

**OLD BRIDGE MUNICIPAL UTILITIES AUTHORITY
REGULAR MEETING
July 16, 2014**

- Call to Order: The Regular Meeting of July 16, 2014 was called to order at 7:32 p.m. with the Pledge of Allegiance by Arthur Haney, Chairman.
- Announcement: Chairman Haney 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:
Arthur Haney, Chairman
Edward Testino, Secretary
Anita Greenberg, Treasurer
Rocco Donatelli, Assistant Secretary
Brian Cahill, 2nd Alternate
- Absent:
Richard Greene, Vice Chairman
Frank Weber, 1st Alternate and Assistant Treasurer
- Also present:
Michael Roy, P.E.
Stephen A. Florek II, Comptroller
Mitchell B. Jacobs, 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 June 2014.

G.I.S DISTRIBUTION MAPPING SYSTEM
Executive Director Donatelli announced that CME has prepared a presentation outlining the G.I.S. Mapping System that the Authority staff is recommending. The system will provide a detailed record of the infrastructure that will be used to locate valves, hydrants, and customer shutoffs, in addition to many other benefits for the Authority's distribution system.

New Jersey Transit who will be utilizing one of the Authority's towers for its cell system will pay for the fair share cost of the mapping system. New Jersey Transit will also be providing radio equipment and antennas to the police department.

Personnel

Executive Director Donatelli stated due to recent retirements/dismissals, staffing needs would be discussed in Executive Session.

Chairman's Report: Arthur M. Haney, Chairman
Chairman Haney stated that the Authority will have a booth at Old Bridge Day in September and encouraged the Commissioners to attend. He reminded the Commissioners that the regularly scheduled meeting of August 20 has been changed to August 12 and will be held in the library.

Previous Minutes: Regular Meeting - May 21, 2014
Executive Session 1 - May 21, 2014
Executive Session 2 - May 21, 2014

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

The roll call was as follows:

AYES: Donatelli, Greenberg, Testino, Haney

NAYS: None

ABSTAIN: Cahill

ABSENT: Greene, Weber

4 Ayes 0 Nays 1 Abstain 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 Dr. Greenberg and seconded by Mr. Donatelli.

The roll call was as follows:

AYES: Donatelli, Greenberg, Testino, Cahill, Haney

NAYS: None

ABSENT: Greene, Weber

5 Ayes 0 Nays 2 Absent

Engineering Reports: Michael Roy, P.E.

None

Financial Report:

Stephen A. Florek II, Comptroller

Mr. Florek, referring to an analysis by NW Capital Markets and Acacia Financial Group that outlines a savings as a result of refinancing the 2004A Bond Series, stated that the savings range on a lower interest rate is between \$197,065 and \$223,000. These numbers are net of insurance costs. The refinancing will be able to take place on September 15, 2014. The Authority will need to authorize the refinancing as well as authorize a RFQ for an underwriter.

Mr. Florek referred to a letter agreement with respect to the AT&T lease that is currently in effect for the Rt. 35 tank in Laurence Harbor. The agreement allows Tower Point Capital the right to purchase the Authority's interest in lease with AT&T. Currently, the Authority receives \$32,000 per year for this lease, and Tower Point Capital is offering \$645,000 at closing. At the current lease amount, it would take the Authority approximately twenty years to recoup these funds. Mr. Florek believes that the Authority should perform due diligence with this offer to realize additional funds for the Water Division.

A motion to authorize an RFQ for an underwriter in connection with the Series 2004A Bonds refinancing was made by Mr. Haney and seconded by Dr. Greenberg.

The roll call was as follows:

AYES: Donatelli, Greenberg, Testino, Cahill, Haney

NAYS: None

ABSENT: Greene, Weber

5 Ayes 0 Nays 2 Absent

A motion to submit an application to the Local Finance Board in connection with the Series 2004A Bond refinancing was made by Mr. Donatelli and seconded by Dr. Greenberg.

The roll call was as follows:

AYES: Donatelli, Greenberg, Testino, Cahill, Haney

NAYS: None

ABSENT: Greene, Weber

5 Ayes 0 Nays 2 Absent

Bills & Claims:

A motion to approve Bills & Claims in the amount of \$1,657,480.24 was made by Mr. Haney and seconded by Mr. Donatelli.

The roll call was as follows:

AYES: Donatelli, Greenberg, Testino, Cahill, Haney

NAYS: None

ABSENT: Greene, Weber

5 Ayes 0 Nays 2 Absent

Presentation:

G.I.S. DISTRIBUTION MAPPING SYSTEM

Messrs. McClelland and Trainor of CME Associates offered a detailed slide presentation to the Commissioners outlining the use of an ARC G.I.S. Mapping System to implement improvements in data collection and to track the various assets of the Authority.

Mr. McClelland stated that the bulk of the initial cost would be the purchase of the hand-held GPS units and a server that would be located in one of the Authority's buildings.

Mr. Haney inquired about the cost per unit.

Mr. McClelland stated that the cost per unit would be approximately \$10,000 to \$15,000, but that cost would depend on how many units and the type of software purchased. He estimated that the cost of the initial purchase would be about \$60,000.

Mr. Roy stated that a bid process would have to be followed in accordance with State Statute.

Mr. Haney suggested a further discussion at a future meeting.

Mr. Cahill suggested that based on the fact that the Township already has a GIS system, there might be a way for the Authority to overlay that system to save money.

Old Business:

Brunetti Oaks at Glenwood – Status

Mr. Roy stated that Mr. Granata would offer a report at the next meeting.

New Business:

None

Open to Public:

Mr. Kaptain asked for relief from having to pay a bill for water that was not used. He is away from his home for months at a time.

Mr. Haney explained that the rates are established based upon State Statutes that govern the way municipal utilities are billed. A twenty percent discount is offered to senior citizens who qualify financially. The auditors have performed several studies, the most recent of which may provide a benefit to the ratepayers. The Authority exists to insure that there is a safe and continuous supply of drinking water for all residents of the community and to

effectively remove wastewater. Money that is held in reserve is used for emergency purposes.

While relating the history of the inception of the Utilities Authority, Mr. Haney explained that developers have borne the cost of the construction of the infrastructure, but maintaining and upgrading miles of pipes, etc. is very costly to the Authority.

The basic cost of running the Authority is borne in the quarterly billing. In order to allow those customers who have no water/sewer usage for a long period of time to pay little or nothing, a new rate structure would have to be created increasing the quarterly costs for everyone in the Township. In order to encourage conservation, the more water that is used, the higher are the charges for the amount of water used.

Recently, the Authority spent \$26,000 to hire attorneys in an effort to convince the BPU and Middlesex Water Company to reduce a proposed water rate increase of seventeen percent. The Authority was successful in making its arguments, and the water rate was only increased by \$3.32 per year to the Authority's minimum customers. The entire increase to the Authority is \$147,000 that cannot possibly be absorbed by the Authority without serious financial ramifications.

With respect to the interest charged for late payments, Mr. Haney stated that 18% is based on statutory requirements.

Mrs. Watkins inquired about an update on the water quality of the water in the vicinity of Madison Park.

Mr. Florek suggested that she view the Authority's website, particularly the "Consumer Confidence Report".

Mr. Roy added that equipment has been purchased by the Authority to continuously monitor the levels of disinfection by-products, and the Authority is in compliance because of its ability to modify the delivery of water.

Mr. Haney stated that Middlesex Water Company who delivers water to the Authority's water system created the problem in the Madison Park area. The Authority has developed a method of curing the problem and has absorbed the cost of doing so.

Mr. Roy stated that the Authority had always been in compliance with acceptable levels of contamination until the EPA changed the

regulations. A violation existed for one quarter, but the Authority has been in compliance ever since. A complete list of required testing is available on the website.

Mr. Haney emphasized that the violation occurred as a result of water delivered from Middlesex Water Company.

Mr. Shicoff inquired about the procedure to apply for a discounted rate.

Mr. Florek recommended that he visit the office of the Tax Assessor for an application and stated that if he is eligible for a reduced real estate tax rate, the Township will then contact the Authority and we will make the billing adjustment.

In response to Mrs. Wulster's request to meter sewage, Mr. Haney stated that the rates would increase due to the installation of meters.

Unidentified Resident, referring to a published article, inquired about the exorbitant rate of salary increase of the Authority's employees.

Mr. Florek stated that the raises referred to in the "article" were as a result of retroactive increases due to a delay in negotiating union contracts. The increase amounted to 3.54%.

Mr. Haney stated that number of personnel has been significantly reduced with the inception of recent technology.

Mr. Florek stated that in 2004 there were eighty-six employees; presently there are sixty-seven.

Mr. Haney added that the decrease in the number of employees equates to a salary savings of approximately \$1.5 million per year. Each of the current employees has taken on additional duties. In one year Mr. Donatelli, the Executive Director, assumed the responsibilities of several employees for a savings of over \$100,000 per year.

Seeing no further hands Chairman Haney closed the public portion.

Executive Session: A motion to go into Executive Session at 8:55 p.m. was made by Mr. Testino and seconded by Dr. Greenberg.

The roll call was as follows:

AYES: Donatelli, Greenberg, Testino, Cahill, Haney

NAYS: None

ABSENT: Greene, Weber

5 Ayes 0 Nays 2 Absent

**The Regular Meeting reconvened at 9:10 p.m.
During Executive Session the following item was discussed:**

1. Personnel

Adjournment: A motion to adjourn at 9:11 p.m. was made by Mr. Testino and seconded by Mr. Haney.

The motion was approved by an ALL AYES vote.

Respectfully submitted:

Edward Testino, Secretary