a need to repaint the Perrine Road 10 MG Water Storage Tank. CME prepared Planning Documents for submission to the NJDEP prior to the October 7, 2013 deadline for NJEIT Fund Program for low interest money.

CME also prepared a proposal dated November 12, 2013, for Engineering Services to prepare design specifications for the referenced project for submission prior to the NJEIT deadline of March 3, 2014. The estimates of engineering fees are \$119,732.

The dollar amount of these estimates fees appear 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 in accordance with CME's Consulting Engineering Agreement dated February 1, 2013.

The financing of this project will be from the NJEIT low interest loan program. The preliminary construction cost estimate is \$1.25 million, and the scope of the work for the project consists of sand blasting and recoating the interior and exterior of the Perrine Road 10MG Water Storage Tank (210' diameter); replacing the cathodic protection system; and installing additional access and piping to aid in the future compliance with the disinfection by-product EPA Rule.

Dr. Greenberg asked for an explanation of the duties of a Project Manager for 244 hours at \$148 per hour.

Mr. McClelland explained that the project manager is the key person who schedules the work to be done and assures the scope of the work is followed.

Dr. Greenberg asked if the Design Engineers hours (322) is an estimate and upon what is that number based.

Mr. McClelland responded that the design engineer prepares special bid documents for the type of coating available. This tank is the main feed from Middlesex Water Company which requires additional studies; i.e., how to control the THM's.

Mr. Roy stated that because no one is sure what is going to happen in the future with the disinfection by-product rules, there has to be the ability within this tank to aerate the water in order to evaporate THM's.

Mr. McClelland stated that the key to this project is trying to find the appropriate time to do this. The tank will have to be out of service and a bypass created. The bid documents have to reflect this.

Mr. Roy stated that it is anticipated that the tank will be off line for three to four months (November 2014 – March 2015).

Dr. Greenberg asked what the average life of a tank is.

Mr. McClelland stated that if the tank is painted and coated, the life could be fifty plus years.

Dr. Greenberg asked what the cost of a new tank would be.

Mr. Florek stated that the minimum cost of a new tank would be \$10 million (\$1 per gallon).

A motion to approve Perrine Road Water Storage Tank Repainting, Authorizing Engineering Services to CME as recommended was made by Mr. Testino and seconded by Mr. Greene.

The roll call was as follows:

AYES: Donatelli, Greene, Haney, Testino, Galante

NAYS: None.

5 Ayes 0 Nays 0 Absent

6. Water Division SCADA System, Authorize Engineering Services to CME.

Mr. Roy stated that there is a need to upgrade the Water Division SCADA System, and CME has prepared Planning Documents which were submitted to the NJDEP prior to the deadline of October 7, 2013 for the NJEIT Fund Program for low interest loan money.

CME has also prepared a proposal dated November 12, 2013 for Engineering Services to prepare design specifications for this project before the NJEIT deadline of March 3, 2014. The estimate of engineering fees \$183,575.

The dollar amount of these 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 in accordance with the CME Consulting Engineering Agreement dated February 1, 2013.

The preliminary construction cost estimate is \$0.75 million dollars. The scope of work for this project consists of upgrading the computers, software and radio transmitters at the three (3) booster stations, eight (8) water storage tanks and two (2) drinking water treatment plants within the Authority’s Water Distribution System.

A motion to approve Water Division SCADA System, Authorize Engineering Services to CME 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

Financial Report: Stephen A. Florek II, Comptroller

Renewal Public Officials Liability/Employments Practices Liability

Mr. Volk (Volk Agency) presented the Commissioners with an overview of the renewal premium as quoted by Darwin National. The 2012-2013 annual premium was \$33,113.84; the renewal for 2013-2014 is \$37,472.72. He alluded to the fact that this insurance

has covered over \$100,000 in defense of the Authority in on-going litigation.

A motion to accept the Public Officials Liability/Employments Practices Liability Insurance 2013-2014 renewal policy with a premium in the amount of \$37,472.72 was made by Mr. Haney and seconded by Mr. Greene.

The roll call was as follows:

AYES: Donatelli, Greene, Haney, Testino, Galante

NAYS: None

5 Ayes 0 Nays 0 Absent

Rate Hearing January 15, 2014

Mr. Florek stated that in anticipation of an increase from MCUA, he would recommend a rate hearing at 6:30 p.m. on January 15, 2014.

A motion to authorize an advertisement of a rate hearing on January 15, 2014 at 6:30 p.m. 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

Resolution

A motion to authorize the Interim Financing, Bonds and Notes for the 2014 NJEIT Higgins Road, Route 516 Interconnection and the Replacement of 12” Water Main in Route 516 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

Resolution

A motion to adopt a resolution acknowledging the Findings of the Local Finance Board with respect to the August 1, 2013 meeting which approved the Findings of the Higgins Road/Route 516 Interconnection and the 12” Water Main Replacement on Route 516 was made by Mr. Testino and seconded by Mr. Greene.

The roll call was as follows:

AYES: Donatelli, Greene, Haney, Testino, Galante

NAYS: None

5 Ayes 0 Nays 0 Absent

Bills & Claims: \$3,135,495.24

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

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.
To be discussed in Executive Session

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

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 12:53 p.m. was made by Mr. Donatelli and seconded by Mr. Galante.

The Regular Meeting reconvened at 1:20 p.m.

During Executive Session Mr. Granata discussed pending litigation matters.

Adjournment: A motion to adjourn at 1:21 p.m. was made by Mr. Donatelli and seconded by Mr. Testino.

The motion was approved by an ALL AYES vote.

Respectfully submitted:

Arthur M. Haney, Secretary