

**OLD BRIDGE MUNICIPAL UTILITIES AUTHORITY
REGULAR MEETING
January 15, 2014**

Call to Order: The Regular Meeting of January 15, 2014 was called to order at 7:06 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
Reginald Butler, 1st Alternate – Assistant Secretary
Anita Greenberg, 2nd Alternate - Assistant Treasurer

Absent:
Richard Greene, Treasurer
Rocco Donatelli, Commissioner

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 December 2013.

2014/January 2015 Meeting Schedule

A motion to authorize publication of the 2014/January 2015 Meeting Schedule was made by Mr. Testino and seconded by Mr. Butler.

The roll call was as follows:

AYES: Haney, Testino, Butler, Greenberg, Galante

NAYS: None

ABSENT: Donatelli, Greene

5 Ayes 0 Nays 2 Absent

THM Monitor Update

Executive Director Donatelli stated that all THM values have been in an acceptable range with the current levels in the low 40's ppb (the maximum contaminant level (MCL) is 80 ppb). The THM monitor is checked monthly for accuracy with samples being split with Middlesex Water Company. A meeting has been planned for the end of February with Middlesex Water Company and an expert in granular activated carbon filters (the type of filter proposed for the Perrine Road location). The cost of the project including annual maintenance we understand will be borne by Middlesex Water Company.

Mr. Testino added that according to a recent German study, granular activated carbon filters produce water better than what is found in a bottle.

Request for Qualifications

Executive Director Donatelli stated that the deadline for submission of qualifications is January 22, 2014. Mr. Haney and Dr. Greenberg were appointed to review the submissions.

Rate Study

Executive Director Donatelli stated that Robert Allison (Holman Frenia Allison, P.C.) was originally contracted to perform a water rate study, but there is a need to review the sewer rates as well. Mr. Allison has requested an increase in the amount for the original estimate of work performed from \$7,500 to \$15,000.

Mr. Testino asked for a confirmation that Mr. Allison was going to make recommendations as to modifications to the rate structure.

Executive Director Donatelli stated that there would be recommendations and comments in a written report.

A motion to authorize an amount not to exceed \$15,000 for Robert Allison (Holman Frenia Allison, P.C.) to conduct a water/sewer rate study was made by Mr. Butler and seconded by Mr. Haney.

The roll call was as follows:

AYES: Haney, Testino, Butler, Greenberg, Galante

NAYS: None

ABSENT: Donatelli, Greene

5 Ayes 0 Nays 2 Absent

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

The roll call was as follows:

AYES: Haney, Testino, Butler, Greenberg, Galante

NAYS: None

ABSENT: Donatelli, Greene

5 Ayes 0 Nays 2 Absent

Engineering Reports: Michael Roy, P.E.

**Report on Developers for Approval
None.**

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. Butler and seconded by Mr. Haney.

The roll call was as follows:

AYES: Haney, Testino, Butler, Greenberg, Galante

NAYS: None

ABSENT: Donatelli, Greene

5 Ayes 0 Nays 2 Absent

1. Water Tank Rehabilitation of the Higgins Road and Rt. 516 Water Storage Tanks, Award Contract

Mr. Roy reminded the Commissioners that bids for this project were rejected at the meeting of December 18, 2013 due to the prevalence of deficiencies in the bids associated with listing and providing supporting information for the listed subcontractors.

After readvertisement, two bids were received on January 7, 2014. Pro-Spec Painting of Vineland, NJ, submitted the apparent low bid with a bid price of \$1,517,949.00, which is \$322,029.00 under the price bid by the second lowest bidder, Alpine Painting and Sandblasting of Paterson, NJ.

Both bids contain irregularities: the low bid was not submitted intact and contained an error in the proposal pages where instead of the Contractor writing in the unit price in words, the extensions appeared in words. Pro-Spec provided a letter of clarification regarding the discrepancy between the numerical amount and the amount in words for the unit price bid items.

The second lowest bidder filed a bid protest contending that the low bidder did not list a subcontractor for welding. The lowest bidder clarified that it employs an in-house certified welder.

Mr. Granata added that the bid specifications state that there may be some welding to be performed. The statute indicates that if there are separate bid specifications for certain subcontractors, the subcontractors must be identified. There is no separate bid for which Pro-Spec needed to identify a subcontractor. He disagrees with the low bidder in this instance that a subcontractor has to be identified.

This bid is subject to submission to the DEP loan program for approval. Therefore, the Contractor may not be given a notice to proceed until the bid specifications are reviewed by the DEP and agrees that the bid has been properly awarded.

Mr. Testino requested a confirmation that the award of the bid is to the lowest responsible bidder who is also the lowest numerical bidder that would benefit the Authority. Mr. Roy confirmed that

the recommendation to award was to the bidder who submitted the lowest price of the two bidders.

A motion to award the Water Tank Rehabilitation of the Higgins Road and Rt. 516 Water Storage Tanks to Pro-Spec Painting of Vineland, NJ, subject to receipt of written approval from the NJDEP as recommended was made by Mr. Testino and seconded by Mr. Butler.

The roll call was as follows:

AYES: Haney, Testino, Butler, Greenberg, Galante

NAYS: None

ABSENT: Donatelli, Greene

5 Ayes 0 Nays 2 Absent

2. Emergency Fuel Depot, Authorize Engineering Services to CME

Mr. Roy stated that the scope of work for this project consists of the installation of a new above ground storage and fuel dispensing facility at the Rt. 516 garage property.

CME prepared Planning Documents that have been submitted to the NJDEP prior to the deadline of October 7, 2013 for NJEIT low interest loan money. The Authority is also pursuing FEMA funding for this project.

CME prepared a proposal for Engineering Services for Design Specifications for submission to the NJEIT before the March 3, 2014 deadline. The preliminary construction cost estimate of this project is \$1.0 million.

A motion to authorize CME Associates to proceed with the Engineering Services for the Emergency Fuel Depot to be constructed at the R t. 516 garage property as recommended was made by Mr. Testino and seconded by Mr. Butler.

The roll call was as follows:

AYES: Haney, Testino, Butler, Greenberg, Galante

NAYS: None

ABSENT: Donatelli, Greene

5 Ayes 0 Nays 2 Absent

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

Dr. Greenberg asked if the Engineering Fees were compatible to other projects of this nature.

Mr. Roy replied that the amount of this contract is based on the number of hours needed to design this project.

3. State Low Interest Loan Applications –Authorization to Make Loan Applications:

- **Perrine Road 10MG Tank Rehabilitation**
- **Water Division SCADA Update**
- **Emergency Fuel Depot**

Mr. Roy stated that the Authority has authorized CME to perform design work to repaint the Perrine Road 10MG Water Storage Tank; upgrade the outdated Water Division SCADA System; and install a new Emergency Fuel Depot at the Rt. 516 Garage Facility. The financing of these projects is intended to be obtained through the NJEIT Fund Loan Program which provides low interest financing for water/sewer capital projects, and Mr. Roy recommended submission of loan applications for these projects in the next state budget cycle (SFY 2015) prior to the submission deadline of March 3, 2014.

A motion to authorize submission of loan applications to the NJEIT prior to the March 3, 2014 deadline relating to the Perrine Road 10MG Tank Rehabilitation; the Water Division SCADA Update; and the Emergency Fuel Depot as recommended was made by Mr. Testino and seconded by Mr. Butler.

The roll call was as follows:

AYES: Haney, Testino, Butler, Greenberg, Galante

NAYS: None

ABSENT: Donatelli, Greene

5 Ayes 0 Nays 2 Absent

Financial Report: Stephen A. Florek II, Comptroller

Mr. Florek stated that the Authority received checks totaling \$38,514.52 that represents one half of the program revenue through the Energy Curtailment Specialists, a program whereby generators are used in a time of the electric system overload. This was implemented one day during the summer of 2013, and during the early part of January during extreme low temperatures. He anticipates receiving another check in May.

Mr. Florek added that the Authority renewed its Commercial Pollution Liability Insurance coverage for three years with AIG at a cost of \$99,920.00 that is only \$56.00 higher than the policy that expired on December 31, 2013.

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

The roll call was as follows:

AYES: Haney, Testino, Butler, Greenberg, Galante

NAYS: None

ABSENT: Donatelli, Greene

5 Ayes 0 Nays 2 Absent

Legal Report: Louis E. Granata, Esq.

Mr. Granata announced that matters concerning ongoing litigation with Transco and Brunetti would be discussed in Executive Session as well as Woodhaven's application request for a waiver of the performance guarantee.

Bills & Claims: \$1,759,916.88

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

The roll call was as follows:

AYES: Haney, Testino, Butler, Greenberg, Galante

NAYS: None
ABSENT: Donatelli, Greene
5 Ayes 0 Nays 2 Absent

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

New Business: Mr. Butler stated that this was his last MUA meeting. He thanked the Commissioners and the Staff for their efforts and expressed his happiness for having served the Authority.

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

Executive Session: A motion to go into Executive Session at 7:28 p.m. was made by Mr. Butler and seconded by Mr. Haney.

The roll call was as follows:

AYES: Haney, Testino, Butler, Greenberg, Galante

NAYS: None

ABSENT: Donatelli, Greene

5 Ayes 0 Nays 2 Absent

The Regular Meeting reconvened at 8:09 p.m.

During Executive Session Mr. Granata discussed pending litigation matters with respect to Brunetti; Transco; Woodhaven Village Waiver of Performance Guarantee; and Personnel Matters.

Employee Contracts

A motion to approve the execution of the employment contracts of Michael Roy, P.E., Engineer and Stephen A. Florek III, Comptroller, for the period from February 1, 2014 to January 31, 2019 with no salary adjustment nor change of status and the

execution of an extension of contract of Executive Director Guy Donatelli with no salary adjustment nor change of status expiring January 31, 2019 was made by Mr. Testino and seconded by Mr. Butler.

The roll call was as follows:

AYES: Haney, Testino, Butler, Galante

NAYS: None

ABSTAIN: Greenberg

ABSENT: Donatelli, Greene

4 Ayes 0 Nays 1 Abstain 2 Absent

Commissioner Legal Representation

Mr. Granata stated several attorneys have contacted him for individual Commissioner and the Executive Director who have retained their own personal attorneys to provide legal representation in connection with the Brunetti matter. His recommendation is to set the rate for Special Counsel at \$225.00 per hour.

A motion to set the rate for personal legal counsel at \$225.00 per hour in connection with the Brunetti litigation was made by Mr. Butler and seconded by Mr. Testino.

The roll call was as follows:

AYES: Haney, Testino, Butler, Greenberg, Galante

NAYS: None

ABSENT: Donatelli, Greene

5 Ayes 0 Nays 2 Absent

Resolution

Authorizing the Chairman to execute the contracts that have been submitted by the personal attorneys for the individuals in connection with the Brunetti matter was made by Mr. Testino and seconded by Mr. Butler.

The roll call was as follows:

AYES: Haney, Testino, Butler, Greenberg, Galante

NAYS: None

ABSENT: Donatelli, Greene

5 Ayes 0 Nays 2 Absent

Adjournment: A motion to adjourn at 8:13 p.m. was made by Mr. Butler and seconded by Mr. Testino.

The roll call was as follows:

AYES: Haney, Testino, Butler, Greenberg, Galante

NAYS: None

ABSENT: Donatelli, Greene

Respectfully submitted:

Edward Testino, Secretary