

OLD BRIDGE MUNICIPAL UTILITIES AUTHORITY
REGULAR MEETING
September 15, 2010

Call to Order: The Regular Meeting of September 15, 2010 was called to order at 7:03 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
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.

Moment of Silence

Chairman Smolney requested a moment of silence in memory of Ronald Butler, owner of ARBE Landscaping, who recently passed away.

Executive Director's Report:

Guy Donatelli, Executive Director.

Mr. Guy Donatelli referred the Commissioners to the Drinking Water Analysis Monthly Coliform Summary Report which was included in their packets. He added that water usage for the month of August 2010 was very high.

He advised the Commissioners that the DEP has issued a voluntary drought advisory, but has not issued any mandatory restrictions at this time.

The Aquifer Storage and Recovery study will be discussed in Executive Session.

An amount of \$5 million has been put aside for retirees, but a recommendation has been made by both Bond Counsel and the Auditor to secure this money in an Irrevocable Trust.

Due to several conflicts with the remaining scheduled meetings, Mr. Guy Donatelli recommends meeting on the third Wednesday of the month.

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

The motion was approved by an ALL AYES vote.

Meeting Schedule Revision

Chairman Smolney opened a discussion among the Commissioners with respect to a change in the original 2010 meeting schedule. The dates agreed upon are as follows:

October 13 and 27*
November 15
December 15
January 19, 2011

A motion to approve the revised meeting schedule was made by Mr. Smolney and seconded by Mr. Butler.

The motion was approved by an ALL AYES vote.

Irrevocable Trust for the Employees Retirement Benefit Fund

A motion to move \$5 million set aside as the employee's retirement benefit fund (currently as shown on the balance sheet) to an irrevocable trust and to authorize the Comptroller, Bond and General Counsels to draft the appropriate documents to effectuate the transfer of funds was made by Mr. Butler and seconded by Mr. Greene.

**this date was subsequently changed to Tuesday, October 26*

The roll call was as follows:

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

NAYS: None.

ABSENT FROM THE PODIUM: Donatelli.

5 Ayes 0 Nays 1 Absent from the Podium 0 Absent

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

Mr. Testino requested a written recommendation and inquired if other municipalities were taking similar action.

Mr. Florek responded that he could provide a list of the authorities that have adopted this.

Mr. Smolney stated that this is a fiscally conservative process – something that the State of New Jersey abandoned in the past which resulted in the current pension crisis.

Mr. Florek stated that the full amount is not being funded, but rather the amount accrued by the present retirees.

Mr. Greene added that his recent discussions concerning the Governor's budget proposals revealed a great concern with not only pension payments, but also with a health benefits liability.

He also mentioned that this type of funding is a recommendation of Generally Accepted Accounting Principles (GAAP).

Mr. Smolney stated that although the State of New Jersey doesn't always recognize GAAP proposals, this action would place the Authority on a strong fiscal foundation.

Mr. Desai asked for a reassurance that this fund would be managed by the Authority.

Mr. Granata suggested adopting a resolution authorizing the Comptroller, Bond and General Counsel to draft the necessary documents necessary to affect this transfer and establish the irrevocable trust.

Chairman's Report: Nicholas R. Smolney

None

Previous Minutes: Regular Meeting - August 18, 2010
Executive Session - August 18, 2010

A motion to approve the above listed 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.

5 Ayes 0 Nays 0 Absent

Engineering Report: Michael Roy, P.E.

Shree Sankat Mochan Hanuman Temple/Ganesh Development

- 1. W208-597, Preliminary & Tentative Water – 8 + 1 Fire =9 EDCU's**
- 2. S208-471, Preliminary & Tentative Sewer – 8 EDCU's**

Mr. Roy explained that this is a project for the construction of approximately 650 LF of six and eight inch DIP water main to connect into an existing main in Rt. 516 to service a 12,470 SF building with a 300 seat worship area and kitchen facilities. He reported that a preliminary and tentative review has been completed, and he is recommending Preliminary and Tentative Water and Sewer Approval subject to the comments in his report.

The applicant must submit packages for a Safe Drinking Water Permit and a Treatment Works Approval for a pump station they are building. In addition, the applicant must coordinate their plans with the Middlesex County Planning Board.

A motion to approve as recommended Preliminary and Tentative Water Approval for Shree Sankat Mochan Hanuman Temple/Ganesh Development, W208-597, Preliminary & Tentative Water, and S208-471, Preliminary & Tentative Sewer was made by Mr. Desai and seconded by Mr. Butler.

The roll call was as follows:

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

NAYS: None.

ABSENT FROM THE PODIUM: Donatelli.

5 Ayes 0 Nays 1 Absent from the Podium 0 Absent

Butler Major Subdivision/Ronald and Kim Butler/34 Units

- 3. W10-618, Tentative Water**
- 4. S10-484, Tentative Sewer**

Mr. Roy described the project as the construction of approximately 2,250 LF of eight inch DIP water main to connect into an existing main in Matchaponix Road to service 34 single family units. The Applicant needs to submit a Safe Drinking Water Permit application. He has reviewed the application for Tentative Approval, and he is recommending Tentative Water and Sewer approval.

A motion to approve as recommended Tentative Water and Sewer Approval for Butler Major Subdivision, W10-618, Tentative Water and S10-484, Tentative Sewer was made by Mr. Galante and seconded by Mr. Desai.

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 report was included in the Commissioners' packets.

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. Arbors Sewer Pump Station, Contract No. 2010-1, Award Contract

Mr. Roy reported that the Authority received bids on August 27, 2010 for the Arbors Sewer Pump Station Renovation. The low bid was received from Allied Construction Group located in South River, New Jersey, in the amount of \$175,800, and was less than the Engineer's Estimate of \$200,000. Alaimo Associates has recommended the award of this contract to Allied Construction Group.

A motion to award as recommended, Contract No. 2010-1 to Allied Construction Group in the amount of \$175,800 for the Arbors Sewer Pump Station Renovation was made by Mr. Desai and seconded by Mr. Butler.

The roll call was as follows:

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

NAYS: None.

ABSENT FROM THE PODIUM: Donatelli,

5 Ayes 0 Nays 1 Absent from the Podium 0 Absent

2. Sewer Division SCADA System, Feasibility Study Report

Mr. Roy stated that R3M was previously authorized to conduct a feasibility study for a Sewer Division SCADA System. A report is ready to be presented to the Commissioners tonight for determination as to whether or not to proceed with the design and funding of this project.

Mr. Roy asked the Commissioners to refer to the sketches he included in their packets indicating the six areas where the data would be concentrated for transmission back to Laurence Harbor. There is an estimated range of annual cost savings of \$150,000 to \$250,000.

Mr. Samuel offered a comprehensive evaluation of the SCADA System for the Sewer Division. His outline highlighted the following areas:

1. Need for the system

This was originally identified by the Authority because there are thirty-five waste water pumping stations in a forty-five square mile area, and operators visit those stations each day manually recording data.

2. Alarm Systems

The current system utilizes a general dial-up alarm to an operator who may or may not have specific knowledge of the problem resulting in the possibility of his having to make several trips to the location because of lack of special equipment, or the need for additional support. Access may be limited to pump stations during inclement weather.

3. Objectives

- a. provide remote access to thirty-five pump stations
- b. utilize continuous monitoring and reporting to offset understaffing
- c. allow a full and immediate response to alarms
- d. enable operators to “watch” the system during inclement weather
- e. utilize “open architecture” and standardized components to expand the system

4. Conclusion

Based on inspections of pump stations, interviews with the Sewer Division Staff and evaluation of labor specific costs, implementing a SCADA System is strongly recommended using expanded and detailed alarm systems. A central station is recommended at the Laurence Harbor Facility and laptop access will be available to supervisors.

5. Cost Information

The cost of implementing the SCADA System at all thirty-five pump stations and the central station would be between \$2.5 and \$3.5 million. The labor cost savings from eliminating weekend and holiday trips to pump stations and some emergency calls would result in a 13% to 24% reduction in labor costs. There would also be a substantial savings in energy and fuel costs. The NJEIT has indicated

that this is a fundable project. The deadline for submission of planning documents is October 4, 2010.

Commissioners' Comments

Mr. Desai recommended implementing the SCADA System for forty pump stations, five more than the current thirty-five.

Mr. Samuel responded that each station will have the ability to be expanded. There will be at least forty boxes available for future pump stations. This is one of the reasons why a combination of radio and FIOS lines is desirable. The FIOS lines enable the system to carry a large amount of data.

Mr. Smolney, referring to an article from the September 12 edition of the New York Times, stated that the FCC will open new air space on September 23 for high data transmission.

Mr. Samuel stated that research with the Township indicates that there is the ability to go to 200 foot towers for radio transmission, but the cost would be astronomical.

Mr. Smolney stated that the Commissioners would like to take action and reiterated the need for submitting plans to the NJEIT prior to the deadline.

Mr. Desai inquired about a warranty for and the life of the SCADA System.

Mr. Samuel responded that there would be a warranty extending between one to three years, but that an extended warranty would be available at an additional cost. The system and the cost are comprised of a variety of components some of which are signals, switches and devices which are low cost and through wear and tear will need to be replaced. The life of high tech components (radio, phone receivers and data systems) could extend from two to ten years. The system currently being planned will not be loaded with the maximum amount of data. This will allow for a longer life.

Mr. Desai expressed his concern about the maintenance of the system. Based upon the projected savings, he estimates it would take twelve years to recoup the expense of the system.

Mr. Guy Donatelli stated that maintaining the SCADA System in the Water Division costs less than \$15,000 a year which includes

the cost of replacing the laptops because they are constantly in use. Data recording equipment could last fifteen to twenty years.

Mr. Desai expressed his concern about the cost effectiveness.

Mr. Guy Donatelli added that this would also be a cost saving because there would not be a need to hire additional employees. The Sewer Division is currently understaffed by two people.

A motion to authorize as recommended the filing of documents and the preparation of the information necessary to ascertain ranking on the NJEIT program for the implementation of the Sewer Division SCADA System was made by Mr. Smolney and seconded by Mr. Butler.

The roll call was as follows:

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

NAYS: None.

ABSENT FROM THE PODIUM: Donatelli.

5 Ayes 0 Nays 1 Absent from the Podium 0 Absent

Financial Report: Stephen A. Florek II, Comptroller

Mr. Florek requested a resolution accepting the findings of the Local Finance Board with respect to the application for the Water Works Road 42” Sanitary Sewer Rehabilitation.

A motion to accept the findings and approvals of the Local Finance Board for the 2010 NJEIT funding with respect to the application for the Water Works Road 42 inch Sanitary Sewer Rehabilitation was made by Mr. Smolney and seconded by Mr. Butler.

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

NAYS: None.

5 Ayes 0 Nays 0 Absent

Prior to the roll call vote the following discussion took place.
Mr. Roy stated that a law was passed making this project eligible for a zero percent interest loan.

Mr. Florek also advised the Commissioners that meeting minutes for 2010 are on the website.

A motion to accept the Financial Report was made by Mr. Smolney and seconded by Mr. Butler.

The motion was approved by an ALL AYES vote.

Bills & Claims: \$1,551,485.45

A motion to accept Bills & Claims was made by Mr. Greene and seconded by Mr. Butler.

The following was the roll call vote:

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

NAYS: None.

NO PARTICIPATION: Desai, Testino.

5 Ayes 0 Nays 2 No Participation 0 Absent

Legal Report: Louis Granata, Esq.

Charter Study Commission

Mr. Granata introduced John DeRosa and Sheri Horn Hassan who presented a proposal for the appraisal of the properties to be considered in the acquisition of the Charter Study. The cost of the appraisal will be approximately \$4,000.

Mr. DeRosa stated that his proposal consists of a summary appraisal report consisting of the geographic and demographic information for the county, town and the immediate neighborhood; zoning requirements (the highest and best use); the most recent land sale; recent tax maps of the subject; and comparable sales.

Mr. Testino asked if this work includes contacting the appraiser representing the seller.

Mr. DeRosa responded that he would not.

A motion to authorize as recommended the execution of a contract with DeRosa Appraisal Services, LLC for appraisal work of the properties to be considered in the acquisition of the Charter Study the amount of \$4,000 was made by Mr. Donatelli and seconded by Mr. Butler.

The roll call vote was as follows:

AYES: Desai, Donatelli, Testino, Smolney.

NAYS: Galante.

4 Ayes 1 Nay 0 Absent

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

Mr. Granata explained to Mr. DeRosa that the Commissioners pay on a voucher system, i.e., services must be performed in order to be paid. He encouraged Mr. DeRosa to present the appraisal as soon as possible.

Mr. Granata stated that pending litigation would be discussed in Executive Session.

A motion to accept the Legal Report was made by Mr. Smolney and seconded by Mr. Testino.

The motion was approved by an ALL AYES vote.

Old Business:

Iresick Brook Trunk Sewer Rehabilitation – Status

Mr. Roy stated that bids will be taken later in the month with an award on October 13 as well as the proposal for construction services.

Summerfield Avenue Gravity Sewer – Status

Mr. Roy informed the Commissioners that a meeting was held with the DEP on September 20. He emphasized to the DEP the importance of commencing work on this project. The DEP gave their assurance that the project would be eligible, that it would not need an environmental Level II review, and that if the project were given to them in February, they would immediately begin their certification process. The estimated cost of the project is \$1.5 million.

A motion to authorize the filing of the Summerfield Avenue Gravity Sewer planning documents to the NJEIT was made by Mr. Smolney and seconded by Mr. Butler.

The roll call was as follows:

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

NAYS: None.

ABSENT FROM THE PODIUM: Donatelli.

5 Ayes 0 Nays 1 Absent from the Podium 0 Absent

Crossroads Regional Interceptor – Status

Mr. Roy reported that the DEP was asked why this project was overlooked two years in a row. The response was that the DEP Staff had no time to review the project. The Wetlands Permit expires in 2014. The DEP is willing to fund this project, but more work needs to be done in showing how the future areas will abandon septic systems and be brought into the sewer collection system. Planning documents have been submitted twice, and are being repackaged again. It would be worthwhile to meet the October deadline to determine how far this project is on the list. This project would be eligible for a zero percent interest loan as soon as the DEP certifies the project.

The Township Business Administrator, Mr. Jacobs is in favor of moving forward with this project, and there are other property issues that need to be discussed with the Township. There needs to be an agreement to allow for assessing the properties.

A motion to authorize the filing of the Crossroads Regional Interceptor planning documents to the NJEIT was made by Mr. Smolney and seconded by Mr. Testino.

The roll call was as follows:

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

NAYS: None.

ABSENT FROM THE PODIUM: Donatelli.

5 Ayes 0 Nays 1 Absent from the Podium 0 Absent

Brunetti Oaks at Glenwood - Status

Discussed in Executive Session

Groundwater Diversion Rights – Status

Mr. Roy reported that this is “status quo”

Mr. Smolney added that they are taking Malcolm Pirnie to record inspection today at the DEP

ASR Feasibility Study

To be discussed in Executive Session

New Business:

State Drought Condition

Mr. Roy stated that at the August 25 DEP public hearing on the drought situation, the Township was under “normal” status, but shortly thereafter the Governor changed that to a drought “watch”, meaning water restriction is voluntary. Throughout the State, everyone is encouraged to restrict water use. A “warning” requires mandatory restrictions, and he will inform the Commissioners if and when that becomes effective.

Open to the Public:

Linda Seiler thanked the Authority for creating the website. She requested that supporting documentation be attached to the agenda items.

Mr. Granata responded that there are many documents that are voluminous, i.e., engineering studies.

Seeing no further hands Mr. Smolney closed the public portion.

Executive Session: A motion to go into Executive Session at 8:00 p.m. was made by Mr. Smolney and seconded by Mr. Butler.

The motion was approved by an ALL AYES vote.

Regular Meeting Reconvened at 8:16 p.m.

During Executive Session Mr. Granata discussed with the Commissioners the Brunetti Litigation and the Deep Run Litigation.

Meeting Schedule

A motion to change the Regular Meeting from October 27 to October 26 was made by Mr. Smolney and seconded by Mr. Butler.

The motion was approved by an ALL AYES vote.

Chamber of Commerce Business Leader of the Year Dinner

A motion was made to authorize the purchase of a journal ad and a table for the October 27, 2010 Chamber of Commerce Business Leader of the Year Dinner was made by Mr. Smolney and seconded by Mr. Desai.

The motion was approved by an ALL AYES vote.

Adjournment: A motion to adjourn at 8:18 p.m. was made by Mr. Testino and seconded by Mr. Desai.

The motion was approved by an ALL AYES vote.

Respectfully Submitted:

Thomas Galante, Secretary