

**OLD BRIDGE MUNICIPAL UTILITIES AUTHORITY**  
**REGULAR MEETING**  
**January 20, 2016**

Call to Order: The Regular Meeting of January 20, 2016 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  
Anita Greenberg, Treasurer  
Frank Weber, Assistant Treasurer  
John Murphy III, 1<sup>st</sup> Alternate  
Paul Carlock, 2<sup>nd</sup> Alternate

Absent:  
None

Also Present: Guy Donatelli, Executive Director  
Michelle Smith, Comptroller  
Michael Roy, P.E.  
Mitchell Jacobs, Esq.

Chairman's Report: Arthur M. Haney, Chairman

Mr. Haney introduced John Murphy, the new First Alternate Commissioner who has resumed the unexpired term of Mr. Cahill. Also present is Arthur Carullo, who will begin as a Commissioner on February 1 filling the unexpired term of Mr. Greene.

Executive Director's  
Report: Guy Donatelli, Executive Director

**Monthly Distribution and Drinking Water Analysis**

Mr. Donatelli discussed the Drinking Water Analysis-Monthly Coliform Summary Report from Gardens State Labs and the Monthly Water Distribution for December 2015 that indicated that there was no coliform found during the monthly testing.

**Yearly Water Distribution Total for 2015**

Included as a part of Mr. Donatelli's report was the 2015 Water Distribution Report which indicates the total water delivered for the entire year by Water Treatment Plants and from Middlesex Water Company; the water sales and purchases; and the well water allocation.

Mr. Greene stated that there was a decrease in the amount of water pumped in 2015 as compared to 2014. He asked for an explanation of why the purchase from Middlesex Water increased in 2015.

Mr. Donatelli stated that when there is a well that is out, he supplements with Middlesex Water. During the course of the past year, there were two wells out. One well per year is scheduled, but there were two failures not anticipated. More water had to be purchased.

**Qualifications for Various Annual Professional Services**

Mr. Donatelli stated that qualifications have been received. He would like the Chairman to form a committee to evaluate the qualifications of the professionals to report back to the Commissioners prior to the Reorganization Meeting.

Mr. Haney stated that in addition to the staff, he, Dr. Greenberg and Mr. Donatelli would constitute the committee.

**Proposed 2016-2017 Meeting Schedule**

Mr. Donatelli requested that the Commissioners review the proposed meeting schedule for any comments or revisions.

Mr. Greene stated that historically the Reorganization Meeting was held on the first Wednesday in February. He questioned why February 17 was selected as the date this year.

Mr. Haney stated that in the past the Authority had two meetings per month – the first and third weeks. When the meetings went to one meeting a month, we are following the procedure of the first meeting of the month for the reorganization meeting.

Mr. Greene stated that the first meeting of the month occurred on the first Wednesday of the month.

Mr. Donatelli stated that the meetings are now held regularly on the third Wednesday of the month. In some years, reorganization

occurred on the first Wednesday; in some years it was combined with the regular meeting, which is the third Wednesday of the month.

Mr. Haney stated that when the construction industry declined, there was no need for two meetings per month. Having the reorganization meeting early in the month would leave no other business to be conducted.

A motion to approve the 2016-2017 Meeting Schedule was made by Dr. Greenberg and seconded by Mr. Haney.

The roll call was as follows:

AYES: Greenberg, Greene, Testino, Weber, Haney

NAYS: None

5 Ayes      0 Nays      0 Absent

#### **Union Negotiations**

Mr. Donatelli stated that this would be discussed in Executive Session. The union has reviewed the terms and has ratified the Collective Bargaining Agreement.

#### **Previous Minutes: Regular Meeting – November 16, 2015**

A motion to approve the November 16, 2015 Regular Meeting minutes was made by Mr. Testino and seconded by Mr. Greene.

The roll call was as follows:

AYES: Greenberg, Greene, Testino, Haney

NAYS: None

NO VOTE: Weber

ABSTAIN: Murphy

4 Ayes    0 Nays    1 No Vote    1 Abstain    0 Absent

**Executive Session – November 16, 2015**

A motion to approve the November 16, 2015 Executive Session minutes was made by Mr. Greene and seconded by Dr. Greenberg.

The roll call was as follows:

AYES: Greenberg, Greene, Testino, Haney

NAYS: None

ABSTAIN: Weber

4 Ayes          0 Nays          1 Abstain

**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 Dr. Greenberg and seconded by Mr. Greene.

The roll call vote was as follows:

AYES: Greenberg, Greene, Testino, Weber, Haney

NAYS: None

5 Ayes          0 Nays          0 Absent

Engineering Reports: Michael Roy, P.E.

**1. Redevelop Wells No. 10 & 12, Contract No. W15-180,  
Award Contract.**

Mr. Roy reported that there were three (3) bidders for the referenced contract that were opened on Wednesday, January 13, 2016, at 2:00 P.M. at the Authority's office.

Mr. Roy stated that the lowest bidder, Steffen Drilling, LLC has not taken any exceptions on the bid proposal, and their unit prices appear to be balanced and in line with the Engineer's Estimate. Steffen Drilling, LLC has performed well development work for the Authority in the past, and has completed all the work in a satisfactory manner. Steffen Drilling, LLC is also not listed on the State's Debarred List.

Mr. Roy recommend awarding this contract to the lowest responsible bidder, Steffen Drilling, LLC, PO Box 278, Glassboro, NJ 08028, in the amount of \$181,600.00, if the bid package is deemed legally acceptable.

Mr. Roy also stated that the redevelopment work is a routine preventative maintenance contract performed on our drinking water wells every five (5) to ten (10) years in order to keep them in good working condition, and that the project will be funded out of the operating budget from line item No. 01-003-9030.

Mr. Roy stated that A.C. Schultes usually wins this bid and has submitted a bid protest. Mr. Cleary's office has reviewed this protest and has decided it has no merit.

Mr. Jacobs explained that there was an addition error for the total amount of the bid. When that amount was recalculated, the end result was still lower than A.C. Schultes bid. His opinion is that there was no unfair advantage given to any party, and Steffen Drilling should be awarded the bid.

In response to a question posed by Dr. Greenberg, Mr. Roy stated that Steffen Drilling has worked for the Authority in the past both when he worked for A. C. Schultes and on projects as his own company.

Mr. Weber (referring to Item 7) stated that Steffen is \$23,000 on one and \$18,000 lower on the other.

Mr. Roy stated that this item is critical and occurs when the bottom of the well is reached. Chemicals are introduced and the screen is cleaned which is located inside a gravel pack that gets built up with iron and has to be cleaned out with air agitating with chemicals. This is a unit price per day. Steffen's prices are higher with the items of well equipment to be replaced in Well No. 12, but there are going to be a lot of replacements in that well. We are not going to need all the items, but those we will need are included.

Mr. Murphy asked if Well No. 10 needs more redeveloping would the Authority be charged an additional amount.

Mr. Roy stated that there is an assumed quantity of what is needed. If more is required, there will be a change order to increase or decrease the quantities. However, the unit price is fixed.

A motion to award Contract No W15-180 to Steffen Drilling, LLC as recommended was made by Dr. Greenberg and seconded by Mr. Testino.

The roll call vote was as follows:

AYES: Greenberg, Greene, Testino, Murphy, Haney

NAYS: None

ABSENT PODIUM: Weber

5 Ayes            0 Nays            1 Absent Podium            0 Absent

**2. Central Park Sewer Rehabilitation, Contract No. 2015-2B, Final Quantities Change Order.**

Mr. Roy reported that the Change Order No. 1 to AllState Power Vac., for the referenced project has been prepared by Richard A. Alaimo Associates and consists of the final quantities included in the project and includes the amount of increase and decreases in costs, and the reason for the changes to the Contract Documents.

Mr. Roy stated that this Change Order consists of field changes to reline approximately 2,800 additional feet of ten-inch (10") diameter sewer in the Central Park Development. The additional length of sewer relining was added to the contract due to the condition of the sewer that was found during the work. These ten inch (10") sewer mains were located near the Central Park Pump Station off of Washington Road, and will restore the integrity of the Central Park sewer system from the homes to the sewer pump station site.

He also stated that additional costs were incurred for traffic control during the work on Washington Road, and reinstating additional service laterals. Reductions in the contract amount were realized by not needing to use the total quantities that were included in the Contract Documents for eight inch (8") diameter relining, cleaning, CCTV inspection and spot repairs.

Mr. Roy stated that the cost of this Change Order No. 1 is \$76,958.51 which is a seventeen point four six percent (17.46%) increase from the original contract amount of \$440,679.00 to a new contract amount of \$517,637.51.

He also stated that this Change Order is ready to be considered for approval by the Authority. Mr. Roy recommended that this Final Quantities Change Order be approved.

A motion to approve Central Park Sewer Rehabilitation, Contract No. 2015-2B, Final Quantities Change Order as recommended was made by Mr. Testino and seconded by Dr. Greenberg.

The roll call vote was as follows:

AYES: Greenberg, Greene, Testino, Weber, Haney

NAYS: None

5 Ayes            0 Nays            0 Absent

### **3. Route 516 Fuel Storage, Project No. 1209002-500, Change Order No. 1**

Mr. Roy reported that Change Order No. 1 to American Petroleum Equipment and Construction for the referenced project has been prepared by CME Associates and includes the changes to the Contract Documents.

Mr. Roy stated that this Change Order consists of a 151-day extension of time due to the delay by the Contractor to obtain the necessary building permits for the project and the onset of the winter months. The new contract end date is April 1, 2016.

He also stated that the total cost of this Change Order No. 1 is zero and the contract amount remains at \$933,395.00.

He also stated that this Change Order is ready to be considered for approval by the Authority, and will be subject to approval by the NJDEP. Mr. Roy recommended that this Change Order No. 1 be approved.

Dr. Greenberg asked what the delay was in obtaining the permits.

Mr. Roy stated that he believes that this was a combination of a backlog at the Township, and not putting the Authority at the top of the list as a "sister" agency of the Township. The contractor also did not diligently do what he needed to do.

Dr. Greenberg stated that there is a problem with the permit process. This project serves the residents.

Mr. Roy stated that when Hurricane Sandy shut down everything for a week, the staff was delivering diesel fuel to the thirty-five pump stations and five drinking water facilities. Laurence Harbor was isolated from the rest of the Township and the fuel tanks were under water. This project will bring the facilities more inland. When we applied for this project, the DEP put this project high on their priority list.

Mr. Haney stated that Contractor filed all the necessary paperwork and assumed that the permits were moving through the system.

A motion to approve Route 516 Fuel Storage, Project No. 1209002-500, Change Order No. 1 as recommended was made by Dr. Greenberg and seconded by Mr. Weber.

The roll call vote was as follows:

AYES: Greenberg, Greene, Testino, Weber, Haney

NAYS: None

5 Ayes            0 Nays            0 Absent

#### **4. Laurence Harbor Bulkhead/Retaining Wall, Project No. S340945-13, Final Quantities Change Order**

Mr. Roy reported that Change Order No. 1 to J. Fletcher Creamer & Son, Inc., for the referenced project has been prepared by the Alaimo Group and consists of the final quantities included in the project and includes the amount of increase in costs, and the reason for the changes to the Contract Documents.

Mr. Roy stated that this Final Quantities Change Order consists of field changes to install geotextile fabric under the rip rap to prevent erosion under the stone, a drain from the garage roof leaders to collect rainwater runoff and redirect it to an inlet, a new concrete floor in the garage, an underdrain line to redirect ponding water between the retaining wall and the flood wall, and snow fence along the retaining wall to prevent people from walking on the dune grass area.

He also stated that additional cost was also incurred by the Contractor to change the grade and raise manhole frames in the area of the MCUA metering chamber. The Contractor also incurred additional cost during the discovery of an unexploded



ordinance uncovered during the excavation for the floodwall access ramp. Reductions in the contract amount were realized by not needing to use the total quantities that were included in the Contract Documents when a final as built of quantities was done.

Mr. Roy stated that the cost of this Change Order No. 1 is \$46,195.24 which is a two point six percent (2.6%) increase from the original contract amount of \$1,753,640.00 to a new contract amount of \$1,799,835.24.

He also stated that this Change Order is ready to be considered for approval by the Authority, and will be subject to approval by the NJDEP. Mr. Roy recommended that this Final Quantities Change Order be approved.

A motion to approve Laurence Harbor Bulkhead/Retaining Wall, Project No S340945-13, Final Quantities Change Order as recommended was made by Mr. Testino and seconded by Mr. Greene.

The roll call vote was as follows:

AYES: Greenberg, Greene, Testino, Weber, Haney

NAYS: None

5 Ayes          0 Nays          0 Absent

## **5. Michael's Trucking, Water and Sewer Service Outside of OBMUA Franchise Area.**

Mr. Roy reported that the Authority has received a request from Divine Ventures (Michael's Trucking) for water and sewer service to the referenced site. This project received Final Major Site Plan Approval from the Township Planning Board on June 12, 2017. The Planning Board Resolution (Items 39 & 40) indicates that the Applicant will request to be released from the jurisdiction of the Old Bridge Municipal Utilities Authority and seek approval from the Middlesex Water Company to tie into their existing water line and will seek approval from the Borough of Sayreville MUA to tie into their existing sewer line.

Mr. Roy stated that the Applicant has submitted a request to make connections outside of Authority's franchise area into existing water and sanitary sewer lines that are on and just north of their property. The Applicant shall agree to connect into the Old Bridge

Municipal Utilities Authority's water and sanitary sewer systems once they have been extended into the area.

Mr. Roy requested that a resolution be prepared allowing temporary connections of the above referenced property into water and sewer systems outside of Old Bridge MUA franchise area.

A motion to authorize a resolution allowing temporary connections to Michael's Trucking for Water and Sewer Service Outside of OBMUA Franchise Area as recommended was made by Dr. Greenberg and seconded by Mr. Greene.

The roll call vote was as follows:

AYES: Greenberg, Greene, Testino, Weber, Haney

NAYS: None

5 Ayes      0 Nays    0 Absent

Financial Report: Michelle Smith, Comptroller

Mrs. Smith reported that the Authority received checks totaling \$20,868.76 that represents one-half of the 2015 program revenue through the Energy Curtailment Specialists. This is a program whereby our emergency backup generators are run during a time of electric system peak demand.

Mrs. Smith provided the Commissioners with the Revenue and Expense Schedules through the seven months ended December 31, 2015 and projections through year-end. Based upon projections and sales to date, revenues are expected to come in on target with the budget. Expenses are projected to be under budget by approximately 7%.

A motion to approve the Financial Report was made by Mr. Testino and seconded by Dr. Greenberg.

The roll call vote was as follows:

AYES: Greenberg, Greene, Testino, Weber, Haney

NAYS: None

5 Ayes      0 Nays      0 Absent

Bills & Claims

A motion to approve Bills & Claims in the amount of \$2,240,889.01 was made by Mr. Haney and seconded by Mr. Weber.

The roll call vote was as follows:

AYES: Greenberg, Greene, Testino, Weber, Haney

NAYS: None

5 Ayes          0 Nays          0 Absent

Legal Report:

Mitchell Jacobs, Esq.

Mr. Jacobs stated that he previously reported on a piece of legislation that attempts to place a 2% cap on utilities. At that time it was stuck in committee, and there were no exceptions to the 2% cap. In the committee it has been reformulated. The way that it has come out of the Senate committee now is that the 2% cap is still there; however, there are certain exceptions from the cap – the debt service exception; medical expense exception; and energy cost exception. It is not a pure 2% cap any longer.

This bill has come out of the Senate and supposedly it will go to the Senate for a vote, and it is expected to pass in the Senate. It then goes to the Assembly where it probably will not pass because the sponsor of the bill in the Assembly is no longer an assemblyman, and it does not have much support although there are no guarantees.

Mr. Jacobs also researched recently introduced legislation that might impact the Authority in the future. Several State Senators decided to introduce a few environmentally related bills that are just in committee and not ready for passage.

There was a bill introduced which would subject both county and municipal sewer authority's service rate increases to be subject to approval by the Board of Public Utilities.

Another bill would require local governments and authorities to obtain financing cost estimates for projects required by the NJEIT. It appears to be similar to the truth and lending statement received at a financial closing.

Another bill would prohibit sewage authorities, municipal authorities or local units of governments from charging interest on unpaid sewer fees and charges attributable to state or local entities including housing authorities.

A bill was introduced requiring the maximum contaminant level be established from 1,2,3 Trichloropropane in drinking water.

A bill was introduced which limits non-debt service portion of sewage and utility authorities charge or fee increases to no more than 2% over the previous year. This is an attempt to cap authorities' increases.

Mr. Jacobs stated that he will be monitoring these bills and will report to the Commissioners at a future meeting.

**Old Business:**

**Brunetti Oaks at Glenwood Development – Status**  
To be discussed in Executive Session

**Update on construction projects**

Mr. Roy offered a comprehensive video presentation on the following projects:

1. Sewer relining at Central Park
2. Fuel Storage Tank
3. Bulkhead at Cliffwood Beach
4. Perrine Road Storage Tank

**New Business:**

Chairman Haney presented a proclamation to outgoing Commissioner Testino in recognition for his years of dedicated service to the Authority and to the residents of the Township of Old Bridge.

Mr. Testino thanked Chairman Haney and the Commissioners for this honor and expressed his appreciation for having been able to serve the Old Bridge Municipal Utilities Authority in his capacity as a Commissioner.

**Open to public:**

Seeing no hands Chairman Haney closed the public portion.

Executive Session: A motion to go into Executive Session at 8:19 p.m. was made by Dr. Greenberg and seconded by Mr. Weber.

The roll call was as follows:

AYES: Greenberg, Greene, Testino, Weber, Haney

NAYS: None

5 Ayes      0 Nays      0 Absent

**The Regular Meeting resumed at 8:38.**

**During Executive Session the following items were discussed:**

- 1. Collective Bargaining Agreement**
- 2. Access permit with New Jersey Transit**

***Resolution***

A motion authorizing the Memorandum of Agreement with the International Federation of Professional and Technical Engineers Local 196 was made by Dr. Greenberg and seconded by Mr. Greene.

The roll call was as follows:

AYES: Greenberg, Greene, Weber, Murphy, Haney

NAYS: None

NO PARTICIPATION: Testino

5 Ayes      0 Nays      1 No Participation      0 Absent

***Resolution***

A motion authorizing Mr. Donatelli to sign an Indemnification and Hold Harmless Agreement with the Township of Old Bridge to allow the Township of Old Bridge access to property owned by the Old Bridge Municipal Utilities Authority for the purpose of pouring a concrete pad was moved by Mr. Testino and seconded by Dr. Greenberg.

The roll call was as follows:

AYES: Testino, Weber, Haney

NAYS: None

ABSTAIN: Greenberg, Greene

3 Ayes      0 Nays      2 Abstain      0 Absent

Adjournment: A motion to adjourn at 8:43 was made by Mr. Weber and seconded by Dr. Greenberg.


The roll call was as follows:

AYES: Greenberg, Greene, Testino, Weber, Haney

NAYS: None

5 Ayes      0 Nays      0 Absent

Respectfully submitted:

  
Richard Greene, Secretary