

# LAKWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

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## THE LAKEWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

### Regular Meeting Minutes

May 1, 2012

- I. Senator Singer opened the meeting at 10:07 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 10, 2012 and the Tri Town News on February 16, 2012.
- III. **Salute to the Flag**
- IV. **Roll Call of Commissioners**  
On the roll call the following Commissioners were present: Mr. Theibault, Mr. S. Flancaum, Mr. Sernotti, Mr. Coles, Mr. Waxman, Mrs. Fish and Senator Singer. The following professionals were present: Mr. Norman Smith, Esq. and Mr. Robert Elliot, Auditor. Mr. Justin Flancaum, Executive Director, Mr. Paul Morrill, Engineer and Mrs. Nancy Lapa, Secretary were in attendance.
- V. **Water Connection Fee and Sewer Connection Fee Hearings**  
The Water and Sewer Connection Fee Hearings that were advertised in the Asbury Park Press on March 26, 2012 and the Tri Town News on March 22, 2012 were rescheduled. A motion to reschedule the Water Connection Fee Hearing to June 5, 2012 at 10:00 A.M. was made by Mr. Coles and seconded by Mr. Sernotti. On a **voice vote**, all members present voted "**Aye**". **Motion carried.** A motion to reschedule the Sewer Connection Fee Hearing to June 5, 2012 at 10:00 A.M. was made by Mr.

Waxman and seconded by Mr. Coles. On a **voice vote**, all members present voted "**Aye**". **Motion carried.**

#### **VI. Minutes**

Mr. S. Flancbaum was seated as an alternate for this vote. A motion to approve the minutes of the Regular Meeting on March 29, 2012, was made by Mr. Sernotti and seconded by Mrs. Fish. On a **Roll Call**, Mr. S. Flancbaum, Mr. Sernotti, Mr. Waxman, Mrs. Fish and Senator Singer voted "**Yes**". Mr. Coles abstained since he did not attend the last month's meeting. **Motion carried.** Mr. S. Flancbaum is no longer seated as an alternate.

#### **VII. Accountant's Report**

Mr. Elliot reviewed the Audit report from the previous year and the Authority is in good financial shape.

#### **VIII. Engineer's Report**

Mr. Morrill asked everyone to refer to the agenda on the gray pages of the packet.

##### **1. Repair and Replacement of Sanitary Sewer on Redondo Lane**

Resolution Awarding Change Order #2 Professional Services Contract  
In the packet on page one is a letter from Ernst Ernst and Lissenden. The Authority is expanding their contract. Construction and inspection services were not awarded at the time of the award of the design. Mr. Smith said this is a Request For Quote (RFQ) contract. The Authority can simply give another contract without a change order. Mrs. Lapa read **Resolution # 12-54 Authorizing Change Order #2 Redondo Lane Sanitary Sewer Repair and Replacement.** Motion was made by Mr. Coles, seconded by Mr. Sernotti. On **voice vote**, all members present voted, "**Aye**". **Adopted.**

##### **2. Beacon Hill Tank Roadway Drainage Improvements**

Resolution Awarding Change Order #1 Professional Services Contract  
This is also expanding a contract to include construction observation. Mrs. Lapa read **Resolution # 12-55 Authorizing Change Order #1 and Extend Contract Construction Observation Services for the Beacon Hill Tank Roadway Drainage Improvements.** Motion was made by Mr. Sernotti, seconded by Mr. Coles. On **voice vote**, all members present voted, "**Aye**". **Adopted.**

##### **3. Adjustments to Manhole Frames and Covers within Original Leisure Village**

Resolution Awarding Contract  
 Resolution Awarding Change Order #1 Professional Services Contract  
Mr. Morrill said that bids were received. On April 19, 2012 the Authority received a formal protest from DSC Construction regarding the award of

contract to the lowest bidder. Several letters associated with this protest were handed out. The latest letter was received this morning. The letter is from the Authority's attorney indicating that he believes the protest was frivolous and that the bid can be awarded. Mr. Smith explained that there were thirteen bidders. DSC Construction and one other bidder misread the form of the bid and only put down the unit price for each unit and totaled it up. DSC Construction put \$20,000 as their total bid. That is not for the project advertised; it is for one unit of each item. At the bid opening, as per the instruction of Mr. Smith, Mr. Morrill and the engineer from Ernst Ernst and Lissenden, Ms. Romano, in the presence of all the bidders, recalculated the bid by multiplying each unit price by the correct number of units and coming up with a total. That changed the bid from \$20,000 to \$63,000 making it the third lowest bidder, not the lowest bidder. The Authority received a protest a few days later from Mr. Edward Bezdecki, the attorney for DSC Construction. Mr. Bezdecki's position is that the bid was \$20,000 and because the form did not have a title under each line saying unit number, although it did have columns for it, the actual bid that the Authority was looking for was for one unit of each item. This is a totally frivolous argument. The number of units was set forth in multiple places in the bid document. It is impossible to conclude that the contract did not contain the multiple units. Mr. Bezdecki said that the contract clearly did not contain the multiple units because of the way the bidding form was drafted. Therefore, their client won the contract at \$20,000 for one manhole, one of each unit. Mr. Smith said if they want to consider their bid as \$20,000, it is not conforming and the Authority can reject the bid. If they want their bid to be \$63,000, it is not the low bidder and does not get the award. DSC Construction said they would like their bid to be \$63,000. Mr. Smith said further, the bid bond is ten percent of the bid amount which was \$2,000. The bid bond is inadequate with the \$63,000 bid. The bid bond is a mandatory item which cannot be corrected if it is incorrect. There are two reasons for rejecting their bid. One reason is that the bid was nonconforming and second, the bid bond was inadequate. Mr. Bezdecki is trying to get the Authority to reject and rebid so his client can get a second chance. Mr. Smith he does not think that the Authority needs to. He spoke with Ms. Romano, Mr. Morrill, Mr. Ponsi and Mr. Flancbaum and they feel that it should be awarded to the lowest bidder. However, the commissioners have a right to reject all the bids and to re-advertise. The commissioners were asking questions to help them decide whether it would be more prudent to award to lowest bidder or reject bids and re-advertise. Mr. Morrill said that there is a time factor involved. The Authority is trying to get the manholes repaired before Original Leisure Village does their paving. If the bid is delayed there is a chance that the work will be done after they finished the paving and we would have to tear up their brand new pavement. It was decided to award the contract to the lowest bidder. Mrs. Lapa read **Resolution # 12-56 Awarding Contract to R. Moslowski Excavating Inc. for Original**

**Leisure Village Adjustments to Manhole Frames and Covers.** Motion was made by Mr. Coles, seconded by Mr. Sernotti. On a **Roll Call**, all members present voted, "**Yes**". **Adopted.** Mr. Morrill said the second portion of this item on the agenda is to award a professional services contract for the construction observation of that work. Mrs. Lapa read **Resolution # 12-57 Authorizing Change Order No. 1 and Extend Contract Construction Observation Services for the Replacement of Sanitary Sewer Manhole Frames and Covers Within Original Leisure Village.** Motion was made by Mr. Sernotti, seconded by Mr. Coles. On **voice vote**, all members present voted, "**Aye**". **Adopted.**

**4. Leisure Village East Lift Station Repairs**

□Resolution Awarding Change Order #1 Professional Services Contract  
This Change Order is for GTS Engineering. In the packet on page five is an estimate detailing the projected engineering costs. They are requesting an additional \$14,920 for the design of the lift station. The major part of the request is due to the Brick Interconnection. The Authority is trying to coordinate all the requirements for the Brick Interconnection along with the Lift Station. The generator needs to be upgraded. It was thought that the Authority would be able to re-use some of the equipment. Because of the way it was originally built, the Authority has to expand some of the equipment. This was not anticipated when the Authority asked for the update of the Lift Station. Mr. Morrill recommends awarding the Change Order. Mrs. Lapa read **Resolution # 12-58 Authorizing Change Order No. 1 and Extend Contract Leisure Village East Lift Station Repairs.** Motion was made by Mr. Waxman, seconded by Mrs. Fish. On **voice vote**, all members present voted, "**Aye**". **Adopted.**

**5. Vermont and Salvatore School And Dormitory – Project Status**

Mr. Waxman and Mr. Sernotti did not participate in this discussion. In the packet starting on page eight through twenty one are letters relating to this project. This project was fast tracked to get the school open. The Authority did an exemplary job on getting the school opened and the meters installed. A Developer's Agreement still needs to be entered into. The school is waiting for the Authority to pass the revised connection fees. They still have a number of fees that have to be paid to the Authority.

**6. New Hampshire Avenue Treatment Plant – Project Status**

Mr. Morrill estimates that that by approximately May 15, 2012 water will be able to put out of the treatment plant. It will be in a manual mode, not automatic mode. It will hopefully be on automatic mode around six weeks after then. It will require additional man hours. This is similar to the situation at Shorrock Street. The electrical equipment has not all been installed and this held up the programmers. The supplier for the panels was slow in supplying them. Senator Singer asked if the Authority should

get the contractors take responsibility for it. Why should the Authority have to pay more money because they are late? Is it not part of their contract that they have to be on time? Mr. Flancbaum said that once the water is being put out into the system, we can see how many more hours are involved in manually operating the plant as opposed to the plant running automatically and present it to the contractor. Senator Singer asked why the Authority didn't know the panels were going to be late a month ago. Mr. Morrill said we did receive documents that the panels were coming in from the supplier. Mr. Morrill said he kept on getting notices with the date that it will be received and then we would get another notice with new dates. They just kept moving the dates. The electricians could not wire the panels; therefore the IT Department could not program the panels. We are working hard to correct the issues and get it online. It has been time consuming for all parties.

**7. Cedar Bridge Raw Water Mains – Project Status**

Mr. Morrill explained that the pipes are purple so anyone that connects to it will not mistake it for a potable water line. It is a raw water main and the water is non-potable. People should not drink from it, even though it probably is safe to drink. You would not want to drink from it because it was not treated. Purple pipes are typically used for reclaimed water, but not so in this case. Mr. Flancbaum said we did receive some questions regarding the color. Mr. Morrill said the restoration work along the roadways by Pine Street, New Hampshire and between Pine Street and Avenue of Americas was completed in April. In May we anticipate completing the directional drill. The drilling under the County roadway and under New Hampshire, in order to get to Well No. 5, was not done yet. It is anticipated that in late May the fiber optic lines will be installed in the conduit.

**8. Meter Replacement Phase 2 – Project Status**

On April 20, 2012 Inline Services started replacing meters. They have installed to date approximately two hundred to three hundred meters. Things are moving along. There have been very few unhappy customers. Mr. Waxman asked why these customers were unhappy. Mr. Morrill said that these customers think the water bills will go up, the electric bills will go up etc. Senator Singer asked how many of the nonoperational meters still need to be replaced. Mr. Flancbaum said they will be taken care of within the next six weeks. Senator Singer asked Mr. Flancbaum to prepare for the next meeting the status of nonoperational meters.

**9. Route 70 and Vermont Retail and Wawa – Project Status**

Work is being done on this project. On April 13, 2012 they had a jack and bore under Route 70 for the water main. On April 17, 2012 they had a jack and bore for the sanitary sewer under Route 70. Now they have to extend it and connect it to the Authority's lines.

**10. Lakewood Toyota Dealership – Project Status**

On February 28, 2012 the Authority received a copy of the Developer's Agreement. The offsite sanitary sewer contribution of \$5,000 was received on February 28, 2012. On April 26, 2012 a preconstruction meeting was held. They anticipate starting work in the next three to four weeks. Mr. Smith said the Developer's Agreement that was signed was the one he drafted.

**IX. Attorney's Report**

Mr. Smith commented earlier.

**X. Executive Director's Report**

**1. Qualified Purchasing Agent**

Mr. Adam Ponsi has completed all prerequisite courses to meet the requirements of Qualified Purchasing Agent. He is now awaiting the exam. The State has allowed that in the meantime we can pass a resolution designating him as acting QPA. This will allow the Authority to increase the bid threshold from \$17,500 to \$26,000. Upon his successful completion of the exam, the Authority will be able to further increase the threshold to \$36,000. Senator Singer said that Ms. Robyn Gaynor is also in the process of taking the courses. Ms. Gaynor will be the Authority's Purchasing Agent and Mr. Ponsi will be the backup. The Township does not have a registered Purchasing Agent and this is a problem for them. The Township would like to buy that service from the Authority. An intergovernmental service agreement may be needed. Mr. Flancbaum said he will reach out to the Township Manager, Mr. Michael Muscillo. Mr. Coles said he will tell Mr. Muscillo to expect Mr. Flancbaum's call. Mr. Smith wanted to explain the essential elements of the resolution. The Authority has to affirmatively resolve to raise the bid threshold to \$26,000. This resolution has to be filed immediately with the Director of Division of Local Government Services. The resolution has to be accompanied by an affidavit of the qualified purchasing agent, which the Authority has. Mr. Ponsi has to sign that as acting purchasing agent. Mr. Ponsi will be appointed as acting until he takes the test. Senator Singer said that there will be a \$5,000 increase in salary effective today for Mr. Ponsi. Mr. Ponsi was thanked and congratulated on becoming an acting Qualified Purchasing Agent. Mrs. Lapa read **Resolution # 12-59 Appointing Adam Ponsi as Acting Qualified Purchasing Agent Pursuant to N.J.A.C. 5:34-5.4**. Motion was made by Mr. Waxman, seconded by Mr. Coles. On a **Roll Call**, all members present voted, "**Yes**". **Adopted**.

**2. NJ SEM (New Jersey Sustainable Energy Joint Meeting)**

The Authority joined the NJ SEM a couple of years ago. NJ SEM is a conglomerate of different municipalities and authorities statewide. Twice a year they go out for reverse auctions for electric and gas supply. The

Authority was not part of the electric auction because the Authority was part of the New Jersey Cooperative. The Cooperative was dissolved at the end of last year. This year the Authority took a look at NJ SEM strike price for this year's reverse auction for electric supply, which was held last month. It was decided that it would be a good idea to be part of the auction this year. As it turned out, the strike price was met and the savings for electric will be around twenty five to thirty percent. The savings should be around tens of thousands of dollars. Senator Singer questioned about the gas supply. Mr. Flancbaum said the bid for gas supply will be in early fall, before the winter. He will do the same for the gas supply then.

**3. NJUA JIF; Employment Practices Liability Deductible**

In previous years the Authority have successfully met all criteria and was in full compliance with the JIF's Best Employment Practices. The Authority again has successfully met all criteria. Normally in the event of a claim of the deductible would be \$100,000 and copay would be up to twenty percent of the first \$2,000,000 of the claim. However, since the Authority met all criteria, the Authority is now eligible for a special deductible of \$20,000 per occurrence and the copay would be only twenty percent of the first \$250,000.

**4. NJUA JIF; Resolution For Policy Renewal**

Mrs. Lapa read **Resolution # 12-60 Resolution for Renewal of Membership in the New Jersey Utility Authorities Joint Insurance Fund**. Motion was made by Mr. Coles, seconded by Mr. Sernotti. On a **Roll Call**, all members present voted, **"Yes"**. **Adopted**.

**5. Closed Session- Personnel Benefits – Will take place later.**

**XI. Instrumentation/IT Department Report**

There is no report this meeting.

**XII. Commissioners' Report**

**XIII. MEETING OPEN TO THE PUBLIC**

There was no response from the public.

**XIV. MEETING CLOSED TO THE PUBLIC**

**XV. MOTION TO APPROVE THE OPERATING VOUCHERS**

A **motion** was made by Mr. Coles and seconded by Mr. Sernotti to approve the Operating Vouchers in the amended amount of \$1,997,313.72. On a **Voice Vote**, all members present voted, **"Aye"**. **Motion passed**.

**XVI. CLOSED SESSION**

A **motion** was made by Mr. Waxman and seconded by Mr. Sernotti to go into closed session at 10:30 A.M to discuss pending litigation and personnel. On a **voice vote**, all members present voted, "**Aye**".

**XVII. OPEN SESSION**

A **motion** was made by Mr. Waxman and seconded by Mrs. Fish to go back into open session at 10:50 A.M. On a **voice vote**, all members present voted, "**Aye**".

Pending litigation and personnel were discussed in closed session.

**XVIII. ADJOURNMENT**

A **motion** was made by Mr. Waxman, seconded by Mrs. Fish to adjourn meeting. On a **voice vote**, all members present voted, "**Aye**". The meeting was adjourned at 10:51 A.M.

Respectfully submitted,

Nancy Lapa,  
Secretary, LTMUA