

**OLD BRIDGE MUNICIPAL UTILITIES AUTHORITY**  
**REGULAR MEETING**  
**September 17, 2014**

Call to Order: The Regular Meeting of September 17, 2014 was called to order at 7:00 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  
Richard Greene, Vice Chairman  
Edward Testino, Secretary (arrived at 7:16 p.m.)  
Anita Greenberg, Treasurer  
Rocco Donatelli, Assistant Secretary  
Frank Weber, 1<sup>st</sup> Alternate Assistant Treasurer

Absent:  
Brian Cahill, 2<sup>nd</sup> Alternate

Also present:  
Michael Roy, P.E.  
Stephen A. Florek II, Comptroller  
James J. Cleary, 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 August 2014. Due to the cool summer, water sales were dismal.

**White Oak Lane Sewer Manhole**  
Executive Director Donatelli reported that a manhole on White Oak Lane is in danger of collapsing due to deterioration from the Glenwood Apartments sewer pump station which discharges into this manhole. The Brunetti Organization's position is that the manhole and the sewer in White Oak Lane were previously dedicated to the Authority.

Mr. Cleary stated that the Township of Old Bridge never accepted the street; therefore, the Authority has no obligation to repair the manhole.

Mr. Roy stated that the estimated cost of the repair is \$40,000; the Brunetti Organization would like the Authority to pay half.

Mr. Cleary suggested that the Authority make no payment.

Executive Director Donatelli stated that Middlesex County is doing storm drain work in the vicinity of White Oak Lane, and it appears that the water main serving White Oak Lane may be in conflict. The County expects the Authority to move any water mains that are in their way. Based on what Mr. Cleary reports of the title search performed on the utilities in White Oak Lane, he is not certain that the facilities in question belong to the Authority.

**Operator Certification**

Executive Director Donatelli announced that Charles Winkler has achieved the C-4 Collection License issued by the NJDEP.

**Old Bridge Day**

Executive Director Donatelli announced that the Authority would have a booth to provide an opportunity for the staff and Commissioners to interact with the community and discuss the mission of the MUA.

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

The roll call was as follows:

AYES: Donatelli, Greenberg, Greene, Weber, Haney

NAYS: None

ABSENT: Testino

5 Ayes            0 Nays            1 Absent

Chairman’s Report: Arthur M. Haney, Chairman

Mr. Haney referred to an article published in the Wall Street Journal detailing purchases of water utilities by private companies and the attempt by the communities to save them.

He encouraged the Commissioners and employees of the Authority to participate in Old Bridge Day.

Previous Minutes: Regular Meeting - July 16, 2014  
Executive Session - July 16, 2014

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

The roll call was as follows:

AYES: Donatelli, Greenberg, Haney

NAYS: None

ABSENT: Testino

ABSTAIN: Greene

NO PARTICIPATION: Weber

3 Ayes            0 Nays            1 Absent            1 Abstain  
1 No Participation

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

**Rt. 34 Plaza Irrigation/JA Rt. 34, LLC**  
**1. W14-643, Minor Water**

**LOCATION:**

On the north side of Route 34, at the Township boundary with Matawan Borough at the Route 34 Plaza site currently under construction.

**DESCRIPTION:**

Construction of a lawn irrigation system to connect into the internal plumbing of the building currently under construction.

**COMMENTS:**

1. Minor Review, Inspection and Connection fees have been paid.
2. The Authority granted Final Water Approval in March 2014, for Route 34 Plaza without lawn irrigation. The

Applicant is now seeking approval for a two (2) EDCU irrigation system.

3. Based on the proposed number of units it was determined that the additional demand on the water distribution system is insignificant.
4. This work is also subject to approval by the Township Plumbing Sub-Code Official.
5. Technical requirements sufficient for Minor Water Approval have been satisfied.
6. A copy of this report has been supplied to the Contact Person of the Applicant as listed on the application form.
7. Recommend Minor Water Approval subject to the following conditions:

**CONDITIONS:**

1. Applicant shall pay all applicable fees.
2. All proposed water lines to remain privately owned and maintained by the Applicant.
3. The Applicant shall construct the water improvements in accordance with the Approved Drawings, and permits issued by any Agency having jurisdiction.
4. Applicant to fully comply with the Rules and Regulations of the Authority and any Agency having jurisdiction.
5. This Minor Water Approval shall expire one (1) year from the date of the resolution if no construction has taken place within that one (1) year period.

A motion to approve Rt. 34 Plaza Irrigation/JA Rt. 34, LLC W14-643, Minor Water as recommended was made by Mr. Donatelli and seconded by Dr. Greenberg.

The roll call was as follows:

AYES: Donatelli, Greenberg, Greene, Weber, Haney

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 Dr. Greenberg and seconded by Mr. Donatelli.

The roll call was as follows:

AYES: Donatelli, Greenberg, Greene, Weber, Haney

NAYS: None

ABSENT: Testino

5 Ayes          0 Nays          1 Absent

Engineering Reports: Michael Roy, P.E.

### **1. Perrine Road Tank Rehabilitation – Bid and Construction Engineering Services to CME**

Mr. Roy, referring to a proposal from CME Associates dated September 4, 2014 for Engineering Services for the Bid and Construction Phases of the referenced project, stated that CME Associates has provided estimates of engineering fees on their "Project Outline" of the proposal as follows:

1. Bid Phase -\$8,228.00
2. Engineering Services During Construction - \$119,936.00
3. Construction Inspection - \$201,834.00

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, all in accordance with their Consulting Engineering Agreement dated February 1, 2014. The project duration is anticipated to be twelve (12) months of actual construction, with an overall contract time of approximately eighteen (18) months.

The Engineer's Estimated Construction Cost for this project is approximately \$2.2 million dollars. This project is included in the

2015 New Jersey Environmental Infrastructure Trust/Fund (NJEIT) list of projects to be funded.

The scope of the project involves the complete sandblasting and repainting of the Perrine Road 10 million gallon water storage tank; installation of a carbon filtration facility at the site for the removal of disinfection by-products; the installation of additional access man-ways on the tank shell to aid in future tank maintenance; and the replacement of the cathodic protection system to extend the life of the paint coating on the tank.

Mr. Roy recommended that CME Associates be authorized to proceed with the Bid and Construction Phases of the referenced project in accordance with the September 4, 2014 Proposal and their February 1, 2014 Consulting Engineering Contract.

A motion to authorize CME Associates to proceed with the Bid and Construction Phases of the Perrine Road Tank Rehabilitation as recommended was made by Mr. Haney and seconded by Mr. Weber.

The roll call was as follows:

AYES: Donatelli, Greenberg, Greene, Weber, Haney

NAYS: None

ABSENT: Testino

5 Ayes      0 Nays      1 Absent

**2. Water Division SCADA Upgrade – Bid and Construction Engineering Services to CME**

Mr. Roy, referring to a proposal from CME Associates dated September 4, 2014 for Engineering Services for the Bid and Construction Engineering Services, stated that CME Associates has provided estimates of engineering fees on their "Project Outline" of the proposal as follows:

- 1. Bid Phase -\$8,996.00
- 2. Engineering Services During Construction - \$79,058.00
- 3. Construction Inspection - \$35,604.00

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, all in accordance with their Consulting Engineering Agreement dated February 1, 2014. The project

duration is anticipated to be nine (9) months of actual construction, with an overall contract time of approximately twelve (12) months.

The Engineer's Estimated Construction Cost for this project is approximately \$825,000. This project is included in the 2015 New Jersey Environmental Infrastructure Trust/Fund (NJEIT) list of projects to be funded.

The scope of the project involves the modernization of the Authority's existing water treatment and distribution system Supervisory Control and Data Acquisition (SCADA) controls. The work will include replacing electronic hardware and software that has been in use for almost twenty (20) years.

Mr. Roy recommended that CME Associates be authorized to proceed with the Bid and Construction Phases of the referenced project in accordance with the September 4, 2014 Proposal and their February 1, 2014 Consulting Engineering Contract.

A motion to authorize CME Associates to proceed with the Bid and Construction Engineering Services Phases of the Water Division SCADA Upgrade as recommended was made by Mr. Haney and seconded by Mr. Donatelli.

The roll call was as follows:

AYES: Donatelli, Greenberg, Greene, Haney

NAYS: None

ABSTAIN: Testino

4 Ayes      0 Nays      1 Abstain

### **3. Rt. 516 Fuel Storage Facility – Bid and Construction Engineering Services to CME**

Mr. Roy, referring to a proposal from CME Associates dated September 4, 2014 for Engineering Services for the Bid and Construction Phases of the referenced project, stated that CME Associates has provided estimates of engineering fees on their "Project Outline" of the proposal as follows:

1. Bid Phase -\$8,996.00
2. Engineering Services During Construction - \$79,998.00
3. Construction Inspection - \$45,924.00

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, all in accordance with their Consulting Engineering Agreement dated February 1, 2014. The project duration is anticipated to be three (3) months of actual construction, with an overall contract time of approximately six (6) months.

The Engineer's Estimated Construction Cost for this project is approximately \$900,000. This project is included in the 2015 New Jersey Environmental Infrastructure Trust/Fund (NJEIT) list of projects to be funded.

The scope of the project involves the construction of a new fuel storage facility at the Route 516 Maintenance Garage Site to supplement the existing fuel storage tanks located at Cliffwood Beach. The new facilities at this location will provide resiliency of the Authority's fuel supply during future natural disasters.

Mr. Roy recommended that CME Associates be authorized to proceed with the Bid and Construction Phases of the Rt. 516 Fuel Storage Facility in accordance with the September 4, 2014 Proposal and their February 1, 2014 Consulting Engineering Contract.

A motion to authorize CME Associates to proceed with the Bid and Construction Phases of the Rt. 516 Fuel Storage Facility as recommended was made by Mr. Testino and seconded by Mr. Greene.

The roll call was as follows:

AYES: Donatelli, Greenberg, Greene, Testino, Haney

NAYS: None

5 Ayes      0 Nays      0 Absent

#### **4. Laurence Harbor Protective Retaining Wall - Bid and Construction Engineering Services to Alaimo Associates.**

Mr. Roy, referring to a proposal from Alaimo Associates dated July 8, 2014 for Engineering Services for the Bid and Construction Phases of the referenced project, stated that Alaimo Associates has provided estimates of engineering fees on their Table A of the proposal in the amount of \$300,000 for Engineering Services during the bidding and construction phases of the project.

The dollar amount of this estimated fee appears to be reasonable. The fee is based upon an estimate of the number of hours required for the level of effort anticipated for each of the engineering tasks, all in accordance with their Consulting Engineering Agreement dated February 6, 2014. The project duration is anticipated to be



twelve (12) months of actual construction, with an overall contract time of approximately fifteen (15) months.

The Engineer's Estimated Construction Cost for this project is approximately \$2.0 million dollars. This project is included in the 2015 New Jersey Environmental Infrastructure Trust/Fund (NJEIT) list of projects to be funded.

The scope of the project involves the construction of a protective bulkhead and a stone revetment to prevent erosion along the full extent of the Raritan Bay coast behind the Authority's Laurence Harbor Sewer Pump Station to protect against wastewater service disruption during coastal storms.

Mr. Roy recommended that Alaimo Associates be authorized to proceed with the Bid and Construction Phases of the Laurence Harbor Protective Retaining Wall in accordance with the July 8, 2014 Proposal and their February 6, 2014 Consulting Engineering Contract.

A motion to authorize Alaimo Associates to proceed with the Bid and Construction Phases of the Laurence Harbor Protective Retaining Wall as recommended was made by Mr. Testino and seconded by Mr. Donatelli.

The roll call was as follows:

AYES: Donatelli, Greenberg, Greene, Testino, Haney

NAYS: None

5 Ayes      0 Nays      0 Absent

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

Mr. Testino stated that he walked along the coastline, and his hope is that the area will be made readily available for pedestrians to walk from one park to another.

Mr. Greene asked for a confirmation that the approval of the previous items is a requirement of the NJEIT in order to move forward with the projects.

Mr. Roy stated that the Authority was previously able to put items out to bid and award the services at the same time, but the rules have been changed and authorization must be given before bids may be solicited.

Mr. Haney stated that there have been problems caused by storms in the past, but Superstorm Sandy completely removed the trees in this area. There was a concern that the pump station would be breached.

Mr. Weber stated that the total amount authorized so far is \$14 million. He asked for a confirmation that this amount was going to be paid for by the ratepayers and that there is no State aid forthcoming.

Mr. Haney stated that he was not aware of State aid for these projects.

Mr. Roy stated that there is no grant money *per se*, except for the loan forgiveness, i.e., grants applied from time to time when there is extra money. These are very low interest loans in which an annual debit service will be paid over twenty (20) years.

## **5. Crossroads Regional Interceptor - Change Order No. 5**

Mr. Roy stated that Change Order No. 5 to Northeast Remsco Construction for the referenced project has been prepared by R3M Engineering, Inc. and includes the amount of increase in costs, and the reason for the changes to the Contract Documents.

This Change Order consists of field changes to install two (2) laterals on the newly installed sewer in Spring Valley Road to accommodate future service connections to residential properties and for costs associated with unforeseen electric utility obstructions in Texas Road.

The cost of this Change Order No. 5 is \$59,988.09, which is a zero point eight percent (0.8%) increase from the amended contract amount of \$7,496,877.25 to a new contract amount of \$7,556,865.34. Together with the previous Change Orders No. 1 through No.4, the total change orders to date represent a seven point seven percent (7.7%) increase from the original contract amount.

This Change Order is ready to be considered for approval by the Authority and will be subject to approval by the NJDEP.

A motion to authorize Crossroads Regional Interceptor Change Order No. 5 to Northeast Remsco Construction as recommended was made by Mr. Greene and seconded by Mr. Donatelli.

The roll call was as follows:

AYES: Donatelli, Greenberg, Greene, Testino, Haney

NAYS: None

5 Ayes      0 Nays      0 Absent

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

Mr. Greene asked for the status of the dispute in the area of Rt. 9 between the contractor and the MUA.

Mr. Roy stated that meetings are ongoing with the contractor. The Authority brought in a tunneling expert who has prepared a report that includes the reasons for the means and methods that were chosen and what occurred during the construction when two pipes broke. Discussions will take place as to where to assign the blame.

Mr. Greene inquired if that phase of the project is on hold.

Mr. Roy responded that there are only two sections of sewer that have not been completed. One section is located in Spring Valley Road and the other section is located in the Car Dealer parking lot on Route 18.

Legal Report:

James J. Cleary, Esq.

**Joseph Court Easement**

Mr. Cleary stated that situation involving the easement at Joseph Court is hopefully being resolved as a result of an extensive report prepared by CME Associates and provided to the attorney for the plaintiff.

**Brunetti Litigation**

Mr. Cleary stated that this will be discussed in Executive Session.

**White Oak Lane Sanitary Sewer Manhole**

Mr. Cleary stated that his recommendation is to not pay for the repair of the collapse.

Mr. Roy offered to send the Brunetti Organization a copy of the letter received from Trident Abstract who performed the title search.

**Cell Towers**

Mr. Cleary stated that CME is in the process of preparing a diagram.

Financial Report:

Stephen A. Florek II, Comptroller

**Audit**

Mr. Florek stated that the audit is proceeding according to schedule and should be completed by the end of September. The Commissioners will be presented with it for review, discussion and acceptance on October 15, 2014.

**SEC Disclosure Initiatives**

Mr. Florek stated that these initiatives relate to “prior compliance”. The SEC has neglected to do this since 1934 and will result in a tightening up of disclosure markets. They are now targeting the municipal market. NW Capital has sent the Authority a “scarlet letter” which states that there is a disclosure compliance question relating to the 2009 bond offering.

In conjunction with the 2014 refinancing of the 2004 bonds, Acacia is doing a “financial scrub” by going back and reviewing the 2009 and the 2012 bond issue. The SEC will go back five years. A financial scrub is a review of the previous bonds to determine if the Authority is in compliance with all the disclosure requirements. That review has been completed today and Acacia will present a report tomorrow.

There is an initiative and procedure that the SEC outlines which is called the Municipal Continuing Disclosure Cooperative Initiative. Non-compliance and lack of self-reporting by December 10, 2014 would subject the Authority to fines and penalties.

Mr. Florek added that since 2009, Electronic Municipal Market Access (EMMA) was instituted and is run by the Federal government. Because the Authority has had a bond issue within the last five years, EMMA can go back an additional five years to 2004, when the Authority had a bond issue.

**Financial Status**

Mr. Florek reported that for the three months ended August 31, 2014 there has been a \$745,000 shortfall in revenue.

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

The roll call was as follows:

AYES: Donatelli, Greenberg, Greene, Testino, Haney

NAYS: None

5 Ayes            0 Nays            0 Absent

Engineering Reports: Michael Roy, P.E. (*reported earlier in meeting*)

A motion to accept the Engineering Report was made by Dr. Greenberg and seconded by Mr. Testino.

The roll call was as follows:

AYES: Donatelli, Greenberg, Greene, Testino, Haney

NAYS: None

5 Ayes 0 Nays 0 Absent

Bills & Claims: A motion to approve Bills & Claims in the amount of \$2,246,238.90 was made by Mr. Testino and seconded by Mr. Greene.

The roll call was as follows:

AYES: Donatelli, Greenberg, Greene, Testino, Haney

NAYS: None

5 Ayes 0 Nays 0 Absent

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

**Construction of Improvements – Status**

Mr. Roy reported that most of the pipes have been installed in the road and within the next month the projects on Rt. 516 and Texas Road will be done.

Dr. Greenberg inquired if the road will be completed by November.

Mr. Roy stated that the work would have to be done before the winter or else the road will be prepped and leveled to complete the paving in the spring. Sometimes a road must be left to settle.

New Business: None

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

Executive Session: A motion to go into Executive Session at 7:46 p.m. was made by Dr. Greenberg and seconded by Mr. Greene.

The roll call was as follows:

AYES: Donatelli, Greenberg, Greene, Testino, Haney

NAYS: None

5 Ayes      0 Nays      0 Absent

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

**During Executive Session the following items was discussed:  
Brunetti Litigation and Manzo Litigation.**

Adjournment: A motion to adjourn at 8:09 p.m. was made by Mr. Greene and seconded by Mr. Haney.

The roll call was as follows:

AYES: Donatelli, Greenberg, Greene, Testino, Haney

NAYS: None

5 Ayes      0 Nays      0 Absent

Respectfully submitted:

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Edward Testino, Secretary