

**OLD BRIDGE MUNICIPAL UTILITIES AUTHORITY
REGULAR MEETING
June 16, 2010**

Call to Order: The Regular Meeting of June 16, 2010 was called to order at 7:10 p.m. with the Pledge of Allegiance by Chairman Smolney.

Announcement by Chairman: Chairman Smolney 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:
Nicholas Smolney, Chairman
Edward Testino, Vice-Chairman
Thomas Galante, Secretary
Kiran Desai, Treasurer (arrived at 7:17pm)
Rocco Donatelli, Commissioner
Reginald Butler, 1st Alternate – Assistant Secretary
Richard Greene, 2nd Alternate – Assistant Treasurer

Absent:
None

Also present:
Guy Donatelli, Acting Executive Director
Michael Roy, P.E.
Stephen A. Florek II, Comptroller
Louis E. Granata, Esq.

Executive Director's Report: Guy Donatelli, Acting Executive Director

Mr. Guy Donatelli asked the Commissioners to comment on his memo with respect to the duties of Harry Penley and John Murphy.

He stated that with respect to OPRA, fees may only be imposed for paper and toner. His recommendation is to amend the rate schedule to omit the charges for copies altogether.

Commissioner Greene inquired about the cost of a maintenance contract on a copier.

Mr. Guy Donatelli stated that repairs are not covered.

Mr. Smolney suggested that Mr. Guy Donatelli download the document relating to OPRA and distribute to the commissioners.

Mr. Guy Donatelli combined the Water Superintendent's Report on the drinking water analysis and the monthly water distribution with his report.

Rt. 34 sewer pump station problem

Mr. Lunkenheimer received a quote for a repair of the Rt. 34 sewer pump station from Clearwater Services for \$10,687; repair is being completed.

A motion to accept the Executive Director's report was made by Mr. Smolney and seconded by Mr. Butler. The motion was approved by an ALL AYES vote.

Harry Penley/John Murphy Reemployment

A motion to retain Harry Penley and John Murphy at an annual salary not to exceed \$14,999 (\$40 per hour) effective one month after their respective retirements was made by Mr. Smolney and seconded by Mr. Butler.

The roll call was as follows:

AYES: Donatelli, Galante, Testino, Smolney.

NAYS: None.

ABSTAIN: Desai.

4 Ayes 0 Nays 1 Abstain 0 Absent

Chairman's Report Nicholas R. Smolney

Mr. Smolney reported that a meeting will be held on Tuesday, June 22, with the AEA detailing the issue of the "public employee tax" to be imposed, i.e. an alternate treatment of the 1.5% with respect to a flexible benefit plan which may have application to the MUA in protecting employee benefits.

In addition, Mr. Smolney stated that he has been working with Michael Roy, Barbara Kuntz and Malcolm Pirnie to develop the scope of work for a proposal from Malcolm Pirnie to seek

additional ground water allocation from the DEP. Mr. Smolney distributed a draft proposal to the commissioners with the request that they address their comments to either himself or Mr. Roy.

Previous Minutes: Regular /Executive - 01/06/10
Regular/Executive - 01/27/10
Reorg./Regular/Executive - 02/03/10
Regular/Executive - 02/17/10
Budget/Regular/Executive - 03/03/10

A motion to approve the previous minutes was made by Mr. Butler and seconded by Mr. Smolney.

The roll call was as follows:

AYES: Desai, Galante, Testino, Butler, Smolney.

NAYS: None.

ABSENT PODIUM: Donatelli

5 Ayes 0 Nays 1 Absent Podium 0 Absent

Engineer Report: Michael Roy, P.E.

Report on Developers for Approval

Sayrewoods Bible Church
1. W208-596, Minor Water – 0 EDCU’S

Mr. Roy reported that an on-site fire hydrant needs to be installed. The originally proposed 10,000 square foot addition has been downsized to 3,800 square feet requiring no new service. There will be an extension of 465 feet of 6 inch main from Rt. 9 with a fire hydrant. All conditions have been satisfied.

A motion to approve Sayrewoods Bible Church, W208-596, Minor Water – 0 EDCU’s was made by Mr. Galante and seconded by Mr. Butler.

The roll call was as follows:

AYES: Desai, Galante, Testino, Butler, Smolney.

NAYS: None.

ABSENT PODIUM: Donatelli.

5 Ayes 0 Nays 1 Absent Podium 0 Absent

A&P Shopping Center – Bank Pad

2. W10-615 Minor Water 1 + 1 Irrigation

3. S10-482, Minor Sewer – 1 EDCU

Mr. Roy reported that the proposed location will be at the corner of the parking lot near Rt. 9. They will construct 220 LF of eight inch DIP water main, tying into an existing on-site water main to provide service for a proposed 3,745 SF bank. A private sewer pump station is to be installed with 230 feet of 1.5 inch force main to reach the on-site gravity sewer. All technical requirements have been met.

A motion to approve the application of the A&P Shopping Center – Bank Pad, W10-615 Minor Water 1 + 1 Irrigation and S10-482, Minor Sewer – 1 EDCU was made by Mr. Donatelli and seconded by Mr. Testino.

The roll call was as follows:

AYES: Desai, Donatelli, Galante, Testino, Smolney.

NAYS: None.

ABSENT: None.

Perrine Road Professional Group Irrigation

4. W10-617, Minor Water – 1 EDCU

Mr. Roy explained that this is a minor application for an irrigation system with a separate meter. All technical requirements have been met.

A motion to approve the Perrine Road Professional Group Irrigation, W10-617, Minor Water – 1 EDCU was made by

Mr. Donatelli and seconded by Mr. Smolney.

The roll call was as follows:

AYES: Desai, Donatelli, Galante, Testino, Smolney.

NAYS: None.

5 Ayes 0 Nays 0 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. Galante and seconded by Mr. Butler.

The motion was approved by an ALL AYES vote.

Engineering Report: Michael Roy, P.E.

1. Redevelopment of Well No. 12, Final Quantities Change Order

A motion to approve the change order with respect to Well No. 12 in the amount of a minus (-) \$835.00 (reduction of 1% from the original contract amount of \$81,927.00 to \$81,092.00) was made by Mr. Galante and seconded by Mr. Butler.

The roll call was as follows:

AYES: Desai, Donatelli, Galante, Testino, Smolney.

NAYS: None.

5 Ayes 0 Nays 0 Absent

2. Chemical Supplies Annual Contract Sewer Division, Contract No. S10-146, Award Contract

Mr. Roy reported that bids were solicited for the sewer chemical supply, Bioxide, which controls sewer odors and is the most cost effective, non-hazardous chemical available. The low bidder was Siemens Water Technologies Corp.

A motion to award Contract No. S10-146 for the Chemical Supplies Water Division to Siemens Water Technologies Corp. was made by Mr. Donatelli and seconded by Mr. Galante.

The roll call was as follows:

AYES: Desai, Donatelli, Galante, Testino, Smolney.

NAYS: None.

5 Ayes 0 Nays 0 Absent

3. Aquifer Storage and Recovery (ASR) Proposal from CH2M Hill

Mr. Roy reminded the Commissioners that this item was tabled at the last meeting pending a review by the Commissioners of the concept of an aquifer storage and recovery system. A power point presentation was included in the Commissioners' packets.

A motion to approve the Aquifer Storage and Recovery proposal from CH2M Hill was made by Mr. Donatelli and seconded by Mr. Smolney.

The roll call was as follows:

AYES: Desai, Donatelli, Galante, Testino, Smolney.

NAYS: None.

5 Ayes 0 Nays 0 Absent

Engineering Assistance for Additional Groundwater Allocation

Guy Donatelli referred to the draft proposal from Malcolm Pirnie, Inc., distributed earlier in the meeting by Mr. Smolney with respect to groundwater diversion rights which would decrease the cost of water. His suggestion was to authorize Malcolm Pirnie to prepare documents as soon as possible for submission to the DEP.

A motion to authorize as recommended, Malcolm Pirnie to prepare documentation for submission to the DEP in an effort to obtain

additional groundwater was made by Mr. Smolney and seconded by Mr. Testino.

The following was the roll call vote:

AYES: Desai, Galante, Testino, Butler, Smolney.

NAYS: None.

ABSENT PODIUM: Donatelli.

5 Ayes 0 Nays 1 Absent Podium 0 Absent

Financial Report: Stephen A. Florek, II, Comptroller

Mr. Florek stated that the MUA's adopted budget had been approved by the State.

Bills & Claims \$2,707,939.73

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

The roll call vote was as follows:

AYES: Galante, Testino, Butler, Greene, Smolney.

NAYS: None.

ABSENT PODIUM: Donatelli.

NO PARTICIPATION: Desai.

5 Ayes 0 Nays 1 Absent Podium 1 No Participation

Legal Report: Louis Granata, Esq.

Mr. Granata stated that there was an update regarding the pending Brunetti litigation which would be discussed in executive session.

The fire marshal ordered the Deep Run Townhouse Association to correct the breaks in their system. Deep Run has filed a Notice of Tort Claim and suggested that the MUA take over the entire

system for which Deep Run will pay \$35,000 to the MUA to acquire that system. Mr. Roy is in the process of analyzing the needs of the system and making a determination as to whether their monetary offer would cover the costs.

Mr. Smolney inquired about acidic soil and the fact that that the original pipes were not installed in separate bedding.

Mr. Roy stated that although there is an identifiable “hot spot”, trouble is not seen throughout the shopping center nor the development. Prices are being sought for the scope of work for replacing the pipe in the area of the corrosive soil, in addition to the price of the punch list for the entire development.

A motion to approve the legal report was made by Mr. Butler and seconded by Mr. Galante.

The motion was approved by an ALL AYES vote.

Old Business.

1. Laurence Harbor Sewer Interceptor Replacement – Status

Mr. Roy was pleased to report that all manhole leaks have been repaired. The next step is to release the bonds and final payment.

2. Crossroads Regional Interceptor – Status

Mr. Roy reported that a meeting is being sought with the DEP to determine what the chances are for the MUA being moved up on the list. All permits are in hand and the work is “shovel ready”.

3. Brunetti Oaks at Glenwood Development – Status

To be discussed in executive session.

4. Groundwater Diversion Rights – Status

Discussed earlier in meeting

5. Summerfield Avenue Gravity Sewer – Status

Mr. Samuel stated that the Phase III Conceptual Plan is just about completed. Conceptual Design Reports for the remaining slope sections for the Summerfield Avenue sewer, and drafts reports are about to be reviewed with the MUA staff. This report presents two alternatives for relining the sewer and installing a retaining structure vs abandoning the sewer and installing a pump station.

6. Organizational Chart

Mr. Guy Donatelli stated that a meeting was held with Messrs. Roy and Lunkenheimer with respect to the Sewer Division and its reduction in work force. Introduction of the SCADA system would be desirable. He would like R3M to create a SCADA proposal to determine the viability of the system. Within the next two years at least seven additional employees will be needed in the sewer division, but by implementing the SCADA system, that number could be reduced to two.

Mr. Smolney pointed out that this system worked well in the Water Division.

Mr. Roy recommended obtaining a proposal for the SCADA system in the Sewer Division.

A motion to request as recommended, R3M to furnish a proposal with respect to the first phase of a SCADA system for use by the Sewer Division was made by Mr. Smolney and seconded by Mr. Greene.

The roll call was as follows:

AYES: Desai, Donatelli, Galante, Testino, Smolney.

NAYS: None.

5 Ayes 0 Nays 0 Absent

New Business

None

Open to the Public

Ms. Wulster questioned the wisdom of rehiring two retirees. In addition, she inquired whether the new rates had been published.

Mr. Florek stated that the rates had been published in the Asubry Park Press and the Home News Tribune.

Mr. Guy Donatelli explained that he and Mr. Lunkheimer were doing the work of the past director, water superintendent, treatment/distribution, and a sewer superintendent (without an assistant). When a licensee is not on site, and in accordance with regulations promulgated by the DEP, there has to be someone on staff with a requisite license. Having these two

highly qualified individuals return to work on a part time basis still results in a savings of one-half million dollars per year.

Ms. Wulster asked whether a portion of the unrestricted fund balance of the MUA could be given back to the consumer.

Mr. Smolney stated that \$1.3 million was taken by the Township in accordance with statute regulations.

Mr. Florek pointed out that \$6 million of the retained earnings were used to balance the current budget keeping the rates stable.

Mr. Smolney stated that only those rate increases imposed by the Middlesex County Utilities Authority or Middlesex Water have been passed on to the consumer during the last ten years. Worker rolls have been reduced by 20%. The only increase has been the purchase of water and the money given to the Township.

Mr. Liggio requested a waiver of an interest payment imposed as a result of his late payment.

Mr. Smolney suggested he visit the Cliffwood Beach office to rectify this situation.

Seeing no hands, Chairman Smolney closed the public portion.

Executive Session

A motion was made to go into Executive Session at 8:03 p.m. by Mr. Galante and seconded by Mr. Smolney.

The motion was approved by an ALL AYES vote.

Regular Meeting Reconvened at 8:54 p.m.

During Executive Session Mr. Granata discussed with the Commissioners the contract to hire the Executive Director and the Brunetti Litigation.

Appointing the Executive Director

A motion to appoint Guy Donatelli as the Executive Director was made by Mr. Galante and seconded by Mr. Testino.

The roll call was as follows:

Ayes: Galante, Testino, Butler, Smolney.

Nays: Desai.

ABSENT PODIUM: Donatelli.

4 Ayes 1 Nays 1 Absent Podium 0 Absent

A motion authorizing a term of office effective July 1, 2010 for the Executive Director not to exceed five years in duration subject to the preparation of a contract for execution by the Commissioners was made Mr. Galante and seconded by Mr. Butler.

The roll call vote was as follows:

AYES: Desai, Galante, Testino, Butler, Smolney.

NAYS: None.

ABSENT PODIUM: Donatelli.

5 Ayes 0 Nays 1 Absent Podium 0 Absent

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

Mr. Desai stated that he had not had the time to review the contract for the executive director.

Mr. Testino stated that Messrs. Granata and Smolney are to enter into negotiations with Mr. Guy Donatelli to finalize the contract which will be presented to the Commissioners for approval. He suggested Commissioner's comments be brought to the Chairperson prior to the next meeting, and any changes in the draft contract be communicated to all the Commissioners prior to the next meeting.

Adjournment: A motion as made to adjourn at 8:58 p.m. by Mr. Testino and seconded by Mr. Smolney.

The motion was approved by an ALL AYES vote.

Respectfully submitted:

Thomas Galante, Secretary