

LAKWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

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2011 REGULAR MEETING MINUTES

- January 4, 2011
- February 1, 2011
- March 1, 2011
- April 5, 2011
- May 3, 2011
- June 7, 2011
- July 5, 2011
- August 2, 2011
- September 6, 2011
- October 11, 2011
- November 1, 2011
- December 6, 2011
- December 14, 2001 (Special Meeting)

Senator Robert W. Singer, Chairman
P. G. Waxman, Vice-Chairman
Ray Coles, Treasurer
Mike Sernotti, Assistant Secretary
Craig Thiebault, Commissioner
Samuel Flancbaum, Commissioner
Anne Fish, Commissioner

Justin Flancbaum, Executive Director
Nancy Lapa, Recording Secretary

THE LAKEWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

Regular Meeting Minutes

January 4, 2011

- I. Senator Singer opened the meeting at 10:03 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 8, 2010 and Tri Town News on February 10, 2010.
- III. **Salute to the Flag**
- IV. **Roll Call of Commissioners**
On the roll call the following Commissioners were present: Mr. Theibault, Mr. S. Flancbaum, Mr. Sernotti, Mr. Coles, Mr. Waxman, Mrs. Fish and Senator Singer. The following professionals were present: Mr. Norman Smith, Esq. and Mr. Eli Gass, Auditor. The following MUA employees were present: Mr. Justin Flancbaum, Executive Director, Mr. Paul Morrill, Engineer and Nancy Lapa, Secretary.
- V. **Minutes**
A **motion** to approve the minutes of the Regular Meeting on December 7, 2010, was made by Mr. Coles and seconded by Mr. Sernotti. On a **voice vote**, all members present voted, "**Aye**". **Motion carried.**
- VI. **Accountant's Report**
Mr. Bauer was not present therefore there was no report. Mr. Flancbaum said this year's operating and capital budget was prepared. The operating budget projects revenue just under \$8 Million. This reflects a rate increase of fifteen percent. Last year it was projected that this year's increase would be twelve and one half percent. The extra two and one half percent is due to the fact that \$85,000 needs to be set aside annually for the post retirement benefits. The operations budget project expenditures just over \$6 Million. In addition \$1.7 Million was appropriated for debt service. The total five per capital budget is \$19.1 Million. \$11.7 Million is proposed to be spent this year. This includes the entire treatment facility. The balance will be spent over the next five years. The budget was reviewed with the Budget Committee and its recommended that the Commissioners adopt this budget. Senator Singer explained that the decisions to upgrade were based on the right pricing, time and availability of money at a low rate. These upgrades were made to keep the Authority's system going in the right direction. If the upgrades would not be made the Authority would have serious problems in the future. The kind of problems that have made other towns sell their utilities authorities because they could not manage them. In the past twenty years the Authority grew approximately forty percent. The expectation of growth in the next ten years is forty percent. The Authority is growing at a very fast rate. An important analysis that was discussed is that presently sixty percent of the rate base is senior citizens. This will

change drastically with the new development. Larger homes are being built. There will be more usage. The demand will be greater. Right now the seniors do not use even the minimum amount. Even though there are tough economic times and we do not like to talk about raises, there is no way to fund the necessary upgrades without the raises. Rate wise, our Authority is still far below than everyone else. Mr. Waxman questioned if this rate increase is only for water and not sewer. Senator Singer responded that sewer rate is strictly a pass through from the OCUA. If OCUA raise the Authority's rates, then the Authority would raise the sewer rates. This raise is only for water. Mr. Flancbaum explained that each operation has to be able to fund itself. Mr. Flancbaum said he prepared a rate analysis and a synopsis of the different capital projects that the Authority has ongoing with the NJEIT. Mr. Waxman asked if Mr. Flancbaum and the auditor recommend approving this budget. Mr. Flancbaum said yes. Senator Singer said that after it is adopted, the budget is sent to the State for approval. Mr. Flancbaum said that it will be back by next month's meeting. Mrs. Lapa read **Resolution # 11-01 2011 Water Operation Authority Budget Resolution**. Motion was made by Mr. Coles, seconded by Mr. Sernotti. On **roll call**, all members present voted, "**Yes**". **Adopted**. Mrs. Lapa read **Resolution # 11-02 2011 Sewer Operation Authority Budget Resolution**. Motion was made by Mr. Coles, seconded by Mr. Sernotti. On **roll call**, all members present voted, "**Yes**". **Adopted**.

VII. Engineer's Report

Mr. Morrill said that he has an addition to his agenda –

Administration Building Change Order - One of the items on the Construction Report includes part of this change order. In the handout is a letter from the Authority to the Authority's attorney dated January 3, 2011. There is also a letter dated November 15, 2010 from Gibson Tarquini and an email from them dated January 3, 2011. In their letter of November 15, 2010 there is an error. In the package they do not recommend approval of Change Order Request #19. This is for finishing the windows. The windows were supposed to come prefinished from the factory. There is an email from Gibson Tarquini explaining it. The new amount of the Change Order is \$3,760.34 as opposed to \$5,782.75. This would make the total contract price \$692,698.94. A conversation on the windows ensued. It was clarified that as part of the contract the windows were supposed to be factory finished. If the contractor decided to save money by ordering the windows unfinished and finish them himself, the Authority does not have to pay extra for the finishing of the windows. It was part of the contract price to provide the factory finished windows. Mrs. Lapa read **Resolution # 11-03 Authorizing Change Order #2 Expansion and Renovation of Administration Building at Lakewood Township Municipal Utilities Authority**. Motion was made by Mr. Coles, seconded by Mr. Sernotti. On **voice vote**, all members present voted, "**Aye**". **Adopted**.

1. New Jersey Environmental Infrastructure Trust (NJEIT) Supplemental Loan Assistance

- Resolution Granting a Professional Services Contract

On page one in the packet there is a letter from Hatch Mott MacDonald dated December 16, 2010. The letter details the work required for the NJEIT Supplemental loan. The amount of the contract is \$7,500.00. Mrs. Lapa read **Resolution # 11-04 Awarding Professional Services Contract Without Public Bidding Pursuant To N.J.S.A.**

40A:11-5(1)(a)(i). Motion was made by Mr. Coles, seconded by Mr. Sernotti. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

The next two items Mr. Morrill will address together.

2. New Hampshire Avenue Treatment Plant

- Resolution for Change Order #1

3. Fixed Based Meter Reading System

- Resolution for Change Order #1

The Change Order for the New Hampshire Avenue Treatment Plant is an increase in work for conduits. It is actually required for the Fixed Based Metering System. Both conduits were next to each other. Mr. Morrill felt that it would be better to have one contractor install both. The two contractors were asked to work together. Now we have a Change Order for the Treatment Plant with an increase for \$12,566.00 and a Change Order for the Fixed Based Meter System with a decrease in the amount of \$12,566.00. The \$12,566.00 is moving from one contact to the other. Mrs. Lapa read **Resolution # 11-05 Authorizing Change Order New Hampshire Avenue Water Treatment Plant.** Motion was made by Mr. Sernotti, seconded by Mr. Coles. On a **voice vote**, all members present voted, "**Aye**". **Adopted.** Mrs. Lapa read **Resolution # 11-06 Authorizing Change Order Fixed Based Metering System.** Motion was made by Mr. Coles, seconded by Mr. Sernotti. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

4. Replacement of Wells 5, 6, & 8 Professional Services Agreement

- Resolution for Change Order #2

Mr. Morrill said that Well #6, which was installed as Well #16, was already done as a Change Order to the original contract. For Wells #5 and #8 they are asking for replenishment of inspection. This is detailed in the letter of December 16, 2010 from Hatch Mott MacDonald. This letter can be found in the packet on page ten. There is extra work required for a contract approved in 2006. The increase requested is for \$12,500.00 which brings them back to the original budget they had in 2006. Senator Singer asked Mr. Morrill if he is satisfied with it. Mr. Morrill responded that he is. Senator Singer asked if there are any questions. There were none. Mrs. Lapa read **Resolution # 11-07 Authorizing Change Order #2 Construction of Wells 5, 6 and 8.** Motion was made by Mr. Coles, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

5. Tamarind

- Resolution Granting Release of Performance Guarantees

Mr. Waxman and Mr. Sernotti did not participate in this discussion. Mr. Theibault and Mr. S. Flancbaum were seated for this discussion. In the packet on page fourteen is a letter dated December 23, 2010 detailing the work that still needs to be done in order for the guarantees to be released. Senator Singer asked if there are any problems. Mr. Morrill responded that there are none. Mrs. Lapa read **Resolution # 11-08 Release of Performance Guarantees Tamarind Development.** Motion was made by Mr. Coles, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

Mr. Theibault and Mr. S. Flancbaum were unseated and Mr. Waxman and Mr. Sernotti will now participate again in the discussions.

6. Lanes Mill Road 8 Lot Subdivision

- Resolution Granting Technical Approval

There are two letters in the packet. The first letter approves the Conceptual Plan. The requirements detailed in the letter of July 23, 2010 were completed. On page eighteen in the packet is a letter dated December 30, 2010 detailing the work required for Technical Approval of the project. Mr. Waxman asked who the developer is. Mr. Morrill said it is Paradise Realty. Mrs. Lapa read **Resolution # 11-09 Grant of Technical Approval Lanes Mill Road 8 Lot Subdivision** Motion was made by Mr. Sernotti, seconded by Mr. Coles. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

7. RFQs for Engineering Services 2011

- Resolution Accepting Qualifications

The Authority accepted Request For Qualifications for Engineering Services on December 29, 2010 at 10:30 A.M. The Authority received RFQ's from Birdsall Services, Leon S. Avakian, Hatch Mott MacDonald, GTS Consultants, Ernst Ernst and Lissenden, CME Associates, KZA Engineering. Professional Design Services, Remington Vernington Vena and T&M Associates. At 11:05 A.M. a package was received from Flannery Webb and Hansen. They had called the office and asked when the bids had to be in by. The same day we also had a bid opening so they were told 11:00 A.M. Flannery Webb and Hansen really wanted to know when the RFQ's have to be in. Senator Singer said he thought is should be okay if it was just five minutes late from when they thought it had to be in. Senator Singer asked Mr. Smith if it is okay. Mr. Smith said it is okay as long as Flannery Webb and Hansen did not have any knowledge of what the hourly rates of the other Engineering Firms were. Mr. Smith asked if the RFQ's were opened. They were not opened. Mr. Smith said in this situation there is not a winner; it is just accepting their qualifications. Mr. Morrill said that there is a resolution that has to be adopted contingent upon review by engineer and attorney. Mr. Smith said this has to be voted upon because over the course of the year contracts will be awarded without further advertising and voting. Mrs. Lapa read **Resolution # 11-10 Accepting Submissions in Response to Request for Qualifications for Engineering Services.** Motion was made by Mr. Coles, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

8. Bids for Chemicals and Cold Water Meters 2011

- Resolution Accepting Bid for Cold Water Meters
- Resolution Accepting Bid for Hydrated Lime
- Resolution Accepting Bid for Sodium Hypochlorite
- Resolution Accepting Bid for Liquefied Chlorine Gas

There was a very slight increase in cost for the cold water meters. The increase was on the one and one half inch meters because the Authority is going from a straight read to a compound read. It will give better accuracy for the water use in that size meter. The type of meter is also being changed. Mr. Morrill explained at a previous meeting that we are changing from the bronze meters to plastic meter on the smaller sizes. The

hydrated lime came in lower by around one percent from last year. The sodium hypochlorite came in lower by around twenty percent from last year. The liquefied chlorine gas has an increase of about eight percent. Mrs. Lapa read **Resolution # 11-11 Awarding Contract For Cold Water Meter To Lowest Bidder**. Motion was made by Mr. Waxman, seconded by Mr. Coles. On a **voice vote**, all members present voted, **"Aye"**. **Adopted**. Mrs. Lapa read **Resolution # 11-12 Awarding Contract For Hydrated Lime To Lowest Bidder**. Motion was made by Mr. Waxman, seconded by Mr. Coles. On a **voice vote**, all members present voted, **"Aye"**. **Adopted**. Mrs. Lapa read **Resolution # 11-13 Awarding Contract For Sodium Hypochlorite To Lowest Bidder**. Motion was made by Mr. Waxman, seconded by Mr. Sernotti. On a **voice vote**, all members present voted, **"Aye"**. **Adopted**. Mrs. Lapa read **Resolution # 11-14 Awarding Contract For Liquefied Chlorine Gas To Lowest Bidder**. Motion was made by Mr. Sernotti, seconded by Mr. Waxman. On a **voice vote**, all members present voted, **"Aye"**. **Adopted**.

9. Cellular Antennas

- Resolution Accepting Bid for Airport Road Tank
- Resolution Accepting Bid for Ridge Avenue Tank

One bid was received from Sprint for \$25,200 per year for the Airport Road Tank. The bid for the Ridge Avenue Tank was received from T-Mobile for \$26,220 per year. Mrs. Lapa read **Resolution # 11-15 Awarding Contract For Lease Of Cellular Antennas On The Airport Road Tank To Lowest Bidder**. Motion was made by Mr. Sernotti, seconded by Mr. Coles. On a **roll call**, all members present voted, **"Yes"**. **Adopted**. Mrs. Lapa read **Resolution # 11-16 Awarding Contract For Lease Of Cellular Antennas On The Ridge Avenue Tank To Lowest Bidder**. Motion was made by Mr. Sernotti, seconded by Mr. Coles. On **roll call**, all members present voted, **"Yes"**. **Adopted**.

10. Modifications to the Water Line for New Hampshire Avenue Due to County Improvements – Project Status

Due to County roadway improvements, there will have to be modifications to four locations. The water line will have to be modified in order to meet with the County's changes to their drainage structures. Mr. Morrill met with CME Associates. The Authority received an application from Spruce Street School for a water main extension. We notified them that it could be included in our contract to get it done quickly. On page sixty four in the packet is a letter dated December 22, 2010 detailing the requirements. They will have to put up a cash bond to guarantee payment if the Authority did it. Senator Singer told Mr. Smith to inform Mr. Inzelbuch, attorney for the Board of Education, of this matter. This will save them money. If they do it later on, it will cost them more. Senator Singer asked Mr. Smith to inform the commissioners if any problems come up with it. Mr. Smith said he will contact Mr. Inzelbuch.

11. 216 Joe Parker Road 28 Lot – Project Status

Mr. Morrill said he will give a short history on this item. The developer did not want to extend the sanitary sewer on Ridge Avenue. The Authority agreed to waive the requirement for \$30,000 contribution towards the trunk sewer if he would extend the sewer line on Ridge Avenue. It was agreed upon by all parties. When the developer gave

the plans to the Authority, he was told that a lateral needs to be put in to all existing lots on the roadway. The developer said it was too expensive and would not do it. There are four lots and it will be around \$4,000 per lot. Senator Singer said that the people do not want it. Mr. Waxman said that in the future they will want it. Senator Singer said that when they want to go online they will pay for the lateral. These homeowners are very happy to have well and septic and do not want to hook up. Mr. Waxman asked if the Authority knows that they do not want to hook up. Senator Singer said yes. Mr. Smith wants to know how much is the developer paying for the extension. Mr. Morrill said that the Authority does not have a number on it. Mr. Morrill recommends that letters be sent to each of the owners of the properties asking them if they want the laterals and if they would be willing to contribute towards the laterals in any way. If they come back and say that they do not want the laterals, then we will not have the laterals put in. Senator Singer said he wants to make sure that the Authority is getting their dollars worth in the extension. If the Authority gave them off \$30,000, the Authority should not be getting only \$15,000 in return. Mr. Morrill said okay. Mr. Flancbaum said that in addition to the extension of the sewer line, the developer is contributing towards the upgrades of the Woodlake Pump Station. Mr. Morrill said he will look into it. Mr. Morrill said that the cost of putting that work into Ridge Avenue is very expensive. Senator Singer said then to let it go. If they want to contribute, it is fine. Senator Singer said that if he would be on well and septic and he was told that to bring sewer and water to his door for \$4,000 he would do it right away. Mr. Flancbaum said it really costs more. It costs \$4,000 to bring it to the curb stop. Then there is the connection fee and it also has to be run to the house. It will cost another \$10,000. Mr. Smith said that Mr. Flancbaum explained to him that the cost of the extension will be well over \$30,000. Senator Singer said that it is important that it is there in the street. In the future all the properties will be bought and there will be townhouses built there. Then they will hook up.

VIII. Attorney's Report

Mr. Smith will comment later.

IX. Executive Director's Report

1. Risk Management Consultant Agreement

Mr. Flancbaum said the amount for the Risk Management Consultants Agreement for Connor Strong is \$3,387.10 for the year of 2011. Mrs. Lapa read **Resolution # 11-17 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. Coles, seconded by Mr. Sernotti. On a **voice vote**, all members present voted, **"Aye"**. **Adopted.**

2. Announcement of Rate Hearing and Connection Fee Hearing

Now that the budget was adopted, there will be a Rate Hearing and Connection Fee Hearing at next month's meeting.

3. Rate Analysis and Capital Improvement Presentation

Mr. Flancbaum said this presentation analyzes the Authority's increase in rates and compares them to the surrounding private and public companies rates. Also in the presentation is a synopsis of the different capital projects the Authority has going. Attached is a copy of the presentation. The chart of the 5/8" meter residential rates

shows Lakewood at the lowest. This includes the Authority's fifteen percent raise on water and does not include rate increases for the other utility companies. Jackson Township said that they will increase four to five percent on both water and sewer and that is not reflected on the chart.

In middle of the presentation a discussion took place regarding when the interest should begin to accrue. It was decided a ten day grace period should be given after the thirty days. If it is not paid by then, the interest will be retroactive to the thirty first day. If the tenth day comes out on a Saturday, Sunday or Holiday, it goes to the next business day. Mr. Waxman said that this is the policy for the Lakewood Township Tax Department. A **motion** was made by Mr. Waxman to adopt the ten day grace period seconded by Mr. Sernotti. On a **voice vote**, all members present voted, "**Aye**". **Motion Passed.** Senator Singer thanked Mr. Waxman for the recommendation. Mr. Theibault asked if the customers will be notified that there will be a ten day grace period. Senator Singer said that Mr. Flancbaum can notify the customers how he would like. Mr. Flancbaum said maybe they will put it on bill or on website.

Another point was brought up in middle of the presentation regarding basing sewer usage on the winter usage. After some discussion it was decided not to go in that direction since a large percentage of our customers are senior citizens that are gone for the winter.

Mr. Smith thanked Mr. Flancbaum for the very good presentation. He wanted to make an important point. A fixed policy on delinquencies and shut offs should be adopted and be written on the website and the rate schedule. Mr. Flancbaum said that they will put in the rate schedule. Mr. Waxman asked if there is a policy on shut offs. Mr. Flancbaum said that the Authority does not have an official policy. Shut offs are not done anymore especially since the Authority has the Tax Sale. Senator Singer said that the staff should discuss it and come back to the commissioners with a recommendation.

After Mr. Flancbaum's presentation Senator Singer said he wanted to share some thoughts. The quality of the water that the Authority has been dealing with in 1970 compared to today is very different. The quality of the water was deteriorating. That is why the other treatment plant had to be built. If there is a problem with a well, it can be isolated and treated. The new treatment plant will be state of the art. The Authority is continuing to upgrade the systems to be efficient and as well as providing quality water. That is the obligation of the Authority.

X. Commissioners' Report

Senator Singer thanked Mr. Flancbaum for the presentation. Mr. Sernotti thanked Mr. Flancbaum for the presentation. Mr. Waxman said dealing with Mr. Flancbaum is a breath of fresh air.

Senator Singer asked if it is okay to have to Reorganization Meeting at 2:00 P.M. with the lunch at 1:00 P.M. for the commissioners and the employees. Mr. Flancbaum said we will advertise the change of time for the February meeting.

Attorneys Report

Mr. Smith said that he spent time with Mr. Morrill mapping the proposed route of an easement that will traverse several different public Lakewood owned paper streets. The easement was very carefully calculated to only go in those paper streets. Mr. Smith will be forwarding the proposed easement to Mr. Bathgate's office this week. Senator Singer asked Mr. Smith to send a copy to Mr. Coles so he can follow up on it. Mr. Morrill said it is in Chestnut Street. It is a public right of way and Township owned property.

XI. MEETING OPEN TO THE PUBLIC

XII. MEETING CLOSED TO THE PUBLIC

XIII. MOTION TO APPROVE THE OPERATING VOUCHERS

Mr. Flancbaum said that there a decrease to the bill list. A **motion** was made by Mr. Coles and seconded by Mr. Sernotti to approve the Operating Vouchers in the amended amount of \$923,981.17. On a **roll call**, all members present voted, "**Yes**". **Motion passed.**

XIV. CLOSED SESSION

A **motion** was made by Mr. Waxman and seconded by Mr. Coles to go into closed session at 11:05 A.M. to discuss personnel. On a voice vote, all members present voted, "**Aye**".

XV. OPEN SESSION

At 11:08 A.M. the meeting went into Open Session. A **motion** was made by Mr. Waxman and seconded by Mr. Coles for a two percent raise for all employees of the Authority as of January 1, 2011. On **roll call**, all members present voted, "**Yes**". **Motion Passed.**

XVI. ADJOURNMENT

A **motion** was made by Mr. Waxman, seconded by Mr. Coles to adjourn. On a **voice vote**, all members present voted, "**Aye**". The meeting was adjourned at 11:09 A.M.

Respectfully submitted,

Nancy Lapa,
Secretary, LTMUA

THE LAKEWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

Regular Meeting Minutes

February 1, 2011

- I. Senator Singer opened the meeting at 2:10 P.M. in the Conference Room of the Lakewood Township Municipal Utilities Authority, 390 New Hampshire Avenue, Lakewood, New Jersey immediately following the Annual Reorganization Meeting
- 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 January 7, 2011 and Tri Town News on January 13, 2011.
- III. **Salute to the Flag**
- IV. **Roll Call of Commissioners**
On the roll call the following Commissioners were present: Mr. Theibault, Mr. S. Flancbaum, Mr. Sernotti, Mr. Coles, Mr. Waxman, Mrs. Fish and Senator Singer. The following professionals were present: Mr. Norman Smith, Esq. and Mr. Eli Gass, Auditor. The following MUA employees were present: Mr. Justin Flancbaum, Executive Director, Mr. Paul Morrill, Engineer and Nancy Lapa, Secretary.
- V. **Minutes**
A **motion** to approve the minutes of the Regular Meeting on January 4, 2011, was made by Mr. Coles and seconded by Mr. Sernotti. On a **voice vote**, all members present voted, "**Aye**". **Motion carried.**
- VI. **Accountant's Report**
Mr. Bauer spoke with Mark Pfeiffer, director of Division of Local Government Services. The two budgets were approved and signed off without any changes. A signature page has been mailed today. Mrs. Lapa read **Resolution # 11-23 Lakewood Township Municipal Utilities Authority 2011 Water Operation Adopt Budget Resolution**. Motion was made by Mr. Coles, seconded by Mr. Waxman. On **roll call**, all members present voted, "**Yes**". **Adopted.** Mrs. Lapa read **Resolution # 11-24 Lakewood Township Municipal Utilities Authority 2011 Sewer Operation Adopt Budget Resolution**. Motion was made by Mr. Sernotti, seconded by Mr. Coles. On **roll call**, all members present voted, "**Yes**". **Adopted.**

Mr. Bauer reported that the Audit is going well and is near completion on all the field work. A draft will be ready in around two weeks. Mr. Bauer asked for a committee to be set up to review the draft at the end of February.

Mr. Bauer requested that two funds, cash accounts, be established. One account is needed for performance bonds. Now that we have the Edmunds system, a cash account can be set up that tie into the performance bonds. As the interest is earned on that account, the Authority can charge a portion to those performance bonds. The second account is for the post retirement benefits. This account will be funded annually

according to the results of the study that was done. A **motion** to authorizing the establishing of two cash accounts was made by Mr. Coles and seconded by Mr. Sernotti. On a **roll call**, all members present voted, "**Yes**". **Motion carried.**

Mr. Bauer wanted to mention that he is happy with the Edmunds system. He will get an analysis for all the construction work in progress. It will be done in a couple of weeks. Mr. Bauer would like to set up a meeting in a couple of weeks to go over it. Senator Singer asked for volunteers. Mr. Coles volunteered and Senator Singer asked Mr. Theibault if would join. Mr. Theibault agreed.

VII. Engineer's Report

1. Knipper

- Resolution for release of Maintenance Guarantee for Water Distribution System
The Authority is currently holding \$11,520 for the maintenance guarantee. The Authority continues to hold a \$100,000 guarantee towards the improvements of the sanitary sewer should the Authority determine it would like it to be built. After sixty days the escrow account will be released and closed out. Mrs. Lapa read **Resolution # 11-25 Release of Maintenance Guarantees Knipper-New Hampshire Avenue and Salem Streets**. Motion was made by Mr. Coles, seconded by Mr. Sernotti. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

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

- Authorization to Bid
This is a formality. A phone poll to the commissioners was done and authorization was received to bid the project. The project has been placed in the newspapers. The authorization to bid has to be memorialized at the meeting with a motion. Motion to authorize the bid was made by Mr. Coles, seconded by Mr. Sernotti. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

3. New Hampshire Avenue Treatment Plant

- Resolution for Change Order #2
This is to formalize the approval of a resolution for Change Order #2 for the New Hampshire Avenue Water Treatment Plant. The amount of the change order is \$113,758. This is for the improvements required to bring the three filters up to the specifications of the new filters that are being installed. Mr. Waxman questioned if this was in the original contract. Mr. Morrill said that it was not. Mr. Waxman asked Mr. Morrill if he recommends it. Mr. Morrill said yes. Mrs. Lapa read **Resolution # 11-26 Authorizing Change Order #2 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.**

4. Cedar Bridge Raw Water Main

- Resolution Awarding Bid
The Authority received nineteen bids ranging from \$347,000 to over \$1,000,000. Senator Singer said that it is very nice that the low bid was from Sambol Construction. They do a lot of work for the Authority and are a quality contractor. Mr. Flancbaum mentioned that engineer's estimate came to \$716,000. Mrs. Lapa read **Resolution #**

11-27 Awarding Contract For Construction of Cedar Bridge Raw Water Main.

Motion was made by Mr. Sernotti, seconded by Mrs. Fish. On a **roll call**, all members present voted, "**Yes**". **Adopted**. Senator Singer said that there are some items that are being looked at that might benefit the Authority. One item being looked into is a fiber optics being hard wired in. This is not in the original bid, but since it is being open it makes sense to do it. This system will be better than the one the Authority has now. Since the bid came in so much lower than expected there is some leeway with money that was allocated for this project. These items do not have to be done, but will benefit the Authority. Senator Singer mentioned that a fence should be put around the well as well as bollards.

Images were shown on the screen of different ways to run the raw water main. A conversation ensued regarding the alignment that was bid and several different options for modification. It was decided that the contract would be awarded as bid and a discussion will be held with the contractor regarding possible modification.

5. Airport Road Water Storage Tank Replacement

Resolution for Change Order #1

The handout from Remington Vernick recommends Change Order #1 in the amount of \$26,280. The reason for the change order is that the water main was asbestos cement and the contractor believed it was ductile iron. Also, the water line was deeper and there was a utility in the way that was not know until it was opened up. Mr. Smith said that he met with them on both claims. Both claims are legitimate change of circumstances. Mrs. Lapa read **Resolution # 11-28 Authorizing Change Order Airport Road Storage Tank Replacement**. Motion was made by Mr. Coles, seconded by Mrs. Fish. On a **roll call**, all members present voted, "**Yes**". **Adopted**. Mr. Smith said that there was a third request in a high amount of \$141,000. This request was not clear and confusing. It is quasi legal and quasi engineering as whether or not it was a change of circumstances. Mr. Smith said they did not come to an agreement on this. Senator Singer said that when you come to an agreement bring it back to the board. Mr. Smith suggested taking a hard line and negotiating.

At 2:35 P.M. Mr. Coles left and Mr. S. Flancbaum was seated as an alternate.

6. Cellular Antennas – Project Status

Mr. Morrill said that the Authority is ready to send out the lease agreements for the bidders on the two tanks, Ridge Avenue and Airport Road. The bidder for Ridge Avenue is T-Mobile and Airport Road is Sprint. T-Mobile owes the Authority approximately \$12,000 for the electricity used at New Hampshire Tank over the past two years. T-Mobile does not have permanent power at this time. The Authority asked them to install the drainage at the Beacon Hill Tank in exchange for the use of electricity. The calculated the cost of drainage will be a benefit of \$20,000 to the Authority. It would cost T-Mobile less than \$20,000 for them to do it. Senator Singer said he does not want to lose T-Mobile over this. Make sure it works out well. If need be a credit may have to kick in.

7. KT Management 20,000 SF Addition – Project Status

Kathy Marmur was hired to do an appraisal. Unfortunately, she became very ill. Mr. Smith asked if he can take over this item. Mr. Smith said that he asked Kathy's daughter

to bring her the appraisal that she prepared for signature. Her daughter said she will bring it over to Kathy when Kathy is up to signing. At the present time she is not up to signing it. On January 20, 2011, Kathy's daughter said it does not look like she will be able to sign it. Mr. Smith asked if he can see the numbers and the daughter said he cannot. Mr. Smith then called Anthony Graziano on January 20, 2011 and said that he has an emergency. Mr. Smith has a completed appraisal. It is seventy eight pages. Mr. Graziano did very good work. The bill came in reasonable at \$3,718. Senator Singer asked if Kathy Marmur was paid. Mr. Smith said no. Senator Smith said that a letter should be sent saying that since she failed to perform, the agreement with her is cancelled. Mr. Smith said that it is a very good point and he will take care of it. In the appraisal, the property that the Authority is conveying to them is appraised at \$13,800. The property that they are conveying to the Authority is appraised at \$14,500. Mr. Smith just received this late yesterday afternoon. He did not present this to KT Management yet. Mr. Smith will give it to them this afternoon. Senator Singer said to tell them that the Authority will give them a check. Or if they want, they can show us a different appraisal. Mr. Smith said that the Township has agreed to convey the easements to the Authority that were requested. The one deed that he drew is already on their calendar. A twenty foot easement on Pine Street is not done. He does not have the metes and bounds for it. This is for the two wells in the ball park. Mr. Flancbaum said that the Township has it on their agenda for the next Township Committee Meeting to ratify that the Authority could install the wells. Senator Singer said without metes and bounds you cannot do anything. Mr. Morrill said he will work on it.

8. Locust 48 Lot Townhouse – Project Status

This project is being held because they have to install the Harrogate Water line on the Harrogate site. The Authority does not have plans for it. The Authority is telling them that we do not have a complete set of plans. We cannot get the plans from Harrogate until the agreement is in place. Mr. Morrill said that we came to an agreement but it was not written down and it was not signed. Senator Singer asked who the developer is. Mr. Morrill said Real Acquisitions. Mr. Flancbaum said that the bottom line is that we have not come to an agreement. Mr. Smith said that it was agreed in concept. There was not one hundred percent agreement in the details with the three parties. Now he thinks that there is agreement amongst them. Senator Singer told Mr. Morrill that it should not be brought to the commissioners until there is an agreement. The plans could be reviewed, but it will not be signed off and released to them until the Authority has the agreement signed. Mr. Smith said that the problem was with a single item. The Authority is holding money in escrow from other developers for the purpose of improving the water line in this area. The demand came in that the Authority disperses one hundred percent of what is being held for this line, which changes the original equation a little bit. Mr. Smith thinks it is a good idea. Senator Singer wants this decided before it is presented to the commissioners. Mr. Flancbaum said that he will have all the agreements for the March meeting and explain it then.

Well #2 - Mr. Morrill said he has one more item which just came up today, Well #2, the well that was just rebuilt, is pumping sand. Mr. Morrill contacted the engineer and asked him to come up with a game plan. We will be in touch with him after the meeting. Mr. Waxman questioned how come this happened so quickly. Mr. Morrill said he does not know. He does not understand why it is happening and the extent of it. The material that is coming out looks very similar to the material that came out the first time. Mr. Waxman

asked if they were paid. Mr. Morrill said yes. Senator Singer asked who the engineer is. Mr. Morrill said it is Hatch Mott MacDonald and Schultes was the contractor. Senator Singer said that they better fix it and we are not paying them more. Senator Singer asked how long this well was online. Mr. Morrill said it is online around four months, since October. Mr. Waxman asked how much did it cost to fix. Mr. Morrill responded around \$300,000. Mr. Flancbaum said that it is still under warranty from the contractor. It has a one year warranty. Senator Singer said to make sure that the engineer also has a one year warranty. The Authority does enough business with them. They are responsible to make sure this works right.

VIII. Attorney's Report

Mr. Smith reported earlier in the engineers agenda.

IX. Executive Director's Report

1. Resolution to apply for an NJEIT Supplemental Loan

Mr. Flancbaum said that the Authority is applying for a NJEIT Supplemental Loan. There is a March 4, 2011 deadline. Mrs. Lapa read **Resolution # 11-29 Authorizing Application For A Supplemental Loan From The New Jersey Environmental Infrastructure Financing Program**. Motion was made by Mr. Sernotti, seconded by Mr. Waxman. On a **roll call**, all members present voted, **"Yes"**. **Adopted**.

2. Server Upgrades

The current server is maxed out to capacity and we are experiencing problems. At around 2:00 p.m. every afternoon the server goes down for around a half hour. There is no internet service and access to the server. \$50,000 was put aside in the capital budget for a server upgrade. Mr. Flancbaum said he just received prices for the upgrades and the total is \$36,264.22. \$19,068 is under State Contract. The balance is below the bid threshold. The equipment will be purchased from CSI, the Authority's IT consultant. Mr. Flancbaum would like to get permission from the commissioners to go ahead with the server upgrade. Senator Singer questioned how much more capacity will this upgrade give. Mr. Raphael Copeland of the Authority's IT department said it will increase one hundred fold. Senator Singer then asked what the expected life of this upgrade is. Mr. Copeland said most likely eight to ten years. Senator Singer said it is okay. Please make sure that the old server is disposed of properly since there is confidential information on it. There is a company in Industrial Park that used to do it for the Federal Government. Mr. Flancbaum said that he will make sure that it is disposed of properly.

3. Developer Escrow Accounts

An escrow module was purchased from Edmunds. The Authority has escrow accounts that are still on the books from the late 1980's. Senator Singer just wanted the commissioners to know that if the money cannot go back to whom it was received from, it goes back to the State. The Authority cannot keep the money. Mr. Flancbaum said that the accounts are divided into four categories. Monthly and quarterly statements will be sent to active projects. Projects which have action on them will get monthly statements. There are around twenty five to thirty ongoing projects. Some have positive balances and some have negative balances. If the balance is negative, they will have to bring the balance up to positive before any more work will be done. There are around

fifteen accounts that are open but have no action. They will receive a quarterly statement. Mr. Waxman asked why they are open. Mr. Flancbaum answered that it could be open because they submitted an application and decided not to go forward with it. They do not want to close the application because they do not want to lose the permits under the permit extension act. Some accounts may end up closing out once they receive the statements since they are really done. There are projects with positive balances. Some of them have been there since the early 1990's. The Authority has to figure out how to give them back their money. Senator Singer said that he seems to remember something about the Kaplan project that has a positive balance of \$37,000. Senator Singer thought that the Authority kept the money as part of a deal. Senator Singer asked Mr. Bauer to please look into it. Mr. Waxman said that he remembers something connected to Kaplan and thinks that Senator Singer is correct. Mr. Flancbaum said that before any money is returned, we will check as to why we have the money. Mr. Smith was not in the room during the discussion of the Kaplan project and when he came back into the room Senator Singer asked Mr. Smith if he remembered anything about the Kaplan project and \$37,000. Mr. Morrill said that this is the original Four Seasons project where Kaplan went bankrupt and the Authority was left with \$37,000. Senator Singer said he thought that the Authority was left with that money. A deal was cut with them. There was a question of who did what and who is responsible. Mr. Smith said he does not remember now, he will look into it. The fourth category are old projects, some go back to the year 2000, which the escrow accounts are negative. It amounts to less than \$3,000. Mr. Flancbaum said the accounts that are very old, for example the accounts from 2000, Harley Davison, we will not call them and tell them that they owe \$495. Senator Singer and Mr. Waxman questioned why they should not be asked for the money. Mr. Bauer said that it is so old and bills were never sent out. Senator Singer said that if there are accounts that the Authority owes them money, we should deduct the money they owe us, for example Bennett owes the Authority money. Mr. Flancbaum said that there are accounts that we do not know why the Authority has their money. Some of the accounts we owe them money and some they owe us. This has to be figured out what the dollar and cents are. Mr. Flancbaum showed on the screen a sample monthly escrow letter and a sample project statement. With this the developers will know exactly where they stand and most importantly the Authority will know.

4. Risk Management Seminar – 03/03/11 11:00 a.m.

Mr. Flancbaum reminded the commissioners that after next month's meeting we will have the Risk Management Seminar. It will take approximately one half hour. Mr. Flancbaum volunteered the facility if anyone from the area would like to come. Senator Singer said that the Authority receives a \$250 insurance rebate for each commissioner that attends.

X. Commissioners' Report

Mr. Theibault was wondering where the funds come from when change orders are presented? Senator Singer said that the funds for the change order that was approved today comes from the bond. Mr. Morrill said that there is twenty percent contingency money that is factored into projects. For example when the contractor found the pipe by Airport Road Tank was asbestos and has to be changed, no one knew that before. There was a hidden utility that was not marked. We cannot make the contractor pay for it.

XI. MEETING OPEN TO THE PUBLIC

XII. MEETING CLOSED TO THE PUBLIC

XIII. MOTION TO APPROVE THE OPERATING VOUCHERS

Mrs. Lapa announced that there were changes to the construction list and operating vouchers. The following changes were made to the construction list. T&M Associates' charge of \$1,200 was removed, William Stothoff's charge of \$26,892.77 was added and Caltech's bill of \$8,708 was added. The amended total for the construction list is \$453,781.39. The following additions were made to the operating vouchers – Caltech for \$2,000 and AT&T for \$118.13. A **motion** was made by Mr. Waxman and seconded by Mr. Sernotti to approve the Operating Vouchers in the amended amount of \$868,043.42. On a **roll call**, all members present voted, "**Yes**". **Motion passed.**

XIV. CLOSED SESSION

XV. OPEN SESSION

Senator Singer asked if the construction is going as planned. Mr. Flancbaum said that due to the weather in the past couple of weeks it was delayed slightly but otherwise everything is going well. Senator Singer asked how things are going with the Administration Building. Mr. Flancbaum said that there are some small punch list items that need to be completed, but the contractor is cooperating. Senator Singer asked if we still owe him money. Mr. Morrill said that we have \$12,000 retainage. Senator Singer asked if that will be released to him. Mr. Flancbaum said after the punch list items are taken care of, we will give him the money.

XVI. ADJOURNMENT

A motion was made by Mr. Waxman, seconded by Mr. Sernotti to adjourn. On a **voice vote**, all members present voted, "**Aye**". The meeting was adjourned at 3:00 P.M.

Respectfully submitted,

Nancy Lapa,
Secretary, LTMUA

THE LAKEWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

Regular Meeting Minutes

March 1, 2011

- I. Senator Singer opened the meeting at 10:03 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 and The Star Ledger on February 10, 2011.
- III. **Salute to the Flag**
- IV. **Roll Call of Commissioners**
On the roll call the following Commissioners were present: Mr. Theibault, Mr. S. Flancbaum, Mr. Sernotti, Mr. Coles, Mr. Waxman and Senator Singer. Mr. S. Flancbaum was seated as an alternate. The following professionals were present: Mr. Norman Smith, Esq. and Mr. Gerwin Bauer, Auditor. The following MUA employees were present: Mr. Justin Flancbaum, Executive Director, Mr. Paul Morrill, Engineer and Nancy Lapa, Secretary.
- V. **Minutes**
A **motion** to approve the minutes of the Reorganization Meeting on February 1, 2011, was made by Mr. Waxman and seconded by Mr. Coles. On a **voice vote**, all members present voted, "**Aye**". **Motion carried.** A **motion** to approve the minutes of the Regular Meeting on February 1, 2011, 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**
Mr. Bauer emailed all the commissioners the Audit for the last fiscal year and also gave all the commissioners a draft copy at the meeting. Mr. Bauer met with Mr. Coles and Mr. Theibault to review the Audit in detail. The Authority is in very good financial condition. The Audit proved that the rate increase is needed for the bond convenance. Senator Singer asked if there were any recommendations that the commissioners should know. Mr. Bauer said that with the new software program everything is going great. Senator Singer said that the staff should be familiar with the program and there should be back up. Mr. Flancbaum said that it is user friendly and is easy to pick up. Mr. Bauer asked if anyone had any questions on the Audit. There were none. Mr. Coles said that he recommends passing it. Mrs. Lapa read **Resolution # 11-34 Acceptance of 2010 Audit.** Motion was made by Mr. Coles, seconded by Mr. Sernotti. On **roll call**, all members present voted, "**Yes**".

Mr. Bauer said that the two cash accounts that were discussed and passed at last month's meeting, the one for performance bonds and one for post retirement benefit plan, are set up. Funds were transferred into them based on the Audit.

Mrs. Fish arrived at 10:07 A.M. Mr. S. Flancbaum is no longer seated as an alternate.

VII. Engineer's Report

1. Spruce Street School and Dormitory

- Resolution Granting Conceptual Approval
- Resolution Granting Technical Approval
- Resolution Granting Final Approval

Mr. Morrill said that there are three resolutions to be presented for the off-site water main only. This is being done because the consultant that the Authority hired estimated that the cost of the water line would be \$40,000. This would take them out of the intersection as part of the Authority's project of the New Hampshire Water Main revisions. The lowest bid came in at over \$60,000. The Authority gave the school the option to hire their own contractor and do it themselves. They said that they will do it themselves. This will require the Authority to give them all the approvals to get the plans reviewed and approved. Mr. Morrill said that he has already met with them and gone over the plans. Senator Singer said that it was originally thought that the Authority would keep it in their contract and it would come out cheaper, but it came out that they can do it cheaper. Mr. Waxman questioned if it was a bid, can it be taken out of the contract. Mr. Smith said that there was Alternate A and Alternate B. Alternate A will be deleted and award according to Alternate B. There is a hypothetical question if it can be challenged. Mr. Smith said that it can be challenged and in his opinion the challenge will fail. He reviewed it carefully. Mr. Morrill said that by eliminating Alternate A, it changes who wins the bid. If you look at the details in the engineer's agenda report for modifications to the water line for New Hampshire Avenue, by eliminating Alternate A and keeping Alternate B it changes the contractor from B&B Construction to Underground Utilities. Mr. Smith said he needs to make a comment on the agreement. The developer of the school is installing an eight inch water line. All they technically need for the project is a six inch water line. Therefore, the Authority will be contributing to the incremental cost, which is very minimal. The Authority will be contributing through waiving connections fees. Mrs. Lapa read **Resolution # 11-35 Off Site Water Main Grant of Conceptual Approval Congregation Nachlas Yisroel**. Motion was made by Mr. Coles, seconded by Mr. Waxman. On a **voice vote**, all members present voted, **"Aye"**. **Adopted**. Mrs. Lapa read **Resolution # 11-36 Off Site Water Main Grant of Technical Approval Congregation Nachlas Yisroel**. Motion was made by Mr. Coles, seconded by Mr. Sernotti. On a **voice vote**, all members present voted, **"Aye"**. **Adopted**. Mrs. Lapa read **Resolution # 11-37 Off Site Water Main Grant of Final Approval Congregation Nachlas Yisroel**. Motion was made by Mr. Coles, seconded by Mr. Sernotti. On a **roll call**, all members present voted, **"Yes"**. **Adopted**.

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

- Resolution Awarding Contract
- Resolution for Change Order #1 for Engineering Services

Mr. Morrill feels that it would be in the Authority's best interest to award the contract with Alternate B only. The contractor would be Underground Utilities for \$164,947. Mrs. Lapa read **Resolution # 11-38 Awarding Contract for the Modifications to the Water Line for New Hampshire Avenue Water Main and Sanitary Sewer to Lowest**

Bidder. Motion was made by Mr. Waxman, seconded by Mr. Coles. On a **roll call**, all members present voted, "**Yes**". **Adopted.** The second resolution is for CME Associates for an addition of \$1,456.50 for the portion of the plans for the Spruce Street School. The Spruce Street has agreed to reimburse the Authority directly. Mrs. Lapa read **Resolution # 11-39 Authorizing Change Order No. 1 Modifications to the Water Line for New Hampshire Avenue Water Main and Sanitary Sewer.** Motion was made by Mr. Coles, seconded by Mr. Waxman. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

3. Fixed Based Meter Reading System – Project Status

Mr. Morrill said that the electronic read books are in. They will be ready for use for the April billing. Senator Singer asked if there will be a period with dual read. Mr. Morrill said that they will eliminate the paper books. Over the next two years, the physical readings will be phased out. The electronic read book will be used in case there will be a meter that is not functioning and will take it out to the field. The real benefit of this system is once the meter readings are taken with the electronic book, they are downloaded automatically. Senator Singer said that it should be monitored for a short period to make sure it is working correctly. Mr. Flancbaum said that electronic read books will eliminate the paper books. The paper books will be phased out. Senator Singer said that the first time something is being used it has to be checked. Not every property needs a manual read, but it should be made sure that the readings are correct. Mr. Flancbaum said the manufacturer will have a representative going out the first time with the field workers. Mr. Waxman asked if there is continuous remote backup on the meter reads as it transfers to the computer and the billing system. Mr. Flancbaum said that all the information that is transferred to the computer is backed up remotely on a daily basis.

The following two items will be addressed by Mr. Smith.

4. Locust 48 Lot Townhouse – Project Status

5. Vermont 54 Unit Subdivision – Project Status

Mr. Smith said there was a meeting with the two developers on February 25, 2011. An agreement will be entered subject to the commissioner's approval. The current agreement slightly changes the prior agreement. In the past it was a three way agreement between these two developers and Harrogate. It was an agreement that Mr. Smith thought was a win-win for everyone. The Authority would get the easement across Harrogate's property in order to build a water line that the Authority would like for the system now. The Authority pays the appraised value of \$42,000 by waiving connection fees at a time in the future when Harrogate will come in with an expansion of eighteen units. If they do not build the units, then the Authority will have received the easement for free. Harrogate complained bitterly that they were hurt by the economy on the ten year rebate. Mr. Smith said that they were hurt. They did not get repaid anywhere what they should have on the lines they built. The ten years came and went and the economy was terrible. The Authority does not have a legal obligation, but it was agreed that the Authority will give them an additional \$10,000 waiver of connection fees at such time that they come in with the eighteen units. In exchange for that they are part of the agreement and the Authority is getting the easement. Now the two developers each agree to kick in \$10,000 a piece which will go to an additional waiver of connection fees to Harrogate. This is another \$20,000 for Harrogate. Harrogate gets a total of \$30,000 in waiver of connection fees. The Authority gets the money now in the general

account. If Harrogate does not end up building, the money will be kept by the Authority. It was a good three way deal. Now the two developers had an engineering report that they do not need the water line across Harrogate. This came about one and one half weeks ago. The two developers tried to back out of contributing the \$10,000 a piece. The Authority wants the line. A meeting was held this past Friday. At the meeting it was agreed that they will continue with the line and the \$20,000 provided that Harrogate signs off within six months. If they do not sign off within six months, they will not give the \$20,000 and will not build the line. It will be the Authority's problem to build the line. Mr. Smith said if that happens he will have to get the easement possibly through condemnation. Mr. Smith said he thinks that Harrogate will sign quickly. This is a good deal for them. Senator Singer asked how come they continued with the \$20,000 even though they do not need the line. Mr. Smith they agreed in the spirit of good will. Senator Singer said that if there is a problem he can call Don at Harrogate. Mr. Smith said that the Authority has \$24,000 in escrow from Covington Village for the purpose of building this line. The Authority will give the \$24,000 to Harrogate to defray the cost for building the line. Mr. Flancbaum said that as part of the agreement with Covington Village, the \$24,000 was given when the project was started. Another \$24,000 is theoretically supposed to come from them at some point. There is another \$10,000 that is supposed to be coming from Locust Grove. The \$34,000 may never come, but if it does come it was agreed to give Harrogate the money for building the line. Senator Singer said that at the end of the day the line is being built and the Authority's system is being expanded without any cost to the Authority. Mr. Bauer said that those funds are set up in advance on the balance sheet and are being held in escrow. Senator Singer said that Harrogate can build the line a lot cheaper than the Authority can. They do not have to pay the prevailing wage, public bid etc. A **motion** was made by Mr. Coles and seconded by Mr. Sernotti to approve the agreement. On a **roll call**, all members present voted, **"Yes"**. **Motion passed.**

Mr. Morrill said he would like to back track to **Modifications to the Water Line for New Hampshire Avenue**. We did not include in the original professional services contract any construction inspection. It was kept open so that there would be the option of having either having the Authority's regular inspector if he was down on the site or hire the engineer that designed the plans. Currently the Authority's inspector does not have work, so he is not on our site. Mr. Morrill has a proposal from CME for a lump sum cost of construction inspection of \$15,800, cost not to exceed. Mr. Morrill confirmed that the hourly rate is same as the request for qualifications. Mrs. Lapa read **Resolution # 11-40 Professional Services Contract to CME for Construction and Inspection Services for New Hampshire Avenue Water Main Improvements**. Motion was made by Mr. Coles, seconded by Mr. Sernotti. On a **voice vote**, all members present voted, **"Aye"**. **Adopted.**

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

Mr. Morrill said that Mr. Smith will give the details of the Developer's Agreement. Mr. Smith said that they met this past Friday. The terms of the agreement is that they will contribute to the Woodlake pump station according to the formula that the Authority establishes. Part of their contribution may be giving the Authority design plans that are needed. The developer came in initially not wanting to agree and their position was a little

bit adversarial. In the end they agreed. Mr. Smith said he will have the agreement today. Mr. Flancbaum said the Authority's engineers estimate for their contribution is \$305,000. They feel that if they build it themselves, they can do it for a lot less. So we told them to design it and we will give them credit for the cost of the design off of the \$305,000. If they would like to price it out and do it themselves, it is okay with the Authority. The developer agreed. Mrs. Lapa read **Resolution # 11-41Route 88 73 Unit Developer's Agreement**. Motion was made by Mr. Sernotti, seconded by Mr. Coles. On a **roll call**, all members present voted, **"Yes"**. **Adopted**.

7. New Hampshire Avenue Treatment Plant – Project Status

The stainless steel screens and filter media were installed in the backwash tanks. We were not able to backwash the filter media because of insufficient flow. Pumps were brought in. The consulting engineer looked at the flows through the tanks. He felt that the head loss through this filter media was excessive. The tank manufacturer, Hungerford Terry, is coming in to investigate why the head loss is so high. Mr. Hubal of Hatch Mott MacDonald said that they are investigating now and we are working with them. Mr. Morrill said he was hoping to have the filters operational by March 1, 2011. There is a slight delay. The filters will hopefully be completely in place and operational by April 1, 2011 so that the annual flushing can start.

8. Cedar Bridge Raw Water Main – Project Status

On February 10, 2011 the contractor called for a mark out. There has been some slight delay due to the snow. Mr. Morrill said that we are still looking into the alternate route for the water main. He will update the commissioners when he has the details. Mr. Morrill said if necessary the Authority will go with the original design, but he hopes to get the alternate in place.

9. Cellular Antennas – Project Status

The modified lease agreements were received from Remington Vernick. After Mr. Smith reviews the documents, the executive director will sign them. Then they will be forwarded to the appropriate parties.

10. Locust Grove – Project Status

Most of their escrow funds and all the cash that was being held for performance guarantees were sent back. They will repost them when they start their project.

VIII. Attorney's Report

Mr. Smith reported earlier in the engineers agenda.

IX. Executive Director's Report

1. Well #2 Emergency Investigation Work

Sand was being pumped during the back wash operation. RFP's were sent to three well drillers to investigate why the sand was coming through the well. Only two well drillers sent back bids. Unitech's bid was for \$23,500 and AC Schultes was \$28,500. The price includes pulling the pump, the column and color tv inspection. A submersible pump will be put down the well so we can pump as it is being televised. The accumulated sand will be removed so that we can get to the bottom of the well. A second televising will be done. This well is still under warranty with AC Schultes for the work that was done last year. A

full maintenance bond for the entire amount is still being held. If it is determined that the problem is due to the deficiency of their work, then the Authority will make use of the bond. Senator Singer said that it is good that AC Schultes is not doing the checking. Mr. Flancbaum said it works out well that Unitech gave the lower price. Mr. Waxman questioned how AC Schultes can bid on the job. Mr. Flancbaum said that he spoke to Mr. Mainberger of Hatch Mott MacDonald and Mr. Hubal regarding this. Mr. Flancbaum said he was concerned and questioned why we would give the investigative work to the company that may have done deficient work. They gave him a comfort level that the video cannot be manipulated. Mr. Waxman said he is happy they are not being used. Senator Singer said that he finds it hard to believe that videos cannot be manipulated. Both bids are above bid threshold so the bid has to be awarded under an emergency contract, which it is. Mr. Smith said that in regard to the emergency nature, Mr. Flancbaum will sign a declaration of emergency. The criteria are that there be an immediate and dire emergency, which is what we have here. If this well is not fixed now, the well will not be ready for the summer. Mrs. Lapa read **Resolution # 11-42 Awarding Contract to Unitech Drilling Corp. for Well No. 2 Emergency Investigation Work.** Motion was made by Mr. Waxman, seconded by Mrs. Fish. On a **voice vote**, all members present voted, **"Aye"**. **Adopted.**

2. Airport Road Tank – Change Order Status

There is still one outstanding Change Order. It is for the foundation installation. They are requesting \$141,000. We made them an offer of \$34,000, which is based on the fact that the work took them one and one half days longer. They want to be compensated for the down time, the time that the equipment sat there. Mr. Flancbaum thought that it would be resolved by this meeting, but it is still a work in progress.

3. NJEIT – New Loan application – Meter Project

\$2.4 million was budgeted over the next four years for meter replacement. Mr. Flancbaum said he was made aware around three weeks ago that NJEIT is giving more consideration to meter upgrade projects, whereas in the past they were not. NJEIT got more money than they thought they were going to get. The terms have also changed. The current NJEIT loan term is fifty four percent of the money is at half market rate for twenty years and forty six percent is at zero percent interest. Now they are giving seventy five percent of the money at zero percent interest for twenty years and twenty five percent at half market rate for twenty years. We would like to make an application to NJEIT to fully fund the metering project. Mr. Flancbaum does not know the exact amount of the loan needed but this application has to be in by March 7, 2011 so the resolution can be passed and he will keep Senator Singer posted on the amount. Mrs. Lapa read **Resolution # 11-43 Authorizing Application For A Loan From the New Jersey Environmental Infrastructure Trust financing Program Without Public Bidding Pursuant to N.J.S.A. 40A:11-5(1)(a)(i).** Motion was made by Mr. Sernotti, seconded by Mr. Coles. On a **roll call**, all members present voted, **"Yes"**. **Adopted.**

Mr. Flancbaum had two more items to discuss:

Ocean County Recycling Center is upgrading their facility. They made a request that the Authority waive the inspection and review fees for their project being that what they are doing will be a benefit for the town. Mr. Flancbaum said he asked the Planning board

secretary if they waived their application and review fees of around \$6,500. He said yes. Senator Singer said if the Township waived their fees then the Authority should waive their fees. Mr. Flancbaum said the fees would be around \$15,000. A **motion** to waive the fees for the Ocean County Recycling Center was made by Mr. Waxman and seconded by Mr. Coles. On a **voice vote**, all members present voted, "**Aye**". **Motion passed.**

A notice was received from Sudler that the Authority was billing them in error for the past eight to nine years for multiple accounts. The Authority had the wrong meter sizes. It was confirmed that the Authority was overcharging them for about nine years. Certain accounts had one and one half inch meters and we were charging them for four inch meters. Senator Singer said that there is a limit to how many years to go back. Mr. Smith said that there is a statute limiting it to two years. Senator Singer said that Mr. Smith should be involved with the letter and the money being sent back. Mr. Flancbaum said that the amount for the nine years was about \$26,000. It will be a lot less for two years. We can figure out how much it will be.

4. Closed Session – Personnel – Will be taken care of later.

X. Commissioners' Report

Senator Singer said a group approached him that is interested in buying the Authority's leases on the cell towers. They would take everything and give the payment to the Authority in one lump sum. Then they would collect it from the cell companies over a period of time. They would like to come in to the Authority to present their idea. Mr. Waxman asked if it gives them unlimited rights to resell for whatever they want. Senator Singer said he does not know. They would like to come down and tell us what is involved. It may be a way to get the money up front for projects as opposed to getting it over fifteen to twenty years. We do not have to accept their offer. They will call Mr. Flancbaum to set up a time to come.

XI. MEETING OPEN TO THE PUBLIC

XII. MEETING CLOSED TO THE PUBLIC

XIII. MOTION TO APPROVE THE OPERATING VOUCHERS

Mr. Flancbaum said that the bill for Ocean County Utilities Authority this quarter is \$711,000. A deficiency notification was received that the Authority discharged more sewage into their system than estimated in the amount of \$146,000. We did not agree to this amount and this matter is being investigated. It was decided that the bill should be paid and if needed, the OCUA will give the Authority a credit next quarter. Mr. Flancbaum reminded the commissioners that last year OCUA credited the Authority \$500,000. Mr. Flancbaum said he feels comfortable with paying this. Mr. Bauer said that this amount was approved in the previous year's Audit and will not affect this year's budget. Mrs. Lapa announced that the following additions were made to the operating vouchers – Entchevdotcom for \$1,605, Home Depot for \$354, IBM Corporation for \$1,297, Staples for \$1,222.96 and Verizon Wireless for \$406. A **motion** was made by Mr. Coles and seconded by Mr. Sernotti to approve the Operating Vouchers in the

amended amount of \$1,441,721.19. On a **roll call**, all members present voted, "**Yes**".
Motion passed.

XIV. CLOSED SESSION

Will take place after the Water Rate, Sewer Rate and Connection Fee Hearings.

XV. OPEN SESSION

XVI. ADJOURNMENT

A motion was made by Mr. Waxman, seconded by Mr. Coles to adjourn regular meeting to have hearings. On a **voice vote**, all members present voted, "**Aye**". The meeting was adjourned at 10:43 A.M.

XVII. CLOSED SESSION

A motion was made by Mr. Sernotti, seconded by Mr. Coles to go into closed session to discuss personnel at 10:49 A.M. On a **voice vote**, all members present voted, "**Aye**".

XVIII. ADJOURNMENT

A motion was made by Mr. Coles, seconded by Mr. Sernotti to adjourn meeting. On a **voice vote**, all members present voted, "**Aye**". The meeting was adjourned at 10:55 A.M.

Respectfully submitted,

Nancy Lapa,
Secretary, LTMUA

THE LAKEWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

Regular Meeting Minutes

April 5, 2011

- I. Senator Singer opened the meeting at 10:05 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 and The Star Ledger on February 10, 2011.

III. Salute to the Flag

Senator Singer asked for all to stand and remain silent for a moment in memory of Senator John Adler.

IV. Roll Call of Commissioners

On the roll call the following Commissioners were present: Mr. Theibault, Mr. S. Flancbaum, Mr. Sernotti, Mr. Coles, Mr. Waxman, Mrs. Fish and Senator Singer. The following professionals were present: Mr. Norman Smith, Esq. and Mr. Gerwin Bauer, Auditor. The following MUA employees were present: Mr. Justin Flancbaum, Executive Director, Mr. Paul Morrill, Engineer, Mrs. Nancy Lapa, Secretary and Mr. Robert Farina, Instrumentation/IT Department Supervisor.

V. Minutes

A motion to approve the minutes of the Water Rate Hearing held on March 1, 2011, was made by Mr. Coles and seconded by Mr. Sernotti. On a **voice vote**, all member present voted "**Aye**". **Motion carried.** A motion to approve the minutes of the Water Connection Fee Hearing held on March 1, 2011, was made by Mr. Sernotti and seconded by Mr. Coles. On a **voice vote**, all members present voted "**Aye**". **Motion carried.** A motion to approve the minutes of the Sewer Rate Hearing held on March 1, 2011, was made by Mr. Sernotti and seconded by Mr. Coles. On a **voice vote**, all members present voted "**Aye**". **Motion carried.** A motion to approve the minutes of the Sewer Connection Fee Hearing held on March 1, 2011, was made by Mr. Sernotti and seconded by Mr. Coles. On a **voice vote**, all members present voted "**Aye**". **Motion carried.** A motion to approve the minutes of the Regular Meeting on March 1, 2011, 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

Mr. Bauer said that the Audit reports have been issued. They have been sent to the Local Government Services, Bank of New York and NJEIT for the May single audit major program portion of the audit. Mr. Bauer has copies for anyone that wishes one.

Mr. Bauer said that at previous meetings a discussion was held regarding setting up new cash accounts; a performance bonds account, an advance funds account and a post employment benefit account. There is a slight problem with the post employment account. Paul Koch, the actuary from Aon, said the only way for the assets to be recognized for the calculation is for them to be in an irrevocable trust. His understanding of the law of the State of New Jersey is that a state government agency cannot set up an irrevocable trust. The calculation will never recognize the assets. The Authority can do the calculation and will get a close estimate of how much needs to be put aside, but it will not recognize the assets. Mr. Waxman questioned what the differential is; shouldn't it be more than minimal? Mr. Bauer responded that it will never recognize assets being there for the calculation. Senator Singer said the Authority will anyways put aside the money in an account. Mr. Bauer said that he assumes one day this issue will be addressed and the Authority will be able to put the money aside in a way that the assets will be recognized.

Senator Singer said that the Jackson Township Manager said that OceanFirst is paying them 1.1% interest on their money. He said that this is hard to believe but they said they are. Can the Authority call them and tell them that we have \$3 Million in their bank and the Authority is getting paid less than one percent. Mr. Flancbaum said that when we signed up with them, they gave the Authority 1.1% for the first three months. Senator Singer said that if they are giving Jackson Township that interest rate for all their money then so should the Authority be getting 1.1% for the \$3 Million.

Mr. Bauer said he has discussed with Mr. Flancbaum and Ms. Gaynor regarding the NJEIT Trust Account. The monies are funneled there when the bonding applications are done. A lot of paperwork has to be done in order to get the money released to the Authority. It is double work. As of the end of February there is almost \$2.5 Million. Paperwork has to be done for the money to get released to the General Fund. Once it is in the General Fund it will be easier.

VII. Engineer's Report

1. Vermont 54 Unit Subdivision

- Resolution Granting Conceptual Approval
- Resolution Granting Technical Approval

In the packet on pages one through fourteen is a letter detailing both conceptual and technical plan review. The developer has requested we sign their applications while they finish off the details of the plan review. The developer for this project is Menashe Frankel of Locust Acquisitions LLC. The resolutions are being passed subject to the engineer's final review. Mrs. Lapa read **Resolution # 11-44 Off Site Water Main Grant of Conceptual Approval Locust Acquisitions, LLC**. Motion was made by Mr. Coles, seconded by Mr. Waxman. On a **voice vote**, all members present voted, "**Aye**". **Adopted**. Mrs. Lapa read **Resolution # 11-45 Off Site Water Main Grant of Technical Approval Locust Acquisitions, LLC**. Motion was made by Mr. Waxman, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted**.

2. 216 Joe Parker Road 28 Lot

- Resolution Granting Technical Approval

Resolution Accepting Developers Agreement

There is a letter in the packet dated March 24, 2011 with the details of the technical plan review. Mr. Waxman asked if all the issues have been resolved. Mr. Morrill responded that all the issues except for some minor items listed in the letter. The approval is being given on condition of these items being resolved. A meeting was held regarding the Developers Agreement. We came to a good understanding. They have agreed to the Authority's calculations regarding the work that needs to be done at the Woodlake Pump Station. They asked if they can pay for the meter connection on a per unit basis as they are being built. Mr. Flancbaum said that they have to give connection fees and a Woodlake contribution. The contributions that are necessary will be given before they get any meters. The contributions will be a pro rata basis. Mr. Morrill said he will take care of it. Mrs. Lapa read **Resolution # 11-46 Water Distribution and Sanitary Sewer Grant of Technical Approval 216 Joe Parker Road 28 Lot Subdivision**. Motion was made by Mr. Coles, seconded by Mr. Waxman. On a **voice vote**, all members present voted, "**Aye**". **Adopted**. Mrs. Lapa read **Resolution # 11-47 Authorizing the Execution of the Developers Agreement 216 Joe Parker Road 28 Lot Subdivision**. Motion was made by Mr. Waxman, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted**.

3. Shenandoah Manor

Resolution Granting Technical Approval

Mr. Morrill said that this is an older project. The resolution is granting technical approval on the condition they address the issues that are written in the Authority's letter to them dated November 20, 2008. This letter is in the handout. They have submitted updated plans that are being reviewed. It looks like they addressed the majority of the issues in the letter. Mrs. Lapa read **Resolution # 11-48 Water Distribution and Sanitary Sewer Extension Grant of Technical Approval 319 Cedar Bridge, LLC**. Motion was made by Mr. Coles, seconded by Mr. Waxman. On a **voice vote**, all members present voted, "**Aye**". **Adopted**.

4. Fixed Base Meter Reading System

Resolution for Change Order #2

In the packet on page twenty four is a letter from HD Supply accepting a \$5,000 reduction in the contract. The Authority will be supplying a concrete pad and power to their site at a remote location. Mr. Morrill went over this with the Authority's technical advisors and found that it was most economical to consolidate all the equipment in a single location out by the water tanks. A ten foot by twelve foot shed will be constructed bringing power to that location and consolidating all the equipment in the shed. It will then be in a controlled environment. This will reduce maintenance and wear and tear on the equipment. Since we will be bringing power out for our facilities, it will be bringing power closer for HD Supply. Therefore they are giving the Authority a \$5,000 credit. Senator Singer was wondering if the Authority could use the antenna that is on John Patrick Park. Mr. Morrill said that when the analysis was done for the fixed base metering system this was the location that was needed because the data needs to be brought into the Administration Building. Mrs. Lapa read **Resolution # 11-49 Authorizing Change Order Fixed Base Metering System**. Motion was made by Mr. Sernotti, seconded by Mr. Waxman. On a **voice vote**, all members present voted, "**Aye**". **Adopted**.

5. Meter Replacement Phase 1 – Project Status

A bid was issued for replacing approximately one hundred and twenty meters. This is the first phase of the fixed base meter system. These one hundred and twenty meters include the ones that have problems or are Industrial Park meters that need the meter readers to go into the building to read. Mr. Flancbaum said he will address it further in his report.

6. Bureau of Safe Drinking Water Master Permit – Project Status

Mr. Morrill said the Safe Drinking Water Master Permit was received.

7. New Hampshire Avenue Treatment Plant – Project Status

The plant construction is moving along. There are two large pourers for the construction. The walls are approximately half way completed. The contractor is moving forwarding at a good rate.

8. Cedar Bridge Raw Water Main – Project Status

A meeting was held with the contractor. It looks like we will be able to modify the alignment. The contract may have to be broken up into two contracts. The way that it is working out is that it will be slightly over the twenty percent requirement. We will have to discuss this with the Mr. Smith. The original contract from Sambol and its unit prices will be kept. If needed, a separate contract will be made to make it work.

Mr. Waxman questioned what the status with Well No. 2 is. Mr. Morrill said the debris was removed and the televising was done. He is waiting for the report from the engineer. Senator Singer asked if it will be able to be fixed. Mr. Flancbaum said that we first have to see the video of the televising. Mr. Morrill said that he believes that it will be able to be fixed. We need to be informed what procedures need to be done to correct it.

9. Cellular Antennas Airport Road & Ridge Ave – Project Status

The cell antennas are moving forward. A meeting is scheduled for tomorrow to get the equipment on the Airport Road tank before it is painted.

10. Lakewood Toyota Dealership Expansion – Project Status

Mr. Morrill said that the easements may need to be negotiated with Pine Belt for the water line. Senator Singer said it should not be a problem. Mr. Waxman asked if the Authority has an easement there from last time. Mr. Flancbaum said that there is an easement on part of it.

Mr. Waxman asked if any headway was made with the escrow accounts that were being held. Mr. Flancbaum said that money was sent back on the Sudler accounts. It will take months to make headway. It is a big project.

VIII. Attorney's Report

1. Harrogate

A lot of time was spent finalizing the terms of the Developer's Agreement for the various projects approved today. A draft was sent to Harrogate and he has not heard from them. Therefore, he divided the contract into two separate contracts; one for the two developments and one for Harrogate. The one for the two

developments are fine. If Harrogate does not want to come on board it will be their problem at the end. The two developments will give \$125 per unit as their Woodlake contribution. The whole deal with the water line with Harrogate will not happen. Mr. Waxman said that a certified letter should be sent to them stating that if they do not respond, the Authority will proceed without them. Senator Singer said that if you need help with Harrogate he knows the people there well. Mr. Smith said that he is dealing only with Ed O'Malley, their attorney, and not Harrogate. Mr. Waxman suggested sending Senator Singer a copy of the letter and then he can give them a call. Senator Singer said that he sees the manager of Harrogate all the time.

2. KT Management- Well #5

Mr. Smith said he worked out what he thought was a good deal and easy for everyone. The Authority would switch a few pieces of property for their property. The appraisal was done and the Authority was going to pay them the \$700 difference. KT Management started to ask for additional money that Mr. Smith did not think was justified. Mr. Flancbaum has been negotiating with him. Mr. Flancbaum asked him this past Friday to send a letter to KT Management that if an agreement is not reached within ten days; the Authority will condemn the property. Senator Singer said that we have to inform them by letter that the Authority is restricted by law what we can do. A private company can give an extra few thousand dollars if they would like. The Authority's money is restricted and can only give what can be justified and explained to the public. Let them know that we do not want to take it by adverse possession. It is not the goal here, but will do it if the Authority needs to. Mr. Flancbaum said that he has been telling them that we have an appraisal. We are okay if you want to get another appraisal to compare. Senator Singer said that we can give them the higher of the two appraisals. Mr. Flancbaum said he has been telling that to him for two months. They were told to submit what they would like to be reimbursed for in writing. Mr. Smith said that he sent him a letter telling him this also. The Authority would throw in some additional money for costs attributed for engineering and attorneys for redoing the planning board design. But, KT Management was adding on items that were not justified. Mr. Flancbaum said that not going ahead will affect production at some point. Senator Singer said that at that point go ahead with condemnation.

3. Airport Road Storage Tank

Mr. Smith said he met with Mr. Flancbaum and Mr. Morrill to set forth a negotiating strategy for this issue. Mr. Smith sent a letter taking a hard line with a low amount and told Mr. Flancbaum how to go about it. Mr. Flancbaum did a fabulous job negotiating with them following the plan. Mr. Flancbaum brought down the amount from \$140,000 to around \$52,000. It is a terrific deal. Mr. Flancbaum will elaborate more on this in his report.

IX. Executive Director's Report

1. NJEIT Loans

This month the Authority applied for two NJEIT loans. The first one is a supplemental loan for the existing New Hampshire Avenue Water Treatment expansion in the amount of \$2,423,916. The supplemental loan is for construction cost increases and the inclusion of land acquisition costs for the Airport Road Tank.

We have also included consulting and programming costs for the PLC's as well as the installation of a wireless local area network for the SCADA system. This was removed from the scope of bid. We opted to contract these services directly in order to maintain full control and to ensure proper functionality from the onset so we do not have what happened with the treatment plant at Shorrock Street.

The second loan request was for \$3,449,628 for the replacement of 6,523 meters for compatibility with the fixed based system. The Authority budgeted initially \$2,400,000 over the next four years to replace the meters, including \$1,000,000 this year to replace the broken meters. Last month Mr. Flancbaum was made aware that NJEIT was funding meter replacement projects. The Authority has a good shot at getting a loan at seventy five percent of the loan will be at zero percent interest for twenty five years and the twenty five percent will have an interest rate at half market rate. Mr. Flancbaum met with David Zimmer, the Executive Director of the NJEIT regarding both loans. He informed me that the supplemental loan application should be approved and that we should receive notification by May or June. Mr. Flancbaum said he explained to Mr. Zimmer that the Authority has 1,000 meters that are broken. Money was budgeted this year to fix those meters. Originally, Mr. Zimmer said we may not know for another year whether the Authority will be receiving the money. Mr. Flancbaum said he impressed upon Mr. Zimmer that the remaining 5,500 meters can wait a year but the 1,000 meters that are broken we would like to take care of this year. Mr. Zimmer is trying to fast track the loan in conjunction with the DEP. He said that there is a good possibility that within the next six weeks the Authority might get an answer if we will get the money. Mr. Flancbaum said that if the Authority does not get the money, we will go ahead and replace the broken meters. Senator Singer said that there was a problem that meters were broken for years. These customers were charged minimum usage. Some of them will be minimum users but the customers that are not, the Authority is losing money.

2. Airport Road Tank- Outstanding Change Order Resolve

A Change Order request was submitted by CB&I in August 2010 for \$141,872 for pre drilling of pilings prior to their installation for the foundation of the tank. The engineer gave a recommendation as to how to bid the project. They recommended that the pilings have to be pre drilled prior to installation. We disagreed with that amount and have settled for \$53,445. They would also like their contract extended to July 15, 2011. They need time to paint the tank. Mr. Flancbaum said he is okay with it. Senator Singer asked if the tank is fully up. Mr. Flancbaum said yes. They just have to finish up a few odds and ends in the next couple of days and then they will be ready to paint. Mrs. Lapa read **Resolution # 11-50 Authorizing Change Order and Extend Contract Airport Road Storage Tank Replacement.** Motion was made by Mr. Coles, seconded by Mrs. Fish. On a **roll call**, all members present voted, **"Yes"**. **Adopted.**

3. Phone Line Consolidation

Mr. Flancbaum met with a representative from a company called Magellan Hill which does phone line consolidation. They deal primarily with government entities and hospitals. Magellan pools together all the accounts. We will stay with the current phone company providers but we will get a better rate since they have clout with the

phone companies because they have a large amount of accounts with them. The proposal for the Authority will give the Authority a twenty four percent savings for the next three years. This will translate into about \$4,000 a year. Mr. Flancbaum said he checked into their references, three other MUA's. The other MUA's said they are extremely satisfied with their service. If there is a customer service issue, you call Magellan Hill instead of the carrier. Mr. Flancbaum would like to sign an agreement with them. Mrs. Lapa read **Resolution # 11-51 Authorizing The Execution Of A Contract Magellan Hill Technologies, LLC.** Motion was made by Mr. Coles, seconded by Mrs. Fish. On a **roll call**, all members present voted, **"Yes"**.
Adopted.

4. NJEIT Interim Inspection/ NJDEP Water Quality Program Inspection

An interim inspection of all projects being funded by the NJEIT was held at the beginning of the month. The project manager issued a formal report and was very satisfied with all the construction and construction management to date. Mr. McGregor, the Authority's Operation Manager, met with the DEP.

The DEP conducted its annual water quality and water supply programs inspection. The DEP issued a formal letter stating that the Authority is in full compliance with applicable department regulations and permit conditions.

5. Hydrant flushing

The semi-annual hydrant flushing started a week and half ago. Good progress was made. We anticipate being finished by the first or second week of May. We will do our best to schedule accordingly around Easter and Passover to ensure that customers are not inconvenienced with brown water during those holidays. Mrs. Fish asked if there not be any flushing done on Fridays. It would be a big inconvenience for part of the community. Mr. Flancbaum said that the community that would be affected by the Friday flushing is phase seven and was not hit yet. The flushing will not take place in that phase till after the holidays.

6. New Hire

A staff member resigned a few weeks ago. He was a meter reader/ laborer. We advertised for a replacement with a pay scale \$12.50-\$14.50 per hour. The staff member that left was paid around \$12.50 per hour. We will be accepting resumes through April 15, 2011.

7. Closed Session-Personnel

This will take place later.

Senator Singer said that he and Mr. Flancbaum met with a group that take the cell tower money, bundle it and pay you upfront what you would get paid over twenty years. Mr. Flancbaum is looking into it. Senator Singer wanted Mr. Bauer to also look into this. Senator Singer said that we also need to think about it to see if it is an advantage to get the money up front. Technology is changing so quickly and at some point cell towers will be obsolete. The Authority may be left holding the bag. They are a big company and they take the risk factor. Mr. Waxman questioned what

happens to the contract when cell phone towers become obsolete. Senator Singer said that the contracts have a clause that they have a right to back out.

X. Instrumentation/IT Department Report

1. New Server

- Preparation
- Reorganization

Mr. Farina said that the Lakewood MUA server currently has over 41,000 files spread out over numerous subdirectories, of which approximately twenty five percent are duplicates residing in multiple folders. The IT department has been working to reorganize our contents in preparation for the imminent move to our new 1.5 Terabytes server. This includes an overhaul of the engineering files as well as consolidation of numerous files that need universal access, such as site photographs and office templates.

- Licensing

At the direction of the Executive Director, we gathered prices for the server licensing from CSI and well as other authorized reseller. The first four prices we received were all slightly over \$10,000, and all within \$500 of each other. The last reseller to provide a quote was Dell, and they came in approximately \$1800 below the others. Therefore we will be purchasing from Dell.

2. LTMUA Website – New Content Management System

Work has been completed on the content management system. There are two important aspects to this change that are worth noting. Firstly, edits and changes to the website can be made much more quickly and without offline page edits. Second, and most importantly, website changes can be made remotely. So, if there were ever a situation where a notice of vital importance needed to be placed on our website in the middle of the night, it would be easy for me to make this addition directly from home.

3. LTMUA Logos (with handout of logo samples)

The Executive Director requested that we take a look into creating a logo for the MUA. This is an exciting project, as the MUA does not currently have a logo and this gives us an opportunity to “brand” the MUA – to create a logo that gives us a strong identity as an organization. We have created a number of prototypes to choose from. It’s important to note that these are designed in editable layers and are completely customizable, from font to color to text. Senator Singer stated that he is very thrilled with the IT Department. They are doing an excellent job. Senator Singer recommended that a survey should be done with the Authority’s employees and see which one they would vote for. Commissioners and Professionals should also submit their choice to the Executive Director. Mr. Morrill said that they projected the logos onto the trucks. The images were then shown to them. Mr. Theibault questioned about putting the new logo on the water tank. Mr. Flancbaum said that it would be a big expense. We are only having block lettering on the tank. Mr. Flancbaum questioned if we should write Lakewood Township only on the tank or Lakewood Township MUA. Senator Singer said it should say Lakewood Township MUA.

4. SCADA/Camera Antenna Radio Installation

We are maintaining good progress with the new SCADA/Camera antenna radio installation and implementation. Phase one, which includes Shorrocks Street Water Treatment Plant communication to Beacon Hill Tower to Well No. 1 Pump House, has been completed, tested and debugged. Now we have communication between all the points. We are still waiting to complete the work at the East lift station. Once it is installed, completed and tested, phase one of that project will be complete and we will continue on to phase two.

We are continuing with modifying and improving controls of the SCADA System at both lift stations, Woodlake and Leisure Village East. This is ongoing work because the systems are running and we have to be very careful when changes are made to the controls so as not to disrupt the flows.

We are within two weeks of completing our New Hampshire Avenue communications/SCADA shed which will house our SCADA System and eventually all security communications. The decision to go with a structure rather than individual cabinets results in three advantages for the Authority:

- a. Equipment enhancement which includes temperature controlled environment and easy access to service the equipment. This equipment is critical for our operation.
- b. There will be a large savings to the Authority as opposed to purchasing several expensive stainless steel enclosures and having to run conduit and wire individually and temperature controlling as well.
- c. It is going to add positive esthetics to the compound. It will take away the eye sore and clutter of individual enclosures away (as seen in the pictures handed out) by eliminating older existing and worn enclosures. Everything that was in the older enclosures will be incorporated into the new structure.

5. CHLORINE

Our efforts to test our new method of chlorinating our water ahead of time has paid off in a way where we have negotiated with the supplier of the chlorine machine to ship us a brand new unit to our site free of charge so that we can see if this technology will work for us. We have been told by the Regional Sales Manager who facilitated this test machine that we can test this unit for a minimum of sixty days and has also hinted that we may be able to ultimately keep the unit with no cost to the Authority. Mr. Farina believes this is being done on the part of the vendor because they know that if we find their equipment acceptable, the Authority will be purchasing these chlorine tablets indefinitely.

6. WATER ANALYZER

Mr. Farina has facilitated the set up and demonstration of water analyzation equipment from Hach Company. The instruments that are currently running in the Shorrocks Street Water Treatment Plant are difficult to maintain. Currently there are

demonstration units set up at Shorrock Street Water Treatment Plant and New Hampshire Avenue Water Treatment Plant. If this equipment works out, it will result in substantially less maintenance hours and increased accuracies.

Mr. Morrill added that on the water tank is a small steel box. Mr. Morrill pointed out the box on the picture in the handout. This box has a small water line with a pressure transducer in it. This gives SCADA information for the tank. This is kept climate controlled with a light bulb. The light bulb produces heat. The problem is that we need to keep checking on it to see if it burned out. While brainstorming with the IT Department, it was decided to move everything into the shed. A water line is being put into the shed and the transducer will be moved there. We now will not have to worry about the light bulb going out. Mr. Morrill praised the IT Department and also said the Township has been very cooperative with the plans.

XI. Commissioners' Report

XII. MEETING OPEN TO THE PUBLIC

XIII. MEETING CLOSED TO THE PUBLIC

XIV. MOTION TO APPROVE THE OPERATING VOUCHERS

Mrs. Lapa announced that the following addition was made to the Construction List for GTS Consultants for \$11,495. A **motion** was made by Mr. Coles and seconded by Mr. Waxman to approve the Operating Vouchers in the amended amount of \$978,221.97. On a **roll call**, all members present voted, "**Yes**". **Motion passed.**

Senator Singer made a presentation to Mr. Raphael Copeland for his brave actions after witnessing a car accident. His action brought honor to the Authority. Senator Singer had a joint Senate Assembly Resolution introduced in the State House in his honor.

XV. CLOSED SESSION

A **motion** was made by Mr. Waxman, seconded by Mr. Coles to go into closed session to discuss personnel at 10:509 A.M. On a **voice vote**, all members present voted, "**Aye**".

XVI. OPEN SESSION

A **motion** was made by Mr. Waxman, seconded by Mr. Coles to go back into open session at 11:00 A.M. On a **voice vote**, all members present voted, "**Aye**".

XVII. ADJOURNMENT

A **motion** was made by Mr. Waxman, seconded by Mr. Coles to adjourn meeting. On a **voice vote**, all members present voted, "**Aye**". The meeting was adjourned at 11:00 A.M.

Respectfully submitted,

Nancy Lapa,
Secretary, LTMUA

THE LAKEWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

Regular Meeting Minutes

May 3, 2011

- I. Senator Singer opened the meeting at 10:03 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 and The Star Ledger on February 10, 2011.
- III. **Salute to the Flag**
- IV. **Roll Call of Commissioners**

On the roll call the following Commissioners were present: Mr. Theibault, Mr. S. Flancbaum, Mrs. Fish and Senator Singer. Mr. S. Flancbaum and Mr. Theibault were seated as alternates. The following professionals were present: Mr. Norman Smith, Esq. and Mr. Eli Gass, Auditor. The following MUA employees were present: Mr. Justin Flancbaum, Executive Director, Mr. Paul Morrill, Engineer, Mrs. Nancy Lapa, Secretary and Mr. Robert Farina, Instrumentation/IT Department Supervisor.
- V. **Minutes**

A motion to approve the minutes of the Regular Meeting on April 5, 2011, was made by Mr. Theibault and seconded by Mrs. Fish. On a **voice vote**, all members present voted **"Aye"**. **Motion carried.**
- VI. **Accountant's Report**

Mr. Gass presented the report since Mr. Bauer could not make this meeting. The Authority remains in strong financial condition. A request was made to Barbara Kaczmar of Bank of New York Mellon to transfer funds received from payment requisitions seven, eight, nine and ten for the NJEIT loan in the amount of \$3,054,655.70 from the NJEIT Construction Account to the Revenue Account at Harmony Bank. In turn, these funds will be transferred to the General Fund for the future construction expenditures.
- VII. **Engineer's Report**
 1. **Meter Replacement Phase 1**
 - Resolution Awarding Bid

Mr. Morrill said that approximately 120 non working meters are being replaced at this time. Two bids were received. The lowest bid was from National Metering Services Inc. for \$13,725,76. There is a handout with a letter from the Authority and the attorney. The bids were reviewed and acceptable. Senator Singer questioned if this can be expanded. Mr. Morrill said it can be bid later. We are waiting to find out if the Authority will receive bonding through NJEIT. If it comes through then another bid will put out or rebid this and increase the number. Senator Singer said that he mentioned previously

that he wanted one bid put out for one hundred meters to one thousand meters. He did not want to go out and bid again. It costs money to bid again. The next bid should be for up to five thousand meters so it would not have to go out and bid again. Also, the other company now knows how much the winner bid. If we like this company we may not be able to use them since the others know how much he bid. Mr. Smith said that a bid cannot be done in perpetuity but it can be for three years. Mrs. Lapa read **Resolution # 11-52 Awarding Contract For Radio Meter Conversion Program.** Motion was made by Mr. Theibault, seconded by Mr. S. Flancbaum. On a **roll call**, all members present voted, **"Yes"**. **Adopted.**

2. Fixed Base Meter Reading System – Project Status

The electricity was extended to the back. The TGB will be mounted on Wednesday. This includes the antenna on the tank. Within three weeks the programming for the fixed base metering will be finished. This will coincide with the replacement of the meters. The new meters will be tied into the fixed base meter reading system. Around twenty meter replacements will be in Industrial Park, the rest are throughout the system. Senator Singer asked if this bid can be increased. Mr. Morrill said he believes that the bid can be increased up to twenty percent beyond the bid. Senator Singer asked if the customers were notified of the meter replacement. Mr. Morrill said that contract states that the company that is changing the meters will set up a schedule with the customers as to when they will change the meters. Senator Singer said that the contractor needs to notify the customers that if the meter is not installed within a certain time frame their water will be shut off. There will be certain customers that will give the contractor a hard time. Mr. Flancbaum said he did research with other Authorities and found out the best way to go about this is for the contractor to take care of it. Their wording is strong and it gets done.

3. New Hampshire Avenue Treatment Plant – Project Status

The walls for the clear well were poured. They will start back filling the slab. They are behind schedule, but they are making up the time. They are doing very well. Mr. Morrill is pushing them to get it moving forward. Senator Singer questioned why it is behind schedule. Mr. Morrill said that there was snow on the ground for many weeks this winter, but they are going in the right direction. They are making up time. They used the time to replace the filters and get the new chlorination system. It was thought that we would have to use gas and potassium permanganate. The new chlorine system is in and we have been able to jack it up to the point where we have completely eliminated any potassium permanganate. We thought that it would not have been able to be done because of certain limitations. We are very happy were able to do it. This is basically being pieced together. The guys worked very hard on it. They retrofitted some parts, made modifications and got everything put together. We are now using the new chlorine skid system. This system will eventually be incorporated into the new plant.

4. Airport Road Water Storage Tank Replacement – Project Status

The cell antenna companies have not been moving very quickly. The structural work on the tank is done. They are sandblasting now and in the middle of next week the primer coat will be done. We are pushing the cell antenna companies since we have not gotten anything from them for their brackets. In the last month we have been pushing them to have the brackets installed by the middle of next week before the prime coat is finished.

5. Modifications to the Water Line for New Hampshire Avenue Due to County Improvements – Project Status

Mr. Morrill said that he was able to get the Spruce Street water connection installed two weeks ago. At this time they are connecting the last piece between Pine Street and Oak Street. Once that is finished they will be able to move down to Oak Street. John Boyd put in the Spruce Street line for the school and Underground is doing the work for the Authority.

6. County Line Manor Synagogue – Project Status

The applicant said that they were told that the Authority was going to take over the pump station on the site. Unfortunately, the developer is not paying the operator and the Authority had to step in for the last three weeks. Mr. Smith asked if they have a document. Mr. Flancbaum said that when the applicant purchased the property they knew the pump station was there. They were under the impression that they were not going to have to take it over. After the deal was done, the seller said you have to take over the pump station. At that time the buyer said he would like his money back and is not interested. The parties then went to a Rabbinical Court. The Rabbinical Court ruled that Marshall Weisman is responsible to own and operate the pump station. The applicant has a document from the Rabbinical Court that they are not responsible for the pump station. Senator Singer said that document has nothing to do with the Authority and the applicant is responsible for the pump station. Mr. Flancbaum said that they do not own the pump station, Marshall Weisman does and he retains the easement for it. Legally it is still his. But he is not paying the operator. Senator Singer told Mr. Smith that he should start legal action. The lesson the Authority learns from this is that there is no more pump station. Mr. Smith said that Marshall Weisman is flat financially. Senator Singer asked how he is allowed to retain the pump station and not the property. Mr. Smith said that the Authority did not have any knowledge or approve the conveyance of the property. Senator Singer told Mr. Smith to research this. The applicant is responsible since they are using the pump station. Mr. Smith said that he agrees with Senator Singer. Mr. Smith said that Mr. Weisman has a bond. He asked Mr. Flancbaum and Mr. Morrill to give him an engineer's letter certifying what has not been done that was bonded and he will go after the bonding company for payment. Mr. Morrill said that this is included in his report. He is preparing a cost estimate on the bond for the pump station. Senator Singer questioned what the synagogue bought. Mr. Flancbaum responded they bought the property with the pump station on it. Senator Singer said they will not get hooked up. They cannot walk away from this saying it is not their problem. It is their problem. Mr. Smith asked if the synagogue is hooked up. Mr. Morrill said no. Senator Singer asked who is hooked up to this pump station. Mr. Morrill said that all the houses are hooked up to it. Senator Singer said that there will not be any more hooking up to this pump station, including the synagogue until this is cleared up. Mr. Smith should inform them that they cannot hook up. Now the Authority is stuck with it. Mr. Smith said he gave two pieces of advice to Mr. Flancbaum and Mr. Morrill. One is that the Authority has \$40,000 in escrow that can be used to pay a licensed operator with it for as long as it lasts. Senator Singer asked how much does the operator charge. Mr. Flancbaum said the operator charged Mr. Weisman \$600 a month plus expenses. Senator Singer said that the Authority is a licensed operator and can run the pump station. With that amount of money there is enough for a few years. Mr. Smith said the second item was to give him an engineer's certification and he will go after the bonding company. Mr. Flancbaum said that there is also punch list items on the pump station to finish it off. The generator is not hooked up, the water line

and gas line need to be taken care. Mr. Smith said the purchasing of the property was done after the Authority was done with the development. Mr. Flancbaum said the development was finished five years ago and the synagogue purchased the property three years ago. Senator Singer asked how this could go on for five years and not be informed about it and also, why are we not after the bonding company. There has to be a better checks and balances. If there is a situation where a punch list was not finished by ninety days and they finished off the project, the Authority should go after the bonding company. Senator Singer said there is the chance that he did not pay the bond up and we may have to sue the bonding company. Mr. S. Flancbaum asked if we know that the bond is current or not. Mr. Morrill said the bond has a requirement that they have to put the Authority on notice sixty days before they cancel the bond. The performance bond is an evergreen bond and does not expire unless we sign off on it. The Authority has not been notified. Senator Singer said that there have been times when the bonding company has forgotten to inform and then you have to go to court to fight them. Mr. Weisman probably did not pay the bonding company with the financial situation he is in. The Authority needs a better trigger. If by ninety days the punch list is not finished a lien could be put against the property. So when it was purchased we would have been notified. By the end of the day, the Authority will probably own the pump station. The question is how much money the Authority will get for it. Senator Singer wants pressure that everyone should be a part of it. Secondly, he would like to get the pump station finished and would like to know how much it will cost to get it finished. Mr. Morrill said he has an estimate at approximately \$30,000 to \$40,000 to finish the pump station. The Authority has that money in cash. Senator Singer said that money is being used to maintain the pump station, it cannot be used twice. Mr. Morrill said he will put into the bond the maintenance of the pump station for ten or twenty years, however much the Authority directs him to. The bond is set up for physical attributes of the pump station and the maintenance of the pump station, in case the owner reneges on it. The bonding estimate is for \$234,000. Senator Singer said to get the maintenance for twenty years on the bond. Let them know it will cost \$40,000 to finish it plus maintenance. Do not tell the bonding company about the money that we have in escrow. Also he would like to have the pump station put on the Authority's insurance. Mr. Flancbaum said he does not think it can put on insurance if the Authority does not own it. He will call the insurance company and check into it. Thirdly, inform the synagogue that they are not going to get hooked up and no one is getting hooked up. They are part and parcel of this issue. The pump station is on their property. A lesson needs to be learned from this. This cannot be done again. The pump station has to be attached to the property. Senator Singer said we need to get some idea how to take over the pump station if we need to. Mr. Smith said the whole idea of this pump station was that by now the Authority thought it would be abandoned. Money is being held in escrow and we are waiting for other developer to pay the rest of it. That development is pending and has not gone very far. Mr. Morrill said that this developer paid \$150,000 towards the construction of the offsite sewer which would eliminate the pump station. Senator Singer said there has to be a better system; perhaps the IT Department should be involved. When a punch list has not been signed off after a certain amount of days, action needs to be taken, not five years later. When the next development comes on, this pump station will be solved. Mr. Flancbaum said that they are not coming on soon. Senator Singer said he wants to hear at the June meeting what is being done so that this kind of problem does not happen again. You need to go through all the projects and see what is doing with their punch list items. Mr. Smith asked if the synagogue applied for connection. Mr. Morrill said they just sent in their plans this month. Mr. Smith has never heard of them

before this. Senator Singer said that the Authority may have to go to court on this to take temporary possession of the pump station until this is settled. The electricity and the alarm system, which is run through the phone, may be shut off. There are many houses depending on the water. The possession has to be temporary. Senator Singer told Mr. Smith that it has to be done in a way that does not mess up the bond. Mr. Smith asked if the Authority will be operating the pump station as a licensed operator. Mr. Flancbaum said yes. Senator Singer said that the electric and phone lines have to come over the Authority's account. This all has to be okayed by the court. Mr. Smith said it might help with the bond if it was done pursuant to a court order. Senator Singer does not want the bond company to say that the Authority took over the pump station; we have nothing to do with it now. The bonding company will do anything they can to get out of it. The synagogue has to be notified that they have a problem. They knew there was a problem. Mr. Morrill wanted to add one more item. He will update their onsite punch list for any work that needs to be onsite. He will then go after the onsite bond also. Mr. Flancbaum said that the project coordinator is Naftoli Eisen. He lives in County Line Manor.

7. Harrogate Water Main Project

There is a handout from PDS regarding the offsite water main for the Harrogate Project. The Authority received Harrogate's plans and sent back a review letter. PDS sent a proposal of \$5,340 to the Authority to complete the plans. Mr. Morrill thinks that the Authority should either get other proposals or reduce the offer to Harrogate by that amount of money. Harrogate was supposed to provide the Authority the plans.

VIII. Attorney's Report

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

IX. Executive Director's Report

1. Well #2 - Resolution Authorizing \$11,000 payment to Hatch Mott MacDonald for Emergency Work

Mr. Flancbaum said he needs direction from Mr. Smith on this item. Hatch Mott MacDonald gave the Authority a budget not to increase \$7,500 for inspection services for the emergency work. That was for investigation work. Now that the Authority has gotten into redevelopment work they have expended an additional \$3,500. Initially the \$7,500 started under general engineering. Mr. Flancbaum now asked them for a budget as opposed to running it up under general engineering. The \$7,500 was not approved before the Board last month. Now they want an additional \$3,500. Mr. Flancbaum asked if it should be presented together for a total of \$11,000 in one resolution. Mr. Smith said that since Hatch Mott MacDonald is one of the Authority's engineers on the Authority's RFQ's we can pass the resolution and it can be passed in resolution with a total budget of \$11,000.

Senator Singer asked what the prognosis of the well is. Mr. Morrill responded that at the present time they found that the gravel pack had settled. It was pumped down and they reintroduced more gravel. We are now going to the DEP to ask if we can raise the gravel above their requirement. DEP requires the gravel pack to be kept at fifty feet below the left right coupling. We would like to bring it up to at least the top of the left right coupling. If not extend that up even higher and put even more gravel

pack in. As they leave the well, they will try to leave a cable with a probe so that we can test the gravel pack. This will enable us to monitor the gravel pack. If it settles, then the well pump will have to be pulled out and the gravel pack will have to be reintroduced so that the same situation does not get repeated. Senator Singer said that it sounds like the problem is fixable. Mr. Morrill said yes it is.

Mrs. Lapa read **Resolution # 11-53 Authorizing The Awarding Of A Contract On An Emergency Basis Pursuant To N.J.S.A. 40A:11-6 And N.J.A.C. 5:34-6.1.** Motion was made by Mr. S. Flancbaum, seconded by Mr. Theibault. On a roll call, all members present voted, **"Yes"**. **Adopted.**

Updates

- 1. Organic Diversion** – Mr. Flancbaum has been in contact with the principles of Organic Diversion over the last few weeks. They will send over soon a letter of intent. They verbally guaranteed the Authority fifty percent savings year after year. Organic Diversion has solicited Lakewood Township. They are a company that produces alternative energy. They take food waste and make it into energy. Senator Singer said that they want to purchase the site that is next door to the Authority and in front of Public Works. They use organic material to produce energy. They are looking for users of their energy. The Authority being next door makes us a potential user. The energy is environmentally sound and it will reduce our energy costs. Mr. Theibault asked if there will be any emissions. Senator Singer said that they are enclosed. The emissions of the fermenting produces the energy. The Township is selling them the property. Mr. Flancbaum said they will get the food wastes from casinos, hotels etc. It will be transported in enclosed trucks and pull right into the facility. They said it does not smell. Senator Singer said that they will pipe the electricity into our property. They are looking for larger users in Industrial Park. The electricity has to be purchased by the grid. This energy is an alternative to solar, wind etc. This will be the second facility in North America. In Europe they have several hundred facilities.
- 2. Municipal Tax Sale** – The Tax Sale will take place in August and the Authority will again be part of it.
- 3. Well #5** - Mr. Flancbaum finally received in the last week and one half an updated request from the owner as to what he is looking to receive. The Authority has an appraisal and varies slightly, a couple hundred dollars, from his. The owner is also looking for additional monies for redesigning. We will be able to wrap this up in the next few weeks. Mr. Smith said that he wrote the owner a letter as directed at a previous meeting. He did not respond to him, but he did respond to Mr. Flancbaum. Senator Singer said to go ahead with it as long as they are being reasonable. Senator Singer told Mr. Smith that if it starts taking too long he should start the process to take the property. It is not necessary to come back to the Board for permission, just do what is necessary to get the property.
- 4. Hydrant Damage Route 70 and Garden State Parkway** – Mr. Robbins, one of our field technicians saw a company using our hydrant and it was damaged. Mr.

Flancbaum sent a letter to the company asking them to pay for damages and they said they did not want to pay. After some back and forth, they ended up paying the Authority around \$800. Senator Singer asked what happened and which company. Mr. Flancbaum said that he does not remember the name of the company. They are from North Jersey. This company took water without a meter, without paying for it. Senator Singer asked if it was reported to the Prosecutors' Office. Mr. Flancbaum said no. Senator Singer said that what they did is against the law and what was done was a criminal act. Senator Singer asked Mr. Smith to research the law on this issue and to adopt a policy on this for the Authority. Mr. Flancbaum said that he brought this up now because this happens from time to time and needs to know what our policy is. Senator Singer said there has got to be something more than to just pay us money for damage and water. They broke into an Authority hydrant; they stole from a public utility company. Mr. Theibault asked if you can track how much is taken from a hydrant. Mr. Flancbaum said there is no way to track the water taken from a hydrant. In the back, the Authority has a hydrant with a meter. Companies come down and fill up.

5. **390 New Hampshire Ave. Signage** – Mr. Flancbaum would like to make the Authority's website more visible. With all the construction going on, people come in and ask what is going on. A notice was put in front to tell people what we are doing. A sign will go up in the front saying to "Visit us at Lakewoodmua.com". Senator Singer suggested that when the construction is done, maybe an electric sign should go up in front of the building. You can put up messages such as hydrant flushing etc. Another idea might be to purchase a portable one such as the police have that can be put where and when work is being done.

X. Instrumentation/IT Department Report

Mr. Farina said that the Communications Shed construction is complete and is electrically functional at the tower site on New Hampshire Avenue. Work will now begin to integrate all the electronic equipment now housed in aging cabinets into the shed and resulting in the ultimate removal of the cabinets. Senator Singer asked if the shed is alarmed. Mr. Farina said not at the moment. It will be. We plan on surveillance with cameras.

Preparations are under way to continue on with the new radio/antenna system installation for the Ridge Avenue Tower site as electrical price quotes are presently being received for such work.

Mr. Farina would like the Commissioners to please take note that it is our mission to fully complete the Phase One work of the radio/antenna contract which includes the final testing at the Well #1 site. This will take place tomorrow. Also, the completion of the Leisure Village East Lift Station installation which is awaiting County approval for a sixty five foot pole to be installed prior to moving forward with the second Phase of our contract. In doing so, this will benefit the Authority in such a way that by taking into consideration the size and complexity of this contract, no items and or issues will be overlooked much less go unaddressed. A lot of expensive equipment is being installed and there is a lot of detail that we are specifically involved with, we therefore would like to make sure Phase One is finished off properly before going onto Phase Two.

All new computer equipment for the New Hampshire Water Treatment Plant SCADA upgrade has been finalized and is in the process of being ordered by the contract vendor ITS, Inc. and once received, work will commence with the setup and programming for the SCADA implementation.

A number of additional projects have begun on the internal IT side of the department. Some recent examples include installing deterrent cameras at the construction site and shed. The cameras are fake and have a red LED that blinks on and off. These will be in place until the real cameras are installed. Mr. McGregor said that the Township is making up signs for security purposes. We are also reconfiguring the rollover telephone lines at the administration building, and creating an encrypted redundant SCADA backup system.

Work is in progress on a new, informative "Frequently Asked Questions" section on our website that we expect to be both innovative and informative in disseminating information to the public. This consumer oriented segment will feature questions and answers in a user friendly format, with such questions and answers as:

- Where does the MUA get its water?
- How do your rates compare to other MUAs?
- How do you plan to handle the tremendous growth expected in Lakewood?
- How do you ensure that the water is safe?

In addition, with the adoption of a new MUA logo, we have redesigned a number of forms that are both internal and external in nature. This ensures consistency throughout the office, and projects a better image both within the office, and more importantly to the community. We feel that a standard look and feel presents a professional appearance, and in addition, we have created a centrally located directory on the server for these documents to allow all personnel quick access with a one click toolbar. Samples of the documents were passed out.

Senator Singer asked how much longer the IT consultant will be with the Authority. Mr. Flancbaum said he will be here for another year. Senator Singer wanted to make sure that the IT Department understands what he does and what is going on. Mr. Farina said that as far as programming he is picking up the best he can, although it is quite difficult. Senator Singer said that if after the consultant leaves a consulting firm is needed go ahead and hire one. If you are asked to do something and it cannot be done in a reasonable time frame you will need their help. We know that it is very complicated and it was created in a way that should not have been done. Senator Singer said that they should learn as much as they can in the next year without cramming it in. He said that the IT Department is doing a wonderful job. Mr. Flancbaum said that in six to ten months we can evaluate where we are at and then perhaps keep him on further. Senator Singer said do what you need to do, do not be penny wise and dollar foolish. Next time we will go with a company that has more than one person so if there is a problem and he is not available we are not stuck. Mr. Farina said that we are putting great effort into consolidating the equipment with GE Corporation which has technical support. Mr. Morrill said that the GE equipment was really wanted as opposed to the Bristol Babcock because the technical support with GE was so substantially different from Bristol Babcock. Our

consultant, Mr. Calabrese, directed us in this direction. He said we either have the choice of GE or Allen Bradley. GE has very advanced technical support.

XI. Commissioners' Report

Mr. Theibault questioned if the basin in front with sand is finished. Mr. Morrill said that it is finished on one side, they still have to slope the other side. Mr. Theibault said it should be seeded as soon as possible. It has to be watered well otherwise it will not do well and will not last. Senator Singer said he does not want the basin to be an eye sore. We have to figure out what has to be done. Mr. Theibault should be consulted on this item. In the future when there will be an irrigation system, sod can be put down and maintained as a lawn. Senator Singer asked if we can gravel the basin. Mr. Theibault said no. The bottom is sand. The slopes can be sodded, but you need irrigation out there. It can be seeded now, but in order to keep it from dying it has to be watered well. It has to be seeded by May 15th in order for it to grow well. Mr. S. Flancbaum asked if there will be an issue with the slopes washing in because they are not stabilized and covering the sand bottom. Mr. Theibault said that would be the only thing he would be worried about because there would be contamination of the R-5 sand. Mr. Flancbaum said that if something goes wrong, the contractor has the responsibility to fix it. If it not stabilized he needs to take care of it. Mr. Theibault was not sure if Soil Conservation is involved here. If yes, he is surprised it was not done already. Ocean County Soil Conservation usually makes sure it is done. Mr. Flancbaum said it is done through Ocean County Soil Conservation district, but he has a \$10 Million contract. Mr. Theibault said they can shut down a job easily. If the next time the inspector comes around and it is not done, a stop work order will be issued. Mr. Flancbaum said he will put in a call to him. Mr. Theibault said he saw siltation on the street. It is washing down the slope. Can landscaping work start on the Administration Building. Mr. Flancbaum said not yet. Senator Singer said maybe gravel can be put down. Mr. Flancbaum said he will talk to the contractor about controlling the washout and the basin.

Senator Singer said that since the walls at the Authority are empty, perhaps we can run a contest with the local schools for water conservation and water safety. The winners will receive a prize and the art work will be framed and permanently hung here. The children have to be notified that they will not get back their art work. The contest would be open for public and private schools. Mrs. Fish said that this contest would bring an awareness of water conservation and safety to the children. It was decided that the prize should be a visa gift card. The contest should be on two levels. One level should be for Grades 3-5 and the second level for Grades 6-8, or something along those lines. The third grader should not be competing against an eighth grader. Mr. Theibault mentioned that last week he was at the State Arbor Day. They had a contest for Kindergarten through Grade 12. They had all the winning posters there and the winners received medals. The State made a calendar. Senator Singer said we need to have a required size for the art work. Mr. Theibault said he had another idea. Pictures should be taken of the different phases of the construction and have a timeline. The pictures would show the construction from start to finish.

XII. MEETING OPEN TO THE PUBLIC

XIII. MEETING CLOSED TO THE PUBLIC

XIV. MOTION TO APPROVE THE OPERATING VOUCHERS

Mr. Theibault questioned if the invoice for the Lift Station for County Line Road is the one that was discussed earlier. Mr. Flancbaum said it is. The Authority is documenting in a separate ledger all the expenses involved. There are two items on the list. One is \$1,890 for the County Line Pump Station. This was for a cracked clean out which was a direct cause from the construction of the synagogue. A letter was sent out yesterday saying that they are responsible for payment. Besides for the Authority's time, which is also worth money, we have not spent any major money on the pump station yet.

A **motion** was made by Mr. Theibault and seconded by Mr. S. Flancbaum to approve the Operating Vouchers in the amount of \$654,397.20. On a **roll call**, all members present voted, "**Yes**". **Motion passed.**

Senator Singer asked Mr. Smith if it is legal for a commissioner who cannot make it to the meeting to call in. Mr. Smith said yes they can. Senator Singer said that the commissioners should be notified.

Senator Singer said that a new bank opened up in Lakewood, First Commerce, and the Authority is opening up an account there. Mr. Flancbaum said that they are offering .85 percent interest in a money market account which is almost double what the Authority is receiving from other banks. A **motion** to open up a new bank account in First Commerce was made by Mr. S. Flancbaum and seconded by Mrs. Fish. On a **roll call**, Mr. Theibault, Mr. S. Flancbaum and Mrs. Fish voted, "**Yes**". Senator Singer "**Abstained**". **Motion passed.**

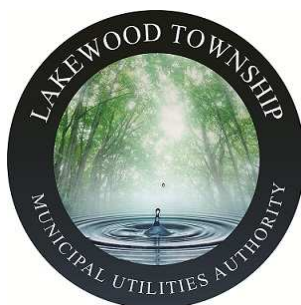
XV. ADJOURNMENT

A **motion** was made by Mr. Theibault, seconded by Mr. S. Flancbaum to adjourn meeting. On a **voice vote**, all members present voted, "**Aye**". The meeting was adjourned at 11:10 A.M.

Respectfully submitted,

Nancy Lapa,

Secretary, LTMUA



THE LAKEWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

Regular Meeting Minutes

June 7, 2011

- I. Senator Singer opened the meeting at 10:04 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 and The Star Ledger on February 10, 2011.
- 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, Mrs. Fish and Senator Singer. The following professionals were present: Mr. Norman Smith, Esq. and Mr. Gerwin Bauer Jr., Auditor. The following MUA employees were present: Mr. Justin Flancbaum, Executive Director, Mr. Paul Morrill, Engineer, Mrs. Nancy Lapa, Secretary and Mr. Raphael Copeland, Instrumentation/IT Department Coordinator.
- V. **Minutes**

Due to Mr. Sernotti not being present at the Regular Meeting on May 3, 2011, Mr. Sernotti was unseated for this motion and Mr. Theibault was seated as an alternate. A motion to approve the minutes of the Regular Meeting on May 3, 2011, was made by Mr. Theibault and seconded by Mr. Coles. On a **roll call**, Mr. Theibault, Mrs. Fish and Senator Singer voted "**Yes**". Mr. Coles and Mr. Waxman abstained since they did not attend the meeting. **Motion carried.** Mr. Theibault was unseated and Mr. Sernotti was seated.
- VI. **Accountant's Report**

Mr. Bauer handed out a report which was produced by the Edmunds System. The report is for our Operating Fund. On the top of the report are the receivables. The Authority has \$1,378,000 in receivables. The Operating Cash Account has around \$15 Million. A lot of these funds are in escrow or are reserved for performance bonds etc. The Authority's Liabilities and Fund Balance is \$3,686,000. The Fund Balance total is

\$12,240,000. The Excess Revenue and Expenses for the six months ended in April is around \$460,000. The next report is the Income Statement for the six months. The top section shows Revenues for approximately \$3,800,000. The total expenses are approximately \$3,341,000. The Excess is around \$460,000. The Excess will be used for the debt principal payments which are starting November 1st. The Authority is required by the debt covenance to have the surplus in order to provide ample funds to pay the debt service.

Senator Singer said that the Authority opened up an account with First Commerce. The maximum that could be put into that account was \$2,500,000. The Authority had wanted to put in \$4,000,000. The rates are dropping and government funds are not wanted very much. The rate the Authority is getting from First Commerce is a little bit more than the Authority is getting from New Jersey Cash Management. The Authority tried to spread out the money.

Mr. Bauer said he will try to modify the monthly report and put budget in. The report will present a clearer picture of the Authority's financial state.

VII. Engineer's Report

1. New Hampshire Avenue Treatment Plant

Resolution Awarding Emergency Contract

Mr. Morrill said that there will be a change for the positive on the Garage building. Additional test pits were done and we were able to reduce the scope of work. The Authority will receive a credit. The contractor is doing good work and is working quickly, but they are outsourcing the paper work and Mr. Morrill is not pleased with the contractor in regards to their paper work. The submittals are not being received in a timely manner to keep the work moving forward. Mr. Morrill is on top of them in trying to get them moving quicker. The workers are phenomenal and are doing an exceptionally good work and a quick job. Senator Singer wanted to know how the work is being held up by paper work. Mr. Morrill said that since the submittals were not in, the engineer did not have what to review. The foundation was dug, but the steel that is put in before the concrete could not be put in because the calculations were not submitted to the engineer. Mr. Flancbaum said that they were slow in submitting shop drawings for some items that were requested in the last couple of months. Mr. Flancbaum said he spoke with the owner of Underground Utilities and the owner assured that he will be on top of the paper work more and will get what he needs in a timely fashion. Senator Singer said to be on top of them.

Mr. Morrill said that there was a problem with the filters. The filters were rebuilt and put back into service. There are questions regarding the under drain system. Some piping was pulled to investigate it. It was found that the pipe was delaminating. There were concerns with asbestos fibers getting into the drinking water. Three cleaning companies were contacted and only one was capable of doing the work. They gave the Authority a proposal for \$27,000, estimating the project to take six days. It was done in less than four days. The bill should be substantially less than the \$27,000 that was proposed. This company did an exceptional job. Right now we are waiting for the results to make sure the problem was corrected. The wells are down now for a month. The results should be in today. If it is received by this afternoon, the well will be placed back in service immediately. The villages were contacted and asked not to use their irrigation systems while this well was down. They have been cooperative. Mrs. Lapa read

Resolution # 11-54 Ratifying The Award Of Contract For The Cleaning Of Filter Under Drain Piping At New Hampshire Avenue Water Treatment Plant Pursuant To the Declaration Of Emergency. Motion was made by Mr. Waxman, seconded by Mr. Coles. On a **roll call**, all members present voted, "**Yes**". **Adopted.** Senator Singer asked that the commissioners be notified when the well goes back on. Mr. Flancbaum said he will send out an email.

Mrs. Lapa read **Resolution # 11-55 Declaration Of Emergency For Cleaning of Underground Piping At New Hampshire Avenue Plant.** Motion was made by Mr. Sernotti, seconded by Mrs. Fish. On a **roll call**, all members present voted, "**Yes**". **Adopted.**

2. Cedar Bridge Raw Water Mains

- Resolution Awarding Change Order #1 for Engineering Services
In your packets on page nine through twelve is a letter from Hatch Mott MacDonald regarding the work that needs to be done. The water main needs to be realigned due to the fact that some of the wells were moved. There is a proposal for the additional engineering services to prepare the plans for the realignment and also to add the conduits for the communications to the wells. The Authority requested the modification. Mr. Flancbaum said that \$5,000 of the \$19,000 is for surveying. Sambol was charging \$7,500 for this, so there will be a reduction in Sambol's contract in that amount. Hatch Mott MacDonald is charging \$5,000 for the surveying. Mrs. Lapa read **Resolution # 11-56 Authorizing Change Order To Professional Services Contract Cedar Bridge Raw Water Main.** Motion was made by Mr. Coles, seconded by Mr. Waxman. On a **roll call**, all members present voted, "**Yes**". **Adopted.**

3. Temple Route 70 and Paco Way

- Resolution Accepting Maintenance Guarantee
In the packet there are three letters. One of the letters is from the Authority's attorney, Mr. Smith, dated May 13, 2011. The other two letters are from the Authority. One letter is dated May 2, 2011 and the second one is dated May 20, 2011. Mr. Morrill said that the Authority feels that the Maintenance Guarantee can be accepted conditioned on their modifying it by changing the date. Since the original date expires. Mrs. Lapa read **Resolution # 11-57 Temple Beth-Am Shalom Reduction Of Letter Of Credit For Maintenance Guarantee Temple Beth-Am Shalom.** Motion was made by Mr. Coles, seconded by Mr. Waxman. On a **roll call**, Mr. Sernotti, Mr. Coles, Mr. Waxman and Mrs. Fish voted, "**Yes**". Senator Singer **abstained.** **Adopted.**

4. Garden State Parkway Widening and Interchange Improvements

- Resolution Accepting Reimbursement Agreement
There is information on this in your packet on pages sixteen through nineteen. Mrs. Lapa read **Resolution # 11-58 Authorizing The Execution Of Reimbursement Agreement.** Motion was made by Mr. Sernotti, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

5. Airport Road Water Storage Tank Replacement – Project Status

The painting of the tank is completed. They are starting on the electrical work. The contractor notified the Authority that they need a change order for the electrical work. The engineer agreed with Mr. Morrill that there is no need for a change order. They continue

to argue. Mr. Flancbaum said the contractor claims that as part of the bid package the service was supposed to be run from one utility pole. JCP&L tells them now that it has to be run from a different utility pole. He said this change is costing him \$3,500 and the Authority should pay for. The Authority disagrees because he should have found out pre-bid where the service has to be run from. Senator Singer asked when the old tank will come down. Mr. Flancbaum said that after the new one is filled and tested. It will probably be in the next two to three months. Mr. Morrill said we will keep the old tank in place until the cell carriers antennas are moved over. Verizon has antennas on the old tank. Mr. Theibault asked who is responsible to get rid of the scrap metal. Senator Singer said that the contractor is responsible. There is lead paint on it and not much can be done with it.

6. Modifications to the Water Line for New Hampshire Avenue Due to County Improvements – Project Status

The Authority received a letter from the engineer that everything is completed except for the four concrete cradles that are supposed to be installed and approximately ninety feet of pipe in the Oak Street and New Hampshire Avenue intersection. The reason that we have to wait is because they have the old power poles and traffic lights in place. When those will be moved out of the way, the water line will be completed. The Authority is asking for a credit on it since we are allowing them to delay the work until the poles are out of the way. In the original contract they had to put the water lines in and it did not say that they would wait until the poles were moved. Now that the poles will be out of the way it will make their work a lot easier.

7. Fixed Base Meter Reading System – Project Status

The TGB Unit has been activated and we expect to read the meters with the radio system by the first of July. Senator Singer asked how the replacements are being done. Mr. Morrill said that a pre-construction meeting set up next week and have the 120 meters installed over the next month. These 120 locations have meters that are not operating and will be the test run. Mr. Waxman asked how many meters does the Authority have. Mr. Morrill said around 9,000 including businesses. Senator Singer said that we have approximately 900 that are not working properly.

VIII. Attorney's Report

Mr. Smith said he and Mr. Flancbaum had a meeting with Chestnut Street Developer's attorney, Mr. Abraham Penzer, and the developer, Mr. Jack Mandelbaum regarding an old issue. The issue is whether to give discounts to certain non-profit type organizations in regard to connection fees. Mr. Smith found a letter he wrote two years ago in which he gives a legal opinion. Mr. Smith wrote that he thought that there was enough fuzzy language in the statute to justify it. Mr. Smith had one caveat that if it will be challenged he cannot guarantee that it would prevail and might not be a winning argument. The State Legislature of New Jersey has in fact done this around seven years ago. It is in the Utilities Authority Statute. They have created a non-profit exception and gave a fifty percent discount. This is only for a city with a population of more than 77,000 and less than 89,000. This is special legislation that was made for a certain town. Senator Singer said that he asked Mr. Smith to duplicate and produce a resolution authorizing to give fifty percent discount for non profits that apply within our service area. Senator Singer said that a waiver will have to be signed. This is very important. The waiver will state that should this be challenged and found in default, they are responsible for the additional fees. We do not want them coming back and suing the Authority saying that

we only accepted to pay fifty percent and no more. The Authority should be held harmless and they are responsible for the balance. Senator Singer asked if everyone is agreeable. No one disagreed. Mr. Smith said that the waiver is eminently reasonable. He will create a resolution for the next meeting which will more or less track the exact language of the statute for that special city.

Senator Singer said he said that there was a gentleman involved in this project that was supposed to post a Performance Bond. He gave a personal guarantee that he was going to do it and he never did. He will now be informed that the Authority wants a Bond and will not accept his personal guarantee anymore. If a phone call is received that he is in default with that issue and it is not acceptable. Mr. Waxman asked was his excuse that the development is moving forward and that will address it. Mr. Flancbaum said the Authority was asking him to extend the water main across the frontage of his property. The developer said that the development down the street is doing the same thing. He asked if he can post the bond and not extend it. The Authority said it is okay. He then said instead of a bond can he give a personal guarantee. The Authority said okay to that. What is happening now is that Josh Goldstein, the developer down the street is no longer extending the water line. The Authority had him do something else which is better for the Authority. At some point the water main will be extended, but the bond is needed regardless. Senator Singer said that we have a responsibility to the Authority to get it done correctly.

IX. Executive Director's Report

1. KT Management/Well #5

Mr. Flancbaum said that he struck a deal with the owner of the property. An appraisal was ordered as per the directions of the commissioners. The difference in value between parcels to be swapped is \$700 which we will pay to KT Management. We have agreed to compensate KT Management in the amount \$11,798.00 for work redesign work necessary in order to accommodate our land acquisition request. We will further reimburse KT Management any legal fees and Planning Board fees they will incur due to our requests. These will be reimbursed based on actual invoices received from their Attorney and from the Township. We estimate these fees will come to approximately \$3,500.00. Total estimated compensation to KT Management will be \$15,998.00. Mr. Smith said that he will go over the bills received from KT Management with Mr. Flancbaum to make sure that they pertain to the costs of the land.

2. County Line Manor Pump Station

Mr. Flancbaum wanted to inform the commissioners that a false escrow account was set up to track the expenses for the pump station. Mr. Marshall Weisman had \$62,000 cash with the Authority as part of his Performance Bond for the development of County Line Manor not for the pump station. Mr. Smith advised that the \$62,000 cash can be used for payment of the pump station. Mr. Weisman was also approximately \$30,000 in arrears in the escrow account. \$30,000 went to the escrow account. The \$32,000 is being kept track in a false escrow account. When work is being done, the false escrow account is being charged based on the published rates of labors, operators and engineers. Mr. Flancbaum had a copy of the false escrow account and how it is being tracked.

3. Vehicle Purchase

Mr. Flancbaum said that money was budgeted for a vehicle purchases this year. The Instrumentation Department is travelling system wide with different tools and instruments. A utility van is needed for the department for storage of tools and for driving around the system. Mall Chevrolet in Cherry Hill is under State Contract. The total price for the van and the add-ons which include light bars, shelving, cabinetry, and accessories is \$22,309.00. \$45,000 was budgeted this year for vehicle purchase and we do not have any plans on purchasing additional vehicles. Senator Singer said to go ahead with the purchase. Senator Singer also mentioned that from now on when looking into purchasing vehicles to look into hybrid vehicles.

4. Engineering Dept Map Copier/ Scanner

In the budget for this year we allocated \$20,000 for a color map copier/scanner for the engineering department. This will enable the Authority to scan and copy the maps in-house. A machine was found for \$8,995. A three year on-site warranty will cost \$2,195. The total is \$11,190. The machine can be leased for three years with an on-site warranty. The cost for the lease will be \$12,528. Toner is not included with the on-site warranty. Senator Singer said that for the extra money it will be worth it to lease. At the end of the three years, there may be a much better suited machine for the Authority. If it is purchased then we are stuck with it. It also gives us three years to try it out and to decide if we want to have it for longer. Senator Singer asked Mr. Morrill if he is okay with leasing it. Mr. Morrill responded that he is. Senator Singer said that the Authority should lease the map copier/scanner for three years.

5. Professional Services Contract – Day Pitney LLP

The Commissioners will recall that we adopted a cafeteria plan which allows for the mandatory contribution towards health benefits to be taken off our salaries on a pre-tax basis. The documents have been compiled. Mr. Smith advised that the plan documents should be reviewed by a qualified Labor Attorney who is familiar with the plan. Mr. Flancbaum has identified a firm, Day Pitney. He has met them at several AEA Conventions. They can review the documents. It should take around four hours to review. Their Attorney rates vary from \$210 to \$525 per hour. Senator Singer asked if they are labor attorneys. Mr. Flancbaum said yes. Senator Singer asked if they are an Ocean County firm. Mr. Flancbaum replied that they are not from Ocean County. Senator Singer asked Mr. Smith if he can call the Holzapfel Firm and see if they can do it. They are the Labor Attorney for the Ocean County Board of Health. If they cannot do it, then we can go back to Day Pitney. Mr. Smith said that previously at the Annual Reorganization Meeting, Holzapfel was appointed as Labor Attorney consultant. In the past few years there has not been any labor attorney appointed.

6. NJEIT – Bergin Consulting, LLC

Additional consulting services are needed for the NJEIT application for the metering loan. Joy Bergin of Bergin Consulting gave an initial proposal of \$1,600. This did not include preparing the SED Compliance paperwork for the Office of Equal Opportunity. We have another proposal for \$750 to complete the paperwork for the Authority. Mrs. Lapa read **Resolution # 11-59 Approving The Hiring of Bergin Consulting, LLC**. Motion was made by Mr. Coles, seconded by Mr. Waxman. On a **voice vote**, all members present voted, "**Aye**". **Adopted**.

7. New Hire

Mr. Flancbaum informed the commissioners that the Authority is ready to hire a meter reader. The new employee is a twenty year old male from Brick, NJ. He will be paid at a rate of \$12.50 per hour.

Mr. Flancbaum also wanted to inform the commissioners that the Annual CCR's were mailed out around one month ahead of the deadline. Copies were handed out to the commissioners.

Senator Singer questioned how Well #2 is doing. Mr. Flancbaum said that Well #2 is up and running.

Mr. Smith made a suggestion that the Authority should train someone, who has the time and talent, as a qualified Purchasing Agent. It will give the Authority a great deal of additional flexibility in purchasing and raises the threshold required for bidding by quite a bit. Senator Singer asked if the Purchasing Agent in the Township is overwhelmed. Mr. Coles said a little bit. Senator Singer said that we should look if any of the present employees would be interested in the position or if we should bring someone in. Mr. Coles said that maybe one of the Township's Purchasing Agent's assistants that work part time can work full time and the Authority will pay the difference. Mr. Smith said that the person has to be trained and certified by the State. There are courses that have to be taken and then they get licensed. Senator Singer said that if someone at the Authority would like to do it, we will pay them for it. It should be posted that the position is available and there would be substantial pay for it. Mr. Theibault asked if the Authority would pay for the training. Senator Singer said that the Authority would pay for it. They have to pass certification and have to stay with the Authority for at least one year. Mr. Waxman said that if they leave they would have to reimburse the Authority for the courses. In the interim we can look to the Township for help.

Mr. Theibault asked regarding County Line Manor Synagogue. A letter was sent to them stating that they could not hook up. Was a letter sent to them now stating that they can hook up? Mr. Flancbaum called the person in charge of the project and explained to him the issue and that we are not sure yet how this will play out. Until further notice they cannot connect. The person in charge understood. Mr. Smith said he thought they agreed to reimburse the Authority for a damaged pipe. Mr. Flancbaum said they did reimburse the Authority for the damaged pipe. Mr. Theibault asked how long does the Authority think the cash will last. Mr. Flancbaum said that we have \$32,000 after the escrow account was settled. We are tracking the time of all the work that is being done there with Authority workers according to the published rate. The engineer's rate is \$75 per hour. The field worker rate is \$60 per hour and an operator's rate is \$100 per hour. \$8,000 was used so the balance is down to \$24,000. Senator Singer said that the expenses are higher up front, once it is in operation it will not cost that much. Mr. Flancbaum said that the gas company was contacted to run the gas line to the backup generator. Contractors are being contacted to run the water line so the water meter can be hooked up. Additional electrical service is being put in. Mr. Morrill said that in addition Mr. Smith is going to the Bond Company for the bond.

Mr. Theibault said that Old Lanes Mills Road is being widened from the railroad tracks down to the other Lanes Mills Road. The Authority should take advantage of it for the gravity sanitary sewer main since there will probably be a moratorium on the road once it is done. Mr. Morrill said that the Authority should think about it. He has spoken to Mr. Flancbaum about contacting the Church work on getting the easement. If the Authority gets a collection on the bond, we may want to go ahead with the gravity sanitary sewer main, rather than sink a lot of money into the pump station.

Senator Singer said that there are problems with Pine Belt Chevrolet. Mr. Flancbaum said that he wrote them a letter as directed. The next day he received a phone call asking how much does the Authority want to give them. Senator Singer explained that the Authority would like to hook up the Toyota Dealership on Route 88. The Authority asked Pine Belt Chevrolet to purchase an easement from them to enable the hook up. Pine Belt Chevrolet said they do not want to give an easement. Senator Singer said that such an answer is really unacceptable. Then we will take it through condemnation. The Authority has to do what it needs to do to run properly. A letter was sent to Pine Belt Chevrolet saying then if you will not sell it then we will take it through condemnation. Now Pine Belt Chevrolet is ready to talk. The easement that is needed is in the front of the property on the highway. It does not affect them and the Authority needs to extend its lines. The easement is in the shoulder in the setback. Mr. Flancbaum said he called Pine Belt Chevrolet a couple of times regarding the easement and they said no. Mr. Flancbaum asked why they do not want to give the easement and they just responded no. Senator Singer said this will not affect their business. If it would affect them, then the Authority would not do it. Condemnation is needed for this kind of situation. Mr. Smith said he will keep an eye on this but it seems that Mr. Flancbaum has the situation under control.

X. Instrumentation/IT Department Report

Mr. Copeland reported that the County gave the okay to proceed with the telephone pole installation at Leisure Village East. New Jersey Business Systems has ordered the pole on June 2, 2011 and it arrived yesterday. They will start the installation as soon as the pole is installed in the ground. They are in the process of installing the pole now.

Equipment (radios/antennas) has been ordered by New Jersey Business Systems for the new Airport Road Tower and is expected within the next few days. I have been assured that upon arrival of the equipment installation will begin immediately.

The Fixed Based Metering System servers are set up in the server room and configured. They are now ready to read the newly installed test water meters.

Our department has been working on a number of things. First and foremost, this weekend we migrated all our data over to our new server, which offers us more stability, speed and scalability. The file system structure has been revamped with nested folders and new permission levels which greatly increases interoffice collaboration.

We are working on a number of smaller projects – for example, we are in the process of creating new, more professional looking ID's for all staff. The operations staff will receive larger ID's for their vehicles and wallet sized cards for their person. In addition, these ID's have enhanced security as we have included the LTMUA logo as a digital

watermark. Mr. Copeland had a prototype for the commissioners to see. Mr. Flancbaum said the field staff will be wearing them full time in the field. Senator Singer said that the office staff should wear them. When someone comes into the office they should know who they are dealing with. Commissioners should also have ID's.

After the discussion at the last commissioner's meeting about artwork for the walls, Mr. Copeland created a number of examples. As the Authority has a greater connection to the community than many private companies, we thought that perhaps instead of generic artwork, we would create our own that focused on two themes – water and the Township of Lakewood. We would greatly appreciate your feedback and will just mention that creating posters such as these costs less than one third of purchasing an art poster and having it framed. Senator Singer thanked Mr. Copeland and said it is a great idea. The art work contest that was mentioned at a previous meeting is on hold until the fall. This is a good interim solution.

XI. Commissioners' Report

Mr. Sernotti apologized for not making it to last month's meeting. An FDA inspector showed up at his business prior to him leaving. Senator Singer said that there was discussion at the previous meeting that if a commissioner cannot make it to a meeting, they can call in. Mr. Smith said that it is legal to do so. If a quorum is needed, a commissioner can attend by phone. Mr. Sernotti also wanted to mention that after the April meeting, Mr. McGregor spent two hours driving him around and showing him all the Authority's facilities. He was very impressed that all the locations were so clean. Mr. Sernotti would like to thank Mr. McGregor for the time and really appreciates it. Mr. Waxman said that Mr. Morrill did the same for him a few years ago and it was very informative and educational. Senator Singer said that all the commissioners should take advantage and do the same.

Senator Singer thanked Mr. Flancbaum for creating the IT Department. They have been very beneficial to the Authority.

XII. MEETING OPEN TO THE PUBLIC

XIII. MEETING CLOSED TO THE PUBLIC

XIV. MOTION TO APPROVE THE OPERATING VOUCHERS

Mrs. Lapa informed the commissioners that the amount due to Uni-Tech was lowered from \$71,268 to \$69,468. A **motion** was made by Mr. Coles and seconded by Mr. Sernotti to approve the Operating Vouchers in the amended amount of \$1,294,442.08. On a **roll call**, all members present voted, "**Yes**". **Motion passed.**

XV. ADJOURNMENT

A **motion** was made by Mr. Sernotti, seconded by Mr. Coles 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

LAKWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

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THE LAKEWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

Regular Meeting Minutes

July 5, 2011

- I. Senator Singer opened the meeting at 10:05 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 and The Star Ledger on February 10, 2011.
- III. **Salute to the Flag**
- IV. **Roll Call of Commissioners**
On the roll call the following Commissioners were present: Mr. S. Flancbaum, Mr. Coles, Mr. Waxman, Mrs. Fish and Senator Singer. Mr. S. Flancbaum was seated as an alternate. The following professionals were present: Mr. Norman Smith, Esq. and Mr. Gerwin Bauer Jr., Auditor. The following MUA employees were present: Mr. Paul Morrill, Engineer, Mrs. Nancy Lapa, Secretary, Ms. Robyn Gaynor, Office Administrator and Mr. Robert Farina, Instrumentation/IT Department Supervisor.
- V. **Minutes**
A motion to approve the minutes of the Regular Meeting on June 7, 2011, was made by Mr. Coles and seconded by Mr. Waxman. On a **voice vote**, all members present voted **"Aye"**. **Motion carried.**

Senator Singer announced that next month's meeting will take place at 4:00 P.M. and not at 10:00 A.M.
- VI. **Accountant's Report**
Mr. Bauer handed out a balance sheet and income statement for May 2011. The receivables have gone drastically down from the previous month to \$900,000. The operating cash account has \$12,882,000. The new funds at Northern State Bank for Review and Inspection, Performance Bonds, Post Employment Benefits and Advance

Funds have been established last month. There is \$2,500,000 in the Performance Bonds Fund. In May there is a large loss of \$450,000. The reason is because of the OCUA payment of \$564,000. The Authority has two months to recoup that money. The money is sent quarterly to the OCUA and the Authority collects it monthly.

Mr. Bauer said he began working on the budget and it is going well. He will soon start on the construction part with Mr. Morrill. They will look to see if additional bonding is needed for the meter project or for anything that might come up.

Senator Singer said that he asked Mr. Bauer to prepare the calculations of how much each employee will have to contribute for their health insurance contributions based on the new law, Chapter 78 P.L. 2011, that was passed. The new contribution is based on the income level and the health insurance plan premium. These new contributions will be phased in over four years. Right now the contributions are quite small. They are twenty five percent of what it will be in four years from now. Hopefully by January 2012 there will be a minimum of seven health insurance plans for the employees and the commissioners to choose from.

VII. Engineer's Report

Mr. Morrill wanted to inform the commissioners that the inspector for the treatment plants, Kyle Smith of Hatch Matt MacDonald, is present at the meeting for any questions that they may have on the construction.

1. Lakewood Toyota Dealership

- Resolution Awarding Professional Services Contract

Mr. Morrill said that on June 24, 2011 five RFP's were sent out. Three responses were received on June 28, 2011. They were from DW Smith, GTS Consultants and Lindstrom, Diessner & Carr. GTS came in the lowest at \$950 and complies with all the requirements. Mrs. Lapa read **Resolution # 11-60 Awarding Professional Services 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 a **roll call**, all members present voted, "**Yes**". **Adopted.**

2. Administration Building

- Resolution Approving Change Order #3

The Change Order is in the amount of \$917.52 for changing two locksets in the bathrooms to bring them to ADA compliance. Mrs. Lapa read **Resolution # 11-61 Authorizing Change Order Renovation And Expansion Of The Administration**

Building. Motion was made by Mr. Waxman, seconded by Mr. Coles. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

3. Spruce Street School and Dormitory

- Resolution for Reduction in Performance Guarantees
This is to memorialize that the Authority returned \$44,553.72 as a reduction of the Performance Guarantee. This is based on a June 15, 2011 cost estimate of the work completed to date. Mrs. Lapa read **Resolution # 11-62 Authorizing The Reduction Of Performance Guarantees Congregation Nachlas Yisroel.** Motion was made by Mr. Coles, seconded by Mr. Waxman. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

4. Cellular Antennas Beacon Hill

- Resolution Approving Deed of Easement
This resolution is for the approval of the preparation and filing a Deed of Easement with the County by the attorney. On June 10, 2011 the drawings for the utilities easement were received. On June 28, 2011 a letter was sent approving them. Mr. Smith wanted to clarify that this is an easement that the Authority is giving. Mrs. Lapa read **Resolution # 11-63 Approving Deed Of Easement Cellular Antenna Beacon Hill Tank.** Motion was made by Mr. Coles, seconded by Mr. Waxman. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

5. Well No. 2 Failure

- Resolution Approving Change Order #1 to Emergency Contract
On February 28, 2011 a contract was awarded for \$23,500. The course of action for correction was determined in early April. The corrective action was on a unit basis. The Authority had the unit costs. The total redevelopment work came to \$46,318. The invoice was approved by the Authority on June 7, 2011. A resolution is needed for the Change Order. Mr. Morrill said that everything is working well. Mrs. Lapa read **Resolution # 11-64 Authorizing Change Order 2011 Investigation and Repair At Well Number Two.** Motion was made by Mr. Coles, seconded by Mrs. Fish. On a **roll call**, all members present voted, "**Yes**". **Adopted.**

6. Airport Road Water Storage Tank Replacement – Project Status

On June 14, 2011 an agreement was signed with JCP&L for the installation of the electricity for the tank. On June 24, 2011 a request from the contractor for Change Order No. 3 was received for \$28,263.18 for various items – fencing, pavement and minor changes. The Authority feels that this is excessive and has asked the engineer to look into the unit prices. Senator Singer asked when the tank will be operational. Mr. Morrill said that it will be operational within a month. Regarding taking down the old tank, Verizon

needs to take their cell equipment off the tank before it gets demolished. Senator Singer said that Verizon needs to be told that they need to get it done. Verizon has not signed their agreement yet for their antenna on the new tank. Senator Singer said that they should be told that if they do not take it off, they will lose their equipment. We will not hold up demolition of the tank because of them. Mr. Smith said he will call them. Mr. Morrill said that the Authority has been having trouble with them with everything. They were supposed to have their mounting equipment on the tank before the painting. The plans were not in on time. Senator Singer said we will go to court so that we do not have a problem with suing. We will need an Order To Show Cause.

7. County Line Manor – Project Status

There is a letter in the packet on page sixteen and seventeen that was sent to the Authority's attorney. The letter details the amount of work required to correct the punch list items in the development. There is also a punch list of what needs to be done to the pump station to bring it up to speed and to maintain it for twenty years. Mr. Smith said he received the letter from Mr. Morrill last week. This letter will be used as a formal demand from the bonding company to pay off the bond. Senator Singer said to file for the bond immediately.

8. Tuscany II – Project Status

Mr. Waxman said he will not participate in this discussion. On June 23, 2011 a meeting was held to discuss the application and their contribution towards the gravity sanitary sewer. They agreed to the \$250,000 contribution towards the construction of the off-site gravity sanitary sewer. We have not heard from them since.

9. Locust 48 Lot Townhouse – Project Status – Will be discussed in item #10.

10. Vermont 54 Unit Subdivision – Project Status

This is to inform the commissioners that the Authority signed the Developer's Agreement for both projects.

11. Chestnut Street Development – Project Status

This is a sixty eight lot on Chestnut Street. On June 23, 2011 a Developer's Agreement was signed by the Executive Director and send to the Authority's attorney to record.

Mr. Morrill asked if anyone has any questions on the construction. Senator Singer asked if the construction is on schedule. Mr. Morrill said a schedule was received from Underground Utilities Corp. and was given as a handout to all commissioners. They are picking up speed. There is one issue with the construction of tank. The clear well underneath the building was just constructed and filled with water. The clear well has

several leaks. We are trying to make corrections at the present time. They were told that they had to have everything ready for a move in by October 1, 2011 and we asked them for a schedule. They are adhering to the schedule.

VIII. Attorney's Report

Harrogate - Mr. Smith said in regards to the two projects, Locust 48 Lot Townhouse and Vermont 54 Unit Subdivision, he sent a letter to Harrogate terminating the negotiations with them and the deal is off.

Nonprofit - Mr. Flancbaum asked him to prepare a resolution and a modified rate schedule for connection fees reduced to fifty percent for nonprofit entities. He will have it ready for the next meeting. Mr. Waxman said that it should reference the State law. Senator Singer said that it is very important that a disclaimer is part of the policy. The disclaimer should state that anyone that applies for this discount is responsible for the money should this policy be overturned at any time. They and their attorney have to sign and notarize the disclaimer. Mr. Smith explained that usually a class is created in accordance with the intensity of the usage. The State has created their own classes under this statute that has nothing to do with intensity of usage, including nonprofit corporation. The precedence has been set.

IX. Executive Director's Report

Mr. Flancbaum was not in attendance of the meeting. Mr. Morrill and Ms. Robyn Gaynor, Office Administrator of the Authority will present the report.

placements-Notification to customers

I said that a letter was mailed two weeks ago to the customers that are new meters. Three additional notices will be sent by the company that is the water meters. They get progressively stronger to inform the customer of an appointment to have the meters replaced. Samples of the letters were read out. Senator Singer said that after a few times of notification the water could be terminated. Ms. Gaynor said that in the final notice it does state

n Awarding Contract to NJ Business Systems for Installation of Fiber

or said that a proposal was received to supply and install fiber optic lines to Wells No. 4 and 5, the two ball field wells and the two Pine Street wells to DA System. This work will be performed simultaneously with the installation

of the Cedar Bridge Raw Water Main. Total cost including all labor and materials is \$93,982 and everything is under State Contract. Mrs. Lapa read **Resolution # 11-65 Authorizing Executive Director To Sign Contract Under State Contract For New Jersey Business Systems For Installation Of Fiber Optics Lines.** Motion was made by Mr. Coles, seconded by Mr. S. Flancbaum. On a **roll call**, Mr. S. Flancbaum, Mr. Coles, Mrs. Fish and Senator Singer voted, "**Yes**". Mr. Waxman did not vote as he was not present in the room at the time of the vote. **Adopted.**

3. Hydrant flushing - Tamarind Estates

Senator Singer thanked Mr. Coles for bringing it to the Authority's attention and he thanked the staff for working on the issue. Mr. Morrill said it is under control now. Senator Singer explained that in this development during the flushing the blow off valves on the hot water heaters went and in the Synagogue the hot water heater leaked. The development believes this happened as a result of the flushing. The Authority thinks it might have been faulty valves. So far, all that the Authority is responsible for is the cost of a case of paper towels. The problems have been fixed. The Authority will be monitored to see what happens. Mr. Morrill said that the flushing was not actually in Tamarind when these failures happened. Senator Singer said that we will keep an eye on this. Mr. McGregor said that this was looked into in-house and Hatch Mott MacDonald will be brought in also. The flushing in that area may be changed a little bit. Senator Singer said that this incident is strange since the Authority had flushed in that area two times already. The plumber went in there and changed what was needed. Most places just had some water spray. The synagogue had the most water.

4. Notification to Spruce Street residents regarding new water main

Mr. Morrill said that residents on Spruce Street are being notified that the Authority is installing the water main down the street to the new school. If they would like to connect, the water line is in front of their property.

5. Tax Sale- Resolution to write off balances \$5 or less

Mrs. Lapa read **Resolution # 11-66 Write Off Balances Of \$5 Or Less For Annual Municipal Tax Sale.** Motion was made by Mr. Coles, seconded by Mr. Waxman. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

6. Community First Bank

Senator Singer said that it is getting harder to find banks that will take the Authority's money. Mrs. Lapa read **Resolution # 11-67 Authorizing Executive Director To Open New Bank Account.** Motion was made by Mr. Waxman, seconded by Mr. Coles. On a **roll call**, Mr. S. Flancbaum, Mr. Coles, Mr. Waxman and Mrs. Fish

voted, "**Yes**". Senator Singer abstained. He does not vote on bank items.
Adopted.

X. Instrumentation/IT Department Report

Mr. Farina reported that the Authority received eight new SCADA computers that are temporarily set up in the trailer just outside the Administration Building. We are currently setting up the computers and loading in all the applicable SCADA software and we will start to begin with programming. The trailer is alarmed in two ways, one with a 98 decibel siren alarm, and the other via silent monitored alarm which will call out to the Police Dept.

New Jersey Business Systems has completed the antenna/radio install on the pole at Leisure Village East Lift Station and will return tomorrow to complete the electronics install and setup/tuning of the system. The vendor has assured me that after the 4th of July holiday they will be dedicated in proceeding forward with the antenna/radio installations at the Airport Road Tower and New Hampshire Tower and ultimately Ridge Road Tower and Woodlake Lift Station. We are well prepared on our end here at the Authority via the facilitation of enclosures and power to assure no reason for a work delay or stoppage on our end.

As the office/server upgrade nears completion, we have integrated a number of features into the admin computer system to modernize our infrastructure. We have created a direct user portal into local e-mail administration as well as robust desktop server search applications to make our users more efficient. One of the most important recent developments was the establishment of an in-house shared calendar to which all users have access. This greatly simplifies everything from scheduling meetings, reserving the conference room and checking the availability of staff on any given day.

In addition, on June 28, 2011 Mr. Flancbaum and Mr. Copeland attended a conference by the Association of Environmental Authorities on security, technology and legislation as regards websites for public utilities, which are now mandatory. Three utilities were invited to make a presentation and demonstrate their websites to the attendees; the LTMUA was first on the list. We demonstrated our compliance with all regulations, our recently added Frequently Asked Questions page, and our simple yet effective and free open-source content management system. We also discussed design, the impact that our new logo has on the website itself, and the necessity of keeping our website simple and easy to navigate. The presentation was extremely well-received, so much so that members of the Raritan Valley MUA approached Mr. Copeland during the conference to ask for assistance with their website. The conference was highly productive and established the LTMUA as a leader in dynamic web presence among other public utilities.

Senator Singer said that there is new legislation that requires the Authority to have more information on the website. Senator Singer asked Ms. Gaynor to call Ronnie at his office to get a copy of the legislation. It has not passed yet in the Senate, but it should be looked at to see what needs to be done. The budget may have to be put on. Mr. Farina said that Mr. Copeland has already been involved in this area.

The pictures that were supposed to be taken of the commissioners were postponed.

XI. Commissioners' Report

XII. MEETING OPEN TO 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 amount of \$916,350.96. On a **roll call**, all members present voted, "**Yes**". **Motion passed.**

XV. 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 10:35 A.M.

Respectfully submitted,

Nancy Lapa,
Secretary, LTMUA

LAKWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

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Regular Meeting Minutes

August 2, 2011

I. Senator Singer opened the meeting at 4:05 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 July 8, 2011 and The Tri Town News on July 14, 2011.

III. Salute to the Flag

IV. Roll Call of Commissioners

On the roll call the following Commissioners were present: Mr. S. Flancbaum, Mr. Theibault, Mr. Sernotti, Mr. Coles, Mr. Waxman, Mrs. Fish and Senator Singer. The following professionals were present: Mr. Norman Smith, Esq. and Mr. Gerwin Bauer Jr., Auditor. The following MUA employees were present: Mr. Justin Flancbaum, Executive Director, Mr. Paul Morrill, Engineer, Ms. Nancy Lapa, Secretary and Mr. Raphael Copeland, Instrumentation/IT Department Coordinator.

V. Minutes

A motion to approve the minutes of the Regular Meeting on July 5, 2011, was made by Mr. Waxman and seconded by Mrs. Fish. On a **voice vote**, all members present voted "**Aye**". **Motion carried.**

VI. Accountant's Report

Mr. Bauer said that he still is very happy with the new accounting system. It is improving all the time. Mr. Bauer handed out a balance sheet and income

statement for the period ending June 30, 2011. There is an increase of \$200,000 in the revenue over expenses. Mr. Bauer is hoping that in the next two months of the summer even more surplus will build up with the higher water consumption. Mr. Flancbaum said that the Authority has been pumping on an average of 4 million gallons a day for last week and a half. Senator Singer asked what the Authority's daily capacity for pumping is. Mr. Morrill replied the capacity is 5.2 million gallons per day. Mr. Bauer said that he started working on the budget for next year and will soon start working on the capital portion of the budget.

VII. Engineer's Report

1. Update of Rules and Regulations

Motion to Approve Changes to the Authority's Rule and Regulations

Mr. Morrill said that in the packet on pages one through eleven are changes for the Datum and the updated details so that it fits into the Authority's mapping system. The developers are required to provide the Authority with their maps that are already in State coordinated system so they plug right in. A power point presentation was created because some of the details did not come out clear in the copies. If anyone has any questions it is up on the screen for all to see. A motion to approve the Update of the Rules and Regulations was made by Mr. Coles and seconded by Mr. Sernotti. On a **voice vote**, all members present voted "**Aye**". **Motion carried**

2. Pine River Village

Resolution for Reduction in Water Distribution System Performance Guarantees

Resolution for Reduction in Sanitary Sewer Performance Guarantees

On July 22, 2011 the Authority issued a letter detailing the work completed and the amount of reduction that could be permitted. It will be seventy percent, which is the maximum until the Authority takes over. Mrs. Lapa read **Resolution # 11-68 Reduction of Performance Guarantees Sanitary Water Distribution System Pine River Village**. Motion was made by Mr. Coles, seconded by Mr. Waxman. On a **voice vote**, all members present voted, "**Aye**". **Adopted**. Mrs. Lapa read **Resolution # 11-69 Reduction of Performance Guarantees Sanitary Sewer System Pine River Village**. Motion was made by Mr. Sernotti,

seconded by Mr. Coles. On a **voice vote**, all members present voted, "**Aye**".
Adopted.

3. Spruce Street School and Dormitory

- Resolution for Reduction in Performance Guarantees
On July 25, 2011 the Authority returned \$33,020.69 reducing the guarantee by seventy percent. The Authority is retaining \$37,000 which is thirty percent of the original Performance Guarantees. Mrs. Lapa read **Resolution # 11-70 Reduction of Performance Guarantees Congregation Nachlas Yisroel – Spruce Street School Block 855.01 Lot 23**. Motion was made by Mr. Coles, seconded by Mr. Sernotti. On a **voice vote**, all members present voted, "**Aye**".
Adopted.

4. Administration Building

- Resolution Awarding a Professional Services Contract

This is for the grading and drainage around the Administration Building. It was not included in the original contract for the Administration Building or the Treatment Plant contract. Senator Singer asked who is responsible for this not being included – Hatch Mott MacDonald or the architect. Mr. Flancbaum said that he was told by the architect and Hatch Mott MacDonald that they were told not to work on the grading until later on. Mr. Coles said that he thought that the engineer should be looking out for best interest of the Authority. Mr. Flancbaum said that they were told not to include the grading and to do it later was because the entire front is being redone anyway and site plan should be done as one and not two different ones which will be done at the same time. Senator Singer asked how much the contract is for. Mr. Morrill said the amount is not to exceed \$4,900. Mr. Theibault said that there was some discussion a while back that the whole front will be done at once. Senator Singer said that this should have not stopped them from doing the grading and engineering work. Mr. Flancbaum said it encompasses the area in front of the building, facing New Hampshire Avenue and also on the side of the building. Mr. Theibault said that there was talk about possibly putting a wall out there and we were not really clear if it should be done. Mr. Morrill said that the wall has been included in the Treatment Plant contract but there aren't any grades on the wall. Senator Singer wants a meeting to be

held this week with the staff to determine what still needs to be done. Senator Singer does not want to find out along the way that other items were not taken care of. Mr. Morrill said the only item that is open is landscaping. Senator Singer said he wants to know what still needs to be taken care such as tree allocation etc. Mr. Flanbaum said he will have a meeting to determine if anything more needs to get done. Mrs. Lapa read **Resolution # 11-71 Awarding a Professional Services Contract Without Public Bidding Pursuant to NJSA 11-41.1 Et. Seq.** Motion was made by Mr. Waxman, seconded by Mr. Coles. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

5. New Hampshire Avenue Treatment Plant – Project Status

A meeting was held with JCP&L to discuss the power requirements and the plans on where the power should come in. JCP&L revised the plans and required the power should come in on the driveway. On June 23, 2011 the Authority entered an agreement with them for that. The agreement total is \$44,046.66. \$32,775.23 will be refunded to the Authority over years in reduction of electric service. The total actual cost will be \$11,271.43. Their revisions caused longer secondary electrical services. Originally the Authority wanted to bring electric service directly from the street to the generator and pad site. JCP&L said they would not allow an easement through the woods and wanted it next to the driveway and required the Authority to move it. The same thing happened at the Airport Road Tank site. Senator Singer questioned why the Authority didn't know about this. If JCP&L does not allow easements through woods, why did the engineer design the power to come in through the woods? Mr. Morrill said we just went through this with the cell companies. Plans were submitted showing where the power is coming from. Mr. Morrill asked them to set up a meeting with JCP&L to verify the location is correct. The cell companies said that JCP&L will not meet until you have all your approvals. Senator Singer said he understands it. But if you are an engineer and do work in a county, you know what is acceptable and what is not acceptable by the county. Hatch Mott MacDonald should have known that JCP&L does not do easements through woods. Did they want us to cut down the trees? Is it cheaper to cut down trees than to go through the driveway? Mr. Morrill said that originally it was part of the contract to cut down trees. Senator Singer said that now more is coming out. What is the cost for cutting the trees down? Mr. Morrill said that in the packet is the detail which eliminates the clearing and adds it as a credit. Senator Singer questioned how much will the clearing costs, \$11,000? Mr. Morrill said that

in the contract there was an allowance of \$50,000 for the work for JCP&L. The cost for the contractor is now \$64,000. It will end up as a net change order of \$14,000 for the changed electrical location. Mr. Waxman said that someone should be accountable. Senator Singer is baffled that an engineer plans things he knows is not acceptable. None of the heavy work was done and we are \$14,000 into it. He is very disappointed with Hatch Mott MacDonald. Mr. Sernotti suggested that the Authority call Hatch Mott MacDonald and ask them why it was done this way. Senator Singer said they will say it was the most direct way etc. Mr. Sernotti said we should find out if they knew that JCP&L does not accept easements through the woods. Mr. Waxman said they should pay for it. Mr. Flancbaum said he can check into it. Mr. Coles said to find out if they created easements for JCP&L for other businesses through the woods. Senator Singer said that we will approve this so the project should not be held up. This problem is costing the Authority \$14,000. We may want to take a credit from them on something else. We may also pay them slowly when the Authority gets the credits in the reduction of service over the next many years. Mr. Flancbaum said that the Authority has plenty of money outstanding to them. Mr. Morrill said he does not have the paper work for the change order. He just got the spreadsheets. He just wanted to bring this item to the attention of the commissioners.

6. Airport Road Water Storage Tank Replacement – Project Status

On July 7, 2011 the Authority received a revised estimate for the additional work at the tank site. The contractor requested \$28,000. We were able to reduce it to \$16,000. The majority of the change is due to the increased size of the driveway. Senator Singer said it is okay. He wanted to know what the status of taking down the old. In the packet is a detail of an estimated time it will take place. The new tank will be operational in August. There isn't any electrical power there yet so we do not have any control on the tank. Therefore we do not know the level of the tank. The contract with the power company was signed six weeks ago. Hopefully it will be done in four weeks. Senator Singer asked that the contract for the demolition of the tank be looked at to see if we may get hit with something on it. Mr. Smith said that in regard to timing, Mr. Smith has been in touch with Verizon and they said that they cannot take down their equipment till the new tank is up and they can put something on it. Mr. Morrill said the new tank is up. They were asked to put it on the tank four months ago. They have power. Verizon needs a construction permit and they have made the application for it. Mr. Smith said they

are waiting for it and then it is a five week process. Mr. Sernotti said didn't the Authority ask them to mount the equipment before the painting was done. Mr. Flancbaum said the timing did not work. Senator Singer said he wants to make sure the tank goes down this year.

Senator Singer stepped out of the room at this time.

7. Lanes Mill Road 8 Lot Subdivision – Project Status

On July 7, 2011 the Developer's Agreement was signed and forwarded to the Authority's attorney for recordation. On July 18, 2011 we issued a technical review.

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

Mr. Morrill anticipates issuing technical review no. 3 the week of August 7, 2011. The details of the Developer's Agreement were worked out. This includes contributing towards the Woodlake sanitary sewer improvements. They are requesting waiver of all sanitary sewer connection fees because of the cost associated with the upgrades of the sewer line around Woodlake Development. Mr. Smith said a meeting was held and it was discussed that they are contributing to the sewer line which is a community wide project. The Authority will share in it to the extent of the connection fees. Mr. Flancbaum said they will design it and build it.

VIII. Attorney's Report

Nonprofit – Mr. Smith handed out a copy of a resolution authorizing a public hearing at the September 2011 meeting to amend the connection fee. The resolution states that certain non-profit organizations will have a fifty percent discount on connection fees. Mr. Smith said he patterned the language of this resolution after a statute that does something similar for another town. Mr. Smith said that this resolution will give a fifty percent reduction in connection fees for a qualified entity. The definition of a qualified entity is 1) a non-profit organization that owns and operates a house of worship for holding religious services and housing for clergy who officiate in that house of worship and 2) a private school

for either classroom space or administrative office space. Mr. Smith said he changed the language in one phrase. The statute states synagogue, temple or church. The statute does not state mosques, therefore Mr. Smith used a generic term in our resolution, a house of worship. This was done to avoid a possible lawsuit. The voting on this resolution was put on hold until Senator Singer rejoined the meeting.

Verizon – Mr. Smith has a resolution for the Executive Director to sign the amendment to the Verizon lease on the Airport Road Water Tank which sets forth the new location of the antennae. They agreed to put the mono pole on the old lot.

At this point a conversation took place regarding the definition of non-profit organization. Senator Singer returned to the meeting. Mr. Smith updated Senator Singer on the discussion of the non-profit discount on connection fees. Senator Singer said non-profit should be limited to schools and houses of worship. Senator Singer said it must be perfectly clear that they and their attorney have to sign a waiver stating that if this resolution is overturned in court, they are one hundred percent responsible for the whole fee. Mr. Coles said that it does not say anywhere in the resolution that the waiver has to be signed. Mr. Smith said he did not feel comfortable putting in the resolution that this might not be legal. Senator Singer said that the resolution should stay the same, but the Authority has a policy in order to receive the discount the waiver has to be signed. Mr. Smith said it has got to be any action challenging the reduced rate would be limited to a prerogative writ which has a forty five day statute of limitation. Mrs. Lapa read **Resolution # 11-72 Establishing A Fifty (50) Percent Reduction In The Connection Fee Or Tapping Fee For Non-Profit Organizations Which Operate Houses Of Worship And Private Schools.** Motion was made by Mr. Coles, seconded by Mr. Waxman. On a **roll call**, all members present voted, "**Yes**". **Adopted.** A **motion** was made by Mr. Coles, seconded by Mr. Waxman to adopt a policy stating that before the non-profit status is granted a hold harmless agreement with the Authority has to be signed by the applicant and their attorney. On a **voice vote**, all members present voted, "**Aye**". Motion passed.

Mr. Smith returned to the discussion of the Verizon Wireless antenna on the Airport Road Water Tank. Mrs. Lapa read **Resolution # 11-73 Approving**

Amendment To Cell Tower Lease With Verizon Wireless On The Airport Road Water Tank. Motion was made by Mr. Waxman, seconded by Mr. Sernotti. On a **roll call**, all members present voted, "**Yes**". **Adopted.**

County Line Manor – Mr. Smith called in the Performance Bond and Maintenance Bond on County Line Manor project, as instructed. He received responses from both companies. The Performance Bond Company asked the Authority to provide them with a list of information and documents. Mr. Smith said he will meet with Mr. Morrill to put it together. The Maintenance Bond Company seemed much more urgent on this matter. Their president on Risk Management will be coming to the Authority on Friday to meet and go over the files with him. Senator Singer asked if the Authority is now covered. Mr. Smith said the Authority is covered, since the claim was filed. Senator Singer said we did this so the Authority should be protected in case the project goes bankrupt.

IX. Executive Director's Report

1. Resolution Awarding contract to Leon S. Avakian, Inc. for Engineering Services for Interconnections between Lakewood MUA and Brick MUA

Mr. Flancbaum said that Leon S. Avakian, Inc. will design the interconnections between the Authority and Brick MUA. There is an existing interconnection on Shorrock Street but it was not finished. It was not metered. This interconnection will be on Lanes Mill Road. This firm will design both. The Authority will pay for the design and construction. The Authority will not have to purchase water from Brick MUA, only when needed. In light of the crisis that the Authority had at the beginning of the summer season, it would be a good idea to have this interconnection. The total cost for the design work is \$28,650. This does not include test pits, which costs \$440 each and it does not include inspection services which is \$75 per hour. Mr. Waxman asked how much it will cost to finish off both. Mr. Flancbaum said he does not know. \$225,000 was budgeted for the projects. Mrs. Lapa read **Resolution # 11-74 Awarding a Professional Services Contract Without Public Bidding Pursuant to NJSA 40A:11-4.1, et seq.** Motion was made by Mr. Waxman, seconded by Mr. Sernotti. On a **roll call**, Mr. Sernotti, Mr. Coles, Mr. Waxman and Mrs. Fish voted "**Yes**". Senator Singer **abstained. Adopted.**

2. New Hampshire Avenue Expansion- Change Order to Hatch Mott MacDonald to add a bathroom to the new vehicle storage building. Mr. Flancbaum said that an office for the Instrumentation Department was added to the vehicle storage building. A bathroom was not originally put in the plans because it is not a requirement. Mr. Flancbaum said that since there will be an office there, a bathroom should be put in. The cost for construction will be an additional \$15,000 to \$20,000. Construction has not started on the building. Mr. Waxman questioned how come this was not taken care of when the plans were made. Paying to have the building redesigned will cost more money than if it was put into the original design. Senator Singer agreed with Mr. Waxman. Mr. Coles asked how much will the total cost be. Mr. Flancbaum said it will cost \$3,750 for the redesign. Mr. Waxman asked if this was a mistake on the part of Hatch Mott MacDonald. Mr. Flancbaum said he is not making excuses for anyone, but because since it is not a requirement they did not make a recommendation. Senator Singer said a meeting should be held with Hatch Mott MacDonald to discuss all the issues. Mr. Waxman said they should be notified that the commissioners are upset. Mrs. Lapa read **Resolution # 11-75 Awarding a Professional Services Contract Without Public Bidding Pursuant to NJSA 40A:11-4.1, et seq.** Motion was made by Mr. Coles, seconded by Mr. Sernotti. On a **voice vote**, Mr. Sernotti, Mr. Coles, Mrs. Fish and Senator Singer voted **“Aye”**. Mr. Waxman **opposed. Adopted.**

3. Sensus IPearl Meters

At a previous meeting the commissioners were shown the new meter that is being installed. It is called the IPearl meters. It is advertised as a smart meter. It has a digital read out. Within a year it will probably have the capability of turning service on and off from the office. It has alarms and anti-theft. It is made up of composite materials as opposed to copper. It is the meter of the future. Eventually, the Authority would like to have this meter installed system wide. The TGB antenna was installed for the fixed based metering system a couple of months ago. We are now giving the meter a test run. A contractor was hired to install 120 meters. Sixty five meters were already installed. Mr. Flancbaum received a phone call from Ralph Zucker of Somerset Development. Mr. Zucker received a phone call from one of his buyers at Pine River Village regarding this meter and asked Mr. Flancbaum to

call this customer. This customer is concerned with usage of the meter on the Jewish Sabbath. Mr. Flancbaum said he called the customer and could not tell him exactly why he cannot use it on Sabbath, but asked Mr. Flancbaum to call someone that has been researching this for a few months. It was a Thursday morning and he asked if the meter can be taken out before Sabbath. Mr. Flancbaum told him it can be taken out and an old meter will be installed. The old meters are fully compatible and can be integrated into the fixed based system. At this point in time, the Authority has stopped installing these meters in residential homes and having them installed in industrial commercial areas. Mr. Flancbaum reached out to Mr. Eli Bohm, who has done research on this meter. Mr. Bohm said that he has reached out to certain Rabbinical authorities. The new meters have a digital read out that change for every gallon used. When the sink is turned on, the digital read out on the meter changes. This is an issue of writing on Sabbath. The current of electric that is used when the water is turned on is so nil that it is not an issue. Mr. Flancbaum said that he received an email from Mayor Miller asking him to reach out to someone in Baltimore. The City of Baltimore also wants to install these IPearl meters. Mr. Flancbaum contacted someone in Baltimore. He said a few members of the community in Baltimore met with the Mayor of Baltimore, the Director of Public Works and the Water Department Head and told them that these meters cannot be installed. The City of Baltimore said they will not install them if there is no way to turn off the digital read. Mr. Flancbaum contacted Sensus and told them that they will have a problem selling these meters in any major city in the United States unless you find a way of turning off the digital read, whether it be with a switch or wire. As long as the screen is turned off, there isn't a problem. Sensus said that there is a good chance that they will be able to manufacture the meters without showing the digital read, but it will take a long time. The Authority only purchased a few hundred meters. Half of them were used for the first phase of the project. Most were installed. Only a handful of them were with customers that had concerns with the new meter. The old ECR meters are fully compatible with the Fixed Based System and can be read by the gallon. The advantage of the IPearl is that it has the ability to communicate, it is a smart meter. Lakewood is one of the first towns to be using this meter. Senator Singer said to start installing these meters where it can be used. Mr. Flancbaum said he will. He hesitates to install them in Original Leisure Village and Leisure Village East as there is the possibility in five to ten years the meters might have to be

replaced over there. The Authority is waiting to hear from NJEIT regarding the financing. Baltimore might need around 100,000 meters and Sensus wants their business, so Sensus will be working on this problem. Mr. Flancbaum will keep the commissioners apprised of any updates on the meter issue.

- 4. Well #16** – Mr. Flancbaum said that the motor burnt out in Well #16. The reason it may have happened is from the buildup of iron on the screen. The water was not able to get to the motor to cool it off. Some electrical leads burnt out. AC Schultes was in to fix the problem. The well is five years old and had to be redeveloped. Mr. Flancbaum said that over the next couple of months it will be looked into.

X. Instrumentation/IT Department Report

Mr. Copeland said that New Jersey Business Systems is nearing completion on the radio and antenna installations at all sites except the Woodlake lift station which will be the next and last site for installation. Today they performed the final re-alignment of the Shorrocks Street Antennas. From this point on their focus will be on final re-alignment and tuning to insure the stated system performance specifications.

We are currently involved with treatment and operations troubleshooting and repairs of both routine circumstances and those relating to last Friday's storm. Afterwards we plan to resume SCADA programming for the New Hampshire project. Senator Singer asked if there was damage from the storm. Mr. Flancbaum said that the Authority was hit badly. The phone system, computers and SCADA went out. Mr. Farina, Mr. McGregor and Mr. Copeland were in Saturday morning for fourteen hours. They got everything back up until they were comfortable. Then they were back on Sunday. Certain items are still down. Senator Singer asked if there is anything that could be purchased to prevent the damage. Mr. Flancbaum said it was a bad storm and if not for some of the lightning rods, the Authority would have been hit harder. Mr. Farina said the Authority has protection on a lot of the equipment. The hit that we took was on the signal end of the equipment and not the power end. There is really not much you can do to prevent what happened. We have looked into it already. Mr. McGregor said it was a controller that went in the New Hampshire Plant that was

going to go in another year, we circumvented it and jumped ahead and moved forward to put it in the SCADA. Mr. Flancbaum said that it might be able to be put in the insurance claim.

Mr. Copeland informed the commissioners that the Authority has successfully connected the administration server room to the Sensus TGB via the communications shed using a dual Ethernet/fiber optic link, enabling Sensus to begin training. The two Sensus servers have been installed and integrated into our server rack.

Tomorrow morning the Authority logo will be heat-transferred to each side of the ten Authority vehicles. Mr. Copeland showed the commissioners a larger version of the actual logo, which is Controltac made by 3M – good high quality transfer media.

In addition, two significant modules have gone live on our website in the last month. The Budget Information and Meeting Minutes section contains downloadable transcripts of the minutes of meetings and other documents which keeps us compliant with new State regulations. Our Frequently Asked Questions page, to which we still intend to add some content in the future, offers the public answers to common questions that they may have about the Authority and its operations. Mr. Copeland handed out a screen shot of the frequently asked questions and the budget information and meeting minutes.

XI. Commissioners' Report

Senator Singer said that since the Authority is now working on the next year's budget, he would like to set up a two member committee to look at personnel pay scale of the Authority compared to other Authorities. Senator Singer asked Mr. Coles and Mrs. Fish if they can work on this with Mr. Bauer and come back with recommendations. Senator Singer is concerned that some of the professionals pay is not equal to what other Authorities are paying.

XII. MEETING OPEN TO THE PUBLIC

XIII. MEETING CLOSED TO THE PUBLIC

XIV. MOTION TO APPROVE THE OPERATING VOUCHERS

Mrs. Lapa informed the commissioners that New Jersey Business Systems Inc. for \$93,982.00 was taken off the construction account list and CBI Services Inc. for \$49,832.20 was added to the construction account list. A **motion** was made by Mr. Coles and seconded by Mr. Waxman to approve the Operating Vouchers in the amended amount of \$745,797.29. On a **roll call**, all members present voted, "**Yes**". **Motion passed.**

Mr. Waxman reminded everyone that at September's meeting pictures will be taken.

XV. ADJOURNMENT

A motion **was made by Mr. Waxman, seconded by Mr. Sernotti to adjourn meeting. On a voice vote, all members present voted, "Aye". The meeting was adjourned at 5:05 P.M.**

Respectfully submitted,

Nancy Lapa,
Secretary, LTMUA

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THE LAKEWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

Regular Meeting Minutes

September 6, 2011

- 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 July 8, 2011 and The Tri Town News on July 14, 2011.
- III. **Salute to the Flag**
- IV. **Roll Call of Commissioners**

On the roll call the following Commissioners were present: Mr. Theibault, Mr. S. Flancbaum, Mr. Sernotti, Mr. Coles, Mrs. Fish and Senator Singer. Mr. S. Flancbaum was seated as an alternate. The following professionals were present: Mr. Norman Smith, Esq. and Mr. Gerwin Bauer Jr., Auditor. The following MUA employees were present: Mr. Justin Flancbaum, Executive Director, Mr. Paul Morrill, Engineer, Mrs. Nancy Lapa, Secretary and Mr. Raphael Copeland, Instrumentation/IT Department Coordinator.
- V. **Minutes**

A motion to approve the minutes of the Regular Meeting on August 2, 2011, was made by Mr. Coles and seconded by Mr. Sernotti. On a **voice vote**, all members present voted "**Aye**". **Motion carried.**
- VI. **Accountant's Report**

Mr. Bauer said that he needs more time to work on the budget. Mrs. Lapa read **Resolution # 11-77 2011-2012 Water Budget Extension**. Motion was made by Mr. Coles, seconded by Mr. Sernotti. On a **voice vote**, all members present voted, "**Aye**". **Adopted.** Mrs. Lapa read **Resolution # 11-78 2011-2012**

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Sewer Budget Extension. Motion was made by Mr. Sernotti, seconded by Mr. Coles. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

VII. Engineer's Report

1. 50 Chambers Bridge Road

- Resolution Rescinding Technical Approval for the Funeral Home
- Resolution Granting Technical Approval for the Office and Warehouse

Mr. Morrill asked to have the previous approval for the funeral home rescinded. That application was withdrawn. Mrs. Lapa read **Resolution # 11-79 Rescinding Technical Approval 50 Chambers Bridge Road Funeral Home.** Motion was made by Mr. Coles, seconded by Mr. Sernotti. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

Now the project will be an office building and warehouse. Technical approval is needed. Mrs. Lapa read **Resolution # 11-80 Grant of Technical Approval 50 Chambers Bridge Road Office and Warehouse.** Motion was made by Mr. Coles, seconded by Mr. Sernotti. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

2. Hydraulic Modeling for 2011

- Resolution Awarding a Professional Services Contract

Hatch Matt MacDonald has the computer model of the Authority's system. Many of the developers have asked for the model and have Hatch Mott MacDonald do the work. This is a convenience for the developers. It is not a requirement for developers to use this service, but many would like to use it. The developers will pay for it. This will identify the costs for the developers. Mrs. Lapa read **Resolution # 11-81 Awarding Professional Services Contract Without Public Bidding Pursuant to NJSA 40A:11-41.1 Et. Seq.** Motion was made by Mr. Sernotti, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

Mr. Waxman arrived at 10:11 A.M. Mr. S. Flancbaum is no longer seated.

3. Airport Road Water Storage Tank Replacement

- Resolution Awarding Change Order #3

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This Change Order is for \$17,395. This is for increased parking area and the cost for a wider gate. Mrs. Lapa read **Resolution # 11-82 Authorizing Change Order No. 3 Airport Road Water Storage Tank**. Motion was made by Mr. Coles, seconded by Mrs. Fish. On a **roll call**, all members present voted, "**Yes**". **Adopted.**

4. Meter Replacement Phase 1

- Resolution Awarding Change Order #1

This Change Order will take care of the bugs in the phase one of meter replacement. The two inch meters come in different sizes, therefore some of them need spacers. We are upgrading now to make sure that they all come in the same size. At the recommendation of the installer, the meters are being tested. If a customer calls and says that his bills are much higher now, we can say that the old meter was tested and it ran slow. The brass of the meters is going to be sold for scrap brass. The installer will give credit for the brass. Some of the meters require a jumper since we are going from a metal meter to a plastic meter. All these changes will be incorporated into the new specifications for the meters. Total cost of the Change Order is \$1,089. Mrs. Lapa read **Resolution # 11-83 Authorizing Change Order No. One Meter Replacement Phase One**. Motion was made by Mr. Coles, seconded by Mrs. Fish. On a **roll call**, all members present voted, "**Yes**". **Adopted.**

5. New Hampshire Avenue Treatment Plant – Project Status

All the changes that have taken place over the last month are listed in the report. A schedule that was given on August 3, 2011 was revised on August 31, 2011. It has fallen three weeks behind original schedule. Many meetings were held with the contractor and it was explained that this kind of action cannot continue. He is falling behind because he is not getting his materials delivered in a timely fashion. Senator Singer asked if this is happening because he is not paying for them. Mr. Morrill said it appears that the contractor is not ordering them in a timely fashion. In construction there are typical delays. The building will be closed in before the winter. The contractor has assured that this new schedule has taken into account all the changes and materials. The Operations Building was supposed to be closed on October 1, 2011. It looks now like the building will be closed in early to middle of November. Senator Singer said the problem with

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the later date is the weather. Mr. Flancbaum said that the building will be closed in October, but will not be completed till November. Mr. Morrill said that the roof is going up at this time. The winter work is all inside. We are keeping close tabs on the schedule.

6. Administration Building – Project Status

Mr. Gavan has completed his punch list. The final payment for release of his retainage is on the operating list to be paid this month.

Mr. Morrill added one more item to his agenda:

7. 410 Oberlin – Yeshiva Orchos Chaim – 3 Story Addition

- Resolution Granting Technical Approval

Review was completed on Friday and the developer asked if this can be placed on the agenda of this month's meeting. They need technical approval because they exceed 2,000 gallons per day and will be required to go to Ocean County Utilities Authority. Since they fall under the 8,000 gallons per day, they will not have to go to the DEP. A resolution is needed to authorize the Executive Director to sign the application to OCUA should they be able to meet all these requirements before the next month's meeting. Mr. Waxman asked if Mr. Morrill if he is satisfied with the technical review. Mr. Morrill said that he is. Mrs. Lapa read **Resolution # 11-84 Grant of Technical Approval 410 Oberlin Three Story Addition Yeshiva Orchos Chaim**. Motion was made by Mr. Coles, seconded by Mr. Sernotti. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

Senator Singer questioned the status of the old Airport Road Water Storage Tank removal. Mr. Morrill said that Verizon has a date of October 1, 2011 to get the antennas off. Verizon will place a telephone poll on the site. They will move their antennas to the telephone poll. Once the tank is down they will set up a "cell on wheels" at the site until the new site is finished. Senator Singer asked when the tank will come down. Mr. Morrill said they will start to take it down on October 1, 2011. Senator Singer asked if the tank is full. Mr. Flancbaum said that it is half full. Mr. Morrill said that it is being tested this week for Volatile Organic Compound and Bacteria. It could be placed online when we get the results. It will probably be in the middle of the week. Senator Singer asked if the old tank

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will be drained when the new one is placed online. Mr. Morrill said that the old tank will be kept online for at least for two weeks to make sure the new one works properly. Then it will be drained.

VIII. Attorney's Report

Toyota Easement – Tony Graziano is working on the appraisal for the easement that goes along Pine Belt's property that is required for Toyota. Mr. Smith would like a motion that will authorize him to acquire title of the easement, whether by purchase or by condemnation. Mr. Graziano is doing a formal appraisal. It is being done this way just in case they do not come to an agreement, a condemnation can be filed. Senator Singer excused himself from this vote. A **motion** was made by Mr. Coles and seconded by Mr. Sernotti to authorize Mr. Smith to acquire the title of the easement. On a **voice vote**, all Mr. Sernotti, Mr. Coles, Mr. Waxman and Mrs. Fish voted, "**Yes**". **Motion passed.**

County Line Manor - The claim against the maintenance bond was settled. The agreed upon amount is approximately \$188,000. This is based on \$20,000 a month of upkeep. Mr. Smith forwarded the executed releases to the insurance company and he is awaiting the check. With regard to the performance bond, some documentation has to be put together. Senator Singer thanked Mr. Smith for taking care of it and avoiding a problem.

IX. Executive Director's Report

1. Well #5

This is in regard to the land swap. Previously it was discussed that the owner would be compensated the difference in the value of the land involved in the swap and the cost for the redesign of the site. As of last week, the owner said he is not moving forward with his expansion. According to the Authority's appraisal the difference in the value of the land swap was \$700. An agreement will be sent out this week with the amount of \$700 for the difference in the land value. The Authority will then be able to re-drill Well #5 this coming year.

2. Meter Replacements

National Metering Services has completed 98 out of 122 meter replacements. All but two are communicating with our TGB and we are able to read them

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through the fixed based system. The reason the two meters were not communicating was because the old and new meters numbers did not match. The correct meter numbers will be put in. Senator Singer asked if there is a difference in the meter readings now that we have the new meters installed. Mr. Flancabaum said it is brand new and we are just starting to get the reads in. As we go through them we will compare the old reads versus the new reads. Senator Singer asked if there were problems getting the new meters installed. Mr. Flancabaum said some responded after the first notice and some after the third notice. Eventually everyone responds. National Metering Services sent out three letters that the Authority provided to them. Those that did not respond to the third letter, received a fourth letter from the Authority stating if a response is not received within ten days, the water service will be terminated. Some properties were vacant, therefore there was no response. Those properties had the service shut off and when someone moves in, they will have to call us. Senator Singer said attention has to be paid to the commercial properties since they have sprinkler systems. Proper notification has to be given and the Fire Commissioner has to be involved. Mr. Smith should be involved.

Mr. Flancabaum said the Authority sent out letters this month to 167 properties that their meter was either broken or inaccessible. Forty one ECR meters were replaced with IPearl meters and we integrated twenty seven ECR meters with the fixed based system. This makes a total of sixty eight meters done on our own. Mr. Flancabaum wanted to have a test run to see how many meters the Authority can take care of on their own. All the ECR meters are being programmed to read per gallon as opposed to per thousand gallons just like the IPearl. Twenty one meters are not communicating with the TGB currently. This is most likely due to the fact that the installation of the radio was new to us at that time and errors were made in programming. We are going back out to these locations to reprogram them and ensure they communicate with the TGB. We will be sending out three notices total giving the customers the opportunity to schedule an appointment. If there is no response within ten days after the third notice, we will terminate service. We will not be sending out more letters until appointments are made with all 167 accounts and all are communicating with the TGB.

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3. NJEIT Loan Progress/Metering Project

All indications so far is that we will be able to obtain the total loan amount of \$3,449,628 for the replacement of 6,500 meters. These will include the old GTR meters and also the approximately 1,000 meters that are broken or inaccessible. We anticipate authorization to proceed from the DEP sometime in the next month. The loans are scheduled to close in May 2012. Regarding interim financing, the total fee for application to Bond Counsel is \$40,000. They will charge \$15,000 of \$40,000 if we want to go for the interim financing in January. The balance of \$25,000 will be charged when we close on the permanent loan in May 2012. At that point the interim financing may be a good idea for the Authority. It will be zero percent interest and will only draw down as needed. The project can be started in February. Hopefully by next month the Authority will get the authorization. Senator Singer said it is okay so long as the Authority is not spending more money.

4. Cedar Bridge Raw Water Main

The realignment has been finalized by Hatch Mott MacDonald. We eliminated the idea of picking up the two proposed ball field wells due to the fact that no test wells have been drilled and the locations can change. We are holding off as of now. The revised price from Sambol is now \$416,461.39. This includes installation of the conduit for the fiber optics lines. This revision would be considered a change order to the original contract amount of \$347,474.40. Mr. Waxman said that it is a lot more. Mr. Flancbaum said it is not because the Authority is picking up an additional well and installing conduits for the fiber optics line. In order to keep the change order under the twenty percent threshold, to keep the bid from getting lost, the Authority eliminated tree clearing and trimming, curb and concrete apron replacement, and traffic control. The estimate costs are as follows:

Traffic control- \$20,000
Curb & apron work- \$13,000
Tree cutting and trimming - \$35,000

These costs are based on actual quotes that Sambol has received. The Authority feels that it can also do it for the same price. Quotes for material and labor for the fiber optics lines, which are under state contract from New

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Jersey Business Systems are for a total cost of \$109,003. However, that number will go down being that we are doing four wells and not six wells. This brings the grand total for the project to \$593,694.39 which is approximately thirty percent less than initial projections. Mr. Flancbaum reminded that the fiber optics price will come down because of the reduction in the amount of wells. At this time we would like authorization to proceed with public bidding for the tree clearing and trimming. We will advertise by September 12th and have bids received by September 22nd. Mr. Flancbaum will then conduct a phone poll to the commissioners to award the contract. The project will hopefully be started by early October and have it done by mid-November. Senator Singer said to go ahead with it.

5. Tax Sale

Mr. Flancbaum wanted to inform the commissioners on the outcome of the tax sale. Before the tax sale there was an outstanding balance on the accounts of just over \$200,000. \$150,000 was paid prior to the tax sale. Around \$50,000 was collected at the tax sale. Senator Singer said the tax sale went much more smoothly this time than the first time. This brought in money that was just sitting there. The Authority now has a cash flow of \$200,000. Also, now the landlords will be receiving the bill and not tenants. It was found that a large percentage of the outstanding balances were landlords that said it was not their problem, it was their tenants problem. The Authority made it very clear that a balance is the landlord's problem and they have to deal with their tenants. The Township worked very nicely with the Authority. Mr. Flancbaum said that the Tax Collector came in to explain things and worked well with the Authority.

X. Instrumentation/IT Department Report

Mr. Copeland reported that last month's electrical storm damage is now fully repaired as the Ridge Avenue Tank put back into service with a brand new SCADA RTU. In addition, we have received the new SCADA RTU panel for the new Airport Road Tank from our system integrator vendor. We installed, powered and programmed it. It is functioning and processing tank level data. There still is one small communication issue to be worked out, but we expect it to be fully functional by the end of this week.

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The new shed was installed at the Woodlake Lift Station site. The electrical and interior work is ninety percent complete and the temperature control system is expected to be installed the week of September 19th. New Jersey Business Systems has been at that site last week, which is their last install site. They are preparing for installation for the second week of September.

The last of all vital New Hampshire Avenue radio/communication equipment has been moved from the old enclosures and re-installed in the new communications shed. It is fully functional, which will now allow the open enclosures to be removed.

Barring any unforeseen circumstances, our priorities will be to spend the majority of our time programming the eight new SCADA computers. Most importantly, program the main SCADA PLC, RTU #7, once it arrives on site. It is due in the next two to three weeks.

In addition, we have performed a number of important tasks such as updating the template and procedures for the boil water advisory, adding updated construction details to the website which were created by our assistant engineer, and speccing out the additional server rack for the administration.

Finally, quite a bit of work was done in the area of corporate security. I am currently testing inexpensive biometric scanners to be used to access the SCADA machines. User passwords were linked across the entire domain, so any or all of them can be changed in an instant in an emergency. Two weeks ago we received a very convincing e-mail from one of our vendors containing a virus. It was a fake, and luckily one of our users spotted anomalies and contacted us immediately. The e-mail's point of origin was traced to New Delhi, India. After a discussion with Mr. Flancbaum, parameters were set up on our server to reject any e-mail from outside the United States or Canada, which we expect to greatly reduce the amount of security threats entering the Authority. On Sunday night I sent a harmless e-mail greeting to the entire office from Switzerland. It bounced back as rejected.

XI. Commissioners' Report

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XII. MEETING OPEN TO 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 amount of \$1,308,161.74. Mr. Waxman and Mr. Sernotti are not voting on the Gavan voucher. On a **roll call**, all members present voted, "**Yes**". **Motion passed.**

Senator Singer asked to have the meeting next month changed to the second Tuesday of October, which is October 11th.

XV. ADJOURNMENT

A motion **was made by Mr. Coles, seconded by Mr. Sernotti to adjourn meeting. On a voice vote, all members present voted, "Aye". The meeting was adjourned at 10:36 A.M.**

Respectfully submitted,

Nancy Lapa,
Secretary, LTMUA

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THE LAKEWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

Regular Meeting Minutes

October 11, 2011

- I. Senator Singer opened the meeting at 11:09 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 July 8, 2011 and The Tri Town News on July 14, 2011.
- III. **Salute to the Flag**
- IV. **Roll Call of Commissioners**

On the roll call the following Commissioners were present: Mr. S. Flancbaum, Mr. Waxman, Mrs. Fish and Senator Singer. Mr. S. Flancbaum was seated as an alternate. Mr. Theibault will be seated upon his arrival to the meeting. The following professionals were present: Mr. Norman Smith, Esq. and Mr. Eric J. Frankle Jr., Auditor. The following MUA employees were present: Mr. Justin Flancbaum, Executive Director, Mr. Paul Morrill, Engineer, Mrs. Nancy Lapa, Secretary and Mr. Robert Farina, Instrumentation/IT Department Supervisor.
- V. **Minutes**

A motion to approve the minutes of the Connection Fee Hearing for Private Schools and Houses of Worship held on September 6, 2011, was made by Mr. Coles and seconded by Mr. Sernotti. On a **roll call**, all members present voted **"Yes"**. **Motion carried.**

A motion to approve the minutes of the Regular Meeting on September 6, 2011, was made by Mr. Waxman and seconded by Mrs. Fish. On a **voice vote**, all members present voted **"Aye"**. **Motion carried.**
- VI. **Accountant's Report**

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Mr. Bauer was not able to attend therefore Mr. Frankle presented the Accountant's Report. Mr. Frankle said that according to Mr. Bauer the Authority is in good financial standing based upon the review of the most recent financial statements. Mr. Bauer has completed a preliminary 2011-2012 Budget which is currently being reviewed by Mr. Flancbaum. The Capital Projects portion of the Budget is being worked on by the Engineering staff.

VII. Engineer's Report

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

- Resolution Awarding a Professional Services Contract

Mr. Morrill said that this is referred to as the Shorrock Street Well Field. This past summer one of pumps and motors failed. When it was pulled it was found that it was coated with iron deposits. This indicates the well is in need of redevelopment. It was felt that if one well needs redeveloping then the other wells in the well field should be redeveloped. A Request For Proposal was sent to Birdsell. They returned it in the amount of \$29,950 for engineering services. Mr. Morrill would like to award the contract to them. Mrs. Lapa read **Resolution # 11-85 Awarding Professional Services Contract Without Public Bidding Pursuant to NJSA 40A:11-4.1 Et. Seq.** Motion was made by Mr. S. Flancbaum, seconded by Mr. Waxman. On a **roll call**, all members present voted, **"Yes"**. **Adopted.**

2. Test Wells at Ball Park

- Resolution Awarding a Professional Services Contract

In order to determine whether the developing production wells at the two sites are viable, test wells needs to be prepared. Plans and specifications are needed in order to prepare test wells. The Authority requested a proposal from Hatch Mott MacDonald. A proposal for design, bidding and construction was received was received on September 29, 2011 in the amount \$20,500. Mrs. Lapa read **Resolution # 11-86 Awarding Professional Services Contract Without Public Bidding Pursuant to NJSA 40A:11-4.1 Et. Seq.** Motion was made by Mr. S. Flancbaum, seconded by Mr. Waxman. On a **roll call**, all members present voted, **"Yes"**. **Adopted.**

3. Wells #5 and #8 Relocation and Redrilling

- Resolution Awarding a Professional Services Contract

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Wells #5 and #8 would benefit from relocation. Well #5 is a very low producer and was redeveloped twice. It comes up and then within six months to a year it drops back down again. The engineers feel that the only way to bring it back to the original yield would be to relocate the well. The property needed to relocate the well was acquired. Well #8 has basically quit functioning. The yield is very low. Mr. Waxman questioned how this happens. Mr. Morrill said that the aquifer that it is in is no longer able pull the water. Digging deeper does not help. The aquifer is a vertical structure, therefore you are going into a seam of production. In the same well field, the Authority has wells that produce 400 to 500 gallons per minute. To relocate the well you cannot go more than 100 feet. If you go more than 100 feet away it is considered a brand new well and an application has to be submitted. Senator Singer explained that you can dig ten feet away from the previous well and you can be okay. You cannot know this until you drill. Mr. Waxman asked if it is possible to take picture, scan etc. to figure out where a good site would be for the well. Senator Singer said it is a lot cheaper to move within 100 feet and do test wells than it is to build a new well. A new well is very expensive. A few test wells can be made to figure out the best place. A Request For Proposal was received from CME on October 7, 2011 for \$199,192. Mr. Morrill does not feel that the amount is in line for this type of work. Therefore, Mr. Morrill does not recommend awarding the contract at this time. Mr. Morrill spoke with their engineer. Their engineer feels that there are some problems with their proposal. They are going to resubmit the proposal.

4. Competitive Contracting for Water Testing Services

- Resolution Permitting the Authority to Enter into Competitive Contract for Water Testing services
- Request Authorization to Issue a Request for Proposals for Water Testing Services

The Authority will be accepting proposals for competitive contract as opposed to a straight bid. This is new for the Authority. The Authority first needs to have a resolution passed permitting the Authority entering into a competitive contract specifically for Water Testing Services. After the resolution is passed, the Authority will prepare the proposals in-house and then send them out. Mrs. Lapa read **Resolution # 11-87 Authorizing Competitive Contracting Pursuant to NJSA 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.** A **motion** was made by Mr. Waxman, seconded by Mrs. Fish to authorize the

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Authority to issue a Request For Proposals for Water Testing Services. On a **voice vote**, all members present voted, "**Aye**". **Motion carried.**

5. Meter Replacement Phase 1

- Resolution Awarding Change Order #2

A Change Order in the amount of \$494 is being requested for electronic cabling as a jumper at thirteen locations. Mrs. Lapa read **Resolution # 11-88 Awarding Change And Extend Contract Meter Replacement Phase One.** Motion was made by Mr. Waxman, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

6. RFQs for Engineering Services 2012

- Request for Authorization to issue Request for Qualifications

A **motion** was made by Mr. Waxman and seconded by Mrs. Fish to authorize to issue Request For Qualifications. On a **voice vote**, all members present voted, "**Aye**".

7. Bids for Chemicals and Cold Water Meters 2012

- Request for Authorization to Bid

A **motion** was made by Mr. Waxman and seconded by Mrs. Fish to authorize to bid for Chemicals and Cold Water Meter. On a **voice vote**, all members present voted, "**Aye**".

8. Route 70 Medical Building Expansion – Project status

This is the old bank building, right next door to the entrance of the Original Leisure Village. They had requested to modify the sanitary sewer by lowering it to accept their lateral. Mr. Morrill said that a better location was found for them to connect into the main with their lateral. We will have to go onto the property of Original Leisure Village for about thirty feet. In order to do it, they have to petition the Village for an easement. They are requesting that the Authority own the lateral so that it can be put in the Authority's easement without going to the Village for an easement. The developer will enter into an agreement that they will pay for any maintenance on that lateral. The Authority needs to own the first thirty feet of the lateral. Mr. Morrill said it should be okay. Senator Singer asked Mr. Smith if he was alright. Mr. Smith said it if fine.

9. Cedar Bridge Raw Water Mains – Project Status

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A resolution is needed for the tree trimming needed for putting in the raw water main along Pine Street. The Authority would like award the contract to Reliable Woods Products for \$39,975. A phone poll was done with the commissioners. Mrs. Lapa read **Resolution # 11-89 Awarding Contract Reliable Wood Products Clearing For Cedar Bridge Raw Water Main.** Motion was made by Mr. S. Flancbaum, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

10. Airport Road Water Storage Tank Replacement

Mr. Morrill said that he is happy to announce that as of September 22, 2011 the tank was put online. It is functioning properly. Ten days are required for the SCADA equipment to work. Ten days have passed and it is working fine. As of today, the contractor will be notified that he can go forward with the demolition of the old tank. The demolition will start on October 17, 2011 and should take three to four weeks.

Mr. Theibault arrived at 11:29 A.M. and is seated as announced at the beginning of the meeting.

11. New Hampshire Avenue Treatment Plant – Project Status

The work has been moving along successfully on the treatment plant. As of yesterday, the demolition has started within the treatment plant. Since the move into the Operations Building cannot take place yet, the office area and restroom facilities will continue to be occupied while the demolition is being done in the back. It is expected that on October 31, 2011 we will be able to move into the Operations Building.

VIII. Attorney's Report

County Line Manor – Mr. Smith said that upon receipt of the packet of the documents from the Authority's engineering department needed for the Performance Bond claim, the packet was immediately forwarded to the bonding company in California. It was sent via certified mail and regular mail approximately two weeks ago. Mr. Smith has not yet received the receipt card back. Mr. Smith said he called three times to speak to Petris, who is a senior claims officer. Petris has not returned the calls. Senator Singer said that Mr. Smith should start action and file suit against them. Do not stop the suit until the Authority receives a check. Senator Singer asked if bankruptcy was filed yet.

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Mr. Smith said he has not. Senator Singer asked if money was received from the other bonding company. Mr. Smith said yes and it is in the bank.

Cedar Bridge Raw Water Main - Mr. Smith prepared a Right of Access from the Township to the Authority across sections of the ball field. This is needed in order for the Cedar Bridge Water Main to be worked on. To the best of his knowledge, it was adopted and signed by the Township. Mr. Smith has not received a copy of the resolution. Mr. Waters accepted the form that Mr. Smith prepared. Mr. Waters prepared a resolution for the Township to vote on. The resolution gives the Township Engineer the right to sign the Right of Access, if the engineer is happy with the plan. Mr. Flancbaum said he spoke to him the day after the Township Committee meeting and he said that everything is fine. Senator Singer said to make sure that the Authority gets a copy for the record.

IX. Executive Director's Report

1. NJAWC Water Purchase

The contract with New Jersey American Water Company expires in November 2012. If the Authority chooses to terminate the contract, per the terms of the contract we must notify them one year prior to expiration. If we choose to terminate the agreement, the annual amount of water the Authority purchases will decrease twenty percent for five years. The Authority is building an interconnection with the Brick MUA. We will explore this month the possibility of having the Brick MUA supplying us with water through the new interconnections. Senator Singer said the Authority has two options. At the present time, Brick MUA's price for the water is higher than New Jersey American Water by fifty cents per thousand gallons. If Brick MUA is willing to match them, then the Authority would be willing to sign with Brick MUA. Otherwise, we will re-sign with New Jersey American Water. Mr. Flancbaum said that if the Authority decides to switch to Brick MUA now, at a future date the Authority can always re-open the interconnection with New Jersey American Water Company. Senator Singer said that the Authority should speak to Hatch Mott MacDonald regarding a projection for the Authority with the well factor. If the wells are brought back up, we may not need to purchase water. Mr. Morrill said that most of it will depend on the ASR production and we will not know that for a few years.

2. Maintenance & Repairs 2011 – Will speak about this later.

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3. Shut Offs

Mr. Flancbaum has been analyzing the delinquent accounts of the last few months. He would like to implement a plan with limited shut-offs on customers that have balances of over \$300 or more. Services will not be terminated from Friday through Sunday and before or during holidays. Mr. Flancbaum clarified limited shut-offs to mean that every month go through the accounts and see which account has a balance of over \$300.

4. 2012 Budget

The Operating Budget has been completed and was reviewed with Mr. Bauer. We will be working on the Capital Budget over the coming weeks and we will schedule a meeting with the budget subcommittee for review as soon as we complete it.

Maintenance & Repairs 2011 (Power Point Presentation-Copies attached)

This is the first fiscal year we have a spreadsheet for all repairs that were done. The first chart shows the breakdown of how much was spent on different repairs. Problem areas can be identified. Most repairs were Water Main Breaks. Next is a spreadsheet that shows the contractor that did the repair, the area and address, the amount of the repair and if it was reimbursable by insurance. This year the Authority spent a total of \$70,359.35 on repairs. \$8,675.86 was reimbursed by insurance.

Mr. Flancbaum has a resolution that needs to be passed to reimburse project costs from proceeds of debt obligation for NJEIT. This will allow us get reimbursed from our borrowed funds for any expenditures for the preparation of the loan applications. Mrs. Lapa read **Resolution # 11-90 Resolution of the Lakewood Municipal Utilities Authority Declaring Its Official Intent to Reimburse Expenditures For Project Costs From The Proceeds Of Debt Obligations In Connection With Its Participation In the Fiscal Year 2012 New Jersey Environmental Infrastructure Trust Financing Program.** Motion was made by Mr. S. Flancbaum, seconded by Mr. Waxman. On a **roll call**, all members present voted, **"Yes"**. **Adopted.**

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Mr. Flancbaum announced that Open Enrollment for Health Benefits will start October 17, 2011, later than usual. When we receive the different options from the State, it will be forwarded to the commissioners.

X. Instrumentation/IT Department Report **Airport Road Water Tank**

Mr. Farina reported that the SCADA RTU at the new tank at Airport Road is up and running.

Installations at Ridge Road and Beacon Hill

Mr. Farina said that the work is being completed on the SCADA RTU panel installation and refurbishment at both sites. At the Beacon Hill site they were able to utilize the existing enclosure. That panel was re-insulated and refurbished. We were able to get old traffic panels that were in great condition and used one of them as a SCADA RTU panel for Ridge Road. It is almost completed. We are working with our electrician on securing permanent power at the Beacon Hill Tank site since the T-Mobile antenna project is on hold at that site. We have tested the abandoned existing electrical cable at this site to see if it was capable of being re-used to carry the power. It turns out that it is and was approved by the electrical inspector. We are now awaiting JCP&L to come out to the site and formalize with the Authority the location of the meter pan.

Work is continuing with our new antenna/radio system contractor New Jersey Business Systems with the installations. We have had meetings with them the past week regarding many operational issues and the progress with the job. Among the issues of foremost importance is verification of the antenna bandwidth that has been promised. We are continuing to test all of the links to make sure that they are adequate for our needs both currently and in the future. We are also examining an MUA wide web-based monitoring system that would allow anyone with access to view the status of all antenna links from any PC, rather than having us set up the testing. If this comes to fruition, we will be able to log on from any computer and be able to see status of the system. In addition, we temporarily installed our new SCADA computer, which we deem as RT7. This is the heart of the SCADA system. The new hardware was received and is installed. When the Operations Building is complete it will be moved there. We will start programming shortly. The old RTU, which carries all the signals presently, is installed in the communications shed. Mr. Copeland passed around pictures of

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the communications building to get a better understanding of what the building houses and how important it has become. On the right is a rack system. This rack handles all the communication in the service area and brings them into the facility to be processed, and eventually, into the server in the Administration Building. A discussion ensued regarding the security of the shed and Commissioners requested that the communications shed be alarmed.

XI. **Commissioners' Report**

Senator Singer reminded that the Budget Committee should meet. He also wanted the Compensation Committee should meet. Senator Singer would like a line item in the Budget for it.

XII. **MEETING OPEN TO THE PUBLIC**

XIII. **MEETING CLOSED TO THE PUBLIC**

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

Mrs. Fish stepped out at this point. A **motion** was made by Mr. Waxman and seconded by Mr. Theibault to approve the Operating Vouchers in the amount of \$918,320.40. On a **roll call**, all members present voted, "**Yes**". **Motion passed.**

Mrs. Fish returned to the room.

XV. **ADJOURNMENT**

A **motion** was made by Mr. Theibault, seconded by Mr. S. Flancbaum to adjourn meeting. On a **voice vote**, all members present voted, "**Aye**". The meeting was adjourned at 11:49 A.M.

Respectfully submitted,

Nancy Lapa,
Secretary, LTMUA

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THE LAKEWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

Regular Meeting Minutes

November 1, 2011

- I. Senator Singer opened the meeting at 10:03 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 July 8, 2011 and The Tri Town News on July 14, 2011.
- III. **Salute to the Flag**
- IV. **Roll Call of Commissioners**
On the roll call the following Commissioners were present: Mr. Theibault, Mr. S. Flancbaum, Mr. Sernotti, Mr. Coles, Mr. Waxman and Senator Singer. Mr. S. Flancbaum was seated as an alternate. The following professionals were present: Mr. Norman Smith, Esq. and Mr. Gerwin Bauer Jr., Auditor. The following MUA employees were present: Mr. Justin Flancbaum, Executive Director, Mr. Paul Morrill, Engineer, Mrs. Nancy Lapa, Secretary and Mr. Robert Farina, Instrumentation/IT Department Supervisor.
- V. **Minutes**
A motion to approve the minutes of the Regular Meeting on October 11, 2011, was made by Mr. Waxman and seconded by Mr. Coles. On a **voice vote**, Mr. S. Flancbaum, Mr. Waxman and Senator Singer voted "**Aye**". Mr. Coles and Mr. Sernotti abstained since they did not attend the meeting. **Motion carried.**
- VI. **Accountant's Report**
Mr. Bauer handed out financial statements for August. The revenues appear to be lower than anticipated because of reduced water consumption this year. Mr. Bauer had a printout for the year-end and will project out to see if the Authority can limit the rate increase for the coming year. He will look at the actual figures

and see what needs to be done. We will definitely have a five percent increase for sewer. This is a pass through from the OCUA for the past two years. The OCUA increased their rates last year but the Authority did not increase it. The OCUA is increasing the rates again this year. Mr. Bauer said he will try to keep the water rate increase as low as possible. These increases have to be done because of the bond covenants. According to the bond covenants the Authority has to have 110% debt service coverage. The Authority is starting to pay off the principal on the bond on November 1, 2011, today. The payment is \$1,000,000. The Authority remains in good financial shape.

VII. Engineer's Report

Mr. Morrill has one addition to the report.

Lakewood Toyota –This will be discussed at the end of the Engineer's report.

1. New Hampshire Avenue Treatment Plant

Resolution Awarding Change Order #3

In the packet on page one is a letter dated October 7, 2011 detailing the change order. There are five items and the largest item is for approximately \$16,000. This is for the relocation of the electrical service. The rest of the items are relatively minor. The electric company did not allow the Authority to build it according to the original plan. It had to be moved over. This increased the length of the secondary's therefore increasing the cost of the project. Mrs. Lapa read **Resolution # 11-91 Authorizing Change Order No. 3 Expansion and Upgrades to New Hampshire Avenue Water Treatment Plant.** Motion was made by Mr. Coles, seconded by Mr. Sernotti. On a **roll call**, all members present voted, "**Yes**". **Adopted.**

2. Route 70 Medical Building Expansion

Resolution Accepting Developer's Agreement

This building used to be a bank building. There is a Schedule B that is being officially adopted. This was presented at last month's meeting. A meeting was held with the developers regarding the terms of the agreement. It was prepared and signed. We have a resolution officially adopting the Developer's Agreement. Mrs. Lapa read **Resolution # 11-92 Authorizing The Execution Of The Developer's Agreement Route 70 Medical Building Expansion.** Motion was made by Mr. Coles, seconded by Mr. Waxman. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

Mrs. Fish arrived at 10:08 A.M. Mr. S. Flancbaum is no longer seated.

3. Wells #5 and #8 Relocation and Redrilling – Project Status

A proposal was received from Hatch Mott MacDonald for the relocation of Well #5 and Well #8. CME was also asked for a proposal. CME's proposal came in substantially higher than Hatch Mott MacDonald's. Since the Authority has

already accepted Hatch Mott MacDonald's proposal originally, we will go back to them. They will prepare the documents and get it out today.

4. Cedar Bridge Raw Water Mains – Project Status

In the packet on page ten is a letter from the Authority giving notice to proceed with the clearing and a memo reviewing the performance guarantees. The performance guarantees were slightly off, but the Authority wanted to proceed with the project and did not want to wait for the minor correction. Senator Singer explained that there was an error. It was clear cut where the water main was to be put but did not realize there was an environmental easement on the property that the Township has gotten when the stadium went up. It was reported to the DEP since it is a CAFRA issue. The Authority will not be fined but a modification will have to be made. The Authority did not want to stop the work being done, so everything but that section is being done. CAFRA will advise what needs to be done. The Authority was not aware of this and it did not show up on the plans. Mr. Theibault said that there was an issue that came through the Shade Tree Commission. It seems that permits were not taken out to clear the trees and Fran Siegel was wondering if there should be replacement trees. Senator Singer said this is now CAFRA and they will advise if there needs to be replacement trees. Also, the Authority is exempt from permits since we are a Township entity. The Authority does not have to go in front of the planning board, but we do so for informational purposes as a courtesy. Mr. Morrill said that eighty five percent of the water main is in the right of the way of the County. The area where we ran into trouble is a steep embankment. We had to clear a bit more to put it along the edge of the right of way. We notified the County and asked them if they knew of any environmental areas. The County responded that they did not know of any problems. Senator Singer said the Authority is hoping that CAFRA will let us put it in and the Authority will replant all around. This was a mistake and the Authority will correct it and do what has to be done.

5. Airport Road Water Storage Tank Replacement

They have started removing the lead based paint in the areas where they will cut the tank. They expect to have it done within two weeks. After that they will cut the tank down. They expect that to take one week. By next month's meeting the tank should be removed. The contractor said that subcontractor, Capital Line, wants more money. The subcontractor said he did not know it was asbestos cement. Mr. Morrill said he notified the engineer to put this out for bid and will deduct the amount from the original contract. This subcontractor wants more money every time something needs to get done.

Mr. Waxman left the room.

Added onto report:

6. Lakewood Toyota

A letter dated September 28, 2011 was handed out. Their Developer's Agreement is pending. The terms of the Agreement have been discussed but we do not have

an official agreement. They have agreed to build a water main in exchange for connection fees. Senator Singer questioned how much further do we need to build in order to be down the whole Route 88. Mr. Morrill said to get to New Hampshire Avenue the Authority has to build the distance in front of Pine Belt Chevrolet. The other way down Route 88 has to be built from Larson Ford till the Exxon Station. The Exxon Station has water lines to their property line. Currently one fifth of Route 88 has water lines. Mrs. Lapa read **Resolution # 11-93 Offsite Water Main Grant of Conceptual Approval Lakewood Toyota Expansion**. Motion was made by Mr. Coles, seconded by Mr. Sernotti. On a **voice vote**, all members present voted, "**Aye**". Mr. Waxman did not participate in this vote. **Adopted**. Mrs. Lapa read **Resolution # 11-94 Offsite Water Main Grant of Technical Approval Lakewood Toyota Expansion**. Motion was made by Mr. Coles, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". Mr. Waxman did not participate in this vote. **Adopted**. Mrs. Lapa read **Resolution # 11-95 Onsite Water and Sanitary Sewer System Grant of Commercial/Industrial Approval Lakewood Toyota Expansion**. Motion was made by Mr. Sernotti, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". Mr. Waxman did not participate in this vote. **Adopted**.

VIII. **Attorney's Report**

Route 88 73 Unit – Mr. Smith said that a meeting was held regarding the Developer's Agreement to work out long standing concerns that have not been previously resolved. He is waiting for a rough draft of the agreement from Adam Pfeffer, their attorney, for review.

County Line Manor – Mr. Smith said he called the bonding company five times and has not received a call back. Mr. Smith drafted a complaint and made a courtesy call, that is customary, to the bonding company informing them that he is about to file suit. He actually did get through to Mr. Mitch Petris, a senior claims agent. Mr. Petris said that the claim is settled and your attorney is getting the Township to approve the settlement. Mr. Smith did not understand what he was talking about. It seems that the bonding company did not realize that the Township and the Authority are two separate entities. The Township also filed a claim on the same project to the same bonding company. Mr. Smith spoke with Mr. Howard Uniman, the bonding company's attorney in New Jersey, who said that Lakewood Township MUA is listed as one of the releasers on the settlement agreement. Their attorney backed it out of the Township's claim and immediately assigned The Guardian Group to the Authority. They already contacted Mr. Flanbaum.

IX. **Executive Director's Report**

1. Resolution Authorizing application to Local Finance Board and submission of an Interim Financial Addendum Form for NJEIT loan

This is for the metering project. We should hear from the Local Finance Board by the end of this month. According to NJEIT the bids have to be advertised by November 7, 2011. Mrs. Lapa read **Resolution # 11-96 Resolution of the**

Lakewood Municipal Utilities Authority, in the County of Ocean, New Jersey Making Application to the Local Finance Board Pursuant to N.J.S.A. 58:11B-9(a), N.J.S.A. 40A:2-26(e) and N.J.S.A. 40A:5A-6 and Authorizing the Submission of an Interim Financial Addendum Form and a Financial Addendum Form in Connection Therewith. Motion was made by Mr. Coles, seconded by Mr. Sernotti. On a **roll call**, all members present voted, **"Yes"**.
Adopted.

Mr. Smith indicated that he had one more item he needed to bring to the attention of the commissioners. He has the appraisals, which Mr. Flancbaum picked up, on the Pine Belt easements. There are two parcels and the total comes to a little bit over \$17,000. It is a commercial property. Mr. Flancbaum said that they will come tomorrow to pick up the appraisals.

2. GIS

Last year, in conjunction with Data Map Intel of Lakewood, the Authority created a digitized base map of our entire system. We are now starting to develop a plan for the implementation of this map for practical use both in the office and in the field. We have decided to have our GIS architect come to the office one day a week to guide us through this process. Our goal is that in three years the GIS will be where all of our assets, such as pipes, fire hydrants, valves, etc. will be detailed in the system and will be easily identifiable to our field personnel through a tablet PC or an iPad. This will be for practical use in the field for work orders, main breaks, service calls, etc. All of our Departments are working together diligently to keep this project moving forward.

3. Elimination of County Line Manor Pump Station

Last week Mr. Flancbaum spoke with Pastor Wes Lindquist of the Calvary Lighthouse Church on County Line Road. Mr. Flancbaum expressed the Authority's desire to eliminate the County Line Manor Pump station and build a gravity sewer line. Mr. Flancbaum explained that construction of the gravity line would require an easement along the property line of Calvary lighthouse and the Holy Family church as well as the elimination of Calvary's pump station. The Authority will get an appraisal and if Calvary disagrees with the appraisal they can get their own. The Pastor seemed very amenable to our plans. We are in process of setting up a meeting on site to discuss further. The Pastor said he does not want to deal with the builder from the project across the street. Mr. Flancbaum said he will only have to deal with the Authority. Mr. Theibault asked what the time frame is. Mr. Flancbaum said to acquire the easement takes several months. Money is collected from the Maintenance Bond and more money will come in from the Performance Bond. The Authority has money from County Line Manor. The estimated cost of the project is \$725,000. The Authority does not have the entire amount yet. Other developments are coming in that the Authority will collect money from. Mr. Theibault said he recollects that it was

discussed that when the project up the road comes online, the pump station would be eliminated. Mr. Flancbaum said he is correct, but the reason the time frame is moved up is because money was collected from the Maintenance Bond and more will come in from the Performance Bond. Instead of spending the money on operating the pump station, the money can be used to eliminate it. Mr. Morrill said another application was received that is in between the pump station and the existing sewer line. They will begin the run of the piping. A meeting is scheduled to take place with that applicant on Friday. The developer is Chaim Abadi and it is a fifteen lot subdivision on Lanes Mills Road.

Mr. Waxman returned to the meeting room.

X. Instrumentation/IT Department Report

Mr. Farina is coming to a close on the improvement and modification to all the remote heat trace lines protecting exposed water lines. As discussed at last month's meeting, the alarm installer is scheduled to install theft alarm at the communications shed very soon. The Authority has purchased 11" x 14" aluminum signs indicating both High Voltage and Camera Monitoring in both English and Spanish. We are in the process of installing them on our remote sites as well as sensitive sites here on location to serve as additional security measures.

Within the office, we are currently evaluating and upgrading computer issues, such as receiving quotes to replace our outdated server-based antivirus system, as well as in-house solutions to streamline our backup procedures. We now have the capability to restore data and functionality on the server as well as select workstations in-house. This means that our department can initiate and in many cases complete disaster recovery procedures on or off-site.

We are nearly finished with a project to transfer needed historical footage from underground inspections dating back to 1999 to optical media. As much of this old media was decaying to age and the lack of durability of tape media, we now have a near-permanent record on DVD as reference for the Operations and Engineering Departments.

Senator Singer asked Mr. Farina to make sure that the Authority's surge protectors are up to standard. If it needs to be upgraded, go ahead and purchase new ones. Mr. Farina said that on a daily basis, the IT Department is constantly evaluating to make sure the equipment is as best as practical. Senator Singer asked if the Authority has a lightening system. Mr. Morrill said the Authority has grounding rings around the buildings. The rods come down and go into grounding rings. All The sensitive equipment have grounding rings. Mr. Waxman asked if the tanks have them. Mr. Morrill said he does not think they need it. Mr. Theibault asked if the cell companies need them. Mr. Morrill said he quickly looked over their electrical drawings. They do have some kind of grounding system around their equipment base. It is not a concern to the Authority. Mr.

Farina added that the cable company's equipment is grounded for their own purposes.

XI. Commissioners' Report

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 amount of \$1,084,794.40. On a **roll call**, all members present voted, "**Yes**". **Motion passed.**

XV. ADJOURNMENT

A **motion** was made by Mr. Coles, seconded by Mr. Sernotti to adjourn meeting. On a **voice vote**, all members present voted, "**Aye**". The meeting was adjourned at 10:33 A.M.

Respectfully submitted,

Nancy Lapa,
Secretary, LTMUA

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THE LAKEWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

Regular Meeting Minutes

December 6, 2011

- 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 and the Star Ledger on February 10, 2011.
- III. **Salute to the Flag**
- IV. **Roll Call of Commissioners**
On the roll call the following Commissioners were present: Mr. S. Flancbaum, Mr. Sernotti, Mr. Coles, Mr. Waxman, Mrs. Fish and Senator Singer. The following professional was present: Mr. Gerwin Bauer Jr., Auditor. The following MUA employees were present: Mr. Justin Flancbaum, Executive Director, Mr. Paul Morrill, Engineer, Mrs. Nancy Lapa, Secretary and Mr. Robert Farina, Instrumentation/IT Department Supervisor.
- V. **Minutes**
A motion to approve the minutes of the Regular Meeting on October 11, 2011, was made by Mr. Coles and seconded by Mr. Waxman. On a **voice vote**, all members present voted "**Aye**". **Motion carried.**

Senator Singer said that it is written up in the newspapers that New Jersey American Water Company is applying for large increase, twenty percent, for their customers. The Authority's minimal increase in charges, which is needed to keep the system going, is minute in comparison to theirs and their rates are so much higher to start with. Two thirds of Lakewood have NJ American Water Company as their supplier and those residents want to know why their increases are so much higher than the Authority's.

VI. Accountant's Report

Mr. Bauer said that he started on the Audit for year ending October 31, 2011. Mr. Bauer handed out a report through September 30, 2011. The report shows excess revenue of approximately \$750,000 over expenses before depreciation. October is a big billing month. The revenue will double and total revenue will be around \$1,500,000 minus depreciation. The year is ending better off than originally projected. The increase will be able to be kept down to five percent. Mr. Bauer looked over the two bond issues coming up. To meet the debt service coverage, the Authority will be required to do projective rate increases. It will be a two phase increase. Water will have to be increased two times at three percent each. Probably one increase will take place in November 2012 and the next one in November 2013. Sewer will need an increase of one and one half percent. The reason the water increase is higher is because one bond issue is strictly for water. It is a supplemental issue. The meter project can be split between water and sewer. Senator Singer said that the Authority has a responsibility to keep the system up to par otherwise the system will start crumbling. These are items that need to get done. The money that the Authority is getting is at a very low interest rate.

Mr. Bauer said that the budget is near completion. The capital portion will be finished in a week or two.

VII. Engineer's Report

1. Route 70 & Vermont Retail and Wawa

- Resolution Granting Final Approval

Mr. Morrill said several items still need to be provided before final approval can be granted. The final approval will be contingent upon these items being taken care of. Mrs. Lapa read **Resolution # 11-97 Grant of Final Approval Route 70 and Vermont Retail Development**. Motion was made by Mr. Coles, seconded by Mr. Waxman. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

2. Aspen Road 20 Unit Subdivision

- Resolution Granting Final Approval

This project goes back a few years. The fees were paid this week. They asked for final approval because they wanted to start construction as soon as possible. Mr. Morrill said the resolution should be passed contingent upon them providing the outstanding items. Mrs. Lapa read **Resolution # 11-98 Grant of Final Approval Aspen Road 20 Unit Subdivision and Vermont Retail Development**. Motion was made by Mr. Coles, seconded by Mr. Sernotti. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

3. Beacon Hill Tank Roadway Drainage Improvements

- Resolution Awarding Bid

There is a handout with a letter and the bids from Ernst, Ernst and Lissenden. The lowest bidder had a unit price discrepancy. They had the total bid at \$39,424.00 but with the corrected amount it came to \$56,914. 00. Ernst, Ernst and Lissenden is recommending the bid be awarded to the second lowest bidder, R. Moslowski Excavation in the amount of \$40,340.00. Senator Singer asked if Mr. Smith approved this. Mr. Morrill said he just received it this morning and did not show it to Mr. Smith yet. Senator Singer said that it can be approved today but it will be contingent upon the Authority's attorney approval so that the Authority does not have a lawsuit regarding this. Mr. Morrill said it will be awarded to the lowest qualified bidder, based upon Mr. Smith's opinion. Mrs. Lapa read **Resolution # 11-99 Awarding Contract to R. Moslowski Excavation for Beacon Hill Tank Roadway Drainage Improvements.** Motion was made by Mr. Coles, seconded by Mr. Sernotti. On a **voice vote**, all members present voted, "**Aye**". **Adopted.** Mr. Smith came in at 10:10 a.m. It was explained to Mr. Smith that the previous resolution was adopted subject to his review.

Mr. Theibault arrived at 10:11 a.m.

4. Route 88 73 Unit Development and Community Building

- Resolution accepting the Developer's Agreement
Starting on page five of the packet is a letter dated November 21, 2011 from the Authority's attorney detailing requirements for Technical and Final Approval and a Schedule B of the Developer's Agreement. Mr. Smith asked if Mr. Pfeffer approved this. Senator Singer said he did. Mrs. Lapa read **Resolution # 11-100 Authorizing the Execution of the Developer's Agreement Route 88 73 Lot Subdivision.** Motion was made by Mr. Coles, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

5. Lakewood Toyota Dealership

- Resolution Accepting Terms of Developer's Agreement
A Schedule B has not been formalized but we have an outline of the terms. They are listed on page eighteen in the packet. Mrs. Lapa read **Resolution # 11-101 Authorizing the Execution of the Developer's Agreement Lakewood Toyota Expansion.** Motion was made by Mr. Coles, seconded by Mr. Waxman. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

6. Bureau of Safe Drinking Water Master Permit Update

- Resolution for Professional Services Contract
This is for Hatch Mott MacDonald. Senator Singer said he does not want change orders for increased amounts. Mrs. Lapa read **Resolution # 11-102 Awarding Professional Services Contract Without Public Bidding Pursuant to NJSA 40A:11-4.1 Et. Seq.** Motion was made by Mr. Coles, seconded by Mr. Waxman. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

7. Regulatory Compliance Assistance

- Resolution for Professional Services Contract
This is a proposal for Hatch Mott MacDonald for Regulatory Compliance Assistance. The amount budgeted for 2012 is the same that was budgeted for 2011. They budgeted for \$18,000 and so far they are only at \$9,000. Mrs. Lapa read **Resolution # 11-103 Awarding Professional Services Contract Without Public Bidding Pursuant to NJSA 40A:11-4.1 Et. Seq.** Motion was made by Mr. Sernotti, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

8. Hydraulic Modeling for 2012

- Resolution for Professional Services Contract
The Authority provides this as a service to the developer's. Mr. Morrill recommends that when it is adopted it should be extended till February. In February it will be included in the engineering rates. The developers do not have to use it if they do not wish to. Mrs. Lapa read **Resolution # 11-104 Awarding Professional Services Contract Without Public Bidding Pursuant to NJSA 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.**

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

- Resolution for Change Order # 1 to the Professional Services Contract
This is a Change Order for Birdsall. Well No. 16 failed during the summer and was replaced; now it failed again. It is an electrical issue. This expands their scope of work. They are asking for an additional \$9,500 to the original contract price of \$29,950. Mr. Morrill said it is a two-fold problem. The well needs to be redeveloped and with the motor burning out again, there obviously is a problem with the electrical system. Mr. Waxman asked if the amount they are asking for is excessive. Mr. Morrill said it is not. Mrs. Lapa read **Resolution # 11-105 Authorizing Change Order No. 1 and Extend Contract Redevelopment of Wells 9, 10 and 16.** Motion was made by Mr. Waxman, seconded by Mr. Coles. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

10. New Hampshire Avenue Treatment Plant – Project Status

The painting on the backwash is starting three weeks late. They are having problems with the weather. On November 28, 2011, New Jersey Natural Gas finished installing the gas lines and also installed the meters. On November 29, 2011, JCP&L was scheduled for startup, but they actually beat it by a day. It was ready also on November 28, 2011. Relocation from the plant to new building is scheduled to take place on December 16, 2011.

11. Cedar Bridge Raw Water Mains – Project Status

A permit was received from CAFRA. They will not let the Authority install the water main off the shoulder of the road, they want it to be put in the pavement. Therefore, the price of the water main will be increased. It is not the full length of the water main, only three to four hundred feet of the water main. This will push

the project over the twenty percent for the Change Order. Senator Singer said to go out to bid for that small section; this will eliminate the twenty percent.

12. Airport Road Water Storage Tank Replacement – Project Status

Notification from CB&I was received for another Change Order for the cutting and tapping of the pipes because they were asbestos cement pipe. Mr. Morrill asked the engineer to get quotes. The Authority will do the work under a separate contract and deduct it from the tank contract. Mr. Morrill informed the commissioners that the tank is down. The only item left to be done is removal of the foundations.

13. Meter Replacement Phase 2 – Project Status

Mr. Morrill said that tomorrow the Authority will advertise the bids in several newspapers and the Authority website. The bids will be received on December 28, 2011 and anticipate awarding the contract on December 30, 2011. A phone poll to the commissioners will be needed to award the contract. Also, it will be contingent upon the review of NJEIT.

14. County Line Manor – Project Status

A list of deficiencies was sent to them with slightly modified amounts. We are in negotiations and it is going well. Mr. Smith said the matter was settled subject to the approval of the commissioners. The original offer from the bonding company was \$75,000. This past week it was settled at \$120,000. Mr. Flancbaum said to accept it subject to the approval of the commissioners. The attorney for the bonding company said that the check will be received within a week. Mr. Smith has the releases from the bonding company that needs to be signed after the resolution is passed. Mrs. Lapa read **Resolution # 11-106 Authorizing Release of Performance Bond No. 585162S Issued by Developers Surety and Indemnity company with Regard to County Line Manor**. Motion was made by Mr. Coles, seconded by Mr. Waxman. On a **voice vote**, Mr. Sernotti, Mr. Coles, Mrs. Fish and Senator Singer voted, "**Aye**". Mr. Waxman abstained. **Adopted**. Senator Singer thanked Mr. Smith and all those involved in for quick action on this matter. There was the concern of the chance of bankruptcy and the Authority losing money. Mr. Smith said that Performance and Maintenance Bonds brought in a total of \$308,000. The Authority had \$150,000 in accounts from County Line Manor. This brings a total of \$458,000 cash on hand for the project. The Authority already has the plans. County Line Manor has done it at their expense. Mr. Morrill said the price for the replacement is around \$750,000. There is another developer who will in time give additional money towards it.

VIII. Attorney's Report

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

IX. Executive Director's Report

1. Resolution awarding Risk Management Agreement to Connor Strong Associates

The Authority's total liability insurance premium for 2012 will be \$57,834.00 less a dividend credit for \$5,834 and training session credit of \$2,000 for a net total of \$50,000. The Risk Management agreement is for 6% of the premium cost which totals \$3,470. Senator Singer asked for the training session for the commissioners to be scheduled after one of the meetings. Mrs. Lapa read **Resolution # 11-107 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. Coles, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

2. Resolution to acquire temporary construction easement & permanent easement from Pine Belt Chevrolet

Senator Singer passed the gavel to Mr. Coles. Senator Singer will not participate in this discussion.

The purpose of the acquisition is to allow for the extension of our water main along Route 88 to Lakewood Toyota. Lakewood Toyota is paying for the extension and the Authority will be purchasing the easement for \$9,825 which is the price of the appraisal done by Integra Realty Resources. Mrs. Lapa read **Resolution # 11-108 Authorizing the Acquisition of a Permanent Easement and Construction Easement Across Block 569, Lot 12 and 107**. Motion was made by Mr. Sernotti, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

Mr. Coles handed the gavel back to Senator Singer and Senator Singer will now participate in the discussion again.

3. Resolution granting conservation easement to the State of NJ

This pertains to our CAFRA permit that was received for the Cedar Bridge Raw water main. Mrs. Lapa read **Resolution # 11-109 Authorizing the Execution and Recordation of Conservation Restriction/Easement**. Motion was made by Mr. Waxman, seconded by Mr. Coles. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

4. NJEIT Loan-Metering Project

The Authority received approval for the loan from the DEP on November 29, 2011. Notice to bidders will be in the newspapers this week. Local Finance Board will hear the application on December 14, 2011. This is the same day the Authority will have a special meeting to pass three resolutions required for the loan. The Lakewood Township will need to approve a service agreement amendment at their Committee's meeting on December 15, 2011. We will be receiving bids on December 28, 2011. Mr. Flancbaum said he will be conducting a phone poll to award the contract to the apparent low bidder. The documents will then be forwarded to DEP for their approval. The Authority is anticipating

closing on an interim note sometime between January 15 and January 20, 2012 which will hold us over until the permanent closing in May 2012.

5. Health Insurance Waivers

We have several employees who are requesting health insurance waivers for the next year. According to the law they are eligible to receive a check for up to twenty five percent of the total premium cost or \$5,000 whichever is less. We must decide what to base their compensation on. Some Authorities, especially the larger ones base it on the most expensive plan as a bigger incentive for employees to opt out to save the Authority money. Senator Singer said this should be brought to the attention of the labor counsel and have the attorney make a legal recommendation.

6. Irrigation System-Original Leisure Village & Leisure Village East

Where the Authority's potable water system connects into the Village's irrigation system, there are check valves which prevent any backflow. These valves need to be manually opened and closed. Several weeks ago when the Original Leisure Village was winterizing their irrigation system two of our customers called to say they had air coming out of their sinks. We went over to their houses and there wasn't any water in their houses. When they winterized their system, they caused the water to be sucked out these houses. This obviously raised a great concern because if the valves are not operated properly, it can cause potentially contamination to our water system. Today, when connections are made between potable water systems and irrigation systems, backflow preventers are required to be used, not just a valve. There 252 such connections in the villages. We will be discussing solutions internally and try to come up with a plan on preventing this again and to prevent contamination to our water system. We will report back to the Commissioners. Senator Singer wanted to know who is responsible when something like that happens. Mr. Morrill said that the Authority's ownership ends at the valve and their system is everything beyond that valve. The valve is theirs. The Authority had the summer interns work on these connections. They counted the connections and verified their locations. Senator Singer asked if there is one main line into the development. Mr. Morrill said the developer's owner built the water lines. He connected the irrigation wherever he felt to the potable water system. It can stand some investigation to see whether some connections can be eliminated or consolidated. We need to understand the system and spend some time looking at it. Senator Singer said he does not think we can ever understand the system because the Village does not understand it. Mr. Morrill said that is very true, however, he in his opinion the Authority understands at least ninety to nine five percent of their system. Senator Singer said if we can eliminate half of them it would be helpful.

Mr. Flancbaum said that he has one more item to bring up. There is a resolution that needs to be passed. There is an old generator, battery charger and day tank that the Authority would like to dispose of. It was offered to Lakewood Public Works and they said they do not have any use for them. The Boro of Lakehurst

said that they could use it. Mrs. Lapa read **Resolution # 11-110 Authorizing Disposal of Personal Property**. Motion was made by Mr. Coles, seconded by Mr. Sernotti. On a **voice vote**, all members present voted, "**Aye**". **Adopted**.

X. Instrumentation/IT Department Report

Mr. Farina reported that alarm is installed at the Communications shed and is tied to the Police Department and also has a local audible alarm. Access to the shed is limited strictly to appropriate LTMUA personnel.

New Jersey Business Systems has completed radio and antenna installations for Phases One and Two. Ongoing effort is now in process to tune and adjust the system. We are expecting to change over to the new communications in the near future.

Beacon Hill Water Tank site electrical service installation is now complete and we are awaiting JCP&L to install their equipment and ultimately power the site. The time frame for this is two to four weeks.

We are in the process of coordinating the installation of phone and fax as well as the SCADA system into the new Operations Building as soon as the completion of construction permits.

Work has begun on creating a new centralized database for operations logs, inventory and procedures. This is expected to be operational by year's end in order to begin with 2012 system entries, and will be fully complete with the installation of the SCADA Excel server.

Work has been completed on the transfer and archival to optical media of all historical video footage dating back nearly a decade. This will serve as a valuable reference for the operations and engineering departments in cataloguing past breaks and conditions of underground piping. In addition, we are compiling video recorded walkthroughs of the buildings under construction, both as documentation and for future reference of infrastructure. Senator Singer said that this is excellent. If there is ever a disaster, we will have a record of what our facilities looked like. This would be useful for insurance purposes.

XI. Commissioners' Report

Mr. Theibault asked when the extension on Route 88 is made will the new asphalt need to be cut. Mr. Morrill said it is on the shoulder of the road. Mr. Theibault also questioned now that the Cedar Bridge Raw Water Main will be put in the pavement were the trees removed for nothing. Senator Singer said the Authority was unaware of it because no one knew about the Tree Save Area. CAFRA understood it was done unintentionally. So in essence it was not necessary. Mr. Morrill said that actually part of the area will be needed for construction. It will be put right by the edge of the guardrail. Thirty feet will be needed for construction. Ten or Fifteen feet out of an area of about 150 feet long were cleared for no

reason. Mr. Theibault asked if there is any chance that the Authority can put some trees back there. Mr. Morrill said that the Authority is being mandated to do so. Mr. Theibault questioned if the issue with the backflow in Leisure Village has come up before. Mr. Morrill said there were problems in the past, but not to this extent. There were problems with dirty water and white water. There is dirty water when the system is blown out just like there is dirty water when the hydrants are flushed. White water means some of the air that is being introduced into the system is going backwards through the valve. When air is entrained in your water it can almost look like milk. If you let it settle down in a cup, it will clear in a short time.

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 amount of \$1,354,719.51. On a **voice vote**, all members present voted, "**Aye**". **Motion passed.**

Senator Singer mentioned that the Commissioners quarterly check was given out today, earlier than usual. The final check of the year which is counted as income for 2011 is usually given out in January 2012. Senator Singer felt that because of the holiday it would be nice to get the check earlier.

XV. ADJOURNMENT

A **motion** was made by Mr. Coles, seconded by Mr. Sernotti to adjourn meeting. On a **voice vote**, all members present voted, "**Aye**". The meeting was adjourned at 10:38 A.M.

Respectfully submitted,

Nancy Lapa,
Secretary, LTMUA

LAKWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

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THE LAKEWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

Special Meeting Minutes

December 14, 2011

- I. Senator Singer opened the meeting at 4:06 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 December 9, 2011 and the Star Ledger on December 12, 2011.
- III. **Salute to the Flag**
- IV. **Roll Call of Commissioners**

On the roll call the following Commissioners were present: Mr. Theibault, Mr. S. Flanbaum, Mr. Sernotti, Mr. Coles, Mr. Waxman, Mrs. Fish and Senator Singer. The following professionals were present: Mr. Norman Smith, Esq. and Mr. Gerwin Bauer Jr., Auditor. The following MUA employees were present: Mr. Justin Flanbaum, Executive Director, Mr. Paul Morrill, Engineer, Mrs. Nancy Lapa, Secretary and Mr. Robert Farina, Instrumentation/IT Department Supervisor.
- V. **NJEIT Resolutions**
 1. Mrs. Lapa read **Resolution # 11-111 Resolution Of The Lakewood Township Municipal Utilities Authority Authorizing And Approving An Amendment To The 1975 Service Contract Between The Authority And The Township of Lakewood, New Jersey.** Motion was made by Mr. Sernotti, seconded by Mrs. Fish. On a **roll call**, Mr. Sernotti, Mr. Waxman, Mrs. Fish and Senator Singer voted, "**Yes**". Mr. Coles "**Abstained**". **Adopted.**
 2. Mrs. Lapa read **Resolution #11-112 Supplemental Resolution Relating to the General Bond Resolution of Lakewood Township Municipal Utilities Authority.** Motion was made by Mr. Waxman, seconded by Mr. Coles. On a

roll call, all members present voted, "**Yes**". **Adopted**.

3. Mrs. Lapa read **Resolution #11-113 Resolution Of The Lakewood Township Municipal Utilities Authority Authorizing The Issuance And Sale Of Not To Exceed \$600,000 Principal Amount Of A Project Note Relating To The Interim Financing 2012 Trust Loan Program Of The New Jersey Environmental Infrastructure Trust And Determining Various Matters Relating Thereto**. Motion was made by Mr. Coles, seconded by Mr. Sernotti. On a **roll call**, all members present voted, "**Yes**". **Adopted**.

VI. Commissioners' Report

Senator Singer wished everyone Happy Holidays on behalf of the commissioners.

Senator Singer wanted to mention that he asked Mr. Flancbaum how the new metering system is working. Mr. Flancbaum said that it is really outstanding. If a customer calls and complains about the usage, with the new system we can see how many gallons of water they are using at any time of day and night. One of the commercial customers complained that his water bill was very high. We were able to tell him that he was using 300 gallons an hour twenty four hours a day. This meant there was a major leak there. They then did find a leak there that he was unaware of. Senator Singer also wanted to mention that even though there will be a minimal increase in the rates, it is necessary. Parts of the system are forty to fifty years old and there are problems. Had the Authority not had the foresight to build the Shorrock Street Treatment Plant, there would have not been a treatment plant. What is being done now for the Authority is imperative for an aging system. Even though now it is tough economic times, there are two reasons that the work is being done. Half of the money that the Authority is receiving is free from any interest. The other half of the money is being charged interest rates below the current rates. Secondly, the bids are coming in lower than in normal economic times. With the aging system, the Authority does not have an option. If these projects do not get done now, we will have major problems. Projects done on an emergency basis cost five or six times greater than when done at the right time. Now is the right time because it is an aging system. The retirement communities have systems that are very old.

VII. MEETING OPEN TO THE PUBLIC

There was no response from the public.

VIII. MEETING CLOSED TO THE PUBLIC

IX. ADJOURNMENT

A motion was made by Mr. Sernotti, seconded by Mr. Coles to adjourn meeting. On a **voice vote**, all members present voted, "**Aye**". The meeting was adjourned at 4:11 P.M.

Respectfully submitted,

Nancy Lapa,
Secretary, LTMUA