

LAKWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

390 NEW HAMPSHIRE AVENUE, LAKEWOOD, NEW JERSEY 08701
PHONE (732) 363-4422 | FAX: (732) 905-0712 | WWW.LAKEWOODMUA.COM



THE LAKEWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

Regular Meeting Minutes

January 3, 2012

- I. Senator Singer opened the meeting at 1:23 P.M. in the Conference Room of the Lakewood Township Municipal Utilities Authority, 390 New Hampshire Avenue, Lakewood, New Jersey.
- II. It was announced that in accordance with Chapter 231, Public Law, adequate notice of this meeting was given and that a notice of this scheduled meeting was filed with the Township Clerk and posted in the Municipal Building in a place accessible to the public and by means of public notices in the Asbury Park Press on November 28, 2011 and the Tri-Town News on December 1, 2011.
- III. **Salute to the Flag**
- IV. **Roll Call of Commissioners**
On the roll call the following Commissioners were present: Mr. Theibault, Mr. S. Flancabaum, Mr. Sernotti, Mr. Waxman, Mrs. Fish and Senator Singer. Mr. S. Flancabaum was seated as an alternate. The following professionals were present: Mr. Norman Smith, Esq. and Mr. Gerwin Bauer, Jr. Auditor. Mr. Justin Flancabaum, Executive Director, Mr. Paul Morrill, Engineer, Ms. Nancy Lapa, Secretary and Mr. Robert Farina, Instrumentation/IT Department Supervisor.
- V. **Minutes**
A motion to approve the minutes of the Regular Meeting on December 6, 2011, was made by Mr. Waxman and seconded by Mr. Sernotti. On a **voice vote**, all members present voted "**Aye**". **Motion carried.**

A motion to approve the minutes of the Special Meeting on December 14, 2011, was made by Mr. Waxman and seconded by Mr. Sernotti. On a **voice vote**, all members present voted "**Aye**". **Motion carried.**
- VI. **Accountant's Report**
Mr. Bauer reported on the budget for 2012. Much of the items are summarized on the budget reports were given to the commissioners at the meeting. The budgets were reviewed in detail with the budget committee. Senator Singer said that the budgets were

based on the revenue of 2011. 2011 was a difficult revenue year due to the rain and other issues. Should there be a good season, things can change drastically. The Authority's revenues depend on the seasons. Should there be a wet spring or summer, or a summer that is not very hot, the revenue is affected. Mr. Bauer said that he doubts the Authority will go lower than the base of last year's revenue. Mr. Bauer asked if there are any questions on the budget. Mr. Waxman asked if the Authority is in healthy shape. Mr. Bauer responded yes, after the items covered by the debt service, there is ample reserve in the Fund balance to cover the items for the next five years. Mrs. Lapa read **Resolution # 12-03 2012 Water Operation Lakewood Township Municipal Utilities Authority Budget Resolution**. Motion was made by Mr. Sernotti, seconded by Mr. Waxman. On **roll call**, all members present voted, "**Yes**". **Adopted**. Mrs. Lapa read **Resolution #12-04 2012 Sewer Operation Lakewood Township Municipal Utilities Authority Budget Resolution**. Motion was made by Mr. Sernotti, seconded by Mr. Waxman. On **roll call**, all members present voted, "**Yes**". **Adopted**.

VII. Engineer's Report

1. Meter Replacement Phase 2

- Resolution Awarding Bid Contingent on NJEIT Approval

The Authority received three bids with the amounts in the range of approximately \$555,000 to \$885,000. The apparent low bidder is In Line Services, a division of the Stothoff Company for \$554,544. Mr. Waxman questioned the great disparity between the amounts of the bids. Mr. Morrill said the two low bids, \$554,000 and \$616,000, are not that far apart. Senator Singer asked what the Authority thought the approximate bid amount would have been. Mr. Morrill said he thought it would come in about \$650,000. National Metering, the second lowest bidder, was awarded the meter replacement for phase one. The Authority had good relations with them. In Line Services and National Metering have been competing on these bids and really worked hard on their numbers. Senator Singer asked if the installers are working with the Authority's field personnel and teaching them how to install and repair the meters. Mr. Morrill said the meter company is showing the Authority's employees how to. The Authority is installing some of the radio transmitters and the new style meters with radio transmitters and putting them on line. Mrs. Lapa read **Resolution # 12-05 Awarding Contract to In Line Services, Inc. for Meter Replacement Phase II**. Motion was made by Mr. Waxman, seconded by Mrs. Fish. On a **Roll Call**, all members present voted, "**Yes**". **Adopted**. Senator Singer asked if the Authority can sell the old meters. Mr. Morrill said that based on the contract, the Authority turns the meters over to the company for scrap. They give the Authority a credit for it. They test the meters and give the Authority a report that tells how accurate the old meters were. Based on what was seen, the revenues should go up with the installation of the new meters.

2. Bids and Quotes for Chemicals and Cold Water Meters 2012

- Resolution Awarding Contract for the purchase of Cold Water Meters
- Resolution Awarding Contract for the purchase of Sodium Hypochlorite

- Resolution Awarding Contract for the purchase of Hydrated Lime
- Resolution Awarding Contract for the purchase of Dry Calcium Hypochlorite Briquettes
- Resolution Awarding Contract for the purchase of Liquefied Chlorine Gas

Bids were received for all the above chemicals and cold water meters. All the prices were all very close to last year's. Senator Singer said that Mr. Morrill should make sure that all the chemicals are stored properly and labeled so there should not be any problems with the DEP. Mr. Morrill said that the Authority is in compliance. Mr. Morrill said that the Authority is purchasing three types of chlorine. Sodium Hypochlorite is a liquid chlorine solution. The Authority is trying out a new system with Dry Calcium Hypochlorite Briquettes. They are safer to store and easier to work with. At this point we are not sure how they compare cost wise. The third type of Chlorine, Liquefied Chlorine Gas, the Authority is attempting to phase out completely. Mrs. Lapa read **Resolution # 12-06 Awarding Contract for Cold Water Meters to the Lowest Bidder.** Motion was made by Mr. Waxman, seconded by Mrs. Fish. On a **Voice Vote**, all members present voted, "Aye". **Adopted.** Mrs. Lapa read **Resolution # 12-07 Awarding Contract for Sodium Hypochlorite to the Lowest Bidder.** Motion was made by Mr. Waxman, seconded by Mrs. Fish. On a **Voice Vote**, all members present voted, "Aye". **Adopted.** Mrs. Lapa read **Resolution # 12-08 Awarding Contract for Hydrated Lime to the Lowest Bidder.** Motion was made by Mr. Waxman, seconded by Mrs. Fish. On a **Voice Vote**, all members present voted, "Aye". **Adopted.** Mrs. Lapa read **Resolution # 12-09 Awarding Contract for Dry Calcium Hypochlorite Briquettes to the Lowest Bidder.** Motion was made by Mr. Waxman, seconded by Mrs. Fish. On a **Voice Vote**, all members present voted, "Aye". **Adopted.** Mrs. Lapa read **Resolution # 12-10 Awarding Contract for Liquefied Chlorine Gas.** Motion was made by Mr. Waxman, seconded by Mrs. Fish. On a **Voice Vote**, all members present voted, "Aye". **Adopted.**

3. Redevelopment of Wells #16, #9, and #10

- Resolution to Rescind Change Order # 1 to the Professional Services Contract
Mr. Morrill said that previously there was a Change Order for Birdsall in the amount of \$9,500 for engineering analysis for Well #16 in regards to the wires burning and motor. Mr. Morrill spoke with the Authority's technical department and they said that it was not necessary at this point to bring in an electrical engineer; the modifications can be done in-house with an electrician. Mrs. Lapa read **Resolution # 12-11 Rescinding Change Order No. 1 Redevelopment of Wells Nos. 9, 10 and 16.** Motion was made by Mr. Waxman, seconded by Mrs. Fish. On a **Voice Vote**, all members present voted, "Aye". **Adopted.**

4. New Hampshire Avenue Treatment Plan

- Resolution for Change Order # 4
The under drain system in existing filters needed to be removed and replaced. There was an emergency at the beginning of last summer to get them cleaned. The cost for to remove and replace the under drains is \$96,091. Mrs. Lapa read **Resolution # 12-12 Authorizing Change Order No. 4 Expansion and Upgrades to New Hampshire Avenue Water Treatment Plant.** Motion was made by Mr. Sernotti, seconded by Mrs. Fish. On a **Roll Call**, all members present voted, "Yes". **Adopted.**

5. Airport Road Water Storage Tank Replacement

- Resolution Awarding Contract for cutting and capping the existing water main
The subcontractor, CB&I, stated that they wanted an additional \$4,400 to cut and cap pipe when they found out that pipe is an asbestos cement pipe. Mr. Morrill told the engineer to get bids and to have this done with a different contractor. The lowest bid came in by Caruso in the amount of \$3,980. This amount will be deducted from CB&I's contract. Mrs. Lapa read **Resolution # 12-13 Awarding Contract for Cutting and Capping The Existing Water Main Airport Road Water Storage Tank**. Motion was made by Mr. Waxman, seconded by Mrs. Fish. On a **Voice Vote**, all members present voted, "Aye". **Adopted**.

6. Installation of Blow-off Hydrants and the Repair of Valves and Boxes

- Resolution for Change Order #1 to Professional Services Contract
This is a contract with Ernst, Ernst and Lissenden from a year ago. Mr. Morrill received the plans and specifications over that period of time. Some of the problems were fixed by the Authority as emergencies and would like to add other areas. Ernst, Ernst and Lissenden have asked for a Change Order in the amount of \$2,659 for the revised plans and specifications required for the items added to contract. Mrs. Lapa read **Resolution # 12-14 Authorizing Change Order No. 1 and Extend Contract Installation of Blow-Off Hydrants and Repair of Valve Boxes**. Motion was made by Mr. Waxman, seconded by Mrs. Fish. On a **Voice Vote**, all members present voted, "Aye". **Adopted**.

7. Modifications to the Water Line for New Hampshire Avenue Due to the County Improvements

- Resolution Accepting Maintenance Bond and Releasing Performance Bond
After the Maintenance Bond is found acceptable by the Authority's Attorney, the Performance Bond will be released. Mrs. Lapa read **Resolution # 12-15 Release Performance Guarantees New Hampshire Avenue Water Main Improvements**. Motion was made by Mr. Sernotti, seconded by Mrs. Fish. On a **Voice Vote**, all members present voted, "Aye". **Adopted**.

8. Cedar Bridge Raw Water Mains

- Resolution Accepting Maintenance Bond and Releasing Performance Bond
This is for the clearing of trees. Mrs. Lapa read **Resolution # 12-15 Release of Performance Guarantees Cedar Bridge Raw Water Main**. Motion was made by Mr. Sernotti, seconded by Mr. Flancbaum. On a **Voice Vote**, all members present voted, "Aye". **Adopted**.

9. RFQs for Engineering Services 2012

- Resolution Accepting Qualifications
In the packet on page 25 is a list of the engineering firms that submitted RFQ's. The documents that were submitted by the firms can be accepted subject to the review of the Authority's engineer and attorney. Mr. Smith said that this is an alternate bidding process that was adopted by the State Contracts Law around twelve years. Instead of formal bids, the Authority can formally advertise for qualifications and accept them, the

contracts can be awarded through the course of the year on the unit pricing that they provided without further formal bidding process. Mrs. Lapa read **Resolution # 12-17 Accepting Submissions in Response to Request for Qualifications for Engineering Services**. Motion was made by Mr. Waxman, seconded by Mrs. Fish. On a **Voice Vote**, all members present voted, "Aye". **Adopted**.

10. Route 88 73 Unit Development and Community Building – Project Status

At last month's meeting, the final approval was given to this development. Additional submission packages were received from them. Also, the Authority received the plan for the Woodlake Sanitary Sewer from the applicant's engineer. It is in the process of being reviewed. Mr. Smith added that after great effort and the participation of Senator Singer, a satisfactory Developer's Agreement that everyone is happy with has been agreed upon. They have yet to sign it until they find out exactly how many lines they will have to repair on the Woodlake Sanitary Sewer. Mr. Waxman asked how they are going about it. Mr. Smith said they started by submitting a plan to Mr. Flancbaum and Mr. Morrill to review. An option was given to them. If they do not want to do it, they do not have to do it. The Authority will do it, but they will have to pay the Authority for taking care of it. Mr. Smith wanted the commissioners to be aware that the Authority did their job and the developer has not signed it.

11. County Line Manor – Project Status

On December 20, 2011, the Authority received a check from the bonding company in the amount of \$120,000. This is for the onsite work that needs to be done.

12. Brick Township Municipal Utilities Authority Interconnections – Project Status

The Authority was looking at two locations for the interconnections. Mr. Morrill would like to discuss with the engineer hired, to investigate for other possible locations because one location appears to be very expensive. Mr. Morrill said the Shorrocks Street location already has interconnection and will be one of the locations. The other location, Lanes Mills Road, requires a bridge crossing. It seems that it will be very expensive. We want alternate locations to be investigated, possibly Route 88. Mr. Waxman questioned why this is taking so long. This was approved a while ago. Mr. Morrill said the engineer is going through the plans and coming up with ideas. The Lanes Mills Bridge has some piers driven in that are sixty feet deep. To directional drill underneath it, would be very expensive and extremely long. Other alternatives are being discussed. It bends, so maybe it can be bent in the other direction. Therefore, Mr. Morrill would like the engineer to look at other options. Mr. Morrill will ask him to come back next month with a new proposal and have his contract extended.

VIII. Attorney's Report

Mr. Smith reported earlier in the engineer's report.

IX. Executive Director's Report

1. Resolution- Reimbursement for Waiver of Health Benefits

Mr. Flancbaum confirmed with the labor counsel, Mr. John Mercun, how to compensate employees that would like to waive health benefits. Mr. Flancbaum received the

recommendation in writing. Senator Singer explained that the Authority has a separate labor counsel. Any employee related issues are directed to the labor counsel. Mr. Flancbaum said that Mr. Mercun recommends that the employee be compensated based on the most expensive plan as further incentive for the employees to opt out. Senator Singer said that it is a benefit to the Authority that the employee waives the health insurance benefits. Even though cash payment is given to the employee, it is far less than the health benefits premium. This is done by other Authority's and the Ocean County Health Department. The State says that the maximum amount that can be compensated is \$5,000. Mr. Flancbaum said the formula for compensation is twenty five percent of premium paid by the Authority or \$5,000 which is less. Mrs. Lapa read **Resolution # 12-18 Authorizing the Creation of a Health Benefits Waiver Program**. Motion was made by Mr. Sernotti, seconded by Mr. S. Flancbaum. On a **Roll Call**, all members present voted, "**Yes**". **Adopted**.

The next item will be discussed in closed session

X. Instrumentation/IT Department Report

Mr. Farina said that this past month he has been working closely with the contractors and our own phone contractor to get all the necessary fiber optic, data and phone lines run from the Administration Building over to the new Operations Building. We were waiting for some fiber optic patch cables that have arrived this morning. They were installed. This completes the installation so that computers and telephones can operate in the new building.

We are currently working with the antenna and radio contractor, New Jersey Business Systems, with setting forth a procedure in which they can test the system and the Authority will accept it as properly functioning and reliable.

We are in the process of dedicating specific time and scheduling so that major programming of the SCADA System can start and continue with minimal disruption.

An effort will begin to take place to facilitate security at our remote sites, the lift stations and water tanks. This can be done because the antenna system has been installed.

We have mapped out new extensions as well as a fax line for the new Operations Building. We are preparing to move operations data into our main servers to facilitate security and interoffice collaboration. In addition, we have overhauled the maintenance, logging and flow tracking system for Operations and are preparing to migrate the system to the new Excel server which will upgrade us from Excel 2003 to 2010 and allow greater functionality.

Senator Singer questioned if our computer system is up to date on security. The Authority has a lot of customer information. Mr. Farina replied that Mr. Copeland dedicates a large amount of his time to security and it is up to date. Senator Singer asked Mr. Copeland if he can tell if someone has tried to get into the Authority's system. Mr. Copeland said you cannot tell.

XI. Commissioners' Report

Senator Singer reminded that next month's meeting, February 7, 2012 will be the Re-Organization Meeting.

Mr. Waxman said the appraisal cost for Pine Belt easement in the amount of \$8837 seems high. The amount of the easement was \$9,825. Senator Singer said he agrees. But, a proper appraisal has to be gotten to avoid someone saying you paid too much, you could have paid much less. The Authority has to be able to document exactly why we paid the amount for the easement. In this particular case the amount of the appraisal cost is close to the amount of the easement itself. Mr. Smith said that this is a thorough and professional appraisal. If the cost of the easement was \$150, the cost of the appraisal would still be the same amount of \$8,000. The appraisal company still has to go through the underlying analysis in order to get an appraisal that will hold up in a condemnation proceeding.

XII. MEETING OPEN TO THE PUBLIC

There was no response from the public.

XIII. MEETING CLOSED TO THE PUBLIC

XIV. MOTION TO APPROVE THE OPERATING VOUCHERS

Mrs. Lapa added an addition to the Operating Vouchers for Mr. Norman Smith for services rendered in the amount of \$13,464. A **motion** was made by Mr. Waxman and seconded by Mr. Sernotti to approve the Operating Vouchers in the amended amount of \$581,909.48. On a **Roll Call**, all members present voted, "**Aye**". **Motion passed.**

XV. CLOSED SESSION

A **motion** was made by Mr. Waxman and seconded by Mr. Sernotti to go into closed session at 1:55 P.M. to discuss personnel. On a **voice vote**, all members present voted, "**Aye**".

XVI. OPEN SESSION

XVII. ADJOURNMENT

A **motion** was made by Mr. S. Flancbaum, seconded by Mrs. Fish to adjourn meeting. On a **voice vote**, all members present voted, "**Aye**". The meeting was adjourned at 2:10 P.M.

Respectfully submitted,

Nancy Lapa,
Secretary, LTMUA