



Board of Commissioners

Senator Robert Singer, Chairman

P. G. Waxman, Vice Chairman

Raymond Coles, Treasurer

Anne Fish, Assistant Secretary

Craig Theibault, Commissioner

Samuel Flanbaum, Alt. Commissioner

Meir Lichtenstein, Alt. Commissioner

THE LAKEWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

Regular Meeting Minutes

October 6, 2016

- I. Senator Singer opened the meeting at 10:00 A.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 February 9, 2016 and The Tri Town News on February 11, 2016.
- III. **Salute to the Flag**

Senator Singer asked for a moment of silence in memory of Mr. Donald Ponsi, father of Mr. Adam Ponsi. The Authority wishes him and his family the very best in this time of sorrow.
- IV. **Roll Call of Commissioners**
Senator Singer welcomed Mr. Meir Lichtenstein as a member of the Board, wished him the best of luck and thanked him for his service. On a roll call the following Commissioners were present: Mr. Lichtenstein, Mr. S. Flanbaum, Mr. Coles, Mrs. Fish and Senator Singer. Mr. S. Flanbaum and Mr. Lichtenstein were seated as alternates. The following professionals and key personnel were present: Mr. Gerwin Bauer Jr., Auditor, Mr. Justin Flanbaum, Executive Director, Mr. Daniel Rappoccio, CFO, Mr. Paul Morrill, P. E., Mr. Robert Farina, Instrumentation Department Supervisor and Mrs. Nechama Lapa, Secretary.
- V. **Minutes**
A motion to approve the minutes of the Regular Meeting held on September 7, 2016, was made by Mr. Coles and seconded by Mrs. Fish. On a **voice vote**, Mr. S. Flanbaum, Mrs. Fish and Senator Singer voted, "**Aye**". Mr. Lichtenstein and Mr. Coles abstained. **Motion carried.**

LAKEWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

390 NEW HAMPSHIRE AVENUE, LAKEWOOD, NEW JERSEY 08701

PHONE (732) 363-4422 | FAX: (732) 905-0712 | WWW.LAKEWOODMUA.COM

Mr. Theibault arrived at 10:02 A.M.

Chief Financial Officer Report

1. Financial Results Review For September 30, 2016

The Authorities net position for the period ending September 30, 2016 is \$3.1 Million which is approximately \$1.8 Million ahead of the budget. The Authority's operating revenue as of September 30, 2016 is approximately \$9.9 Million which is approximately \$2.1 Million ahead of the revenue budget. This is still being driven by higher residential and industrial service fees of approximately \$773,000.00 through September as well as higher non-recurring connection fees of \$1.2 Million through September 30, 2016. This does not include the October billing which is the irrigation billing. The revenue for the summer months will be in October's revenue. Mr. Rappoccio wanted to make the commissioners aware that the \$2.1 Million increase over budget has been put back into the system to pay for capital improvements. This is very good. The Authority's expenses through September 30, 2016 are approximately \$6.8 Million. This is slightly ahead of budget of \$6.5 Million through September. As of September 30, 2016, the Authority has used approximately ninety percent of the expense budget. There is one month left to the year. The Authority is right on schedule. The Authority has done a great job of managing expenses to budget.

Mr. Waxman arrived at 10:03 A.M. Mr. S. Flancbaum and Mr. Lichtenstein are no longer seated as alternates.

2. 2017 Budget Update

Mr. Rappoccio, Mr. J. Flancbaum and Mr. Bauer met with the Budget Committee yesterday to review the 2017 Operating and Capital Budget. Mr. Rappoccio will be working with the Authority Auditors over the next month to prepare the submission to the State for mid-November. There will not be a rate increase for 2017. This is positive. Mr. Rappoccio will be reaching out, via email, to the Commissioners over the next month for information required by the State, similar to last year.

Senator Singer explained to Mr. Lichtenstein that the Authority puts its additional monies into the capital programs to avoid having to bond. In larger cases the Authority does. This keeps the cost down for the rate payers. The system is aging and these upgrades are done on a regular basis to avoid major problems. The water meters were replaced with state of the art meters that have remote capture. The Authority saw a revenue increase of twenty percent with existing customers. The metering system which cost over \$4 Million will be paid for by itself in five years.

3. Motion to Approve Operating Voucher

Mr. Rappoccio provided the commissioners with a list of abstentions. The Operating Expense total being requested for approval is \$609,680.71. A **motion** to approve operating vouchers in the amount of \$609,680.71 was made by Mr. Coles, seconded by Mr. Waxman. On **roll call**, all members present voted, "**Yes**" **with noted abstentions. Motion Carried.**

Added item:

4. Health Insurance Open Enrollment

Open Enrollment for Health Benefits has begun and ends on October 31, 2016. The State Health Benefits Program has a new Pilot Program. It is a tiered HMO Plan. It is an incentive program for the employees. If an employee opts for this plan, they can receive \$2,000.00 this January. The incentive is paid by the Authority. The employee

must remain in the plan for two years. The benefit to the Authority is a saving of approximately \$5,000.00 a year. If the Authority chooses to participate in this Pilot Program a resolution needs to be adopted. Mr. Rappoccio said he does not see a reason why the Authority should not participate. Senator Singer said he thinks it should be approved. However, the employees should not be misled because they see the dollar sign. They have to understand it is a tiered program and not every hospital in the State is participating. The employees have to be made to understand exactly what they are doing. Mr. Rappoccio said that a memo is being sent out to all employees and a meeting was scheduled next Thursday for questions and answers. Mrs. Lapa and I will be available for questions. Mr. Smith said that he can prepare a statement with this particular notice in it for the employee to sign. Mrs. Lapa read **Resolution # 16-114 Resolution For Local Employers To Offer An Incentive Under The State Health Benefits Program**. Motion was made by Mr. Waxman, seconded by Mrs. Fish. On roll call, all members present voted, "Yes". **Adopted**.

VI. Engineer's Report

1. RFQ's for Engineering Services Calendar Year 2017

- Motion Authorizing Issuance of Request for Qualifications

A motion authorizing issuance of Request for Qualifications for Engineering Services for calendar year 2017 was made by Mr. Coles and seconded by Mrs. Fish. On a **voice vote**, all members present voted, "Aye". **Motion carried**.

2. Competitive Contracting for Water Testing Services for Calendar Year 2017

- Motion Authorizing Issuance of Request for Proposals

A motion authorizing issuance of Request for Proposals for Water Testing Services for calendar year 2017 was made by Mr. Coles and seconded by Mrs. Fish. On a **voice vote**, all members present voted, "Aye". **Motion carried**.

3. Bids for Chemicals and Cold Water Meters for Calendar Years 2017-2018

- Motion Authorizing Issuance of Notice to Bidders

A motion authorizing issuance of Notice to Bidders for Cold Water Meters for calendar years 2017-2018, was made by Mr. Coles and seconded by Mrs. Fish. On a **voice vote**, all members present voted, "Aye". **Motion carried**.

4. 140 Lehigh Ave School Conversion

- Resolution Authorizing the Executive Director to Endorse Applications

The authorization to sign is contingent on the letter from Grant Engineering dated September 28, 2016. Mr. Waxman asked what is being signed. Mr. J. Flancbaum said he will sign the applications to the Ocean County Utilities Authority. Mr. Smith said because of the volume they have to get approval from OCUA. OCUA requires that the Authority endorse the application. Mr. Waxman asked if this was always done this way. Mr. J. Flancbaum said yes. The application will not be signed until they satisfy the contents of the letter. Mr. Morrill said resolutions are only done for commercial and industrial applications. When technical approval is granted for a project, it gives automatic authorization for the Executive Director to sign. Mrs. Lapa read **Resolution # 16-115 Authorizing the Executive Director to Sign All Applications**. Motion was made by Mr. Waxman, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "Aye". **Adopted**.

5. Ridge Ave School #3

- Resolution Authorizing Executive Director to Endorse Applications

This is conditioned on the letter from GTS Consultants dated September 16, 2016. Mrs. Lapa read **Resolution # 16-116 Authorizing the Executive Director to Sign All Applications**. Motion was made by Mr. Waxman, seconded by Mr. Coles. On a **voice vote**, all members present voted, "**Aye**". **Adopted**.

6. Blvd of the Americas Office Building #3

- Resolution Authorizing Executive Director to Endorse Applications

Mr. J. Flanbaum said that this project is owned by Mark Chopp. Mrs. Lapa read **Resolution # 16-117 Authorizing the Executive Director to Sign All Applications**. Motion was made by Mr. Waxman, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted**.

7. Decommissioning of the Woodlake Pump Station

- Resolution Awarding Change Order #1

This is to pay Maser Consulting to set monuments for the site in the amount of \$200.00. Mr. Lichtenstein asked if this services the golf course area. Senator Singer said that pump station was a problem therefore the Authority is eliminating it. Now there is a gravity sewer line. Mr. Lichtenstein said that there is talk about development there. Senator Singer said that is all taken into account. Pump stations are a headache. One time the pump station failed which caused major damage. Auxiliary pumps had to be brought in. That was extremely expensive. The pump station is on a half-acre property. It will be decommissioned, pulled out and then the property will be sold. Mr. Morrill said the engineering services for decommissioning and changing the site were already authorized. This is just to have the property defined. Mrs. Lapa read **Resolution # 16-118 Authorizing Change Order No. 1 Decommissioning of Woodlake Pump Station**. Motion was made by Mr. Coles, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted**.

8. Water Supply System Plan

- Resolution Awarding Professional Services Contract

This is to memorialize the award of the contract for \$3,500.00 to Mott MacDonald. This is required by the State for our permit. Mrs. Lapa read **Resolution #16-119 Awarding Professional Services Contract Without Public Bidding Pursuant To N.J.S.A. 40A:11-4.1 et seq**. Motion was made by Mr. Coles, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted**.

9. Redevelopment of Wells #1 and #3

- Resolution Awarding Professional Services Contract

As previously discussed, there is a problem with iron bacteria in these wells. The Authority was able to put them back on line temporarily because of a treatment but it needs to be redeveloped. In the packet there is a proposal dated September 29, 2016 which was replaced by a proposal dated September 30, 2016. The price has not changed. The proposal was gone through to make sure it is how the Authority would like it. Mrs. Lapa read **Resolution #16-120 Awarding Professional Services Contract Without Public Bidding Pursuant To N.J.S.A. 40A:11-4.1 et seq**. Motion was made by Mr. Waxman, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted**.

Senator Singer explained to Mr. Lichtenstein that the Authority only has well water, not surface water. The Authority purchases water from New Jersey American Water Company and Brick MUA. Brick MUA is surface water. There are different issues dealing with that. The Authority does not buy a lot of water. Over the years the water

quality from the aquifers has deteriorated which creates problems for the treatment plants and wells. The DEP strictly regulates what and when we can draw.

10. Construction of Ball Park Well #22 and #23 – Item Tabled

- Resolution Awarding Professional Services Contract

11. Update of Rules and Regulations

- Motion Approving Addendum #19

This addendum allows double check backflow preventers in some instances as opposed to the reduced pressure backflow preventers which the Authority had required in all instances. Mr. Waxman asked if this makes it stricter. Mr. Morrill said this makes it less strict, and is in line with other Authorities. Mr. J. Flancbaum said Jackson MUA does the same. Senator Singer said that the Authority constantly updates to be fair to the contractors and customers so they do not have undue expenses. A **motion** to update the Rules and Regulation with Addendum No. 19 was made by Mr. Coles, seconded by Mr. Theibault. On **roll call**, all members present voted, "**Yes**". **Motion Carried.**

VII. Attorney's Report

Mr. Smith reported on a pending lawsuit Horizons versus Woodlake Greens et al. The Authority is included in the Woodlake Greens side. Mr. Smith said he looked at all the pleadings and documents that have been filed so far. His opinion is that they have not stated a claim against the Authority. Mr. Smith called the other attorney to try to convince him let the Authority off by consent. Detailed messages were left and the calls have not been returned. Mr. Smith said he will make a motion.

VIII. Executive Director's Report

1. Resolution for Contract Modification for Gavan General Contracting, Inc. - Shorrock Street Control Room Relocation

Two small items came up during construction. Additional VCT flooring had to be installed when the wall was removed and a new wall was built. There was a two inch gap. The cost was \$450.00. The indoor heater was not working and had to be repaired at a cost of \$1,360.52. The total for both items is \$1,810.52. Mrs. Lapa read **Resolution # 16-121 Authorizing Change Order No. 1 Shorrock Street Control Room Relocation.** Motion was made by Mr. Coles, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

2. Resolution Adopting Updated Personnel Policies & Procedures

Mr. Rappoccio and Mr. J. Flancbaum have been working with the labor counsel for the past months updating the Personnel Policies and Procedures. Policies and Procedures that are required by the JIF were added. The updated Employees Rules and Regulations were included in the meeting packet. Mrs. Lapa read **Resolution # 16-122 Approving And Adopting Revisions To The Lakewood Township Municipal Utilities Authority Employee Rules and Regulations.** Motion was made by Mr. Waxman, seconded by Mrs. Fish. On **roll call**, all members present voted, "**Yes**". **Adopted.**

Added items:

3. 2017 Connection Fees

The Authority would like to award a contract to Mott MacDonald for calculating the 2017 Connection Fees. The proposal is for a cost not to exceed \$2,300.00. This is \$100.00 more than last year's cost. Senator Singer said that this is required by law. Mr. Smith said that the connection fees are a statutory formula and are complicated. An expert is

needed to calculate it. Mrs. Lapa read **Resolution #16-123 Awarding Professional Services Contract Without Public Bidding Pursuant To N.J.S.A. 40A:11-4.1 et seq.** Motion was made by Mr. Waxman, seconded by Mr. Coles. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

4. Decommissioning of the Woodlake Pump Station Property Appraisal

Mr. Waxman questioned the need for an appraisal. Senator Singer said the Authority wants to make sure it gets fair value. That amount becomes the minimum bid. This piece of property is behind a car dealership and Woodlake Greens, has no frontage and is about a half-acre. The decommissioning and pulling out the pump station is a DEP requirement. Senator Singer wants the Authority to do it because he wants it done properly. If the property is sold with the pump station on it and then there is a problem, the Authority is still responsible. Senator Singer asked if anyone has a problem with doing it this way. No one did. Mr. Smith said the appraisals for government agencies have higher requirements; it is not a standard appraisal. Graziano among others are very capable and experienced. They do it right. Senator Singer said that Graziano is not Lakewood based so he is one step removed. The Township uses him and it makes sense to use him. He is a former commissioner of the Ocean County Tax Board. Mrs. Lapa read **Resolution # 16-124 Authorizing The Authority Attorney To Order An Appraisal For The Woodlake Pump Station Property.** Motion was made by Mr. Coles, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

Senator Singer wanted to inform Mr. Lichtenstein that the Authority is very IT oriented. The IT Department has four full time employees. The Authority is paperless. The IT Department is in charge of security, personnel and cyber security. The Authority is ahead of the curve Countywide and Statewide. This is the fastest growing division because of how things are changing. It is an important aspect.

IX. Instrumentation/IT Department Report

1. New SCADA/Electrical Equipment Rooms Status

The new SCADA control room is completed at Shorrock Street Water Treatment Plant and we have begun populating it with our equipment. The SCADA/electrical room construction in the Airport Road Water Tank base is currently underway as well.

2. Antenna/Radio Appurtenances Update

Mr. Farina is in the process of setting up the contractor to get the existing two wooden poles moved to their respective new locations so that we can facilitate the installation of the last of the microwave radios. In addition, the network contractor has been authorized and is prepared to install and setup our new networking switches. The Authority will then be prepared to manage all the future radio traffic that will be upon us when our security cameras and card key access systems are installed.

3. Well #17 Status Report

The programming and debugging for Well No.17, the ASR well which is located on the New Hampshire Avenue Complex, is complete. The Authority is now in the fall season recharge mode and is recharging the aquifer under complete SCADA management and control. This was a major task that was of concern because of the timeline. But it was complete and working well. Senator Singer explained that the Authority recharges into the aquifer and takes the water back in the summer time. It is like an underground lake that allows storage and can take it out and use during the season.

IT Status Report

4. Network Status Update

The IT coordinator is working closely with the SCADA integrator along with the networking contractor ensuring that the new antenna/networking switches are installed have the strongest firewall available in order to do everything possible to protect the Authorities systems against domestic and foreign hacking and most importantly, to keep all other radio communications and transmissions completely separate from SCADA communications and transmissions. Basically, this keeps SCADA isolated from the outside world. No possibility of penetration from potential hackers. Senator Singer explained that the Authority is very Homeland Security oriented. The Authority treats the water that people drink. Every site and tank is constantly monitored and controlled state of the art. This is a priority for the Authority. Mr. Lichtenstein asked if the Authority is connected to the police department. Mr. Farina said that the buildings security systems are connected to the police department. SCADA is managed by the Authority's IT professionals. If there is a potential breach then it is addressed. Mr. J. Flancbaum explained that the SCADA system monitors the process. Mr. Lichtenstein said that the Township is considering putting up a lot of antennas by the Department of Public Works for Police, Fire and Ambulance. Would that interfere with the SCADA? Senator Singer said no. SCADA is microwave based.

5. GIS System Progress Update

The GIS specialist and the IT coordinator are presently working on network and server upgrades. They determined that the intended upgrades will support any of the choices we have selected to host our GIS database and operations with little to no modifications. These upgrades should be completed by November but no later than December of this year. Regarding the deployment of the GIS, our people have now decided on the option that is best for the Authority based on the three that are available. Lastly, with respect to keeping the data development moving forward, it was decided that our contractor, GTS Consulting, shall proceed with the generalized cleanup of the data while the Authority personnel will address the cleanup of the more complex issues. The Authority is now in the stage of data collection. A lot of data cleanup is needed. Now that the Authority has an in-house professional, it was decided that he will take care of the more complex issues and GTS Consulting will continue building the system in a better time frame.

Senator Singer explained to Mr. Lichtenstein the goal is for the Authority to be paperless and the employees can bring everything up on their screen and know exactly where valves and connections are. Every new facility that comes on is required to be GIS viable and we are also working on the whole system that way. When you go to the site and look for the valves, they cannot find them. Especially the older villages, Original Leisure Village and Leisure Village, are a problem. The plans are very sketchy and not exact. This system will help locate valves etc. Also when personnel want to go on vacation, they go online. The Authority is required by law to have hard copies in certain instances for a period of time. This is more applicable to the engineering department. All the vehicles are monitored. The fleet is kept up to date. Vehicles that are still usable are turned over to the Township. The Authority now outsources the snowplowing and snow clearing needs. This saves the vehicles also. The Authority has outsourced the grass cutting. For heavy construction and cleanouts, the Authority has used Sambol for many years and now that they are out of business Bil-Jim is used. They are on call twenty four hours a day. Technology, the Authority likes to do in-house. Mr. Lichtenstein said that he knows that Mr. J. Flancbaum has worked in the past with the Police Department with GIS layering. Is that continuing? Mr. J. Flancbaum said he has

not spoken to Police Department for a couple years, because they put a hold on their project. The Authority has been compiling data and made a digitized base map with the Township a few years ago. That has been used. That is the base map with parcels and roads. At this point the Authority needs to move forward with the GIS project even though the Township and Police Department was not progressing. The Authority is going full speed ahead. Mr. Lichtenstein asked what the Authority is layering. Mr. J. Flancbaum said we are doing hydrants, parcels, valves, sewer lines, water lines, pump stations, curb stops, cleanouts, wells and well houses, addresses and blocks and lots. Eventually, all the customer information, work orders etc. will be tied into GIS. Mr. Lichtenstein asked if the Township will want to continue to partner with the GIS layering is the Authority okay with it and what will they have to do. Senator Singer said to keep in mind that the Authority is only concerned with our service area which is one third of the town. The other part of town is not doing this. Whatever we can do to help the Police Department we will. The Authority information is secure and we can share whatever they need. Mr. Lichtenstein thanked the Authority.

X. Commissioners' Report

Mr. Theibault expressed his gratitude to the Township Committeemen for moving him to a voting position.

Senator Singer said that the Authority is going ahead with the solar project. There is a CAFRA application. This will not cost the Authority any money. Also the Authority is working with Public Works to maybe making an additional road on Avenue of Americas to come into the Authority complex. This is mainly for the employees. There is also concern for the customers as well. The Authority is looking into an alternate way in besides New Hampshire Avenue. Public Works said they are willing to work with us. Also, the Authority is expanding the building. We have run out of space. We are the fastest growing utility authority in the State. There is a subcommittee made up of Mr. S. Flancbaum and Mr. Theibault that will be working on this project. This will be done within the Authority's framework, and will not be bonding for it. Mr. Coles and Mrs. Fish are on the Personnel Committee. Senator Singer explained to Mr. Lichtenstein the incentive for becoming operators.

XI. MEETING OPEN TO THE PUBLIC

XII. MEETING CLOSED TO THE PUBLIC

XIII. ADJOURNMENT

A motion was made by Mr. Theibault, seconded by Mr. Coles to adjourn meeting. On a **voice vote**, all members present voted, "**Aye**". The meeting was adjourned at 10:46 A.M.

Respectfully submitted,

Nechama Lapa,
Secretary, LTMUA