

**OLD BRIDGE MUNICIPAL UTILITIES AUTHORITY
REGULAR MEETING
November 10, 2010**

Call to Order: The Regular Meeting of November 10, 2010 was called to order at 7:01 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
Rocco Donatelli, Commissioner
Reginald Butler, 1st Alternate – Assistant Secretary
Richard Greene, 2nd Alternate – Assistant Treasurer

Absent:
Kiran Desai, Treasurer

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

Executive Director's Report: Guy Donatelli, Executive Director

Mr. Guy Donatelli announced that information received from the Volk Agency with respect to the Brunetti lawsuit would be discussed in Executive Session.

Chairman's Report: Nicholas R. Smolney
None

Previous Minutes: None.

Engineering Report: Michael Roy, P.E.

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

1. W10-614, Tentative Water
2. S10-481, Tentative Water

Mr. Roy reported that this project consists of approximately 525LF of eight (8') DIP water main to connect into an existing water main in Higgins Road to service seven (7) single family units. Tentative Review fees have been paid. The Authority granted Preliminary Approval on July 14, 2010; Township Final Planning Board Approval was granted on May 13, 2010. The Applicant has indicated that all proposed water mains and fire hydrants will be dedicated to the Authority.

The proposed storm water improvements in Ticetown, Higgins and Erin Roads may have to be redesigned to resolve conflicts with the existing water mains. The plans indicate test pits will be performed. Any changes to the current set of drawings must be reviewed by the Authority. Tentative Water and Sewer Approval is recommended. A TWA/DEP approval is required for sewer. Final Approval will be subject to the Applicant addressing all the comments in the reports including the revisions on the drawings, the extension of the sewer from Ticetown to the end of their property and picking up all the existing residents within that area on Higgins Road.

A motion was made as recommended to grant approval for G.S. Realty-Higgins Road/G.S. Realty 7 Units W10-614, Tentative Water S10-481, Tentative Sewer by Mr. Butler and seconded by Mr. Smolney.

The roll call vote was as follows:

AYES: Galante, Testino, Butler, Smolney.

NAYS : Donatelli.

ABSENT: Desai.

4 Ayes 1 Nays 1 Absent

A motion to reconsider this roll call vote was made later in the meeting.

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

Mr. R. Donatelli asked for an estimation of the number of school children that would be occupying the seven single family units. He is troubled because approval is occasionally denied to age restricted units which do not burden the residents with increased school taxes, and yet approval is being given to single family homes with children.

Mr. Roy responded that water/sewer applications are never evaluated based upon issues with the Board of Education.

Superintendent's Report: Al Lukenheimer, Superintendent Sewer Division
None

Engineering Report: Michael Roy, P.E.
None

Financial Report: Stephen A. Florek, II, Comptroller

Mr. Florek requested authorization from the Commissioners to conduct the annual rate hearing at the December 15, 2010 meeting to increase the connection fees and to request a pass through of the MCUA's Wastewater Division Budget.

Mr. Smolney asked about the true up number for 2010.

Mr. Florek responded that the Authority is running over budget by approximately one-half million dollars.

Mr. Smolney asked if Mr. Florek was anticipating anything for 2010.

Mr. Florek said he was not.

A motion was made to authorize a rate hearing on December 15, 2010 by Mr. Smolney and seconded by Mr. Butler.

The roll call vote was as follows:

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

NAYS: None.

ABSENT: Desai.

5 Ayes 0 Nays 1 Absent

Reconsidering roll call vote on: G.S. Realty-Higgins Road/G.S. Realty 7 Units

- 1. W10-614, Tentative Water***
- 2. S10-481, Tentative Sewer***

A motion was made to reconsider the roll call vote on G.S. Realty-Higgins Road/G.S. Realty 7 Units W10-614, Tentative Water and S10-481, Tentative Sewer by Mr. Smolney and seconded by Mr. Donatelli.

The roll call vote was as follows:

AYES: Donatelli, Testino, Butler, Smolney.

NAYS: None.

ABSTAIN: Greene.

NO PARTICIPATION: Galante.

ABSENT: Desai.

4 Ayes 0 Nays 1 Abstain 1 No Participation 1 Absent

A motion was made as recommended to grant approval for G.S. Realty-Higgins Road/G.S. Realty 7 Units W10-614, Tentative Water S10-481, Tentative Sewer by Mr. Smolney and seconded by Mr. Butler.

The roll call was as follows:

AYES: Testino, Butler, Smolney.

NAYS: Donatelli.

ABSTAIN: Greene.

NO PARTICIPATION: Galante.

ABSENT: Desai.

3 Ayes 1 Nay 1 Abstain 1 No Participation 1 Absent

Legal Report: Anne Zaccardi, Esq.
Report to be given in Executive Session

Old Business: **Recharge Basin Study – Status.**
Mike McClelland of CME presented a summary of the feasibility evaluation of the aquifer recharge basin using a conceptual image of the proposed recharge basin(s). Phases I and II include a preliminary environmental and wetlands assessment and hydrogeologic investigation of various lots situated in Block 25000 which is currently vacant woodland owned by the Township encompassing a total area of approximately 300 acres. The overall objective of the evaluation is to determine if the aggregate of these parcels are suitable for the construction of an aquifer basin(s).

Based on the limited site investigations, a seasonal diversion of 2mgd and more from the Matchaponix Brook is possible during high flow months to maintain an adequate storage volume that would allow for recharge during low flow months. A recharge/storage basin system with sufficient storage capacity can be constructed to sustain a groundwater recharge rate on the order of 2mgd, subject to NJDEP approval and confirmation of the above findings during the more detailed design phase. There are three existing area water purveyors who currently recharge in a similar fashion.

Based upon the work performed to date, the project appears to be feasible from a recharge standpoint, and there appears to be sufficient water in the Manalapan Brook and Matchaponix Brook to fill a system of recharge basins from the peak flows generated in these streams, subject to all necessary approvals and satisfactory results of a more detailed analysis during the design of the project.

Mr. McClelland's recommendation based upon findings from the Phase I and II evaluation is for the Authority to proceed with the remaining phases contemplated in the original authorization.

Mr. Greene asked if the Authority has to obtain permission to take water from the Matchaponix Brook and pump it into the constructed basin where it is used for drinking water.

Mr. Roy stated that we would have to get permission from the DEP and they would grant us a credit for putting the water into the ground to be taken out somewhere else at a water treatment plant.

Mr. Greene asked for a confirmation that as much as four million gallons per day could be acquired.

Mr. McClelland responded that the minimum amount would be two million and possibly up to four million gallons. There would have to be physical testing done.

Mr. Smolney added that at certain times of the year the plants are at capacity which would mean a low flow at the Matchaponix Brook.

Mr. Greene asked if the State would prevent water from being taken from the Matchaponix Brook during a drought.

Mr. McClelland stated that there will be time periods and conditions included in the DEP Permit.

Mr. Greene added that he had been told that the infrastructure could only support an additional one million gallons per day.

Mr. McClelland stated that this has not been studied in detail yet, but would be in later phases.

Mr. Greene asked who will inform the Commissioners as to the amount of work necessary in order to get to the end result.

Mr. McClelland responded that there will be more cost analyses, but the next step is to contact the DEP.

Mr. Roy added that in July a proposal was authorized with six different phases. CME has completed Phases I and II, and the project appears to be feasible from a recharge standpoint, for continuing with the remaining phases and consulting with the DEP.

Mr. Smolney added that this is a key point. This area is an aquifer out-crop which has been identified by the USGS and the NJDEP and has been uniquely studied. It has been the basis of the redoing of the Runyon Watershed as well as supplying Duhernal, Hercules and DuPont, the three major industrial facilities that have been here for many years.

Mr. Galante inquired about contamination.

Mr. Smolney stated that there is contamination on the Hercules site itself, but not at Duhernal.

Mr. Roy stated that one of the initial questions was why would we choose this piece of property. The reason that it looks good on paper is because there are other functioning recharge basins in this area. Everyone along this geological formation has the same idea.

Mr. Testino asked if the flow from Matchaponix and Manalapan Brooks was sufficient and if the pipe will run through Texas Road.

Mr. McClelland stated that an analysis of the Matchaponix Brook was performed in Phase II. There is Green Acres property running along the Matchaponix Brook situated between the Township's property and the Matchaponix Brook. A permit would have to be obtained in order to go across those lands. The plan is to build a small pump station with pipes going across the Green Acres property which would fill the basins. If this were to be a problem with Green Acres, a pump station could be erected at the end of Texas Road. The areas around the pond will be committed to open space. These properties are still developable.

Mr. McClelland stated that he believes that the DEP will look at this favorably once the engineering data is reviewed.

Mr. Smolney asked if this would increase the barrier to prevent salt water intrusion from coming further inland from the Washington canal cut in Sayreville.

Mr. McClelland stated that this is meant to offset your additional demand.

Mr. Testino asked if all three basins were needed.

Mr. McClelland responded that CME looked at Basins I and II. The Authority may want to store additional water in those locations.

Although he believes that this could be done with just Basins I and II, Basin III should not be overlooked because we want to be sure that you have enough land.

Basin II has an electrical right of way across the northern end of it which may require the relocation of the power line.

Mr. R. Donatelli stated that he knows that the areas of West, Central and Brookside Avenues are subject to flooding so he believes that there is an abundance of water in this area.

Mr. McClelland stated that this plan would help alleviate flooding in that area.

Mr. Smolney asked if there were any indications that the Authority should not proceed with this project.

Mr. McClelland responded that this is a feasible project and recommends going forward.

Mr. Greene stated that although he has no problem with the study and believes that this project could be beneficial to the Authority and the Township, he would like to know what it is going to take to start the project, what the estimated cost will be, and what the effect on the infrastructure could be.

Mr. Smolney asked that Mr. McClelland provide a time line and an idea of what the improvements are on the project.

Mr. McClelland stated that the excavated material could be sold. Approval from the DEP could take one to two years.

Mr. Smolney stated that the Runyon project excavation material provided the base for the Middlesex County land fill. The economic climate will drive the ability of the private sector to construct at no or a limited cost to the Authority. Mr. Smolney asked what the type of construction will be, and how long it will take to complete.

Mr. McClelland stated that if the Authority had the DEP approval today, construction could take one to two years.

Mr. R. Donatelli stated that there will be an incredible amount of soil removed that can be sold for a large amount of money.

Mr. Smolney stated that there should be discussion with respect to what groundwater will mean to the Authority vs. purchased water.

Mr. McClelland stated that groundwater costs about half as much as what you pay when you buy finished water from outside. You could take some additional groundwater and not even need to expand the plants.

Mr. Smolney stated that the cost would only involve power and chemicals. No additional staff or equipment would be required.

Mr. R. Donatelli asked what the project will look like.

Mr. McClelland stated that in other locations passive recreation has been allowed with walkways and benches. That would be up to the Authority.

Mr. Smolney stated that the EPA has concerns about the safety of a facility used for potable water. To the extent that we can have recreation as a component, we will.

Mr. Testino asked how many gallons of water each of the ponds will hold.

Mr. McClelland responded that the amount will be over a billion gallons.

Chairman Smolney opened a public portion.

Dr. Greenberg asked if the Authority was going to buy this property from the Township for \$6 million, and what was the assessed value of this property.

Mr. Smolney responded that an amount has not been agreed upon. During Executive Session financial implications will be discussed and what the amount we may be offering for the property.

Ms. Zaccardi responded that the assessed value of the property is a matter of contract negotiations.

Dr. Greenberg asked why if a recharge basin is such a good idea, did the Township not keep the Runyon facility? Mr. Smolney stated that Perth Amboy purchased the Runyon Watershed many years ago, just as the City of Perth Amboy purchased a tract of land in Sayreville located off the Raritan Bay for its watershed. The City of Newark has a major watershed in other areas.

There are two models in the water realm for municipalities. One is the postage stamp where a plant is built on a small parcel vs. having a watershed. One of the concepts that this Authority will have to make a decision on is are we going to go from the model that we have been (small type of plants that we had in the past, i.e. Laurence Harbor area, the Brunetti property and Throckmorton Lane) or are we going to move to a larger facility which offers more flexibility to control our own destiny. There are other issues to be resolved, but he views this from the Authority's prospective.

Dr. Greenberg stated that the Runyon Watershed is fenced in with no passive recreation. There is no guarantee that the DEP will allow this project. She believes that much money is being spent before approvals are given, and that the purchase of this land is being done to plug the Township budget gap.

Mr. Testino is not sure if these were Old Bridge lands because they were sold in 1919 when the Township of Old Bridge did not exist. They were probably South Amboy lands. He believes that the land was kept from the Perth Amboy land grant when Perth Amboy extended this far. It was the Perth Amboy land grant from which most of the fee simple properties arise.

Mr. R. Donatelli stated that Old Bridge did buy the City of South Amboy's groundwater rights.

Mr. Smolney stated that Perth Amboy has signed a contract with Middlesex Water and has the highest priced water.

Seeing no further hands Chairman Smolney closed the public portion.

Old Business:

Demolition of Prospect Avenue and Joseph Court WTPs –Status

Mr. Roy reminded the Commissioners that this was discussed at the last meeting. We were going to refrain from awarding this contract until the new Professional Qualifications were received. The construction cost for this demolition is not in this current budget, and would have to be added to next year's budget, the discussions of which occur in February with the budget being adopted on June 1. If we were to wait until a new set of professionals are confirmed in February, there would be no time to do design work, and there would not be a good construction cost to add to the budget for next year. It would be advantageous to

authorize something now so that by the time we get to the discussion of next year's budget, we would have a design underway where we could get a good number for next year's budget.

Mr. R. Donatelli stated that he agreed with Mr. Roy's recommendation.

Mr. Butler stated that the approved engineers have put together the required information. He questions why the Commissioners would even consider an engineer who did not submit their Qualifications.

A motion was made to request a proposal from CME to perform the demolition on the Prospect Avenue and Joseph Court former water treatment plants by Mr. Donatelli and seconded by Mr. Galante.

The roll call vote was as follows:

AYES: Donatelli, Galante, Butler, Greene.

NAYS: None.

ABSTAIN: Smolney.

ABSENT FROM THE PODIUM: Testino.

ABSENT: Desai.

4 Ayes 0 Nays 1 Abstain 1 Absent Podium 1 Absent

New Business: None.

Open to the public: Dr. Greenberg stated that the residents are complaining about the delayed demolition of the water treatment plants at Joseph Court and Prospect Avenue and that she was pleased that a vote has finally been taken to get this work underway.

Seeing no hands Chairman Smolney closed the public portion.

Executive Session: Mr. Smolney stated that as a result of the Executive Session a resolution may be adopted with respect to the recharge basin seeking to file a capital project review with the Township of Old Bridge.

A motion was made to go into Executive Session at 7:55 p.m. by Mr. Smolney and seconded by Mr. Butler.

The motion was approved by an ALL AYES vote.

Regular Meeting Reconvened at 8:44 p.m.

During Executive Session Mr. Granata discussed with the Commissioners the Township Inter-local Agreement.

Adjournment: A motion was made to adjourn at 8:45 p.m. by Mr. Butler and seconded by Mr. Smolney.

The motion was approved by an ALL AYES vote.

Respectfully submitted,

Thomas Galante, Secretary