

OLD BRIDGE MUNICIPAL UTILITIES AUTHORITY
REGULAR MEETING
July 27, 2010

Call to Order: The Regular Meeting of July 27, 2010 was called to order at 7:00 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
Kiran Desai, Treasurer (arrived at 7:15 p.m.)
Rocco Donatelli, Commissioner
Reginald Butler, 1st Alternate – Assistant Secretary
Richard Greene, 2nd Alternate – Assistant Treasurer

Absent:
Thomas Galante, Secretary

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

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

Mr. Guy Donatelli reported that the annual Consumer Confidence Report has been mailed out. With respect to the monthly water distribution, he attached the daily averages detailing the progress for the year.

Selective Insurance determined that the facilities are well maintained with no exposures or concerns.

R3M is preparing Contract Documents with respect to repairs to the Iresick Brook Sewer Trunk Line.

As per Mr. Granata's research, the fee to be charged for OPRA requests is five cents for letter size paper; seven cents for legal.

Mr. Guy Donatelli also mentioned that he will be including in the packets, information that may be of general interest to the Commissioners.

The website for the MUA, www.OBMUA.com, is now active.

Mr. Smolney stated that he is interested in making available public records on the website. He also requested a status report on a recent sewer break.

Mr. Guy Donatelli responded that a break occurred in a line at the Cherry Creek Sewer Pump Station and that the repairs have been completed.

Mr. Roy stated that the pipe was installed in the 1980's. Small cracks that appeared in the pipe required replacement of the pipe.

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

The motion was approved by an ALL AYES vote.

Chairman's Report: Nicholas R. Smolney

Mr. Smolney reported that a meeting was held with Malcolm Pirnie with respect to groundwater diversion rights. Strategy and multiple tap analysis were discussed. A study was undertaken by the USGS and the DEP, but the DEP was not pleased with the results because there was an indication that there was excess water within the Old Bridge and Farrington Aquifers. If there are to be additional groundwater diversionary rights given out by the DEP, Old Bridge should be first in line for that type of additional groundwater diversionary rights. Groundwater is the least expensive water to treat and could aid in stabilizing or lowering rates over time. Sayreville has access to both ground and surface water. He will proceed with meetings with the DEP.

Previous Minutes: Budget Workshop - March 25, 2010
Regular Meeting - March 25, 2010
Budget Workshop - April 7, 2010
Regular Meeting - April 7, 2010
Executive Session - April 7, 2010
Public Rate Hearing - May 4, 2010

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

The roll call was as follows:

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

NAYS: None.

ABSENT: Galante.

5 Ayes 0 Nays 1 Absent

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

Legends Center at Old Bridge c/o Credit Property Management, LLC

1. W208-593, Tentative Water – 79 + Fire = 84 EDCU’s

Mr. Roy reported that this applicant proposes to build at the site of the existing Legends Driving Range a 150,000 square foot Walmart and approximately 50,000 square feet of several satellite stores and two restaurants. Preliminary water was approved in November 2009, as well as final Planning Board approval. Tentative water approval is now recommended and the Developer must make a fair share contribution to the water improvements made by Woodhaven.

2. S208-467, Tentative Sewer -79 EDCU’s

Mr. Roy stated that the Tentative Sewer Application consists of plans to construct the sewer in two phases. The first phase will upgrade the existing driving range sewer pump station to service the Walmart. Phase II will come later with the construction of the retail stores and restaurants. This approval is conditioned upon their fair share contribution to the Crossroads Regional Interceptor

Project. This application will include negotiations to be discussed in Executive Session.

A motion to approve, as recommended, Legends Center at Old Bridge c/o Credit Property Management, LLD Tentative Water and Tentative Sewer application conditioned upon a fair share contribution to the regional sewer improvements and all the conditions included in the engineer's report was made by Mr. Smolney and seconded by Mr. Testino.

The roll call vote was as follows:

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

NAYS: None.

ABSENT: Galante.

5 Ayes 0 Nays 1 Absent

G.S. Realty – Higgins Road/G.S. Realty – 7 Units

3. W10-614, Preliminary Water

Mr. Roy reported that this approval is for seven single-family residential units located approximately 300 feet north of Higgins Road on Ticetown Road. An eight inch water pipe is to be constructed connecting into the existing water pipe on Higgins Road. The Planning Board granted approval in May. No analysis of the existing water system is needed. The recommendation is to grant Preliminary Water Approval subject to the conditions in the Engineer's Report.

4. S10-481, Preliminary Sewer

Mr. Roy reported that an eight inch pipe will be constructed connecting into the sewer main on Ticetown Road. As a condition of approval, the Developer will dedicate the existing sewer main to the Authority in compliance with the existing rules and regulations. There are four homes along Higgins Road that need sewer service within close proximity to this property line. The recommendation is that they provide the sanitary sewer service line and clean out to the curb at no cost to the homeowners, who will then pay the connection fees, and plumbing cost to connect to the home. The sewer would have to be extended approximately 300 feet beyond

their entrance road in order to pick up two of the four residents. Preliminary Sewer Approval is recommended.

In response to a question posed by Mr. Testino, Mr. Roy explained that the previously installed sewer main serviced only one or two houses. The developer was required to maintain the sewer until the area was further developed.

A motion to approve, as recommended, G.S. Realty – Higgins Road/G.S. Realty – 7 Units Tentative Water and Tentative Sewer applications subject to the conditions outlined in the Engineer’s Report was made by Mr. Smolney and seconded by Mr. Desai.

The roll call was as follows:

AYES: Desai, Butler, Greene, Smolney.

NAYS: None.

NO PARTICIPATION: Donatelli, Testino.

4 Ayes 0 None 2 No Participation 1 Absent

Prior to the roll call vote Mr. Smolney opened a public portion.

Dr. Greenberg asked for a clarification as to who will be the owners of the homes to be connected to the sewer line.

Mr. Roy stated that although he did not know the names, he explained that this pertains to the existing residents within proximity to the Developer’s property.

Dr. Greenberg asked for a guarantee that this line would have no negative impact to the residents of Country Place.

Mr. Roy stated that the line is already connected to Country Place and is extended to a few houses on Ticetown Road. The Development is located on Higgins Road.

Dr. Greenberg noted that a water/drainage problem exists.

Mr. Roy assured Dr. Greenberg that this is a sanitary, not a stormwater sewer.

Superintendent's Report:

Al Lunkenheimer, Superintendent Sewer Division

Report in packet

A motion to approve the Superintendent's report was made by Mr. Donatelli and seconded by Mr. Butler.

The motion was approved by an ALL AYES vote.

Engineering Report: Michael Roy, P.E.

1. Laurence Harbor Interceptor, Contract No. 2005-1-Bond Release

Mr. Roy stated that the contract was awarded to Cruz Construction on June 6, 2007. Work commenced in the fall of 2007 and completed in 2009. Punch list items have been completed. R3M has provided a letter dated June 30, 2010 recommending release of the Contractor's performance bond conditioned upon posting of maintenance and environmental bonds. Final payment can be made to the Contractor upon delivery of a sump pump and completion of all the project closing documents. These improvements are complete and operational.

A motion to release, as recommended, the Laurence Harbor Interceptor, Contract No. 2005-1 performance bond conditioned upon the posting of maintenance and environmental bonds was made by Mr. Smolney and seconded by Mr. Donatelli.

The roll call was as follows:

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

NAYS: None.

ABSENT: Galante.

5 Ayes 0 Nays 1 Absent

2. Redevelopment of Well No. 4 – Final Quantities Change Order

Mr. Roy stated that the work was performed by A.C. Schultes, Inc and that the change order is a minus \$17,513.00 (20.6% reduction from the original amount of the contract- \$85,100) due to a decrease in the amount of pump equipment repair, well cleaning and chemicals. The amount of the amended contract is \$67,587. Mr. Roy recommended approving this change order.

Mr. Smolney asked for a confirmation that this well is back in service.

Mr. Donatelli stated that the well is in full service.

Mr. Roy added that this work is performed to insure that the wells are running at full capacity during July and August.

A motion to approve, as recommended, Redevelopment of Well No. 4 – Final Quantities Change Order was made by Mr. Donatelli and seconded by Mr. Butler.

The roll call was as follows:

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

NAYS: None.

ABSENT: Galante.

5 Ayes 0 Nays 1 Absent

2. Sewer Division SCADA (Supervisory Control and Data Acquisition) – Engineering Services to R3M Engineering

Mr. Roy stated that as a result of a discussion at a previous board meeting, the Commissioners requested that R3M submit a proposal for Engineering Services to develop a scope of work and perform a Feasibility Study for a Sewer Division SCADA system. The estimate of the fees is \$62,532.00 which will result in a Feasibility Report to be completed for presentation to the Commissioners in September. If the Commissioners elect to proceed, this report will be suitable to submit to the NJEIT low interest loan program as the

required Planning Document. His recommendation is to authorize R3M to proceed with the Engineering Services as outlined in their proposal.

Mr. Smolney asked for details of the SCADA system currently in use in the Water Division.

Mr. Guy Donatelli stated that the Water Division SCADA system has been used since 1992, and the information derived is invaluable. At one time, the MUA employed eleven water treatment operators; today there are three full-time employees plus one floater.

Mr. Smolney stated that he encourages this system to be implemented in the Sewer Division.

Mr. Guy Donatelli stated that this system will control overtime.

A motion to authorize, as recommended, R3M Engineering to proceed with the Engineering Services for the SCADA system for the Sewer Division was made by Mr. Butler and seconded by Mr. Desai.

The roll call was as follows:

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

NAYS: None.

ABSENT: Galante.

5 Ayes 0 Nays 1 Absent

3. Recharge Basin Study – Engineering Services to CME Associates

Mr. Roy reminded the Commissioners that at the May 4, 2010 board meeting a charter study was commissioned to investigate the possibility of other activities that the Authority could undertake that would benefit both the Authority and the Township in accordance with Authority law. After numerous meetings with the Chairman, General Counsel and Staff, CME has recommended that the Authority pursue the feasibility of constructing a recharge basin on Township property to recharge the groundwater aquifer for the purposes of gaining groundwater allocation credit for use at

the existing water plants. The DEP gives credit when groundwater is recharged. The proposal is broken down into six phases.

After the first two phases are completed, there will be a go/no go report because after the environmental/wetlands and hydrogeologic investigation is completed, the suitability of the site will be determined.

If suitable, the other four phases will then be completed with a concept design, meetings with the DEP for required permits, costs analysis and the preparation of a report. The fees will come from the general funds. His recommendation is to allow CME to proceed with these Engineering Services.

Mr. Guy Donatelli added that for every gallon of recharge credit gained, the Authority gets one gallon back.

Mr. Greene inquired if a meeting were planned with the Township officials to discuss this.

Mr. Smolney stated that the important issue is whether the property could serve a function for the MUA.

Mr. Greene asked how the determination to use a particular piece of property is made.

Mr. Smolney stated that the area is adjacent to the Duhernal Recharge Area where similar technology is being used.

Mr. Roy stated that this piece of property is located north of Texas Road and west of Englishtown Road adjacent to the Matchaponix Creek, and an area where rainwater runoff could be collected and recharged back into the ground, but a site assessment is mandatory.

Mr. Greene requested an explanation of recharge "credit".

Mr. Guy Donatelli explained that for every gallon of water returned to the aquifer at a different location, a gallon can be taken back at a treatment plant where the wells are located.

Mr. Roy added that the State owns the groundwater, and they allocate to us what can be taken out of the ground. We are able to take an amount which has been cut back in 1984 because of salt water intrusion from the Raritan Bay and from the South River. The Army Corps of Engineers dug a canal at the South River penetrating through the clay area of the Farrington Aquifer which

allowed the brackish water from the South River to enter into that aquifer. The over pumping of wells in this area was causing the salt water to move faster, and the State, not wanting all the wells to be lost, cut everyone back from what could be withdrawn.

The Authority can now take an annual average of 4.2 million gallons per day. To go beyond the annual average of 4.2 million gallons per day, groundwater has to be recharged into the ground thereby allowing more water to be taken from existing wells. The groundwater can be treated more cheaply than a bulk purchase of Middlesex Water.

Mr. Greene inquired about the confidence level of the Authority that the DEP would allow the allocation increase.

Mr. Roy explained that this process is allowed by the DEP, but is done infrequently.

Mr. Smolney opened a public portion.

Dr. Greenberg inquired why this particular parcel land was chosen.

Mr. Smolney responded that this area is close to a recharge area where there is an aquifer with a sand layer close to the surface.

Dr. Greenberg inquired whether there had been discussions with, and if this property will be purchased from the Township.

Mr. Smolney stated that although he was not sure what would happen after a report is received, he believed that the State would require the Authority to have a measure of control over the source of supply of potable water.

Mr. Testino stated that Mr. Smolney has been discussing this for some time. The engineers believe that this property may be feasible.

A motion to authorize, as recommended, CME to proceed with Phase I (Environmental and Wetlands Study) and Phase II (Hydrogeologic Investigation) to conduct an evaluation of the feasibility of a recharge basin near Englishtown and Texas Roads was made by Mr. Butler and seconded by Mr. Desai.

The roll call was as follows:

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

NAYS: None.

ABSENT: Galante.

5 Ayes 0 Nays 1 Absent

4. Arbors Pump Station Upgrade- Engineering Services to Alaimo Associates

Mr. Roy stated that Alaimo Associates had been previously authorized to perform the design of the Arbors Sewer Pump Station Renovations. The plans and specifications have been completed and reviewed. The contract is ready for bid, and the Engineering Services for the Bid and the Construction phases need to be authorized. The estimated cost of the Engineering Services for the Bid Phase is \$5,000; Construction Management is \$35,000, which will be taken out of the line item in the General Fund for the Arbors Sewer Pump Station. His recommendation is that Alaimo Associates be authorized to proceed with the Engineering Services.

A motion to authorize, as recommended, Alaimo Associates to perform the Bid and Construction Management Engineering Services for the Arbors Sewer Pump Station Renovations was made by Mr. Donatelli and seconded by Mr. Butler.

The roll call was as follows:

AYES: Desai, Donatelli, Testino, Butler, Smolney

NAYS: None.

ABSENT: Galante.

5 Ayes 0 Nays 1 Absent

5. 2010 Emergency Response Plan Upgrade – Engineering Services to CME Associates

Mr. Roy stated that during the recent “boil water” emergency, it became apparent that the Authority’s emergency response plan should be updated to include procedures that the Authority will now follow and are viewable on the new website. The engineering fee of \$24,900 will come from the General Fund. His recommendation is to authorize CME to proceed with the Engineering Services for a 2010 Emergency Response Plan update.

Mr. Greene asked what other sources of information would be available in the case of a future emergency.

Mr. Smolney stated that although the customers may elect how they will receive their information, information is available on the website.

Mr. Guy Donatelli explained that this is not a study, but rather a continual upgrade of reports mandated by the DEP.

A motion to authorize, as recommended, CME Associates to proceed with the 2010 Emergency Response Plan update was made by Mr. Butler and seconded by Mr. Smolney.

The roll call vote was as follows:

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

NAYS: None.

ABSENT: Galante.

5 Ayes 0 Nays 1 Absent

Financial Report: Stephen A. Florek, II, Comptroller

Mr. Florek stated that a preliminary report was included in the commissioners’ packets.

Bills & Claims \$3,728,685.26

A motion to approve bills and claims was made by Mr. Desai and seconded by Mr. Desai.

The roll call was as follows:

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

NAYS: None.
ABSENT: Galante.
5 Ayes 0 Nays 1 Absent

Legal Report: Louis Granata, Esq.

Mr. Granata stated that he has provided contracts for the Water and Sewer Division Consultants and a contract for the Executive Director. Although the Water Division contract has been signed, the Sewer Division contract is still being reviewed by the Consultant, and the Executive Director's contract has been presented to the Commissioners based upon the comments received.

Old Business:

Crossroads Regional Interceptor - Status

Mr. Roy requested that this be discussed in Executive Session

Brunette Oaks at Glenwood Development – Status

To be discussed in Executive Session

Groundwater Diversion Rights – Status

Discussed earlier in meeting

ASR Feasibility Study – Status

Mr. Roy requested that this be discussed in Executive Session

Summerfield Avenue Gravity Sewer – Status

Mr. Roy stated that upon an examination of the restoration of the property located at Lantana Way, he is pleased with the results. The soil reports are completed. A meeting with the residents will be reported on at the August meeting.

Demolition of Prospect Avenue and Joseph Court – Status

Mr. Roy stated that Nyack Engineers were hired to do a Site Assessment of these two deteriorating water plants that have been budgeted for demolition. The purpose of the Site Assessment was to insure that there was no lead or other contamination at the sites. There is a possibility of lead in the paint, and the presence of PCB's in the transformers of the control panel, which can all be addressed in Contract Documents for the demolition. A Consulting Engineer needs to be hired for the preparation of

Contract Documents for public bids of the demolition work. Mr. Smolney stated that the Commissioners will take that under advisement, and determine at another time which Special Projects Consulting Engineer should be selected for this task.

Birch Hill Pump & Haul Agreement – 30 Day Extension

Mr. Roy stated that an agreement was entered into with Birch Hill for a period of ninety days whereby the developer was allowed to close on homes while the Marlboro Road Pump Station was being completed. The Sewer Division, using septic trucks, pump out the pump station wet well. The pump station should be completed around the end of the ninety day period. He recommends a thirty day extension as a precaution.

Mr. Greene inquired whether the Authority is paid for each time the wet well is pumped out.

Mr. Roy assured him that there is payment from the escrow account for each visit.

A motion to grant, as recommended, a thirty day extension to the Birch Hill Pump & Haul Agreement was made by Mr. Smolney and seconded by Mr. Butler.

The roll call vote was as follows:

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

NAYS: None.

ABSENT: Galante.

5 Ayes 0 Nays 1 Absent

Open to Public:

Mrs. Walker requested a copy of the fire hydrant report indicating which hydrants have been inspected.

Mr. Guy Donatelli stated that the hydrants belonging to the Authority are self-inspected. The other hydrants are those in apartment complexes, schools, condo associations and businesses. Although a report is not submitted to the fire district, we have set the standards with the fire districts as to what the owners of the hydrants need to do to be in compliance. During the semi-annual flushing, the needed repairs are made.

Mrs. Wulster had a question about the budget.

Mr. Smolney suggested that Mr. Florek review the budget to clarify Mrs. Wulster's concerns.

Seeing no hands Mr. Smolney closed the public portion.

Executive Session: A motion was made to go into Executive Session at 8:34 p.m. by Mr. Donatelli and seconded by Mr. Butler.

The motion was approved by an ALL AYES vote.

Regular Meeting Reconvened at 9:16 p.m.

During Executive Session Mr. Granata discussed with the Commissioners the Brunetti Litigation and the Executive Director's Contract . Mr. Roy discussed with the Commissioners the issues concerning the Crossroads Interceptor Project and the Aquifer Storage and Recovery study.

Executive Director's Salary

Mr. Smolney proposed an increase in Mr. Guy Donatelli's present salary as Superintendent in the Water Division to include his services as Executive Director, and that it be reflected as a stipend.

Mr. Granata advised Mr. Smolney that a contract has already been prepared with Mr. Guy Donatelli as the Executive Director of the Authority, a position which is created by the Table of Organization which already provides for a salary. There is no manner in which a stipend salary can be used unless the Table of Organization is changed.

A motion to establish the annual base salary of the Executive Director at \$158,000 was made by Mr. Butler and seconded by Mr. Greene.

The roll call was as follows:

AYES: Testino, Butler, Greene.

NAYS: None.

ABSTAIN: Desai, Smolney.

ABSENT FROM THE PODIUM: Donatelli.

ABSENT: Galante.

3 Ayes 0 Nays 2 Abstain 1 Absent 1 Absent Podium

Adjournment: A motion was made at 9:22 p.m. to adjourn the meeting by Mr. Testino and seconded by Mr. Butler.

The motion was approved by an ALL AYES vote.

Respectfully Submitted:

Thomas Galante, Secretary