

**OLD BRIDGE MUNICIPAL UTILITIES AUTHORITY**  
**REGULAR MEETING**  
**April 7, 2010**

Call to Order: The Regular Meeting of April 7, 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  
Thomas Galante, Secretary  
Kiran Desai, Treasurer  
Rocco Donatelli, Commissioner  
Reginald Butler, 1<sup>st</sup> Alternate – Assistant Secretary  
Richard Greene, 2<sup>nd</sup> 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.

Absent:  
None

Executive Director's Report: Guy Donatelli, Acting Executive Director

Mr. Guy Donatelli announced that a rate hearing will be held on May 4, 2010.

Bids are being solicited for Well No. 4.

There was a request from Mr. Lunkenheimer for quotes on manhole rehabilitation on Phillips Drive. One quote was received in the amount of \$16,760.

Mr. Lunkenheimer received standard compliance from the DEP.

Mr. Testino commented approvingly on the Sewer Division compliance report from the DEP especially in light of the recent flooding.

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

The motion was approved by an ALL AYES vote.

Chairman's Report: Nicholas R. Smolney

None

Previous Minutes: Regular Meeting - September 22, 2009  
Regular Meeting - November 9, 2009  
Executive Session - November 9, 2009  
Regular Meeting - November 23, 2009  
Executive Session - November 23, 2009  
Regular Meeting - December 2, 2009

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

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

NAYS: None.

NO PARTICIPATION IN VOTE: Testino.

5 Ayes          0 Nays          1 No Participation          0 Absent

Previous Minutes: Regular Meeting - December 16, 2009  
Executive Session - December 16, 2009

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

The motion was approved by an ALL AYES vote.

Engineering Report: Michael Roy, P.E.

**Report on Developers for Approval**

None

Superintendent's Report: Al Lunkenheimer, Supt., Sewer Division

A report was included in the commissioners' packets.

A motion was made to approve the Superintendent's Report by Mr. Butler and seconded by Mr. Smolney.

The motion was approved by an ALL AYES vote.

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

A report will be given on May 4, 2010.

Engineering Report: Michael Roy, P.E.

**1. Aerator Cleaning at Browntown Water Treatment Plant, Contract No. W10-145, Award Contract**

Mr. Roy stated that Allstate Power-Vac submitted the lowest bid in the amount of \$49,720.

A motion was made to award as recommended Contract No. W10-145 for the Aerator Cleaning at the Browntown Water Treatment Plant to All State Power-Vac by Mr. Donatelli 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

**2. Radio Frequency Meter Reading Equipment  
Contract No. W10-142, Award Contract**

Mr. Roy stated that there was a contract for the radio transmitters that could no longer be extended. The bids were set up so that whoever supplied this meter reading equipment had to be able to read what was currently in the system, plus their own equipment. There is over \$1 million in transmitters in the water system for 21,000 accounts. The Mars Company was able to read the previous transponders from RAMAR as well as theirs. The price is \$60 per unit (last contract was \$55). The software is included in the bid. His recommendation was to award the contract to the Mars Company for Bid Item Nos. 1, 2, and 3.

A motion was made to award as recommended Contract No. W10-142, Radio Frequency Meter Reading Equipment, to the Mars Company for Items 1, 2, & 3 by Mr. Galante and seconded by Mr. Desai.

The following was the roll call vote:

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

NAYS: None.

5 Ayes          0 Nays          0 Absent

**3. Middlesex County Utility Relocation Agreement**

Mr. Roy explained that there is a verbal agreement with Middlesex County to have the work performed on the MUA's hydrants added into the County's contract to install/replace guiderails. He requested the Commissioners to authorize a written Relocation Agreement with Middlesex County subject to approval by Mr. Granata.

A motion was made to enter into as recommended a Middlesex County Utility Relocation Agreement subject to the approval of Mr. Granata by Mr. Donatelli and seconded by Mr. Butler.

The following was the roll call vote:

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

NAYS: None.

NO PARTICIPATION IN VOTE: Testino.

5 Ayes            0 Nays            1 No Participation    0 Absent

**4. Birch Hill Temporary Pump & Haul Developer Agreement**

Mr. Roy stated that this is an arrangement wherein escrow is provided by Birch Hill, and the Sewer Division will pump out the wet well until the Marlboro Road Pump Station is completed. The terms of the agreement are ninety days with provisions for Birch Hill to provide all of the costs incurred. His recommendation is to execute this developer's agreement.

A motion was made to execute as recommended the Birch Hill Temporary Pump & Haul Developer Agreement by Mr. Donatelli and seconded by Mr. Butler.

The following was the roll call:

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

NAYS:            None.

NO PARTICIPATION: Galante.

5 Ayes            0 Nays            1 No Participation    0 Absent

**5. Calvary Chapel Fire Line, W209-610, Bond Release**

Mr. Roy explained that this bond release relates to a fire line installed on White Oak Lane. Minor approval was requested and a bond was posted. The work has been completed, as-built drawings have been received, and the water line will remain privately owned by the applicant. His recommendation was to release the water bond conditioned upon the applicant zeroing out the escrow account.

A motion was made to release as recommended the bond for Calvary Chapel Fire Line, W209-610 conditioned upon the applicant zeroing out the escrow account by Mr. Desai and seconded by Mr. Donatelli.

The following was the roll call vote:

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

NAYS: None.

NO PARTICIPATION: Galante.

5 Ayes          0 Nays          1 No Participation      0 Absent

Financial Report: Stephen A. Florek II, Controller

***FY 2011 Budget Resolution Approval***

Mr. Florek stated that he was presenting the FY 2011 Budget Resolution for approval.

Mr. Smolney noted that in accordance with Mr. Morrison's correspondence dated April 5, 2010, and discussions held in workshop sessions, he would entertain a motion to approve the FY2011 Budget.

A motion was made to approve the FY2011 Budget including the changes made therein as well as the recommendations with respect to the consideration of the OPEB liability by funding \$5 million towards the amount of liability for those employees already retired pursuant to the General Accounting 45 Standards by Mr. Desai and seconded by Mr. Butler.

The following was the roll call vote:

AYES: Desai, Donatelli, Galante, Smolney.

NAYS: Testino.

4 Ayes          1 Nay          0 Absent

Mr. Smolney opened a public portion.  
Seeing no hands Mr. Smolney closed the public portion.

***Rate Hearing***

Mr. Smolney announced that a rate hearing would be held on May 4, 2010 to discuss a water rate increase due to the Middlesex

Water Company general rate increase as adopted by the Board of Public Utilities and a decrease in sewer rates from the Middlesex County Utilities Authority. There is a request to the auditors for a recommendation on changing the minimum usage billing for water to reduce the need of the present rate structure of 10,000 gallon minimum.

***Late Budget Submission Resolution***

A motion to adopt a late budget submission resolution was made by Mr. Smolney and seconded by Mr. Butler.

The following was the roll call vote:

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

NAYS: None.

5 Ayes            0 Nays            0 Absent

***Volk Agency – General Insurance Renewals***

Mr. Volk announced that April 15, 2010 is the renewal date for the Property and Casualty Insurance which is currently written and will be renewed with Selective Insurance Company. Last year's unaudited annual premium was \$377,229; the renewal rate will be \$396,118 which includes a 4% building value increase as well as rate and experience changes. There was a significant general liability claim paid on the collapsed pipeline (\$60,000). Selective has been requested to do a property inspection on a few of the higher value locations.

With respect to workmen's compensation, the expiring premium is \$178,098; the renewal premium is \$201,101 which is strictly driven by claims submitted during the last three years.

A motion to accept the terms of the proposal submitted by the Volk Agency for general insurance renewals was made by Mr. Butler and seconded by Mr. Smolney.

The following was the roll call vote:

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

NAYS: None.

NO PARTICIPATION: Testino  
5 Ayes            0 Nays            1 No Participation    0 Absent

Bills & Claims: \$1,460,617.55

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

The following was the roll call vote:

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

NAYS: None.

5 Ayes            0 Nays            0 Absent

Legal Report: Louis Granata, Esq.

***Oaks at Glenwood***

Mr. Granata reported to the commissioners that with respect to the Oaks at Glenwood, Judge Ryan rendered his opinion which moves the litigation significantly. The court ruled that there was no scarce water resource for Brunetti. Therefore, the authority may proceed along the lines of providing water service without a court directive. As to the question of which contract controls the agreement between the Authority and Brunetti, the court ruled it is the 1986 Agreement.

***Employee Death Benefits***

With respect to the death of Joseph Patton, there is an estate matter concerning payment of retirement benefits. Mr. Florek and Mr. Donatelli have been instructed to withhold any payments until further direction from the court.

***Deep Run Townhome Association***

Mr. Granata stated that a notice of tort claim has been filed with respect to payment that the Authority is demanding for repairs at the site.

Mr. Smolney requested an explanation of a tax matter with respect to Deep Run.



Mr. Granata stated that there was an outstanding claim in excess of \$2,000. Mr. Florek was directed by my office to set that up as a tax lien on the property which we erroneously believed to be common, and the notice of tax lien has now been withdrawn.

***Executive Director's Contract***

Mr. Granata stated that although he provided an outline of the key points of the contract, he did not have a copy of the existing contract at the time, but that contract has been e-mailed to the committee members for distribution to the Commissioners.

A motion to approve the legal report was made by Mr. Butler and seconded by Mr. Galante.

The motion was approved by an ALL AYES vote.

Old Business:

**Laurence Harbor Sewer Interceptor Replacement –Status.**

Mr. Roy stated that the Contractor is scheduled to repair the manholes on Saturday, April 10.

**Brunetti Oaks at Glenwood Development – Status**

To be discussed Executive Session.

**Groundwater Diversion Rights – Status**

No discussion.

**Summerfield Area Gravity Sewer – Status**

Mr. Roy reported that the work to stabilize the slopes in the critical area has begun. The remaining areas will be under further study as the geotechnical information becomes available.

**Organizational Chart**

To be discussed on May 4.

New Business:

None.

Open to Public:

Dr. Greenberg stated that a formal ethics complaint has been filed against Mr. Desai. Referring to an article appearing in the newspaper with respect to her comments about the SEP IRA, she was requesting a retraction because she never spoke negatively about the benefit given to the Staff. She also recommended the Commissioners waive their health benefits.

Seeing no hands, Mr. Smolney closed the public portion.  
Mr. Desai responded to Dr. Greenberg stating that she omitted several Commissioners who are also receiving benefits.

Executive Session: A motion was made to go into Executive Session at 7:39 p.m. by Mr. Butler and seconded by Mr. Galante.

The motion was approved by an ALL AYES vote.

**Meeting Reconvened at 8:01 p.m.**

**During the Executive Session, Mr. Granata reviewed with the Commissioners the status of the Brunetti Litigation.**

Adjournment: A motion as made to adjourn at 8:01 p.m. by Mr. Donatelli and seconded by Mr. Butler.

The motion was approved by an ALL AYES vote.

Respectfully submitted:

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Thomas Galante, Secretary