

**OLD BRIDGE MUNICIPAL UTILITIES AUTHORITY  
REGULAR MEETING  
January 27, 2010**

- Call to Order: The Regular Meeting of January 27, 2010 was called to order at 7:10 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  
Kiran Desai, Vice-Chairman  
Rocco Donatelli, Commissioner  
Thomas Galante, Secretary  
Edward Testino, Commissioner  
Reginald Butler, 1<sup>st</sup> Alternate – Assistant Treasurer  
Michaela Lane, 2<sup>nd</sup> Alternate – Assistant Secretary
- Also present:  
Arthur M. Haney, Executive Director  
Michael Roy, P.E.  
Stephen A. Florek II, Comptroller  
Anne Ziccardi, Esq.
- Absent  
Louis E. Granata, Esq.
- Executive Directors Report: Arthur M. Haney, Executive Director
- Mr. Haney stated that the only addition to his report was a request from Michael Hegarty to have the return of his escrow money considered by the Commissioners.
- Mr. Smolney stated that since Mr. Hegarty and the Authority's attorney Mr. Granata is not here, this should be held until Mr. Granata returns.
- Mr. Smolney asked what the Commissioners preference is with respect to the schedule of meetings.
- Mr. Desai stated that he is in favor of having one meeting a month and if there is a necessity for additional meetings, they can be held

at those times. Mr. Desai believes that it would be a savings of money to only have one meeting a month.

Mr. Galante indicated that he would like to keep it to two a month and then they could be canceled if there was no business to be conducted.

Mr. Testino stated that the developers are down and that it is not necessary to have two meetings a month. Mr. Testino suggested just advertising the Reorganization Meeting and Regular Meeting for February 3, 2010 and then the Commissioners could decide the 2010 schedule at that meeting.

A motion was made to advertise the Reorganization and Regular Meeting of February 3, 2010 by Mr. Testino and seconded by Mr. Smolney.

The roll call was as follows:

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

NAYS: None.

5 AYES      0 NAYS      0 ABSENT

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

The roll call was as follows:

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

NAYS: None.

5 AYES      0 NAYS      0 ABSENT

Chairman's Report: Nicholas R. Smolney

Mr. Smolney stated that there was a special committee formed at the last meeting, and he will hear from them later in the meeting. There will also be an Executive Session regarding the contested proposed rate increase by Middlesex Water Company.

Mr. Smolney also stated that because there is such a large number of public in attendance tonight, he would like to have the public portion at the beginning of this meeting, and not after the Executive Session.

Public Portion: Ms. Seiler stated that she would like to hear from the Commissioners before the public comments.

Mr. Smolney stated that there would be an additional public portion later.

Seeing no hands Mr. Smolney closed the public portion.

Previous Minutes: None

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

Biondi Avenue/G.S. Realty Corp. c/o Stan Koreyva/ 3 Units  
W208-601, Tentative Water  
S208-474, Tentative Sewer

Mr. Roy stated that this is a small subdivision. The original application was for four units, they have since reduced the application by one lot. There are a number of items that will need to be addressed before final approval of water and sewer. Mr. Roy recommended tentative water and sewer approvals.

A motion was made to approve as recommended Biondi Avenue/G.S. Realty Corp. c/o Stan Koreyva -W208-601, Tentative Water, and S208-474, Tentative Sewer by Mr. Desai and seconded by Mr. Butler.

The roll call was as follows:

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

NAYS: None.

NO PARTICIPATION: Galante.

5 AYES      0 NAYS    1 NO PARTICIPATION    0 ABSENT

Superintendent's Report: Harry Penley, Sewer Division  
No report

Superintendent's Report: John Murphy, III, Supt.  
Treatment, Water Division  
Guy Donatelli, Supt.  
Distribution, Water Division

A motion was made to accept the Superintendent's Report – Water Division by Mr. Desai and seconded by Mr. Smolney.

The roll call was as follows:

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

NAYS: None.

5 AYES      0 NAYS      0 ABSENT

Engineering Report: Michael Roy, P.E.

**Middlesex County Long Term Care Facility, Developer Agreements W208-600 and S208-473**

Mr. Roy stated that all the conditions of Final Approvals have been incorporated into the Water and Sewer Developer Agreements and have been signed and are ready to be counter-signed.

A motion was made to approve as recommended Middlesex County Long Term Care Facility, Developer Agreements W208-600 and S208-473 by Mr. Galante and seconded by Mr. Butler.

The roll call was as follows:

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

NAYS: None.

5 AYES      0 NAYS      0 ABSENT

Financial Report: Stephen A. Florek, II, Comptroller

Mr. Florek stated that his report was in the Commissioners packet and he was available to answer any questions.

A motion was made to accept the Finance Report by Mr. Galante and seconded by Mr. Butler.

The roll call was as follows:

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

NAYS: None.

5 AYES 0 NAYS 0 ABSENT

Bills & Claims: \$1,615,346.29

A motion was made to approve the Bills & Claims in the amount of \$1,615,346.29 by Mr. Butler and seconded by Mr. Galante.

The roll call was as follows:

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

NAYS: None.

5 AYES 0 NAYS 0 ABSENT

Legal Report: Anne Ziccardi, Esq.

Ms. Ziccardi stated that Mr. Granata has not received any word back from the bonding company regarding the Ram's Field Communitor issue. All other legal matters will be discussed in Executive Session as they pertain to ongoing and potential litigation.

Mr. Smolney stated that he has a written communication from Mr. Granata regarding the Simplified Employee Pension Plan (SEP) stating that the Authority may suspend payments as was suggested by one of the Commissioners at an earlier meeting.

Mr. Desai stated that he has reviewed this plan and has done research work on this plan and has discovered that the Authority is not obligated to fund this plan.

Mr. Desai stated that this plan is given to non-union employees of the Authority who are also in the New Jersey State Pension Plan. In 1982, the Authority established this plan with a 1% contribution of their W2 salary. Once this money is contributed to this plan, the employee is 100% vested. In 1998, there was a second resolution passed which increased the contribution from 1% to 2.5%. In 2000, there was a third resolution passed where the contribution increased by 1/2 % every year until it reach 7.5% of W2 salary. As of today, it is 7.5%. In 2008, the Authority contributed \$185,802.38 for 26 employees; in 2009, the contribution would be \$204,728.86.

Mr. Desai further stated that in today's economy this is a large amount of money, and Mr. Desai does not believe that it should be continued. Mr. Desai understands that these are loyal employees, who do a good job, but at the same time, they are in the New Jersey State Pension Plan. Mr. Desai stated that the amount each year goes up, and he would rather see this money returned to the rate payers, or put this money into reserves for future reductions of rates. Mr. Desai made a motion to eliminate the SEP plan effective 1/1/09.

Mr. Donatelli stated that Jack Phillips championed this plan because they were taking away the overtime of the men. If we take this away, it will cost more money in overtime for these people. Mr. Donatelli believes that this will cost more in the long run. Mr. Donatelli does not agree with taking this benefit away from these employees because they do not earn overtime.

Mr. Galante stated that he does not agree with taking away this benefit. Mr. Galante does not believe that you reward good employees by taking away benefits.

Mr. Desai stated that he has uncovered during his research that the Executive Director (under his contract) is given overtime or comp time for attending this meeting. Mr. Desai stated that no department heads get comp time or overtime for attending Council meeting. Mr. Desai stated that he is not taking overtime away from the people who go out and fix the pipes, most of the people in this SEP plan stay in the office.

Mr. Galante stated that superintendents do go out on overtime.

Mr. Butler stated that he believes that this plan was instituted to curb the overtime, and he is not in favor of taking this benefit away from employees that he feels are hard working.

Mr. Desai stated that the 1982 resolution states that the Authority contributes 1% of the base pay to incorporate and IRA system. Nowhere is overtime mentioned. Right now the contribution is based not on base pay; it is based on W2 pay, which includes overtime, sick time, and vacation pay.

Mr. Smolney asked how this contribution is calculated.

Mr. Florek stated that based on IRS Statutes the contribution is based on all W2 wages that are paid in the calendar year.

Open to the Public: Chairman Smolney opened the meeting to the public.

Ms. Seiler asked the Commissioners to suspend payment of this SEP benefit.

Seeing no hands, Chairman Smolney closed the public portion.

A motion to suspend the SEP plan effective 1/1/09 and make no further contributions by the Old Bridge Municipal Utilities Authority was made by Mr. Desai and seconded by Mr. Testino. The roll call was as follows:

AYES: Desai, Testino, Smolney.

NAYS: Donatelli, Galante.

3 AYES      2 NAYS      0 ABSENT

Old Business: **Laurence Harbor Sewer Interceptor Replacement – Status**

Mr. Roy stated that this would be closed out shortly.

**Crossroads Regional Interceptor – Status**

Mr. Roy stated that this project is now number 485 on the priority list. Applications will be due in March and there may be applications that are withdrawn, so there is a chance to move up on the list once again.

**Rt. 516 Cheesequake Booster & Various Upgrades – Status**

Mr. Roy stated that bids were opened yesterday and the prices were lower than the Engineer's Estimate and a recommendation will be made at a future meeting.

**Higgins Road and Rt. 516 Water Tank Connection – Status**

This project has been reprioritized to 387 on the list.

**Brunetti Oaks at Glenwood Development – Status**

To be discussed in Executive Session.

**Groundwater Diversion Rights – Status**

No discussion.

**Summerfield Avenue/Lantana Way/Rowan Way Sewer Main Break – Status**

Mr. Samuel stated that soil borings have been completed in residence's yard and along the pipeline. The soils are being analyzed and a report will be prepared with the results.

Mr. Smolney asked about the recent slope stabilization work.

Mr. Samuel stated that further investigation of the slope has not shown any further movement. Mr. Samuel also stated that they have all the invoices from the contractor that performed the stabilization work and are evaluating them for payment.

**New Executive Director Search**

Mr. Desai stated that he has a draft RFQ for the position of Executive Director for advertisement which he is waiting for input from Mr. Granata. Mr. Desai stated that he expects to advertise within the next two weeks. Mr. Haney's contract expires on 1/31/10 and an Executive Director should be appointed on an interim basis.

Mr. Testino thanked Mr. Haney for his service and sees this new contract as an opportunity to restructure the MUA. Mr. Testino believes that there are people in the Authority who are qualified to serve in the interim. Mr. Testino asked that Mr. Haney complete his service as of January 31, 2010 and that Guy Donatelli serve as Acting Executive Director until a permanent replacement is made. Mr. Testino stated that with Mr. Penley also retiring, he sees this as an opportunity to restructure the MUA and possibly save money in the managerial positions.



Mr. Desai stated that he also would like to thank Mr. Haney for his service to the Authority; he served with honesty and dignity.

Mr. Donatelli stated that he has known Mr. Haney for many years and he has done an outstanding job at the Authority. The MUA has been run perfect for the last twelve years, there have been many changes instituted by Mr. Haney. Mr. Donatelli stated that Mr. Haney was a great Executive Director, a great individual and he will be missed. Mr. Donatelli thanked Mr. Haney and wished him great luck in the future.

Mr. Galante thanked Mr. Haney and stated that he has done an excellent job as Director and could always be counted on.

Mr. Smolney thanked Mr. Haney and stated that he managed to deflect things and has a way with words; you know how to polish words and make them sound just right. Mr. Smolney wished Mr. Haney well.

Mr. Butler stated that he has known Mr. Haney for over twenty years, and has always been flexible and a problem solver. Mr. Butler stated that he couldn't think of anyone who has done a better job in running the MUA. All other MUA's around the state are struggling, but because of Art's leadership and the employees of the OBMUA we are in a good and stable position.

A motion was made to appoint Guy Donatelli as Acting Executive Director, effective February 1, 2010 by Mr. Testino 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

**THIS MOTION WAS RECONSIDERED AT THE END OF THE MEETING TO REFLECT MR. DONATELLI'S "NO PARTICIPATION".**

Mr. Haney thanked all the employees of the Authority for all their hard work and is glad to have had the opportunity to work with them. There have been major changes in the Authority, such as

SCADA, expanded fire protection, new technologies, expansion of water in South Old Bridge and protecting our water rights.

Through all these changes and the help and energy of the employees, we have been able to reduce the payroll. If you look around, everyone is in financial distress and laying off employees because of the type of planning that they didn't do, and the type of spending that they did do. The reason that the Authority is in the excellent financial position that it is in is because of the way it has been managed. When there was an opportunity to reduce payroll, we did. We did not wait until there was no money to pay them. The payroll has been reduced by 20%, which represents about a million and a half dollars.

I know that some feel their rates are too high, but compared to other towns, we are right in the middle, and the key is the service, we provide safe, efficient and continuous supplies of water and safe and efficient removal of waste water.

I also know that there are a lot of employees that are worried because they read how other MUA's have been taken over by their townships as a way for them to use the cash reserves to support their budgets. The Authority uses unrestricted funds to keep the rates down. Over the past few budget years, over five million dollars was used to stabilize the rates.

Mr. Haney stated that he has recommended Guy's promotion and hopefully the money saved from his salary can be used for the needed positions in the Sewer Division. Mr. Haney stated that he is a resident of this town and he will still be around making recommendations. Mr. Haney stated that he knows of one way to save \$180,000.00 if the Commissioners feel that is important to do.

Mr. Haney thanked the Commissioners for their support over the years.

Mr. Desai suggested that Mr. Haney be invited to the next meeting for a recognition plaque for his years of service.

Mr. Smolney stated that we will follow up on this.

New Business: None.

Open to the Public: Dr. Anita Greenberg stated that she believes that it is ludicrous to look for a new Executive Director when the current one ran the Authority so efficiently that there was such a surplus for the Township to take and balance their budget. Ms. Greenberg stated that the Mayor is the one with the messed up budget, and that is who should be replaced, not Mr. Haney.

Ms. Greenberg also asked why the Authority was advertising for a new director, when the Mayor has stated in the newspaper that he wants to take over the MUA.

Richard Greene stated that he believes that Art has done a tremendous job and it is a mistake to replace him. Why are you replacing him when as was said earlier, the Mayor wants to take over the MUA.

Ms. Sohor thanked Mr. Haney for his service and asked why he is being replaced when there was nothing wrong with the Authority.

Mr. Rick Peterson stated that it has been a pleasure working with Mr. Haney and stated that the way Mr. Haney ran the MUA is a guideline for the way other MUA's should be run.

Executive Session: A motion was made to go into Executive Session at 8:39 p.m. by Mr. Smolney 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

**Meeting Reconvened at 9:04 p.m.**

**During the Executive Session Mr. Weismann reviewed with the Commissioners the issues regarding the Middlesex Water Company rate increase. Ms. Zaccardi reviewed with the Commissioners the issues regarding the Brunetti Litigation and the Deep Run water main leak. Mr. Haney discussed with the Commissioners his recommendation concerning the replacement for the position of Sewer Division Superintendent.**

A motion was made to reconsider the vote on the Acting Executive Director Guy Donatelli by Mr. Desai and seconded by Mr. Galante.

The roll call was as follows:

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

NAYS: None.

NO PARTICIPATION: Donatelli

5 AYES 0 NAYS 1 NO PARTICIPTION 0 ABSENT

A motion was made to appoint Guy Donatelli as Acting Executive Director, effective February 1, 2010 by Mr. Testino and seconded by Mr. Desai.

The roll call was as follows:

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

NAYS: None.

NO PARTICIPATION: Donatelli

5 AYES 0 NAYS 1 NO PARTICIPTION 0 ABSENT

Adjournment: A motion was made at 9:08 p.m.to adjourn the meeting by Mr. Donatelli 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

Respectfully Submitted:

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Thomas Galante, Secretary