

**OLD BRIDGE MUNICIPAL UTILITIES AUTHORITY
REGULAR MEETING
February 16, 2011**

- Call to Order: The Regular Meeting of February 16, 2011 was called to order at 7:07 p.m. with the Pledge of Allegiance by Chairman Galante.
- Announcement Chairman Galante 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:
Thomas Galante, Chairman
Edward Testino, Vice-Chairman (arrived at 7:15 p.m.)
Kiran Desai, Secretary
Nicholas Smolney, Treasurer
Rocco Donatelli, Commissioner
Reginald Butler, 1st Alternate – Assistant Secretary
Richard Greene, 2nd Alternate – Assistant Treasurer
- Absent:
None
- Also present:
Guy Donatelli, Executive Director
Michael Roy, P.E.
Stephen A. Florek II, Comptroller
Louis E. Granata, Esq.
- Executive Director's Report:
Executive Director Donatelli referred to the Drinking Water Analysis-Monthly Coliform Summary Report Form from the Garden State Laboratories, as well as the Monthly Water Distribution totals for January 2011 that was included in the Commissioners' packets as well as comments and suggestions with respect to fire hydrants buried under the snow.
- Staffing recommendations will be discussed in Executive Session.
- Since Middlesex Water Company is applying for a rate increase, he would like to have an attorney (to be recommended at the next meeting) review those documents.

Mr. Greene asked if there was a projected percentage increase.

Executive Director Donatelli responded that he did not have an opportunity to peruse the documents.

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

The roll call vote was as follows:

AYES: Desai, Smolney, Butler, Galante.

NAYS: None.

ABSENT: Testino.

NO PARTICIPATION: Donatelli.

4 Ayes 0 Nays 1 Absent 1 No Participation

Chairman's Report: None.

Previous Minutes: December 15, 2010 – Rate Hearing

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

The roll call was as follows:

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

NAYS: None.

ABSENT: Testino.

5 Ayes 0 Nays 1 Absent

Engineering Reports: Michael Roy, P.E.

Report on Developers for Approval

Owens Road Office Park/Dr. Anthony Vitale/Arpami Properites, LLC/2EDCU's

- 1. W209-607, Final Water**
- 2. S209-477, Final Sewer**

Mr. Roy reported that this project is at the site of the existing Arpami Pavilion (Old Bridge Orthodontics) on the westbound (toward Matawan) side of Rt. 516 at Owens Road which consists of the construction of approximately 390 LF of eight inch (8") DIP extension of an existing private water main to service a proposed 4,947 SF office building.

The Authority granted Tentative Approval on February 17, 2010 for 2 EDCU's plus one (1) fire service. The Applicant revised their application to eliminate the fire service which has been approved by the fire district. Township Final Planning Board Approval was granted on May 13, 2010.

All technical requirements for the Final Approval have been satisfied, and Final Water and Sewer Approvals are recommended subject to the conditions in the Engineer's Report.

A motion was made to approve as recommended Owens Road Office Park, W209-607, Final Water and S209-477, Final Sewer by Mr. Desai and seconded by Mr. Smolney.

The roll call was as follows:

AYES: Desai, Donatelli, Smolney, Butler, Galante

NAYS: None.

ABSENT: Testino.

5 Ayes 0 Nays 1 Absent

Oasis Irrigation/Oasis Irrigation, Inc. /1 EDCU

- 3. W11-624, Minor Water**

Mr. Roy reported that this project is located on the east side of Laurence Harbor Road, a/k/a Matawan Road, at the existing Atrium II Building consisting of the construction of an irrigation system to service 90 Matawan Road which will be connected to the

interior plumbing. The applicant wishes to tie landscaping irrigation to their existing meter.

The Applicant has specifically requested “no separate meter” and is aware that sewer charges will be based on total water usage.

All technical requirements sufficient for Minor Water Approval have been satisfied, and approval is recommended.

A motion was made to approve as recommended Oasis Irrigation, W11-624, Minor Water by Mr. Donatelli and seconded by Mr. Smolney.

The roll call was as follows:

AYES: Desai, Donatelli, Smolney, Testino, Galante

NAYS: None.

5 Ayes 0 Nays 0 Absent

**BMT Bordentown/BMT Bordentown, LLC/2 EDCU’s
4. S11-490, Minor Sewer**

Mr. Roy reported that this project is located at the intersection of Cheesequake Road and Bordentown Avenue in the Borough of Sayreville which is the site of the former Shell gas station consisting of the construction of approximately 50LF of four inch (4”) PVC lateral extension to reestablish the connection to the existing OBMUA sewer to service a 4,300 SF retail building in the Borough of Sayreville.

The Authority previously granted Final Sewer Approval on June 19, 1996 for the connection of a Shell gas station located in the Borough of Sayreville into the Authority’s sewer system. The gas station has since been demolished, and the Applicant proposes to reconnect a new 4,300 SF retail building into the existing lateral. The Borough of Sayreville Final Planning Board Approval was granted on November 2, 2010. The Borough of Sayreville also granted approval for connection into the Authority’s sanitary sewer system on January 24, 2011. The Authority will gain a customer which is actually located in Sayreville.

A motion was made to approve as recommended BMT Bordentown, S11-490, Minor Sewer by Mr. Desai and seconded by Mr. Smolney.

The roll call was as follows:

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

NAYS: None.

NO PARTICPATION: Donatelli.

5 Ayes 0 Nays 0 Absent 1 No Participation

Superintendent's Report:

Al Lunkenheimer, Superintendent Sewer Division

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

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

NAYS: None.

5 Ayes 0 Nays 0 Absent

Engineering Reports: None

Financial Report: Stephen A. Florek II, Comptroller

Mr. Florek distributed to the Commissioners an electricity rate comparison analysis. He has been advised by the DCA that a contract may only be awarded after the normal bidding process.

Mr. Bakhtiarian (a broker for Hudson Energy) addressed the Commissioners about his role in the energy market.

Mr. Testino inquired if there were energy performance grants available. If so, an energy performance audit could be performed.

A motion was made to approve the Financial Report by Mr. Galante and seconded by Mr. Desai.

The roll call was as follows:

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

NAYS: None.

5 Ayes 0 Nays 0 Absent

Legal Report: Louis E. Granata, Esq.

Mr. Granata reported that pending litigation and contract negotiations would be discussed in closed session.

Bills & Claims \$3,336,622.81

A motion was made to approve Bills & Claims by Mr. Smolney and seconded by Mr. Greene.

The roll call was as follows:

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

NAYS: None.

NO PARTICIPATION: Donatelli.

5 Ayes 0 Nays 0 Absent 1 No Participation

Old Business: **Recharge Basin Study – Status**

Mr. Roy reminded the Commissioners that the Staff and CME had met with the DEP and they had requested several items. Barbara Koonz (Wilentz Goldman & Spitzer) became involved and drafted a letter (a copy of which was distributed to the Commissioners) confirming to the DEP that along with CME and the Authority, she will be compiling a package responding to the technical questions raised by the DEP.

Mr. Roy referred to a proposal letter from CME relating to professional services for Phase II of the Aquifer Recharge Basin Hydrogeologic Investigation. CME was previously authorized to perform an evaluation which has been completed, and it is now necessary to move to Phase II of the investigation which includes

regulatory coordination, preparation of site cross-sections, well installations, baseline monitoring, pump testing, and hydrogeologic reporting, all at a cost of \$197,500. The work is anticipated to take from four to six months with the exception of monitoring which is intended to continue for twelve months as requested by the DEP. Executive Director Donatelli added that the cost of Phase II of this project was anticipated.

A motion was made to authorize CME Associates to proceed with Phase II of the Aquifer Recharge Basin Hydrogeologic Investigation in the amount of \$197,500 by Mr. Smolney and seconded by Mr. Butler.

The roll call was as follows:

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

NAYS: None.

NO PARTICIPATION: Donatelli.

5 Ayes 0 Nays 0 Absent 1 No Participation

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

Mr. Testino asked for a confirmation that the project is on target with the DEP and that the Authority can meet the requirements. Mr. McClelland assured Mr. Testino that the project was proceeding as planned.

Mr. Testino questioned at what point does the technical data go to the State.

Mr. McClelland responded that there needs to be twelve months of well water monitoring. This effort to install the monitoring wells takes four to six months. Test wells have to be installed to determine how fast water can be pushed into the sand.

Mr. Testino agrees with enlisting the aid of Barbara Koonz and asked for a confirmation that it was wise to proceed with this project.

Executive Director Donatelli stated that Ms. Koonz has a good idea of what the DEP is looking for and believes that the project is within the DEP framework.

Mr. Testino asked if there were others who the Authority thought should be involved in this project.

Mr. Smolney responded that the hydrogeologic work has to be completed.

Mr. Testino stated he merely wants an assurance that the work is on schedule and that the DEP is receiving the required technical data in a timely manner.

Mr. Smolney stated that no one even expected the State to respond so quickly after our meeting with them.

Mr. Testino added that although this appears to be the next logical step, he will rely on the advice of the experts.

Crossroads Regional Interceptor - Status

Mr. Roy reported that R3M is working closely with the DEP to obtain a letter of authorization to advertise this contract. Interim financing will be sought. The NJEIT is offering zero percent bridge loans until the loan closing which will take place in April 2012.

An agreement was sent to the County with respect to the nursing home for them to pay the cost sharing. The County has asked for additional information with respect to engineering back up and how the price was arrived at. That will be supplied to them.

Brunetti Oaks at Glenwood Development - Status

To be discussed in Executive Session.

New Business: Michael Roy, P.E.

NRG Energy Inc.

Mr. Roy reported on a meeting held at the office of CME with a company proposing to install a power plant on Waterworks Road, a project which will require a great amount of water. CME prepared a proposal for a Phases I and II Study that outlined a scope of work of laying the connecting pipe between the MCUA in Sayreville and the proposed NRG site at Cheesquake and Waterworks Roads in Old Bridge (Phase I) as well as a Feasibility Study (Phase II) of the construction cost and pipe sizing. They are

in a tight timeframe to make application to the BPU, but eventually this work will have to be done.

He added that he spoke with a representative of NRG today, and although they want to focus on making an application to the BPU, they know that the feasibility Study for this project will have to be done eventually. The recommendation is for the Authority to authorize this work subject to receiving the appropriate funds to be put into escrow. Once the money is received, CME will be authorized a notice to proceed.

Mr. Testino inquired if they have to sign an agreement.

Mr. Granata stated they are seeking the BPU to award an energy contract for the energy generating facility, and the BPU is going to award the right to bring this energy system on line. They are getting a letter from the MCUA stating that they can divert the water to this energy producing facility and a letter from the gas company confirming that gas will be provided. Approval will be required from the municipality agreeing that this project meets the criteria, terms and conditions of the various boards and agencies of the municipality.

When the approval is reached to proceed with the contract, the applicant will begin the application process with the Authority, the Township, the DEP, etc. Because this is a power generating facility located within the Township of Old Bridge, there will be certain host community benefit payments to the Township along with other ratables. This is a good project.

Mr. Testino added that the EDC has passed a resolution approving this project.

Mr. Granata stated that a representative of the project asked the Authority to provide a letter confirming that after a review of the project, the Authority agrees in concept with the project.

Mr. Butler added that three contracts were to be awarded throughout the state to energy producing facilities. A meeting was held with the homeowners of Madison Park.

Mr. Granata stated that NRG has an option to purchase the Manzo property on Waterworks Road.

Mr. Testino stated that although he doesn't have a problem supporting the concept, the proof will be in the technical specs.

Mr. Roy suggested authorizing CME to perform engineering services to show how the pipe will be extended from MCUA to the site. The scope of work has been laid out in the proposal.

Mr. Testino inquired about right-of-ways.

Mr. Roy stated that gravity lines exist, but this will be a pumped forced pipe. The route will be mostly in public right-of-way and paper streets along with some easements to be acquired. The Authority does not have easements in Sayreville.

Mr. Testino emphasized that the Authority needs to be competitive if they want to lure the business.

A motion was made to accept the conceptual proposal of NRG Energy, Inc. for an energy producing facility on Cheesequake and Waterworks Road by Mr. Testino and seconded by Mr. Donatelli.

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

NAYS: None.

NO PARTICIPATION: Galante.

5 Aye 0 Nays 0 Absent 1 No Participation

A motion was made to authorize CME Associates to perform the Pipe Layout and Feasibility Study subject to receiving the appropriate funds by Mr. Testino and seconded by Mr. Donatelli.

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

NAYS: None.

NO PARTICIPATION: Desai, Galante.

5 Ayes 0 Nays 0 Absent 2 No Participation

Open to Public: Dr. Greenberg stated that she read the appraisal report for the proposed water basin and found it to be thorough and complete. She requested the minutes of the meeting at which a compromise was made in the appraisal value.

Mr. Granata stated that Judge Longhi would have notes on that meeting.

Seeing no further hands Chairman Galante closed the public portion.

Executive Session: A motion was made to go into Executive Session at 7:59 p.m. by Mr. Galante and seconded by Mr. Butler.

The motion was approved by an ALL AYES vote.

Regular Meeting Reconvened at 8:30 p.m.

During Executive Session Mr. Granata discussed with the Commissioners the status of the Brunetti Litigation and the Deep Run Homeowners Association Litigation. Executive Director Donatelli discussed with the Commissioners personnel matters.

New Hires and Promotions

Mr. Desai congratulated Executive Director Donatelli's efforts in outlining the staffing needs of the Water and Sewer Divisions.

A motion was made to hire two people in the Sewer Division, one person in the Water Division and grant three supervisory promotions in the Water Division by Mr. Desai and seconded by Mr. Butler.

The roll call was as follows:

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

NAYS: None.

NO PARTICIPATION: Donatelli.

ABSENT: Testino.

5 Ayes 0 Nays 1 Absent 1 No Participation

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

Executive Director Donatelli stated that one of the hires in the Sewer Division is a licensed electrician; the other is a skilled pump mechanic.

The person to be hired in the Water Division is a seasoned utility backhoe operator who has worked for a local contractor for a few years. He also has a certification as a diesel mechanic which will be beneficial in working with the many generators throughout the system.

The three promotions in the Water Division are in the supervisory category which will afford the flexibility of having supervision for “off call” time. There is currently one distribution foreman.

Raymond Totten will be promoted to Meter Supervisor. His union pay with overtime is presently \$77,316; his promoted salary will be \$79,339.

Michael Durkak’s union pay with overtime is \$80,117; his promoted salary will be \$84,795. The difference relates to duties and licenses.

Walter Tier has a current union pay of \$94,000 which included \$18,000 in overtime; his promoted salary will be \$84,795.

In the Water Division none of the supervisors are paid for overtime except in the case of a holiday emergency, by resolution they will be granted hour-for-hour comp time.

Mr. Greene congratulated Executive Director Donatelli for this thorough report.

Adjournment: A motion was made to adjourn at 8:35 p.m. by Mr. Galante and seconded by Mr. Desai.

The motion was approved by an ALL AYES vote.

Respectfully submitted:

Kiran Desai, Secretary