

MINUTES OF THE REGULAR MEETING OF THE MIDDLESEX COUNTY UTILITIES AUTHORITY – THURSDAY– JANUARY 23, 2014 – 4:00 P.M.

A Regular Meeting of the Middlesex County Utilities Authority was held at the Authority Board Room, Main Street Extension, Sayreville, New Jersey on Thursday, January 23, 2014.

Notices of the meeting were mailed to the three counties and the News Media - The Courier News, The Star Ledger and The Home News Tribune in compliance with the Open Public Meetings Law and New Jersey Statutes.

The meeting was called to order by Chairman Ted Light at 4:00 P.M.

Present were: Chairman Ted Light; Vice Chairman John Wiley; Commissioners: Linda Carter (by Phone), Edward Cohen, Jerome Convery, Robert Karabinchak, Raymond Murray and James Zullo.

Absent were: Commissioners Antonio Cruz, Wayne Hamilton and Joseph Juliano.

Also present were: Executive Director, Richard L. Fitamant; John Hoffman, Esq., Construction/General Counsel; Dan Tanzi, Wastewater Division Manager and Margaret Brennan, Comptroller.

REGULAR MEETING

The meeting opened with the Pledge of Allegiance.

APPROVAL OF MINUTES

Motion for approval of the Minutes of the Regular Meeting of Thursday, December 19, 2013 was made by Commissioner Convery, seconded by Commissioner Karabinchak and carried.

PUBLIC PORTION ON RESOLUTIONS

There were no comments from the public on any of the Resolutions

RESOLUTIONS

Resolution No. A-1-14-1-R

Pretreatment Permit Action Nos. 02184 and 18188

Resolution No. SW/WW-1-14-2-R

Bid Award – Contract 13-8-1(AC) Prequalified Security Guard Service 2014-2015 – DMS Systems, Inc. – Not to Exceed \$586,874.60

Mr. Fitamant reported that the invitation to bid was issued to all prequalified contractors. The Authority received one bid, which was submitted by DMS, the Authority's current provider for security guard services. Another bid was received two days after the date of the bid opening and returned unopened to the bidder.

The MCUA is looking to continue security guard services with DMS for the Wastewater Treatment Plant and the Landfill located in East Brunswick. There were no problems or complaints with DMS in the past.

Resolution No. WW-1-14-3-R

Contract Bid Award – Contract 14-1-1(CTP) / Supply & Delivery of Catalog Purchased Power Train Parts and Supplies 2014-2015 – Motion Industries, Inc. – Not to Exceed \$200,000.00

Resolution No. WW-1-14-4-R

Contract Award – Pipeline Structural Engineering Services 2014 – Pure Engineering Services, Inc. – Not to Exceed \$180,663.39

Mr. Fitamant reported that the Fair and Open process was followed for Pipeline Structural Engineering Services. The MCUA received one response to the Request for Qualifications. Pure Engineering Services, Inc. was deemed to be qualified and was selected for the proposed service.

Resolution No. WW-1-14-5-R

Contract Award for One Year Service Plan of Perkin Elmer Health Sciences Equipment and Purchase of Parts and Consumables 2014 – Perkin Elmer Health Sciences, Inc. – Not to Exceed \$30,000.00

Mr. Fitamant reported that Perkin Elmer produces lab testing equipment. Perkin Elmer is the sole source parts and service provider for this equipment. The MCUA is looking to procure parts and service with Perkin Elmer through a contract as an Extraordinary Unspecifiable Service.

Resolution No. WW-1-14-6-R

Authorization to Extend Contract Term to March 31, 2015 – Contract 13-2-1(AC)/Stand-By Services for the Beneficial Use or Disposal of Wastewater Residuals 2013-2014 – Environmental Protection & Improvement Co., LLC. – Not to Exceed \$1,000,000.00

Resolution No. WW-1-14-7-R

Change Order No. 7 – HSR to Contract No. 10-6-1(CTP) Rehabilitation of Main Substation Apparatus & Standby Services for NETA Maintenance Testing – M&L Power Systems, Inc. – \$50,000.00

Mr. Tanzi explained to the Commissioners that this resolution is for a \$50,000 payment to M&L for a settlement dealing with circuit breakers that were damaged by Hurricane Sandy. Mr. Tanzi explained that the Authority had purchased new circuit breakers for the Sayreville Pump Station which included turnover of the old circuit breakers to the contractor. There was a problem with the new breakers requiring removal for repairs and the old breakers were re-installed. Hurricane Sandy damaged the old circuit breakers, which were deemed useless. During the pump station restoration, the new rebuilt breakers were received and installed. M&L did not want to issue the credit to the MCUA for the old circuit breakers due to the damage. Authority staff negotiated with M&L and determined \$50,000 to be a fair settlement for the old breakers.

Resolution No. WW-1-14-8-R

Amendment No. 4 to Engineering Services During Construction of Contract 10-2-6(SPS)(Rebid)/The Rehabilitation and Upgrade of the Sayreville Pump Station – R3M Engineering, Inc. – Emergency Engineering Services (HSR) – Not to Exceed \$539,000.00

Mr. Fitamant reported that this Amendment is for continuation of Engineering Services for Hurricane Sandy Restoration to restore the Sayreville Pump Station to pre-Sandy conditions through April 30, 2014. Mr. Fitamant further reported that the PW FEMA funding process is still ongoing and the Authority is in the process of working on a permanent plan for the SPS and finalizing eligibility and work scope issues with FEMA.

Resolution No. WW-1-14-9-R

Authorization for Amendment No. 1 to Administrative Consent Order with the New Jersey Department of Environmental Protection Regarding the Hurricane Sandy Temporary Bypass Systems for the Sayreville Pump Station

Mr. Fitamant explained that the MCUA made a request to the NJDEP to leave the piping for the Temporary Bypass System in place until July 1, 2014 for additional pumping capability, if needed. NJDEP approved this request.

Resolution No. WW-1-14-10-R

Approval of an Agreement with the Borough of South River for adjoining Host Community Benefits - 2014

Mr. Fitamant reported that this Resolution is to approve the South River Host Community Benefit Agreement for another 10 year term. The Agreement is at the current rate of \$1.50 per ton for quantity of waste received in the previous year. The Authority is required by statute to provide these Host Community Benefits.

Mr. Fitamant reported that the next two resolutions – Nos. A-1-14-11-R and A-1-14-12-R are to establish overpayments and/or deficiencies, relative to estimated sewer service charges paid, based upon actual flow and loadings in 2013 from the Participants. Net credit to be returned to participants is \$2.4 million. The deficiencies are due by the end of February and the overpayments have the option of receiving a check or credit to their 2014 invoices.

Resolution No. A-1-14-11-R

Resolution Confirming Amounts of Overpayments of Annual Charges by Certain Participants for the Treatment and Disposal of Sewage for the Year 2013

Resolution No. A-1-14-12-R

Resolution Confirming Amounts of Deficiency in Payment of Annual Charges by Certain Participants for Treatment and Disposal of Sewage for the Year 2013

Resolution No. A-1-14-13-R

Resolution Confirming Estimates of Sewage and Annual Charges to Participants for the Year 2014

Mr. Fitamant stated that this resolution is required as part of the Participant Agreements to certify the estimated annual charges that were approved through the budget process in November, 2013. A total of \$81 million is to be raised by the Participants.

The above resolutions were presented and moved for adoption by Vice Chairman Wiley. The motion was seconded by Commissioner Zullo and the following members voted Aye:

Chairman Light; Vice Chairman Wiley; Commissioners: Carter, Cohen, Convery, Karabinchak, Murray and Zullo.

Nays: None

(See Appendix Nos. 1-13)

COMMITTEE REPORTS

Commissioner Cohen reported that an Engineering Committee Meeting took place before the Regular Board Meeting and asked Mr. Tanzi for a brief summary.

Mr. Tanzi reported that during the Engineering Committee Meeting a summary of the Hurricane Sandy Permanent repairs and mitigation work to be done at the Edison Pump Station was discussed. A decision was made to flood proof the building and relocate and elevate the main switchgear that would provide power to the Pump Station and in addition will restore temporary bypass capability at the pump station as well. Financing for the project is being sought through the NJEIT loan process. Permanent financing will be covered expenses not reimbursed by FEMA.

NEW BUSINESS

Mr. Fitamant gave an update as to status of Hurricane Sandy FEMA reimbursements. The Authority expended \$25.3 million to date on Hurricane Sandy emergency repair and restoration. On a positive note the Authority received \$1.3 million in January and is looking to receive an additional \$5 million within the next month.

Mr. Fitamant further reported that FEMA has reviewed over \$40 million of PW's from the MCUA and \$54 million continue to be under review. Out of the \$40 million approved, \$14 million has been deemed ineligible. The MCUA is appealing some of the ineligible determinations and discussing alternate work scopes with FEMA. Mr. Fitamant further reported that \$26 million has been approved as being eligible by FEMA.

Commissioner Zullo questioned the estimate for total repairs.

Mr. Fitamant responded stating that total repairs and mitigation costs are \$102 million, however as a result of FEMA review, that number may be reduced with work scope changes that may be considered because of FEMA eligibility determinations.

Commissioner Murray questioned that if you take the FEMA component out, what option would the Authority choose.

Mr. Fitamant stated that for the Sayreville Pump Station the Authority has a flood wall plan planned but the height has not been finalized. The flood wall minimum is determined by FEMA elevation but question is how high and other details that need to be worked out and also how much FEMA will fund.

Commissioner Cohen stated that regardless of FEMA reimbursement, we need to go ahead with the best possible plan to restore the Pump Station and deal with FEMA issues later.

Commissioner Murray stated that the EPS would be \$7 million but how much for the Sayreville Pump Station.

Mr. Fitamant responded stating approximately \$50 million, with \$14 million being approved by FEMA. Mitigation has not been finalized.

Commissioner Zullo questioned where the Authority is with mitigation measures.

Mr. Fitamant stated that the planned mitigation for the Edison Pumping Station involves flood proofing the building while the Sayreville Pumping Station involves a flood wall around the site. These mitigation plans will be part of the NJEIT financing application to be submitted to the NJEIT on March 3, 2014. Mr. Michael Samuel further added that three (3) different financing options available from the NJEIT. Everyone is trying to determine what is eligible and what is not. In the meantime, the Authority is looking for FEMA funds and a permanent repair plan to be started by end of the year.

Mr. Peter Kocsik stated that the deadline to begin permanent repairs is two (2) years from the date of the storm.

Commissioner Cohen questioned if the MCUA has used any of the \$10 million that we had to borrow.

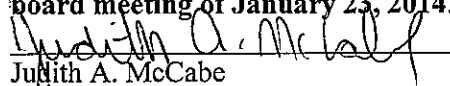
Ms. Brennan – Treasurer/Comptroller responded stating that the Authority has not used any of the funds but it is possible that some of the funds may be needed for a debt service payment on 2/1/14.

Chairman Light reported that a copy of the Wastewater Division and Solid Waste Division Bill Lists were distributed to the Commissioners

Chairman Light reported that the next meeting is the Reorganization Meeting to be held on February 27, 2014 at 3:30 p.m.

There being no further business, Chairman Light called for a motion to adjourn. Motion was made by Commissioner Convery at 5:15 p.m., seconded by Vice Chairman Wiley and carried.

I hereby certify that these minutes are a true and accurate summary of that which transpired at the MCUA board meeting of January 23, 2014.



Judith A. McCabe