

**OLD BRIDGE MUNICIPAL UTILITIES AUTHORITY
REGULAR MEETING
December 15, 2010**

Call to Order: The Regular Meeting of December 15, 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
Rocco Donatelli, Commissioner
Reginald Butler, 1st Alternate – Assistant Secretary
(Arrived @ 7:15 p.m.)
Richard Greene, 2nd Alternate – Assistant Treasurer
(Arrived @ 7:15 p.m.)

Absent:
Thomas Galante, Secretary

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

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

Executive Director Donatelli referred to the Drinking Water Analysis-Monthly Coliform Summary Report Form from the Garden State Laboratories for November 2010 as included in the Commissioners' packets.

With respect to the Operator Certification Program, the following employees have achieved the following:

Walter Tier	-	W-3 Classification
Charles Winkler	-	C-3 Classification (sewer)
Thomas Baiori	-	C-1 Classification (sewer)

The Authority held its annual Right-to-Know Training Program presented by Skyline Environmental. A safety and compliance audit will also be performed.

Executive Director Donatelli announced that he will be out of the office from December 23, 2010 until January 3, 2011.

The Commissioners had previously authorized CME to perform the survey of the property which is being purchased from the Township of Old Bridge. The work will begin sometime in January.

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

The motion was approved by an ALL AYES vote.

Chairman's Report: Waived.

Previous Minutes: Regular – October 26, 2010
Executive - October 26, 2010

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

The roll call was as follows:

AYES: Desai, Donatelli, Testino, Smolney.

NAYS: None.

ABSENT: Galante, Butler, Greene

4 Ayes 0 Nays 3 Absent

Report on Developer's for Approval.
None

Superintendent's Report:

Al Lunkenheimer, Superintendent Sewer Division

A motion was made to approve the Superintendent's Report as included in the Commissioners' packets by Mr. Smolney and seconded by Mr. Testino.

The motion was approved by an ALL AYES vote.

Engineering Reports: Michael Roy, P.E.

1. Rt. 18 Marketplace, W10-612, S10-480, Developer Agreements.

Mr. Roy reported that the Water and Sewer Developer Agreements for the referenced applications have been prepared and signed in accordance with the Final Water and Sewer Approvals granted on October 13, 2010.

The Developer Agreements consist of the standard language and the conditions of the Final Water and Sewer approvals to construct approximately 830 LF of eight and ten inch (8" and 10") water main to connect into an existing water main in Maple Street to service a 10,800 SF retail center located on the southbound side of Rt. 18 at Maple Street north of Wawa. The agreements have been signed by the Developer and are ready to be considered for authorization to be countersigned by the Authority.

A motion was made to approve as recommended Rt. 18 Marketplace Developer Agreements for Water Application No. W10-612 and Sewer Application No. S10-480 by Mr. Smolney and seconded by Mr. Donatelli.

The roll call vote was as follows:

AYES: Desai, Donatelli, Testino, Smolney

NAYS: None.

ABSENT: Galante, Butler, Greene

4 Ayes 0 Nays 3 Absent

2. Perrine Road Professional Group, W209-604, Bond Release.

Mr. Roy reported that all work has been performed, water meters have been installed, and the utilities will remain privately owned. Based on the current status of this application, the recommendation is to release the Water Performance Guarantee conditioned upon the applicant “zeroing out” the water escrow account.

A motion was made to release as recommended the Perrine Road Professional Group bond for Water Application No. W209-604 by Mr. Smolney and seconded by Mr. Desai.

The roll call was as follows:

AYES: Desai, Donatelli, Testino, Smolney

NAYS: None.

ABSENT: Galante, Butler, Greene

4 Ayes 0 Nays 3 Absent

3 and 4. Commerce Bank, Rt. 9, W204-541, S204-424 Bond Releases and Commerce Bank, Rt. 516, W200-482, S200-372, Bond Releases.

Mr. Roy reported that both these banks have water and sewer lines which will be privately owned and maintained by the commercial property. His recommendation is to release the water and sewer bonds on the two Commerce Banks located on Rt. 516 and Rt. 9. All work has been completed; meters have been installed; as-builts have been completed; and the utilities will be maintained by the commercial property requiring no maintenance bond.

A motion to release as recommended the water and sewer performance guarantees for the Commerce Bank, Rt. 9 Water Application W204-541 and Sewer Application S204-424 and for Commerce Bank, Rt. 516 Water Application W200-482 and Sewer Application S200-372 was made by Mr. Testino and seconded by Mr. Desai.

The roll call vote was as follows:

AYES: Desai, Donatelli, Testino, Smolney

NAYS: None

ABSENT: Galante, Butler, Greene

4 Ayes 0 Nays 3 Absent

5. Browntown Plant Painting, Engineering Design Services to CME

Mr. Roy reported that this is a proposal for repainting the Browntown Plant facilities. The paint used on the clarifier which was constructed in the mid '80's is peeling and rusted.

CME Associates retained Tank Industry Consultants to perform a dry evaluation of the clarifier and two water storage tanks at the Browntown Water Treatment plant. The rehabilitative work includes sandblasting and repainting the steel structures.

There is a proposal from CME to prepare the plans and specifications to put this work out to bid. The recommendation is to authorize the work. The engineering fees are included in this year's budget; the construction costs of the project will be incorporated into the general fund for next year's budget which includes the repainting of the back storage tank, the suction tank, the clarifier, the backwash holding tank and the exterior piping and the chemical building. The cost of the design phase is \$89,501; the bid phase is \$8,939.

Mr. Testino inquired about the magnitude of the painting.

Mr. Roy responded that this will be determined during the design phase, although it could be a very large range. Painting is not inexpensive; it could be in the millions of dollars. We will attempt to put the money into next year's budget in the general fund. If not, perhaps bonding may be considered.

Mr. Testino asked if phasing the work would be possible.

Executive Director Donatelli responded that an attempt is being made to minimize the scope of the project. Some tanks are in

worse shape than others. Most of the tanks are metal and will have to be contained because of the lead content.

A motion was made to authorize as recommended CME to proceed with engineering design services for the Browntown Plant painting by Mr. Donatelli and seconded by Mr. Smolney.

The roll call vote was as follows:

AYES: Desai, Donatelli, Testino, Smolney

NAYS: None

ABSENT: Galante, Butler, Greene

4 Ayes 0 Nays 3 Absent

6. Pay to Play, Fair and Open Process, Advertise for Qualifications.

Mr. Roy stated he has distributed to the Commissioners a proposed advertisement stating that qualification packages will be accepted on January 26, 2011 at 2:00 p.m., which is one week prior to the Reorganization Meeting. The following professionals are being sought:

Auditor	Financial Advisor
Actuary	General Counsel
Labor Counsel	Bond Counsel
Special Counsel	Insurance Consultant
Insurance Agent	Consulting Engineers
Grant Writer	Training Specialist

A motion was made to authorize the advertisement for professional qualification packages to be accepted on January 26, 2011 at 2:00 p.m. by Mr. Desai and seconded by Mr. Donatelli.

AYES: Desai, Donatelli, Testino, Smolney

NAYS: None

ABSENT: Galante, Butler, Greene

4 Ayes 0 Nays 3 Absent

Financial Report: Stephen A. Florek, II Comptroller

Mr. Florek stated that the report in the Commissioner's packet includes a Trust Agreement for Post-Employment Benefits which is to be voted upon and accepted by the Commissioners. Also included in the packet are the Revenue Schedule and Expense Summary Projection through May 31, 2010.

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

The motion was approved by an ALL AYES vote.

A motion was made to adopt the Trust Agreement 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

Legal Report: Louis A. Granata, Esq.

Mr. Granata stated that he received a call from Mr. Kelso, Counsel for the Middlesex County Long Term Care Facility, as that facility relates to the Crossroads Regional Interceptor.

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

The motion was approved by an ALL AYES vote.

Bills & Claims: \$1,413,563.85

Mr. Desai requested the modification/reduction of bills and claims in the amount of minus \$7,350.00, the amount of a bill from Frank Cerra, Jr. for nine hours of service during a three-month period.

Mr. Donatelli stated that considering the long standing professional relationship that the Authority has enjoyed with Mr. Cerra, no money should be withheld.

Mr. Butler asked if there has been a request for a description of the work performed from Mr. Cerra.

Mr. Florek responded that an e-mail had been sent to Mr. Cerra.

Mr. Butler recommended payment in full pending an explanation of the services. If need be, a reduction may be taken from the next bill.

Mr. Testino suggested that many of the Commissioners were calling Mr. Cerra in connection with the Brunetti litigation.

A motion was made to pay in full the bill for services rendered by Frank Cerra by Mr. Donatelli and seconded by Mr. Butler.

The roll call vote was as follows:

AYES: Donatelli, Butler, Greene, Smolney

NAYS: None

ABSTAIN: Desai

NO PARTICIPATION: Testino

ABSENT: Galante

4 Ayes 0 Nays 1 No Participation 1 Absent 1 Abstention

A motion was made to approve bills and claims in the amount of \$1,413,563.85 by Mr. Butler and seconded by Mr. Donatelli.

The roll call vote was as follows:

AYES: Desai, Donatelli, Testino, Butler, Smolney

NAYS: None

ABSENT: Galante

5 Ayes 0 Nays 1 Absent

Old Business:

Recharge Basin Study – Status

Mr. McClelland stated that upon visiting the DEP in Trenton, the Recharge basin study was favorably received, and the DEP provided guidance on the construction of the three recharge basins. A list of required permits was provided by the DEP. It was indicated that there will be challenges in obtaining the necessary permits, but he is optimistic from the discussions which took place. One of the discussions centered upon monitoring wells via tubes being constructed into the soil to monitor groundwater.

There is a requirement that allows water purveyors to obtain credits by recharge. That is the section under which the Authority will qualify based on limitations and conditions. He was encouraged by the discussion.

Mr. McClelland's recommendation is for the Authority to pursue this project.

Mr. Roy added that the monitoring well system will require additional wells to be installed. We will have a meeting with the New Jersey Geologic Survey to determine what data exists and whether there are existing wells that may be utilized because a minimum of one year of historical data is required. There will be a proposal in January for additional monitoring wells which need to be installed to collect the necessary data.

Mr. Testino inquired if these wells would be permanent.

Mr. McClelland stated that although these plastic tube wells are semi-permanent, they are required to be abandoned if you go through with the project.

Mr. Greene asked what the testing would reveal.

Mr. McClelland responded that they will be looking for the location of the natural groundwater. There is a line on the property indicating where the out-crop is and where the soil is more dense (clay).

Crossroads Regional Interceptor – Status

Mr. Roy stated that there are two issues for open session: First, a public hearing is scheduled on December 20, 2010 at 6:00 p.m. wherein R3M will present a power point presentation of the Crossroads Regional Interceptor. The Commissioners are not

required to attend this meeting. The DEP also asked that information on the Summerfield Sewer Replacement project be included.

The second matter is that the DEP is requiring a Cultural Resource Survey which includes investigating any historical or cultural issues which may be disturbed the Crossroads Regional Interceptor project. The cost of the survey will be approximately an additional \$19,000 to R3M Engineering.

A motion was made to authorize as recommended R3M to perform a Cultural Resource Survey at an additional cost of \$19,000 in connection with the Crossroads Regional Interceptor 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

Brunetti Oaks at Glenwood Development – Status

To be discussed in Executive Session

New Business: None

Open to the Public: Chairman Smolney opened a public portion.
Seeing no hands Chairman Smolney closed the public portion.

Executive Session: A motion was made to go into Executive Session at 7:40 p.m. by Mr. Butler and seconded by Mr. Donatelli.

The motion was approved by an ALL AYES vote.

Regular Meeting Reconvened at 8:08 p.m.

During Executive Session Mr. Granata discussed with the Commissioners the status of the Brunetti Litigation, the K.

Hovnanian Litigation, the Deep Run Homeowners Association Litigation, and the Recharge Basin Mediation. Mr. Samuel discussed with the Commissioners the Crossroads Regional Interceptor project.

Recharge Basin

A motion was made to amend the offer made by the OBMUA to purchase the property for the recharge basin from \$4.4 million to \$5.6 million as a purchase agreement with the Township of Old Bridge and to authorize the Executive Director and Louis E. Granata, Esq. to proceed with the signing of the contract and closing of this negotiation by Mr. Butler and seconded by Mr. Desai.

The roll call vote was as follows:

AYES: Desai, Donatelli, Testino, Butler, Smolney

NAYS: None

ABSENT: Galante

5 Ayes 0 Nays 1 Absent

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

Mr. Greene asked if there were a record of how this amount was determined.

Mr. Granata responded that the Judge verbally conveyed this information to him, but suspected that a report would be issued.

Mr. Greene asked to see that report.

Brunetti vs. the Old Bridge Municipal Utilities Authority

Mr. Granata stated that Judge Ryan has appointed a Special Master, retired Judge Frederick Keiser, Jr., to handle the discovery Issues and he will be charging the Authority and the defendant \$450 per hour, the cost of which will be shared fifty/fifty. There is also a request for an advanced retainer of \$3,000 (the full amount of the retainer being \$6,000).

A motion to authorize Mr. Granata to execute the agreement with Judge Frederick Keiser, Jr. as Special Master in connection with the Brunetti litigation was made by Mr. Testino and seconded by Mr. Desai.

The roll call was as follows:

AYES: Desai, Testino, Butler, Greene, Smolney

NAYS: None

NO PARTICIPATION: Donatelli

ABSENT: Galante

5 Ayes 0 Nays 1 No Participation 1 Absent

Adjournment: A motion was made to adjourn at 8:13 p.m. by Mr. Testino and seconded by Mr. Smolney.

The motion was approved by an ALL AYES vote.

Respectfully submitted:

Thomas Galante, Secretary