

OLD BRIDGE MUNICIPAL UTILITIES AUTHORITY
REGULAR MEETING
August 17, 2022

Call to Order: The Regular Meeting of August 17, 2022, was called to order at 7:00 p.m. by Vice Chairman Weber with the Pledge of Allegiance.

Announcement: Vice Chairman Weber announced that this meeting is in conformance with the Open Public Meetings Act. Notice has been published in the Asbury Park Press on January 22, 2022, and in the Home News Tribune on January 22, 2022. Notice of the meeting has been posted at 15 Throckmorton Lane, Old Bridge, at 71 Boulevard West, Cliffwood Beach, and on the OBMUA Website at www.obmua.com.

Roll Call: This Public Meeting is being recorded.

Present:

Frank Weber, Vice Chairman
Anita Greenberg, Treasurer
Mark Razzoli, Secretary
John E. Murphy, Commissioner
Thomas Galante, First Alternate Commissioner
Edward Casserly, Second Alternate Commissioner

Absent:

Bruce Walker, Chairman

Also Present:

Guy Donatelli, Executive Director
Michelle Smith, Comptroller
Michael Roy, P.E.
Mitchell B. Jacobs, Esq.

Executive Director's
Report:

Mr. Donatelli said that we have had almost 3 million gallons more of water a day sold in July than last year. He said that the bills are going to be interesting this quarter.

Mr. Donatelli said that we have some items to discuss later in the meeting under the Legal Report. He said that these items include the termination of the Laurence Harbor Water System Rehabilitation project with Lucas, the Union Contract and the Authority Policy about Health Benefits. The Commissioners may or may not be asked to take official action after

Executive Session has concluded, and the Board is back into Open Session.

Mr. Donatelli said that we need to advertise the Annual Contract for Water Division Chemical Supplies, Contract No. W22-225 for a material contract for public bids for the purchase of the water supply chemicals that includes separate items for the purchase of bulk lime, bagged lime, DelPac (a chemical coagulant) and sodium hypochlorite for chlorination.

Mr. Donatelli said that this contract was awarded last year as Contract No. W21-220, however, all the vendors that have been awarded the various items are unwilling to extend the contract prices for the Index Rate published by the NJDCA. This will now require us to advertise a new contract for public bids.

Mr. Donatelli said that we intend to prepare the Contract Documents in-house and submit them to Attorney Cleary's office for his review and approval to have a bid opening date scheduled for presentation to the Commissioners to award this material contract a future Board Meeting.

A motion to adopt a resolution for authorization to advertise the Annual Contract for Water Division Chemical Supplies, Contract No. W22-225 was made by Mr. Murphy and seconded by Mr. Galante.

Mr. Weber asked if we are making money on selling the water.

Mr. Donatelli said that the problem is when you start getting above 3mg a day from Middlesex Water, there is a premium water rate that we must pay to MWC per our contract because we are taxing their water distribution system.

Mr. Donatelli said the increase in water demand in the Summer is from the water that is being thrown on the ground to water the grass at ten or eleven gallons a minute from an average zone starting early in the morning. He said that more than a third of the water demand in the Summer is just going on the ground.

Attorney Jacobs said that there is a motion and a second for advertising the Annual Contract for Water Division Chemical Supplies, and it is open for discussion on what the motion pertains to. Once we vote, there should be no more discussion on it. He said procedurally you must keep things on track.

Mr. Weber said that there is no discussion on the motion for the

advertisement of the Annual Contract for Water Division Chemical Supplies, Contract No. W22-225.

The roll call vote was as follows:

Ayes: Greenberg, Murphy, Razzoli, Galante, Weber

Nays: None

Absent: Walker

5 Ayes 0 Nays 1 Absent

A motion to approve the Executive Director's Report was made by Dr. Greenberg and seconded by Mr. Murphy.

The voice vote was as follows:

All Commissioners that were present were in favor.

There were no Commissioners opposed.

5 Ayes 0 Nays 1 Absent

Previous Minutes: **Regular Meeting – June 15, 2022**

A motion to approve the Regular Meeting Minutes of June 15, 2022, was made by Dr. Greenberg and seconded by Mr. Razzoli.

There was no discussion.

The roll call vote was as follows:

Ayes: Greenberg, Murphy, Razzoli, Galante, Weber

Nays: None

Absent: Walker

5 Ayes 0 Nays 1 Absent

Chairman' Report: Mr. Weber said he wants to know how our Chairman Bruce Walker is doing?

Dr. Greenberg said Bruce was moved to rehab today at NYU Langone.

Superintendent's
Report:

Charles Winkler, Superintendent, Sewer Division

Mr. Winkler said that he submitted his report, and asked if anyone had any questions? He said that he would be happy to answer them.

Dr. Greenberg asked about the report of the property at 190 Yorkshire Court, there was a large rock in the lateral.

Mr. Winkler said that there was a big landscaping stone that stuck in the lateral. He said that their plumber could not get it out. He said that we were able to get it out using our vacuum.

Dr. Greenberg said that he was sure that the resident was very appreciative. She said that she noticed that the landscapers drive over the cleanouts, and people do not realize that they need to be covered.

Mr. Roy said that Charlie has a cleanout program, and if a cleanout needs to be repaired, they will notify the homeowner, so they must put a cap on it, and it does not become a yard drain.

Dr. Greenberg asked about the report of the property at 335 Miller Avenue, it said that there was a separation and a sag in the line causing the problem.

Mr. Winkler said that we cleaned the lateral from the manhole to the curb line. He said that it is currently flowing after the cleaning of the lateral, and we are scheduled to make the necessary repair.

Mr. Roy said that we do not have to hire an outside vendor; it is done in-house.

Dr. Greenberg said very good, thank you.

A motion to accept Mr. Winkler's Sewer Division Report was made by Dr. Greenberg and seconded by Mr. Razzoli.

There was no discussion.

The voice vote was as follows:

All Commissioners that were present were in favor.

No Commissioners were opposed.

5 Ayes

0 Nays

1 Absent

Engineering Reports: Michael Roy, P.E.

REPORT UPON DEVELOPER'S APPLICATIONS FOR APPROVAL

**Regency Centers Acquisition, LLC/Regency Centers –
Phase 1, W21-697, Final Water – 126 EDCU's + 11 Fire
Connections = 137 EDCU's**

TYPE: COMMERCIAL

USE: DOMESTIC AND FIRE PROTECTION

BLOCK/LOT: 7101/1 (48.545 Acres)

LOCATION: On the west side of Route 9 and north of Jake Brown Road.

DESCRIPTION: Construction of 7,170 LF of eight-inch (8") water main connecting into existing twelve-inch (12") in Schulmeister Road to service 360,100 SF of retail, restaurant, fast-food, office, gas, and medical office commercial buildings. This applicant, Regency Centers, is phase 1 of the commercial portion of the Oaks at Glenwood Development and consists of twelve (12) buildings on the south side of Schulmeister Road.

COMMENTS:

1. Final Review and Inspection fees have been paid.
2. The Authority granted Tentative Approval for Regency Centers, Phase 1, on September 22, 2021. Township Preliminary and Final Planning Board Approval was granted on February 1, 2005, as part of the Oaks at Glenwood Development.

3. The Equivalent Domestic Consumer Unit (EDCU) calculation was based on the use of the buildings from the applicant's engineer's report. Please inform this office as soon as information is available if there will be a more intense use in order to adjust the EDCU demand and number of approved units.
4. The Applicant has agreed to pay the Water Connection fee and Construction Water fee for each building based on the number of EDCU's for each building. Each building's fees are due and shall be paid to the Authority at the current rate at the time that the payments are made and prior to the installation of the water meters in each building. The calculation of EDCU's for each building are listed below.

• Building A –	21 + 1 Fire	= 22 EDCU's
• Building B –	34 + 1 Fire	= 35 EDCU's
• Building C –	4 + 1 Fire	= 5 EDCU's
• Building D –	4 + 1 Fire	= 5 EDCU's
• Building E –	4 + 1 Fire	= 5 EDCU's
• Building F –	4 + 1 Fire	= 5 EDCU's
• Building G –	4 + 1 Fire	= 5 EDCU's
• Building H –	4 + 1 Fire	= 5 EDCU's
• Building I –	4 + 1 Fire	= 5 EDCU's
• Building J –	7 (No Fire)	= 7 EDCU's
• Building K –	18 + 1 Fire	= 19 EDCU's
• <u>Building L –</u>	<u>18 + 1 Fire</u>	<u>= 19 EDCU's</u>
		137 EDCU's
5. A water main extension on Jake Brown Road connecting to the existing 12" water main in Route 9 is being proposed by a Warehouse development south of Jake Brown Road. Should Regency Centers precede that development, this water main extension to Route 9 shall be constructed by this applicant and is included with this Applicant's Approved Set of Construction Drawings.
6. The Applicant has indicated that lawn irrigation is not proposed for this site; therefore, lawn irrigation is not included in this approval. If a lawn irrigation system using municipal water is proposed in the future, the plan must be submitted to the Authority to determine the number of additional Equivalent Domestic Consumer Units.
7. The Applicant has indicated that all proposed off-site water mains and fire hydrants within the right-of-way of Rt. 9 and Jake Brown Road will be

dedicated to the Authority.

8. Applicant has acknowledged that all proposed on-site water mains and fire hydrants will remain privately owned and maintained by the property owner.
9. Wet cut drilling operation will be performed by the Authority at a cost in accordance with the Authority's Rate Schedule at the time payment is made.
10. Applicant to verify the peak water demand in gallons per minute (gpm) and a listing of the number of fixture types for each building when the design is finalized for the purpose of sizing each water meter.
11. Applicant to verify the fire flow demand in gallons per minute (gpm) and pressure (psi) for the proposed fire suppression system in each building when the design is finalized.
12. Each building's water service line shall be sized in accordance with the hydraulic calculation demand by a professional engineer who specializes in fire suppression and approved by the Fire Sub-Code Official at the time of Building Permit Application.
13. Technical requirements sufficient for Final Water Approval have been satisfied.
14. A copy of this report has been supplied to the Contact Person of the Applicant as listed on the application form.
15. Recommend Final Water Approval subject to the following thirteen (13) conditions:

CONDITIONS:

1. Applicant shall pay all applicable fees.
2. The Applicant shall comply with and address all comments in this Engineer's Report dated August 12, 2022.
3. All proposed on-site water mains to remain privately owned and maintained by the Applicant.
4. All proposed off-site mains water mains and fire hydrants within the right-

of-way of Rt. 9 and Jake Brown Road shall be dedicated to the Authority.

5. Fire service line sizes and the number of sprinkler heads for each building shall be provided to this Authority as soon as available.
6. The Applicant shall coordinate the utility plans approved under this application with the architectural design of each commercial building as it relates to the water service.
7. Applicant to schedule a pre-construction meeting at least two (2) weeks prior to commencing any utility construction.
8. Applicant to execute Developer's Agreement for water utility construction which incorporates all requirements of both the Authority and the Township Approvals (including a water maintenance plan) prior to the pre-construction meeting.
9. Wet cut fee, Performance Guarantee, Certificate of Insurance, and proof of all required permits shall be provided prior to the pre-construction meeting.
10. Lawn irrigation is not included in the approval. If a lawn irrigation system using municipal water is proposed in the future, the plan must be submitted to the Authority for approval.
11. The Applicant shall construct the water improvements in accordance with the Approved Drawings, and permits issued by any Agency having jurisdiction.
12. Applicant to fully comply with the Rules and Regulations of the Authority and any Agency having jurisdiction.
13. This Final Water Approval shall expire one (1) year from the date of the resolution or as otherwise extended by law if no construction has taken place within that period.

Mr. Roy said the applicant has agreed to pay the connection fees, and he recommends Final Approval subject to the 13 conditions in his report.

A motion to approve a resolution for Regency Centers Acquisition, LLC/Regency Centers – Phase I was made by Mr. Razzoli and seconded by Mr. Weber.

Mr. Murphy said why does Wawa not have a fire suppression system?

Mr. Roy said they do not require one. All the others will require fire suppression.

There was no further discussion.

The roll call vote was as follows:

Ayes: Greenberg, Murphy, Razzoli, Galante, Weber

Nays: None

Absent: Walker

5 Ayes 0 Nays 1 Absent

**Regency Centers Acquisition, LLC/Regency Centers –
Phase 1, S21-548, Final Sewer – 126 EDCU's**

TYPE: COMMERCIAL

DRAINAGE BASIN: Runyon

BLOCK/LOT: 7101/1 (48.545 Acres)

LOCATION: On the west side of Route 9 and north of Jake Brown Road.

DESCRIPTION: Construction of approximately 4,070 LF of eight-inch (8") sewer mains to connect to the existing sewer in Schulmeister Road to service 360,100 SF of retail, restaurant, fast-food, office, gas, and medical office commercial buildings. This applicant, Regency Centers, is phase 1 of the commercial portion of the Oaks at Glenwood Development and consists of twelve (12) buildings on the south side of Schulmeister Road.

COMMENTS:

1. Final Review and Inspection fees have been paid.
2. In 1995, the Authority entered into an agreement with John J. Brunetti for the construction of a trunk sewer within the Runyon Drainage Basin. This trunk sewer has been designed to provide capacity for a minimum of 6,000 units for Brunetti (1,200 existing apartment units and 4,800 new Brunetti units) and 3,000 units of excess capacity for the Authority's future use.

The trunk sewer construction was broken down into three (3) phases. All three phases have been completed and the trunk sewer is operational.

3. The 1995 Brunetti Sewer Agreement provided for a waiver of sewer connection fees for the 4,800 new Brunetti units. This application's 126 EDCU's is included in this unit count.
4. The Authority granted Preliminary and Tentative Approval for Regency Centers, Phase 1, on September 22, 2021. Township Preliminary and Final Planning Board Approval was granted on February 1, 2005, as part of the Oaks at Glenwood Development.
5. The Equivalent Domestic Consumer Unit (EDCU) calculation for several buildings was based on retail and office use only. Please inform this office as soon as information is available if there will be a more intense use (such as restaurants or kitchens within the retail area) in order to adjust the EDCU demand and number of approved units.
6. There are no existing residential dwellings in the area to be provided with municipal sewer service.
7. Applicant has acknowledged that all proposed sewer lines will remain privately owned and maintained by the commercial property owner.
8. The size, slope and installation of the on-site sewer lateral(s) are subject to approval by the Township Plumbing Sub-Code Official.
9. Technical requirements sufficient for Final Sewer Approval have been satisfied.
10. A copy of this report has been supplied to the Contact Person of the Applicant as listed on the application form.
11. Recommend Final Sewer Approval subject to the following eleven (11) conditions:

CONDITIONS:

1. Applicant shall pay all applicable fees.
2. The Applicant shall comply with and address any and all comments in this Engineer's Report dated August 12, 2022.
3. There shall be no prohibited wastes discharged into the sewer system

including discharge from any HVAC system.

4. All proposed on-site sewer lines to remain privately owned and maintained by the Applicant.
5. The Applicant shall coordinate the utility plans approved under this application with the architectural design of this commercial building as it relates to sewer service.
6. Applicant to schedule a pre-construction meeting at least two (2) weeks prior to commencing any utility construction.
7. Applicant to provide proof of title and execute Developer's Agreement for sewer utility construction which incorporates all requirements of both the Authority and the Township Approvals (including a sewer maintenance plan) prior to the pre-construction meeting.
8. Performance Guarantee, Certificate of Insurance and proof of all required permits shall be provided prior to the pre-construction meeting.
9. The Applicant shall construct the sewer improvements in accordance with the Approved Drawings, and permits issued by any Agency having jurisdiction.
10. Applicant to fully comply with the Rules and Regulations of the Authority and any Agency having jurisdiction.
11. This Final Sewer Approval shall expire one (1) year from the date of the resolution or as otherwise extended by law if no construction has taken place within that period.

Mr. Roy recommended Final Sewer Approval subject to the 11 Conditions in this report, including that the sewer will remain privately owned. It will be all on-site and commercial.

A motion was made by Mr. Murphy to adopt a resolution for S21-548, Final Approval – 126 EDCU's. It was seconded by Mr. Razzoli.

There was no discussion.

The roll call vote was as follows:

Ayes: Greenberg, Murphy, Razzoli, Galante, Weber

Nays: None
Absent: Walker
5 Ayes 0 Nays 1 Absent

**Oak White, LLC/Calvary Chapel – Parking Lot
W22-706, Minor Water – 0 EDCU's**

TYPE: COMMERCIAL

USE: FIRE PROTECTION

BLOCK/LOT: 9000/11 & 12.15 (9 Acres)

LOCATION: The existing Calvary Chapel located on White Oak Lane,
off Rt. 516, North of Glenwood Drive.

DESCRIPTION: Construction of a six (6") PVC hydrant branch
connecting to the existing six-inch (6") main on the Calvary Chapel
property to service an on-site fire hydrant.

COMMENTS:

1. Minor Review fees have been paid.
2. Township Preliminary and Final Zoning Board Approval was granted on December 16, 2021.
3. This application is for the construction of a new hydrant branch to replace an existing fire hydrant; no structures are proposed. Therefore, there is no additional demand on the water distribution system.
4. Applicant has acknowledged that all proposed water mains and fire hydrants will remain privately owned and maintained by the Applicant.
5. Technical requirements sufficient for Minor Water Approval have been satisfied.
6. A copy of this report has been supplied to the Contact Person of the Applicant as listed on the application Form.

7. Recommend Minor Water Approval subject to the following seven (7) conditions:

CONDITIONS:

1. Applicant shall pay all applicable fees.
2. The Applicant shall comply with and address any and all comments in this Engineer's Report dated August 12, 2022.
3. All proposed on-site water mains to remain privately owned and maintained by the Applicant.
4. Performance Guarantee, Certificate of Insurance, and proof of all required permits shall be provided prior to the pre-construction meeting.
5. The Applicant shall construct the water improvements in accordance with the Approved Drawings, and permits issued by any Agency having jurisdiction.
6. Applicant to fully comply with the Rules and Regulations of the Authority and any Agency having jurisdiction.
7. This Minor Water Approval shall expire one (1) year from the date of the resolution or as otherwise extended by law if no construction has taken place within that period.

Mr. Roy said that he recommended approval subject to the seven Conditions in his report.

A motion to approve Oak White, LLC/Calvary – Parking Lot Resolution for W22-706, Minor – 0 EDCU's was made by Dr. Greenberg and seconded by Mr. Razzoli.

There was no discussion on the motion.

The roll call vote was as follows:

Ayes: Greenberg, Murphy, Razzoli, Weber

Nays: None

Absent: Walker

Abstention: Galante

4 Ayes

0 Nays

1 Absent

1 Abstention

OTHER ENGINEERING REPORTS

Sign Brothers, W21-696, Water Performance Guarantee Release

The status of the water improvements for this project is as follows:

1. Installation and testing of water construction is complete and satisfactory.
2. As-built drawings are approved, mylars and electronic copies have been received.
3. This application was for two additional on-site fire hydrants; therefore, no new water meter was installed.
4. All constructed water improvements will remain privately owned and maintained by the Applicant.
5. The water escrow account is currently in a shortfall of \$3,021 which can be paid for from the cash bond amount held by the Authority.

The project included a building addition to an existing Sign Brothers, LLC located on Morristown Road across from Liberty Grove Memorial. The Minor Application included the installation of 460 LF of six- and eight-inch (6" & 8") DIP water main from the existing twelve-inch (12") water main on Morristown to service two new on-site fire hydrants that were required as part of the building addition.

Based upon the status of this application, Mr. Roy recommended Conditional Release of the Water Performance Guarantees subject to the payment of the shortfall in the water escrow account. The resolution to release the water performance guarantee, should state that the constructed water improvements in connection with this project will remain privately owned and maintained by the commercial property. The resolution should also condition the bond guarantee release upon payment of the shortfall in the water escrow account.

A motion to adopt a resolution for Sign Brothers, W21-696, Water Performance Guarantee Release was made by Mr. Murphy and seconded by Mr. Weber.

There was no discussion.

The roll call vote was as follows:

Ayes: Greenberg, Murphy, Razzoli, Galante, Weber

Nays: None

Absent: Walker

5 Ayes 0 Nays 1 Absent

**Madison Crossing at Birch Hill, W203-536, W205-562
(Irrigation), S203-419, Water and Sewer Performance
Guarantee Releases**

The Applicant was previously granted a reduction in their Water Performance Guarantee for the above referenced development on April 20, 2016.

The Water Improvements Performance Guarantee was reduced by an amount of seventy percent (70%) from \$649,152.90 to a new total amount of \$194,745.87, along with the cash portion of the performance guarantee being reduced seventy percent (70%) from \$72,128.10 to a new amount of \$21,638.43.

The Applicant was also previously granted a reduction in their Sewer Performance Guarantee for the above referenced development on April 20, 2016.

The Sewer Improvements Performance Guarantee (Bond No. 5010945) was reduced by an amount of seventy percent (70%) from \$1,106,662.50 to a new total amount of \$331,998.75, along with the cash portion of the performance guarantee being reduced seventy percent (70%) from \$122,962.50 to a new amount of \$36,888.75.

The Applicant was notified with correspondence dated July 26, 2016 that the bond reduction was conditioned upon the Applicant providing documentation of the assignment from the September 25, 2007 Bankruptcy Court Order and a letter from Amboy Bank advising the Authority as to which person or entity is entitled to the return of monies associated with the Madison Crossings at Birch Hill development, including Cash Bond payments, that were originally submitted by the former developer of Madison Crossings at Birch Hill, "Kara Service Company, LLC".

That legal proof was never submitted to the Authority from the Applicant, so the status of the performance guarantees held by the Authority to date have not changed. The Applicant was notified with correspondence dated

November 4, 2021, that the Madison Crossing at Birch Hill project was never closed out and that the Authority was still holding all the Applicant's performance guarantees. At that time, that Applicant did complete the remaining items necessary to receive a complete release of their water and sewer performance guarantees.

Separate from this matter of completing all the on-site water and sewer performance guarantee requirements, Madison Crossing at Birch Hill entered into a separate sewer agreement to contribute to the Crossroads Sewer Interceptor. That agreement involved a \$1.5 million cash bond to ensure the payment of a cost contribution toward the Crossroads Sewer Interceptor once it was constructed. That contribution was made to the Authority, and the \$1.5 million cash bond was returned to the Applicant, so this matter of the Crossroads Sewer Interceptor cost contribution is closed. So, it is not part of the consideration of the water and sewer on-site performance guarantees, but Mr. Roy wanted to include this documentation for the purpose of a complete record on this project.

For this consideration of the on-site water and sewer performance guarantee release of Madison Crossing at Birch Hill, the following documents were reviewed:

1. Final Water and Sewer Applications.
2. Performance Guarantee for water improvements (Bond No. 5010961 issued by Safeguard Insurance Company in the amount of \$649,152.90 and Check No. 20588 in the amount of \$72,128.10).
3. Performance Guarantee for sewer improvements (Bond No. 5010945 issued by Safeguard Insurance Company in the amount of \$1,106,662.50 and Check No. 20618 in the amount of \$122,962.50).
4. Letter dated December 20, 2007, from Joel Glucksman, Esq. advising the Authority of a change of ownership of Horizons at Birch Hill.
5. Letter dated July 26, 2016, to the Applicant notifying them of the need to satisfy the conditions of the conditional water and sewer performance guarantee reduction granted on April 20, 2016.
6. Letter dated November 4, 2021, to the Applicant notifying them of the outstanding water and sewer performance guarantees still being held by the Authority as well as the requirements necessary to get the water and sewer performance guarantees completely released.
7. Letter dated November 5, 2021, from Kenneth Koehler requesting release of the performance guarantees and advising the Authority to release them to Amboy Bank.

8. Letter dated November 19, 2021, to your office requesting a review of this request by the Applicant.
9. Letter dated January 20, 2022, from Joel Glucksman, Esq. which states that Amboy Bank obtained all of the assets of Madison Crossing at Birch Hill at September 24, 2007 bankruptcy hearing.
10. Affidavit dated July 25, 2022, certifying that all facilities are free of liens or other encumbrances, and which holds the Authority harmless from any potential liability.
11. Blanket Easement of the Birch Hill Development.
12. Deed of Dedication dated July 22, 2022, which formally dedicates to the Old Bridge Municipal Utilities Authority the constructed water and sewer mains within blanket easement of the Birch Hill Development.

The status of the on-site water and sewer improvements for this project are as follows:

1. Installation and testing of water and sewer construction is complete and satisfactory.
2. As-built drawings are approved, mylars and electronic copies have been received.
3. The water and sewer mains and appurtenances within the Blanket Easement of the Birch Hill Development has been dedicated.
4. All water meters have been installed.
5. The water service lines and sewer laterals beyond the curb line will remain privately owned and not maintained by the Authority.
6. The water and sewer escrow accounts are in shortfalls. The water escrow is in a shortfall of \$20,093 as of July 31, 2022, and the sewer escrow is in a shortfall of \$40,657 as of July 31, 2022. Payment can be made by the Applicant from the water and sewer cash bond amounts that exceed \$195,000 and are being held by the Authority upon permission from the Applicant.

This project included the installation of approximately 14,000 LF of on-site eight-, twelve- and sixteen-inch (8", 12" and 16") DIP water main with appurtenances, and installation of approximately 11,000 LF of eight- and twelve-inch (8" and 12") PVC gravity sewer mains with appurtenances to service three phases of Birch Hill Estates of a total of 244 residential (townhouse and apartment style condominium) units and a recreation building.

Based on the status of this application, Mr. Roy recommended a Conditional Release of the Water Performance Guarantee. The resolution to release the water performance guarantees, should state that the Authority is accepting ownership and maintenance of all the water mains, fire hydrants and water services up to the curb line and irrigation pits within the blanket easement of the Birch Hill Development conditioned upon payment of the water escrow shortfall at final close-out of the project.

The two (2) year water maintenance bond requirement can be waived since the water system has been in operation for over ten (10) years and the water system has recently been brought up to a good condition by the Applicant. The resolution should also state that the water service lines from the curb line to each unit and within irrigation pits shall remain privately owned and not maintained by the Authority.

In addition, Mr. Roy recommended Conditional Release of the Sewer Performance Guarantee. The resolution to release the sewer performance guarantees, should state that the Authority is accepting ownership and maintenance of all the sewer mains and the sewer laterals up to the curb line within the blanket easement of the Birch Hill Development conditioned upon payment of the sewer escrow shortfall at final close-out of the project.

The two (2) year sewer maintenance bond requirement can be waived since the sewer system has been in operation for over ten (10) years and the sewer system has recently been brought up to a good condition by the Applicant. The resolution should also state that the sewer laterals from the curb line to each unit shall remain privately owned and not maintained by the Authority.

Attorney Jacobs asked Mr. Roy if the conditional releases were for both water and sewer?

Mr. Roy said yes because they both have a shortfall in the escrow account. He said the condition is that both escrow amounts must be paid.

Attorney Jacobs said that a resolution is needed for the conditional release of the Water Performance Guarantee Madison Crossing at Birch Hill W203-536 and W205-562 (Irrigation) subject to the conditions set forth in Mr. Roy's report.

A motion was made by Dr. Greenberg and seconded by Mr. Razzoli.

There was no discussion.

The roll call vote was as follows:

Ayes: Greenberg, Murphy, Razzoli, Galante, Weber

Nays: None

Absent: Walker

5 Ayes 0 Nays 1 Absent

Attorney Jacobs said that a resolution is needed for a conditional release of the Sewer Performance Guarantee Application S203-419 subject to the conditions set for in Mr. Roy's report.

The motion was made by Dr. Greenberg and seconded by Mr. Razzoli.

There was no discussion.

The roll call vote was as follows:

Ayes: Greenberg, Murphy, Razzoli, Galante, Weber

Nays: None

Absent: Walker

5 Ayes 0 Nays 1 Absent

Oaks at Glenwood, Phase 1A. W86-284A, S86-208A, Water & Sewer Performance Guarantee Reductions

K. Hovnanian has requested a reduction in their Water and Sewer Performance Guarantees for the Phase 1A construction of the Oaks at Glenwood Development. Phase 1A consists of seventy-five (75) single family homes being constructed by K. Hovnanian on Hibiscus Court, Lobelia Lane, and Viola Way off Aster Circle within the Oaks at Glenwood Development.

In accordance with the Authority's Rules and Regulations, performance guarantees more than \$100,00 can be reduced by a maximum of seventy percent (70%) of the original bond amount. The following documents were reviewed:

1. Performance Guarantee for Water Improvements (Performance Bond No. GM205576) in the amount of \$272,302 issued by Great Midwest

Insurance Company.

2. Water Cash Bond check no. 123450 in the amount of \$30,255.
3. Performance Guarantee for Sewer Improvements (Performance Bond No. GM205577) in the amount of \$341,037 issued by Great Midwest Insurance Company.
4. Sewer Cash Bond check no. 123453 in the amount of \$37,893.
5. Letters dated June 27, 2022, requesting reduction of the Water and Sewer Performance Guarantees for Phase 1A of the Oaks at Glenwood Development.

The status of the water and sewer improvements for Phase 1A of the Oaks at Glenwood Development is as follows:

1. The installation of the water and sewer main construction is complete.
2. The final punch-list items for the water and sewer utility improvements remains outstanding.
3. The "As-built" Drawings submission and acceptance of the water and sewer record (as-built) drawings remain outstanding.
4. The formal acceptance of the water and sewer utility improvements by resolution remains outstanding.
5. The posting of the Water and Sewer Maintenance Guarantees remain outstanding.
6. The water and sewer escrow accounts are in a shortfall and needs additional payments of \$4,000 in the water escrow account and \$8,000 in the sewer escrow account for completion of Phase 1A.
7. Payment of the Water Connection Fees and Construction Water Fees remains outstanding, although they are currently being held in an attorney's escrow account until a final decision is made as to what is owed by K. Hovnanian.

With the satisfactory completion of the water main installation for Phase 1A of the Oaks at Glenwood Development, Mr. Roy recommended that the Water Improvements Performance Guarantees (Surety Bond No. GM205576) be reduced by an amount of seventy percent (70%) from \$272,302 to a new surety bond amount of \$81,691, and the water cash bond be reduced from \$37,893 to a new water cash bond amount of \$11,368, conditioned upon the payment of the outstanding water escrow payment, the water connection fee and the construction water fee payments described in this report.

Mr. Roy also recommend, with the satisfactory completion of the sanitary sewer main installation for Phase 1A of the Oaks at Glenwood Development, that the Sewer Improvements Performance Guarantees (Surety Bond No. GM205577) be reduced by an amount of seventy percent (70%) from \$341,037 to a new surety bond amount of \$102,311, and the sewer cash bond be reduced from \$30,255 to a new sewer cash bond amount of \$9,077, conditioned upon the payment of the outstanding sewer escrow payment described in this report.

This amount should safely protect the Authority regarding the performance of the remainder of Phase 1A work.

The resolution to reduce the water and sewer performance guarantees must be subject to the payment of all outstanding fees.

Attorney Jacobs said that a resolution is needed for Oaks at Glenwood, Phase 1A, W86-284A, S86-208A, Water and Sewer Performance Guarantee reductions subject to the conditions in Mr. Roy's report.

A motion to approve a resolution for Oaks at Glenwood, Phase 1A, W86-284A, Water Performance Guarantee Reduction was made by Mr. Razzoli and seconded by Mr. Galante.

There was no discussion.

The roll call vote was as follows:

Ayes: Greenberg, Murphy, Razzoli, Galante, Weber

Nays: None

Absent: Walker

5 Ayes 0 Nays 1 Absent

Attorney Jacobs said a resolution is need for Oaks at Glenwood, Phase 1A, S86-208A for a Sewer Performance Guarantee Reduction was made by Mr. Galante and seconded by Mr. Casserly.

There was no discussion.

The roll call vote was as follows:

Ayes: Greenberg, Murphy, Razzoli, Galante, Weber

Nays: None
Absent: Walker
5 Ayes 0 Nays 1 Absent

A motion to accept Mr. Roy's report was made by Dr. Greenberg and seconded by Mr. Murphy.

There was no discussion.

The voice vote of the Commissioners was all in favor.

There were no Commissioners opposed.

5 Ayes 0 Nays 1 Absent

Disbrow Road Elevated Water Storage Tank – CME Report

Mr. Roy reviewed the report from CME on the Disbrow Road Elevated Storage Tank.

Financial Report: Michelle Smith, Comptroller

Mrs. Smith said that her first item on her report is an announcement that the GFOA awarded the Authority with the Certificate of Achievement for Excellence in Financial Reporting for our May 31, 2021, Financial Report. This is the 18th year we have received this award. She would just like to thank Jessica, our in-house accountant, for her help in putting this report together with me.

Mrs. Smith said that her next item she is really excited about because of the potential savings to the Authority. Our prescription drug costs have been high recently, mostly because of the high cost of specialty drugs. To address this growing cost, Wayne, our insurance agent, Trish from IDA, and myself met with Payer Matrix a few weeks ago to see if they can help reduce our costs on specialty drugs. After hearing about their services and going over the potential savings analysis which Mrs. Smith attached to her report, we recommend partnering with them. Michael Jordon from Payer Matrix is here; so, she will let him give you an overview of their services, explain the potential savings to us and answer any questions you may have.

Michael Jordon handed out literature which he reviewed. He said Payer Matrix is an alternate funding for Brand Specialty Drug Cost Containment. Payer Matrix, LLC is a U.S. based Specialty Drug Cost Containment Company who partners with commercial plans, Taft Hartley Funds, and TPAs to address and assess the financial risk and growing liability related to specialty drug costs.

Michael Jordon said the founder of Payer Matrix has over 30 years in Specialty Pharmacy & Healthcare and formed the Company to help find a solution to rising costs. Their advocacy model successfully procures alternative funding for high-cost drugs thus reducing the cost to the plan. Their program utilizes manufacturer assistance programs and benefit design to achieve these goals.

Mr. Jordon reviewed the Specialty Drug Dilemma. The Specialty Drug Cost will top \$310B by 2023. 2% of members are driving 50% of overall drug cost. By 2025 analysts are estimating 4% of the membership will drive 75% of the drug cost. In many cases, there are no lower cost therapeutic options.

Specialty Medications are projected to increase significantly. 7,000 new drugs in the pipeline with 75% defined as specialty. Spending for cancer drugs in 2018 was \$150B by 2023 it will be over \$240B. Investment in rare diseases is driving significant claim cost.

Major areas of focus for big pharma are cancer, hemophilia, Alzheimer's and gene therapy. Today, 90% of all RX's are generics and cost less than \$1 a day.

Rare diseases and orphan drugs are expected to see an even greater impact on prescription drug cost.

Contract with Payer Matrix, LLC for Medication Reimbursement Management Services

A motion to adopt a resolution to enter into a contract with Payer Matrix, LLC for Medication Reimbursement Management Services was made by Dr. Greenberg and seconded by Mr. Razzoli.

There was no discussion.

The roll call vote was as follows:

Ayes: Greenberg, Murphy, Razzoli, Galante, Weber

Nays: None

Absent: Walker

5 Ayes 0 Nays 1 Absent

A motion to accept Michelle Smith's Financial Report was made by Mr. Murphy and seconded by Mr. Galante.

The voice vote was all in favor.

No Commissioners were opposed.

5 Ayes 0 Nays 1 Absent

Bills & Claims: Dr. Greenberg said that the Bills and Claims are for a total of \$3,140,849.60.

A motion to approve the bills and claims for a total of \$3,140,849.60 was made by Mr. Galante and seconded by Mr. Casserly.

There was no discussion.

The roll call vote was as follows:

Ayes: Greenberg, Murphy, Razzoli, Galante, Weber

Nays: None

Absent: Walker

5 Ayes 0 Nays 1 Absent

Legal Report: Mitchell B. Jacobs, Esq.

Attorney Jacobs said that there will be several items for discussion in Executive Session.

Old Business: None

New Business: None

Open to Public: Mr. Weber opened the meeting to the public. Seeing no one wishing to make a comment, he closed the public portion.

Executive Session: Attorney Jacobs said that action may be taken after Executive Session is concluded.

Attorney Jacobs said that the Board will discuss the following items in Executive Session:

Personnel and Attorney Client Privilege – Discussion regarding Retirement Health Benefits.

Contract Negotiations –

a. Discussion of Collective Bargaining Agreement with the Union

b. Laurence Harbor Water System Rehab, Phase 1, Termination of Contract.

A motion to go into Executive Session was made by Dr. Greenberg and seconded by Mr. Razzoli.

The roll call vote was as follows:

Ayes: Greenberg, Murphy, Razzoli, Galante, Weber

Nays: None

Absent: Walker

5 Ayes 0 Nays 1 Absent

The Board went into Executive Session at 8:09 p.m.

The Board came out of Executive Session at 8:36 p.m.

Resumption of Open Session:

Attorney Jacobs said that a motion for a resolution of the Laurence Harbor Water System Rehab, Phase 1 – Termination of Contract was made by Mr. Razzoli and seconded by Mr. Casserly.

There was no discussion.

The roll call vote was as follows:

Ayes: Greenberg, Murphy, Razzoli, Galante, Weber

Nays: None

Absent: Walker

5 Ayes 0 Nays 1 Absent

Attorney Jacobs said that a resolution is needed approving the Union Contract Memorandum Agreement (MOA).

A motion was made by Dr. Greenberg and seconded by Mr. Razzoli to approve the Memorandum of Agreement by and between the Old Bridge Municipal Utilities Authority and the Association of the Old Bridge Municipal Utilities Authority that included the following changes:

Salary Increases of June 1, 2021 – 3.0% retroactive; June 1, 2022 – June 1, 2026 - 2.95%. Combination of Lincoln's Day and President's Day into one holiday to be recognized on President's Day, and deletion of Primary Election Day and add two floating holidays in place of the two deleted holidays.

The Agreement was ratified by the Association.

There was no discussion.

The roll call vote was as follows:

Ayes: Greenberg, Murphy, Razzoli, Galante, Weber

Nays: None

Absent: Walker

5 Ayes 0 Nays 1 Absent

Attorney Jacobs said that a motion is needed to adopt a resolution for Non-Union Salary Adjustments.

A motion was made by Dr. Greenberg and seconded by Mr. Casserly to approve the same as the Union for Non-Union Salary Adjustments.

Salary Increase of June 1, 2021 – 3.0% retroactive; June 1, 2022 – June 1, 2026 - 2.95%. Combination of Lincoln's Day and President's Day into one holiday to be recognized on President's Day, and deletion of Primary Election Day and add two floating holidays in place of the deleted holidays.

There was no discussion.

The roll call vote was as follows:

Ayes: Greenberg, Murphy, Razzoli, Galante, Weber

Nays: None

Absent: Walker

5 Ayes 0 Nays 1 Absent

Adjournment: A motion to adjourn the meeting was made by Mr. Razzoli and seconded by Mr. Weber.

The voice vote was all in favor.

No Commissioners were opposed.

The meeting was adjourned at 8:40 p.m.

Respectfully submitted,



Mark Razzoli, Secretary