

LAKWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

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THE LAKEWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

Regular Meeting Minutes

December 4, 2012

- I. Senator Singer opened the meeting at 10:08 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. Sernotti, Mr. Coles, Mr. Waxman and Senator Singer. Mr. Theibault was seated as an alternate. The following professional was present: Mr. Norman Smith, Esq. Mr. Justin Flancbaum, Executive Director, Mr. Paul Morrill, Engineer, Mrs. Nancy Lapa, Secretary and Mr. Robert Farina, Instrumentation/IT Department Supervisor were in attendance.
- V. **Minutes**
A **motion** to approve the minutes of the Regular Meeting on November 7, 2012, was made by Mr. Waxman and seconded by Mr. Coles. On a **voice vote**, all members present voted, "**Aye**". **Motion carried.**
- VI. **Accountant's Report**
There was none.
- VII. **Engineer's Report**
 1. **Bureau of Safe Drinking Water Master Permit Update 2013**
 - Resolution for Professional Services Contract
This is a contract with Hatch Mott MacDonald to update the Water Master Permit. The amount is a lump sum of \$4,700. This is the same amount as last year. There is no increase. Mrs. Lapa read **Resolution # 12-121 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 Mr. Sernotti. On roll call, all members present voted, "Yes". **Adopted.**

2. Hydraulic Modeling for 2013

- Resolution for Professional Services Contract

This is for hydraulic modeling for use by developers if they wish. It is purely voluntary if the contractors want to use the services. On page three in the packet is a letter dated November 15, 2012 with the amounts listed. They are the same amounts as last year.

At 10:10 A.M. Mr. Sam Flancbaum has arrived.

Mrs. Lapa read **Resolution # 12-122 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 Mr. Sernotti. On roll call, all members present voted, "Yes". **Adopted.**

3. Field Locate and Mapping of Authority Infrastructure

- Resolution for Professional Services Contract (OLV)
- Resolution for Professional Services Contract (LVE)

This is for clean outs and curb stops in Original Leisure Village and Leisure Village East. There are two separate resolutions one for each area. This will cover around only ten percent of the Villages. This is a test to see how hard it will be to update the mapping. For Original Leisure Village the cost will not exceed \$9,970.00 for 220 units. For Leisure Village East the cost will not exceed \$7,095.00 for 155 units. Senator Singer explained that before the Authority was formed, the water and sewer of the Villages was owned by Leisure Technology. They did not keep good records of the utilities. When it was sold to the Township, there was not good mapping for the Villages. Now that the water and sewer lines are aging there are more and more problems in the Villages.

Mrs. Fish arrived at 10:12 A.M. Mr. Theibault is no longer seated as an alternate.

Mrs. Lapa read **Resolution # 12-123 Awarding Professional Services Contract Without Public Bidding Pursuant to N.J.S.A. 40A:11-4.1, et seq.** Motion was made by Mr. Coles, seconded by Mr. Waxman. On roll call, all members present voted, "Yes". **Adopted.** Mrs. Lapa read **Resolution # 12-124 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 roll call, all members present voted, "Yes". **Adopted.**

4. Well 2 Repairs for Gravel Work

- Resolution Awarding Contract

At last month's meeting the engineering services was approved. The proposals were received on November 15, 2012. There is a letter in your packet on November 16, 2012 from Hatch Mott MacDonald. Two proposals were received on the due date. The lowest was from William Stothoff and Company. On November 20, 2012 another proposal was received. It was rejected due to the late date of receipt. The bid was for \$11,920.00. This is to remove the pump and motor. It is also to check the gravel pack. The gravel pack should be checked

due to the history of Well No. 2. Mrs. Lapa read **Resolution # 12-125 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 **roll call**, all members present voted, "**Yes**". **Adopted.**

5. Route 88 73 Unit Development

- Resolution Reducing Performance Guarantees

In the packet there are several letters. The most important letter is on page twelve. The letter details the release of the Guarantee for Off Site Sanitary Sewer, not for the on-site utilities. The Authority is releasing seventy percent which is the maximum. There is a punch list and it will be covered by the thirty percent of Guarantee that is not being released. It is contingent on their escrow account, which is detailed in the letter on page ten. Mrs. Lapa read **Resolution # 12-126 Reduction Of Performance Guarantees Water And Sewer Systems Route 88 Acquisitions LLC.** Motion was made by Mr. Sernotti, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

6. Aspen Road 20 Unit Subdivision

- Resolution Reducing Performance Guarantees

In the packet is a request for the Guarantee reduction. There is also a letter on page sixteen, dated November 15, 2012 indicating what is being released and what is being retained. Both the Cash Guarantees and Performance Guarantees are being reduced by seventy percent. Mrs. Lapa read **Resolution # 12-127 Reduction Of Performance Guarantees Water And Sewer Systems S&H Builders LLC.** Motion was made by Mr. Waxman, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

7. Temple Route 70 and Paco Way

- Resolution Releasing Maintenance Guarantees

In the packet on page twenty one is a letter requesting the release. On page twenty two is the Authority's letter responding that the Guarantee can be released on December 31, 2012 contingent on having their escrow account up to date. Their escrow account is in arrears only by the current amount which is hundreds of dollars. Mrs. Lapa read **Resolution # 12-128 Release Of Maintenance Guarantees Temple Beth Am.** Motion was made by Mr. Waxman, seconded by Mr. Coles. On a **voice vote**, Mr. Sernotti, Mr. Coles, Mr. Waxman and Mrs. Fish voted, "**Aye**". Senator Singer abstained. **Adopted.**

8. Woodlake Sanitary Sewer Improvements

- Resolution Authorizing the Developer to Commence Construction

These are improvements that are required for the capacity issues around the Woodlake Pump Station Area. There are still some items that need to be done. This will authorize them to proceed with construction once all the contingency items have been taken care of. This is in accordance with the Developer's Agreement. Mrs. Lapa read **Resolution # 12-129 Resolution Authorizing The Developer To Commence Construction.** Motion was made by Mr. Coles, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

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

- Resolution Awarding Change Order #1
- Resolution Releasing Performance Guarantee and Accepting Maintenance Guarantee

The resolution for Change Order No. 1 is in the amount of \$2,287. This is for the redevelopment of Wells No. 9, 10 & 16. The Change Order is due to the fact that there is a little extra work that needs to be done. When things were pulled out, a pipe was cracked and it needed to be replaced. There are also some other minor items that need to be done. Mr. Morrill recommends that the resolution be passed. Senator Singer stepped out of the room at this time. Mrs. Lapa read **Resolution # 12-130 Authorizing Change Order No. 1 and Extend Contract.** Motion was made by Mr. Coles, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

Senator Singer returned to the room at this time. The next resolution is a resolution releasing the Performance Guarantee held by the Authority for the well driller and accepting their Maintenance Guarantee. This is as per recommendation of the engineer in a letter to the Authority. Mrs. Lapa read **Resolution # 12-131 Release Of Performance Guarantees Redevelopment of Wells Nos. 9, 10 And 16.** Motion was made by Mr. Sernotti, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

10. Update of Rules and Regulations

- Motion to Approve Changes to the Authority's Rules and Regulations

In the packet on pages thirty one and thirty two are the details. The Authority will be changing from using wood skids to stainless steel and poly skids. A **motion** to approve changes to the Authority's Rules and Regulations was made by Mr. Coles, seconded by Mrs. Fish. On **roll call**, all members present voted, "**Yes**". **Motion passed.**

11. Bids for Maintenance and Repair of Authority Systems

- Authorization to Bid

This is authorizing the Authority to receive bids. Mr. Morrill said that he will be preparing the bid specifications. A **motion** to authorize the Authority to received bids made by Mr. Coles, seconded by Mr. Sernotti. On a **voice vote**, all members present voted, "**Aye**". **Motion passed.**

VIII. Attorney's Report

Mr. Smith had an item he wanted to bring to the attention of the Authority. One of the sub-contractors for the New Hampshire Avenue Treatment Plant Project has filed a Mechanics Lien. They are having a dispute with the contractor with how much is owed. There is a difference of interpretation as what their agreement said with the sub-contractor. Underground Utilities did not pay what the sub-contractor feels he is owed and the sub-contractor would not take any payment. The sub-contractor filed a Mechanics Lien. A Mechanics Lien can be put on a private property. It puts the property owner on notice that they are responsible. However, it is totally inappropriate in the case of a government agency. There were several rounds of telephone conversations and emails with all the various parties. Senator Singer said that the bonding company should be notified. If that does not work, notify the person that filed the lien. If the lien is not lifted, the Authority will sue them for damages. The damages are the Attorney's costs. Mr.

Smith said the bonding company was notified. Mr. Smith said that the Authority has a Performance Bond from the contractor. This is an issue for the bonding company to resolve. The bonding company has not resolved it as of yet. Senator Singer explained that the dispute is over \$9,000. The contractor said that he will pay the \$62,000, the amount that the contractor thinks is the correct amount, and then we can discuss the \$9,000. The sub-contractor would not take any money. The Authority offered to pay the sub-contractor \$62,000 directly. It would be paid in a way that would be based on the contractual agreement with the contractor. They would not accept that. Mr. Smith said he will follow up with the bonding company. If they will not take care of it, Mr. Smith said he will need permission of the Commissioners to file an Order To Show Cause to have the lien removed.

IX. Executive Director's Report

1. Resolution awarding Risk Management Agreement to Connor Strong & Buckelew

The fee for the Risk Management Agreement is calculated at six percent of our annual JIF assessment. The 2013 fee is \$4,257.79. Mrs. Lapa read **Resolution # 12-132 Awarding Risk Management Consultant Contract Without Public Bidding Pursuant to N.J.S.A. 40A:11-5(1)(a)(i)**. Motion was made by Mr. Waxman, seconded by Mr. Coles. On **roll call**, all members present voted, "Yes". **Adopted**.

2. Municipal Tax Sale Results

Approximately \$65,000 in delinquent balances was collected at the tax sale that took place last week. The Authority was owed approximately \$80,000 when initial tax sale notices were sent out. \$15,000 was paid before the sale. Mr. Flancbaum said that the Tax Collector was cooperative. Senator Singer said that now the amount of delinquent accounts is within reason.

3. Authorization to bid; Snowplowing Contract

Now that the main parking lot was expanded, there is a lot more area that needs to be plowed. Mr. Flancbaum said it was recommended that an outside contractor be on call to plow the main parking lot so that the Authority employees can focus on plowing the other locations. Senator Singer said that the Authority did not want to burden the Township with helping with the plowing. The Authority has to be done first as a priority and the Township has too many priorities. If there will be a heavy snow, the Authority's pickup trucks will not be able to take care of it. If the Authority has a contract with a company to plow the main parking lot, it is their responsibility to clean it and then the Authority will be in full operation right away. The Authority plows will be able to plow the smaller facilities. A **motion** to authorize the Authority to received bids made by Mr. Coles, seconded by Mr. Waxman. On a **voice vote**, all members present voted, "Aye". **Motion passed**.

4. Easement negotiations-Calvary Lighthouse

The appraisal the Authority received a few months ago was for \$99,600 as a value to acquire the easement on their property. The appraisal that Calvary Lighthouse got was for \$210,000. Their appraisal is currently under review by Mr. Smith. Mr. Smith said that he is reviewing it with Tony Graziano, the appraiser that the Authority used. Calvary Lighthouse did not use a certified appraiser.

They used a real estate broker. Their appraisal is way off base. Mr. Smith said that if they cannot get Calvary Lighthouse to agree to a reasonable appraisal he will have to condemn it. Senator Singer said the Authority cannot agree to an appraisal by a real estate broker. Being that we are a government agency it has to a certified appraisal and they have to use a commercial appraiser. Mr. S. Flancbaum questioned how come we reviewed their appraisal if it was not from a certified appraiser. Senator Singer said the Authority wanted to show them the courtesy of looking at what they did and spent time on. The Authority bends over backwards for all the religious groups in town and this is a religious group and he wants to make sure that the Authority bends over backwards for them and make sure it is done fairly. Mr. Theibault questioned if they have an appraiser with credentials and there still is a discrepancy, what happens then. Senator Singer said that when there are appraisals done in government there is usually a discrepancy, one is higher and one is lower. Usually there is a meeting ground. Legally, the Authority can pay the higher of the two appraisals. The Authority can also negotiate and meet in the middle. But they do not have a certified appraiser. In many cases, the Authority does pay the higher of the two, if the Authority feels it is reasonable. But usually the two numbers are closer. Mr. Smith said the usual difference is ten to twenty percent maximum. Their appraisal is one hundred percent differential. Mr. Flancbaum said after Mr. Smith reviews their appraisal he will get back to them.

5. Authorization to place old vehicles for sale on www.govdeals.com

The Authority has three old vehicles which need extensive repairs and have high mileage. At this point Mr. Flancbaum thinks the Authority should get rid of them. Mr. Flancbaum would like authorization to place the vehicles on a website, govdeals.com. It is an auction website that other government entities can go on. These vehicles are at least ten years old and have high mileage. There are two pickup trucks and a 4x4 Blazer. Senator Singer said that maybe first the Authority should check with the Townships' Office of Emergency Management to see if they can use them. Senator Singer asked Mr. Smith if the Authority can give the trucks to the Township. Mr. Smith said that the Authority can give it to the Township. Senator Singer suggested that before placing the vehicles on the website the Authority should ask the OEM if they would like the vehicles. If the OEM does not want the vehicles, then it could be placed on the govdeals.com website. Mr. Flancbaum said he will forward the vehicle information to Mr. Coles to present to the OEM.

Mr. Flancbaum wanted to inform the commissioners that the Authority further reduced the general engineering costs this past fiscal year by about twenty percent, which is what the Authority has been doing over the last couple of years. The Authority saved around \$10,000.

X. Instrumentation/IT Department Report

Mr. Farina reported that all the current equipment problems have been resolved with the variable speed drives in the Operations Building and the Filter Plant. There is only one outstanding wiring issue with drain valves that will be addressed by the end of this week. Then we will be able to enable the integrator to move forward with the plant automation process.

The programming process is moving along. We are also building replacement RTU panels to replace the current Bristol Babcock equipment with the GE equipment that will be used as a standard throughout the Authority's operation.

We have solicited two potential replacement vendors to assist us with our microwave antenna system issues while still attempting to have the current contractor rectify the problems that plague us.

The installation of the main trunk line of the fiber optic line for the Pine Street and the Ball Field well sites is now completed. The contractor is due back today to begin tying in Well No. 4 and 5 to the main trunk.

There is a meeting scheduled for Thursday with Duvys Media, a local web design firm that created the Township website, to get proposals. They will present proposals for an updated website or for simply a customer notification system.

The Authority again is participating in the New Jersey State Police Essential Employee program for the year 2013. The paperwork is finished and the employees received the ID's. This allows all Authority employees to only travel to and from work during State and Federal road closures. In addition, the Authority has enrolled in the resource directory database that helps coordinate information and assets with other local utilities.

XI. Commissioners' Report

Senator Singer has requested and permission was granted that Mr. Flancbaum sit on the OEM Board of Lakewood Township. The Authority is a utility provider and has certain needs and should be part of the emergency management system.

Senator Singer said the Authority's staff did an outstanding job during Hurricane Sandy and he thanks them very much. The Authority has two portable generators. Senator Singer said we have to make a reassessment on it. Senator Singer has a concern. There are generators at all the facilities. Some generators can be plugged in to natural gas. Some are too large for natural gas and are powered by either propane gas or diesel gas. There is enough propane gas and diesel gas at those sites to last seven to ten days should the generators be needed. Senator Singer is concerned if there is a problem at one of the sites with the larger generators, the Authority does not have a large enough generator at the New Hampshire Avenue Plant to bring over there. The Authority may have to buy a portable generator to be used here in case a major facility goes down and we can bring a generator over there and keep it in operation. Another option would be for the Authority to rent one. They are very expensive and can cost \$5,000 a day to rent. Mr. Morrill should be involved in doing an analysis to see what should be done, to buy or to have a contract with a company for a generator rental.

Conversation took place of different utility companies and hospitals did not fare well during storm and how the Authority has to learn from them to be prepared properly.

Mr. Theibault questioned if the landscaping is done. Mr. Flancbaum said it is done. Mr. Theibault questioned if there will be trees in the islands. Mr. Flancbaum said it was decided to put stones down on the islands. A gap was made from the top of the stone to the top of the curb so there should not be stones in the parking lot. Irrigation was done. The shrubs have been planted up front. There are two pillars that still need to be built and Bob Kraft said he will send someone out today or tomorrow to take care of. Mr. Waxman questioned about the railing. Mr. Flancbaum said the railing was kept separate from the landscaping. There are a few places where there will be railings. Senator Singer said that in the spring we can take a look if there is more to be done. A fair amount of money was spent on landscaping and due to economic climate it was kept down to a minimum. Mr. Theibault said that there may be an opportunity with the Shade Tree Commission to bring in some trees. Senator Singer thanked Mr. Theibault for the offer.

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

A **motion** was made by Mr. Coles and seconded by Mr. Sernotti to approve the Operating Vouchers in the amended amount of \$1,454,175.35. On a **voice vote**, all members present voted, "**Aye**". **Motion passed.**

XV. CLOSED SESSION

XVI. OPEN SESSION

XVII. ADJOURNMENT

A **motion** was made by Mr. Coles, seconded by Mr. Waxman to adjourn meeting. On a **voice vote**, all members present voted, "**Aye**". The meeting was adjourned at 10:41 A.M.

Respectfully submitted,

Nancy Lapa,
Secretary, LTMUA