



Board of Commissioners

Senator Robert Singer, Chairman

P. G. Waxman, Vice Chairman

Mayor Raymond Coles, Treasurer

Anne Fish, Assistant Secretary

Craig Theibault, Commissioner

Samuel Flancbaum, Alt. Commissioner

Meir Lichtenstein, Alt. Commissioner

THE LAKEWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

Regular Meeting Minutes

February 6, 2018

- I. Senator Singer opened the meeting at 2:47 P.M. in the Conference Room of the Lakewood Township Municipal Utilities Authority, 390 New Hampshire Avenue, Lakewood, New Jersey immediately following the Sewer Connection Fee Hearing.
- II. It was announced that in accordance with Chapter 231, Public Law, adequate notice of this meeting was given and that a notice of this scheduled meeting was filed with the Township Clerk and posted in the Municipal Building in a place accessible to the public and by means of public notices in the Asbury Park Press on February 10, 2017 and The Tri Town News on February 15, 2017.
- III. **Salute to the Flag**
- IV. **Roll Call of Commissioners**
On roll call the following Commissioners were present: Mr. Lichtenstein, Mr. S. Flancbaum, Mr. Theibault, Mayor Coles, Mr. Waxman, Mrs. Fish and Senator Singer. The following professionals and key personnel were present: Mr. Adam Pfeffer, Esq., Mr. Gerwin Bauer, Auditor, Mr. Justin Flancbaum, Executive Director, Mr. Daniel Rappoccio, CFO, Mr. Colin Farrell, CEng MIEI, Director of Engineering, Mr. Adam Ponsi, P. E., Mrs. Nechama Lapa, Secretary and Mr. Robert Farina, Instrumentation Department Supervisor.
- V. **Minutes**
A motion to approve the minutes of the Regular Meeting held on January 3, 2018, was made by Mayor Coles and seconded by Mr. Waxman. On a **voice vote**, all members present voted "**Aye**". **Motion carried.**

A **motion** to approve the minutes of the Sewer Rate Hearing held on January 3, 2018, was made by Mr. Waxman and seconded by Mrs. Fish. On a **voice vote**, all members present voted "**Aye**". **Motion carried.**

Senator Singer made a presentation to Mr. Norman Smith for his years of service to the Authority. Mr. Smith was attorney at the time of the formation of the Authority. Leisure Tech, the water and sewer company for Original Leisure Village and Leisure Village East, wanted to sell. The Lakewood Township in their wisdom purchased it and formed the Lakewood Township MUA and it was housed in Town Hall. The Lakewood

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Township MUA's incentive is to make sure the rate payer is serviced the best at the least cost. If you compare the rates of the Authority versus the rates of the rest of Lakewood's purveyor, the Authority is considerably less, approximately forty percent less. The entire solar field, including the engineering work, application fees etc., was installed without any cost to the Authority or the rate payers. It was one hundred percent paid by the company that put it in. This solar field will be an overall savings of approximately \$750,000.00 over fifteen years. Mr. Smith guided the Authority with the solar field project. Mr. Smith has been through the many trials and tribulations of the Authority. The Authority is not an easy business. It is a much regulated industry by the DEP. Mr. Smith has made the Authority come out smelling like a rose. Senator Singer enumerated Mr. Smith's many accomplishments that assisted the Authority in becoming a leading Authority in the State of New Jersey. Senator Singer presented Mr. Smith with three proclamations. One proclamation was a joint Senate and Assembly proclamation, and one from the Township. Mayor Coles said he is still trying to come to terms that Mr. Smith will not be the attorney for the Authority. Mayor Coles said that Mr. Smith was always available for any issue whether night or day. People do not do it unless they care an awful lot. The Authority was blessed to have you all these years and wished him well in his retirement. Mrs. Fish, Mr. Waxman, Mr. Theibault, Mr. Lichtenstein and Mr. S. Flancbaum all spoke about his professional contributions that benefitted the Authority and wished him together with his wife, Sandy, with many years of health and happiness with their family. Mr. Smith stood up to speak. He said he remembers very fondly when he was Township Attorney, in 1971 Mr. George Buckwald told him he wants to start an Authority and to do what needs to be done. Mr. Smith did the research and drafted the Ordinance that created the Authority. He then went on to become a State Judge and after that started a private practice. Thirty two years ago Mr. Smith received a call from Senator Singer asking him if he would like be the attorney for the Authority. Mr. Smith said yes. Mr. Smith wants to express his appreciation to past and present Board Members. He has represented many Boards over the years and this is the only one that has such a great expression of responsibility, professionalism and respect.

VI. Chief Financial Officer Report

1. Financial Results Review For Period Ending January 31, 2018

The Authorities net position for the period ending January 31, 2018 is approximately \$138,000.00 which is \$72,000.00 ahead of the Budget. The Authority's operating revenue is \$1.8 Million. This is \$91,000.00 ahead of the budget. This is being driven by water and sewer service charges which are approximately \$84,000.00 ahead of the budget. The Authority's expenses through January 31, 2018 are approximately \$1.7 Million. This is slightly ahead of the budget by \$19,000.00. In January there was a large snow storm and therefore a large amount of snow cleaning.

2. Audit – Mr. Gerwin Bauer will comment

Mr. Bauer has been working closely with Mr. Rappoccio for the past month and one half and the Audit is going well. We are on the last legs of the Audit. We are working on the construction work in progress that was added this year. We are working with the engineering department on some of the retainage issues on some of the jobs and the developer enhancements for water and sewer for the past year. Then we can progress to the depreciation schedules. The only thing that will be left open, and is out of our control, is the updated pension liability figures from the State. In the past two years, the State has been running a few months late, around April, to get these numbers out.

3. Motion to Approve Operating Vouchers

Mr. Rappoccio provided the commissioners with a list of abstentions. There were two added items to the list that was sent out last Friday. One was the TWA Permit for the County Line Manor Pump Station which came in yesterday in the amount of \$14,538.67. The second item is the annual dues for the Municipal Utilities Authority Association in the amount of \$425.00. The amended amount for the Operating Expense Vouchers is \$482,627.87. A **motion** to approve operating vouchers in the amended amount of \$482,627.87 was made by Mayor Coles, seconded by Mr. Waxman. On **roll call**, all members present voted, "**Yes**" with noted abstentions. **Motion Carried.**

VII. Engineer's Report
Mr. Ponsi's Report

Mr. Ponsi expressed gratitude to Mr. Smith for assistance at the time of his hire for welcoming him and getting him used to the legalities that the Authority deals with on a daily basis.

1. Lakewood Cheder School Vassar Avenue Lakewood Cheder School, Inc-Aharon Rottenberg & Rabbi Posen

- Resolution Authorizing Executive Director to Endorse Applications
Yesterday they came in with an application. Mr. Ponsi reviewed their engineer's report to make sure their numbers comply with the State numbers. A resolution is needed to authorize the Executive Director to endorse the applicant's OCUA and State applications. Mrs. Lapa read **Resolution # 18-17 Authorizing The Executive Director To Sign All Applications Lakewood Cheder School – Vassar Avenue.** Motion was made by Mr. Waxman, seconded by Mayor Coles. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

2. Update of Rules and Regulations

- Motion Approving Addendum #24
Mr. Farrell has a lot of experience with high density hydraulic directional drill of pipes. He has brought to the attention of the Authority the standard of the American Society Civil Engineers for directional drilling of pipe. A motion was made by Mr. Waxman, seconded by Mrs. Fish to update the Rules and Regulations. On a **voice vote**, all members present voted, "**Aye**". **Motion Carried.**

3. 36 Airport Road Building Addition 36 Airport Rd LLC-Menashe Frankel

- Resolution Authorizing Executive Director to Endorse Applications
This is similar to the school in Item No. 1, this application is a commercial industrial application. Due to the proposed development generating over 2,000 gallons per day of sewage, the Executive Director is required to endorse the OCUA application. Mrs. Lapa read **Resolution # 18-18 Authorizing The Executive Director To Sign All Applications 36 Airport Road Building Addition.** Motion was made by Mr. Waxman, seconded by Mrs. Fish. On a **roll call**, all members present voted, "**Yes**". **Adopted.**

4. Chestnut Street 4 Duplex Units 525 Chestnut LLC-Noah Gordon

- Resolution Accepting Developers Agreement
On January 9, 2018 a meeting was held at the Authority to discuss the terms of the Developer's Agreement. The only special term in the Developer's Agreement is allowing them to pay connection fees as they connect. At this time the Authority may accept the terms of the Developer's Agreement. Mrs. Lapa read **Resolution # 18-19 Authorizing The Execution Of The Developer's Agreement Chestnut Street 4 Duplex Units.** Motion was made by Mayor Coles, seconded by Mrs. Fish. On a **roll call**, Mayor Coles, Mr. Waxman, Mrs. Fish and Senator Singer voted, "**Yes**". Mr. Theibault **abstained.**
Adopted.

5. Tuscany II Accurate Builders, LLC-Jack Klugman

- Resolution Reducing Performance Guarantees

The developer requested a reduction in the performance guarantees. An inspection was performed to provide a list of what is outstanding. On February 1, 2018, the Authority issued a performance guarantee reduction letter detailing the amounts the guarantees can be reduced. At this time the Authority may reduce the performance guarantees as detailed in the letter. Mrs. Lapa read **Resolution # 18-20 Reduce Performance Guarantees Tuscany II Subdivision**. Motion was made by Mayor Coles, seconded by Mr. Waxman. On a **voice vote**, all members present voted, "**Aye**". **Adopted**.

Mr. Farrell's Report

6. Well #17 NJPDEP Permit Renewal

- Resolution Awarding Professional Services Contract

The Authority's NJPDES permit for Well 17 is due to expire on October 31, 2018. The permit renewal application must be submitted by April 30, 2018 per the condition of the permit. On January 31, 2018 the Authority received a proposal from Mott MacDonald dated January 26, 2018 to prepare the application package to the NJDEP in the lump sum amount of \$5,000.00. At this time the Authority may award a professional services contract to Mott MacDonald to prepare the application package to the NJDEP for the Well 17 NJPDES permit renewal in the lump sum amount of \$5,000.00. Mrs. Lapa read **Resolution #18-21 Awarding Professional Services Contract Without Public Bidding Pursuant To N.J.S.A. 40A:11-4.1, Et Seq**. Motion was made by Mr. Waxman, seconded by Mayor Coles. On a **voice vote** all members present voted "**Aye**". **Adopted**.

7. Solar Field-Project Status

On June 7, 2016 the Authority authorized the Executive Director to enter into a contract with Cambia Solar for the solar field. On November 8, 2017 the site was cleared. On November 17, 2017 grading of the site was completed. On November 24, 2017 the installation of the fence was completed. On November 28, 2017 racking for the solar panels was installed. On December 15, 2017 the solar panels and inverter were installed. The anticipated items to be completed in February are: Interconnection with utility power at the site, scheduled for February 9, 2018, data acquisition system to be installed, asphalt repair and punch list items to be completed, removal of leftover racking materials, delivery of extra solar modules, clean up of site by the end of the month and As-Built and PTO letter from utility anticipated to be completed in March. Senator Singer asked for the anticipated time of turn on. Mr. Farrell said either next week or the week after. Senator Singer said that is fantastic. Mr. Theibault asked when the stabilization of the ground underneath the panels will take place. Mr. J. Flancbaum said it will probably be done the earliest mid-March. They cannot plant grass seed in the winter. A final sign off is needed from the Ocean County Soils Conservation District.

Mayor Coles left the meeting. Mr. S. Flancbaum is seated as an alternate.

VIII. Attorney's Report

Mr. Pfeffer wished Mr. Smith well. Mr. Smith was a mentor to him since he started practicing law.

Former Pinehurst Drive Lift Station - An auction was held and there was a successful bidder. The closing took place less than thirty days after the auction was held. The Authority has received the check and it cleared. Senator Singer said the sale of this

property put it back on the Township's Tax Roll as well as the Authority recouping its monies back.

IX. Executive Director's Report

Mr. J. Flancbaum wanted to thank Mr. Smith for years they worked together, most of the time it was fun.

1. Resolution Authorizing the Purchase of a 2018 Chevrolet Silverado

An RFP opening was held on January 12, 2018. Two proposals were received. One was from Pine Belt for \$28,890.00 and the second was from Hertrich Fleet Services for \$24,547.00. Mr. J. Flancbaum recommends awarding the contract Hertrich Fleet Services. Senator Singer said the Authority tries to business locally but when it comes to the rate payers money we go with the lower amount. Mrs. Lapa read **Resolution # 18-22 Authorizing The Purchase Of A 2018 Chevrolet Silverado**. Motion was made by Mr. Waxman, seconded by Mrs. Fish. On a **roll call**, all members present voted, **"Yes"**. **Adopted**.

X. Technical Operations Report
Field Operations Report:

1. N.H. Ave./Shorrock St. Clear Well Maintenance Work

The New Hampshire Avenue Clear Well was fully drained and cleaned of sedimentation and also power washed in order to fulfill a routine maintenance and inspection of the potable water chlorine contact chamber. Afterwards management performed a full inspection of the chamber and its piping and instrumentation components followed by our consulting engineer performing the structural integrity inspection which received an A+ grade. We also took the opportunity to install a redundant clear well level control backup alarming device as well. We will perform the same task at our Shorrock Street Clear Well chamber in the near future when our operations can best tolerate the shutdown.

2. Well #2 Building Structural Inspection Report

We also had the same engineering consultant inspect the structural integrity of our block constructed Well House No. 2 since the first two courses of block appeared to be structurally compromised by years of water quality chemical exposure. Our suspicions were confirmed and fortunately only two courses of block on only two of the four walls will require either replacement and or reinforcement. We will be searching for contractors to perform this task, after which we will have a specialized contractor that we already have received a quote with, to follow up that work with applying an impervious coating to the entire floor and up the walls 3 block courses high in order to protect the structural integrity of this building from a future reoccurrence of this problem.

3. Replacement Process Valve Project Status

We are continuing with the budgeted replacement of our process pneumatic operated water treatment plant valves over to the electric operated type.

4. Shorrock Street WTP Rehab. Projects Status

Our old chemical room conversion over to a central storage room in the Shorrock Street plant is now complete and operational as well as the rehabilitation of the utility room there as well. We will now begin the critical task of the filter gallery piping maintenance and rehabilitation. This will require taking off the old paint and rust and reapplying new paint and protection.

Technical Operations:

5. **SCADA and Controls Systems Report**
All SCADA and Control systems are running well. A replacement of the New Hampshire Avenue Clear Well level control system was updated with new level sensors and wiring following a level control failure.
6. **Shorrock Street WTP SCADA Work**
We will be having our SCADA person work with our outside SCADA contractor, ITS, in completing some wiring and pushbutton controls on the Shorrock Street Water Treatment Plant's manually operated filter control panels that were not completed in the original build.
7. **Microwave Radio Project Status Report**
Engineering, Finance and Operations Departments have completed pre-construction meeting with regards to the microwave radio system project. All involved parties were present on both sides. Clarity was met with respect to what the Authority expects with relation to job flow and quality. Our Engineering Department Head has set the standards to which the contractor will follow which would include milestone accomplishments, payment expectations, and communications with the authority on a continuous basis. They will be submitting a written timeline of the job from beginning to end. We are now at the point where we are reviewing the finalized contract and then will be submitting to the Authority Attorney for his review. If there are no unexpected delays with paperwork and legalities, the work is expected to begin in middle March or the beginning of April. Completion is approximately one month to one month and a half, depending on the weather.
- IT Department:**
8. **Water Accountability Cyber Incident Plan Status**
The Water Accountability Act Cyber Incident Response Plan's Phase Two is completed and will be submitted to the NJCCIC by the required due date.
9. **Authority Network Protection Report**
We are working on the two factor authentication of the Authority's network which is also called 2FA. This is an additional layer of security beyond the person user's password. Final testing will begin this month and immediate implementation will follow.
- GIS Department:**
10. **Staff Training on Equipment Status**
Work has commenced on staff training with the GPS system and the tablets associated with it.
11. **Township Assistance with Tax Map Report**
We have attended discussions with the Township regarding their tax map program and the possibility of sharing GIS resources in the future.
- XI. **Commissioners' Report**
- XII. **MEETING OPEN TO THE PUBLIC**
Mr. Shlomo Klein wished to speak. It seems like the Authority has members that are friends. Government agencies should appoint because of their professionalism and not because they are friends. You are in this business even before I was born, I cannot tell you what to do. But it does not look right. The Authority looks like a big family. Mr. Klein has an issue with Mr. Pfeffer being the Authority attorney. There might be negotiations

or suits against developers, such as the one on Locust Street and Mr. Pfeffer represents them at the Township. This is the same issue Mr. Klein had when Mr. Pfeffer was sitting on the Master Plan. Yes it might be legal, but it doesn't look good. It is the same thing here. Mr. Klein said he found out today that the previous attorney, Mr. Smith is also like family. Mr. Klein used Mr. Smith in the past so he has to be a good attorney. Mr. Klein said he receives comments on his blog from the public that the Authority's professionals and members are friends. Mr. Klein does not see that the Authority appoints someone that is not a friend. He is voicing the frustration of the public of what it looks like to them.

Mrs. Sandy Smith asked to speak. She came to this meeting because of her husband and his work for the Authority. In the early years when Lakewood reached out for talent, they reached out for people that are homegrown because Lakewood was and continues to be a family. As a former teacher of Mr. J. Flancbaum and Mr. Pfeffer, they have absolute academic integrity. They rose to the challenge and grew up to be outstanding professionals. Yes it is true Lakewood is a family and I hope it continues to be. Mrs. Smith honestly believes that everyone in this room that is part of the Authority is here because of their talent.

Mr. Paul Morrill asked to speak. Mr. Morrill would like to say that working with Mr. Smith for over thirty years was a pleasure. He was not only the Authority attorney but a close personal friend and teacher. He not only said this is the way to go but always explained why it was within the law and why it was correct. The Authority has always chosen their professionals because of their professionalism and who would serve the public best. Mr. Morrill knows many attorneys in Lakewood and has worked with them and is very happy that Mr. Adam Pfeffer was chosen. It was always a pleasure working with Justin Flancbaum. He is an absolute professional that brought tremendous growth to the Authority and helped him understand the planning aspects which was one of his weaknesses. This helped Mr. Morrill grow as an engineer. Mr. Morrill has always seen the Authority pick the best people.

XIII. MEETING CLOSED TO THE PUBLIC

Senator Singer told Mr. Klein that he is always welcome. Senator Singer said he hopes that the Authority is family. This is a working Board as you can see. Even though we have in house engineers, we hire many different engineering firms based on their expertise. Senator Singer said he is proud that Mr. Bauer's accounting firm is a local firm and pays taxes to Lakewood and has been in Lakewood for many years. Mr. Pfeffer's family has been part of Lakewood for many years. Senator Singer wanted to assure Mr. Klein that if Mr. Pfeffer represents a developer he cannot represent in front of us and if there is a conflict, an outside person will be brought in. There is a lead time. You cannot negotiate something and be their attorney next week. That is improper and you would not do so. If you look at the many members at the Authority they bring wonderful expertise that helps in the decision making. Mr. Waxman is Chairman of the Ocean County Tax Department on a rotating basis. That is prestigious and is appointed by the Governor. Mayor Lichtenstein manages properties and knows a lot of maintenance and talks about issues that affect individuals etc. Mr. S. Flancbaum is involved in construction. Mr. Theibault is a landscaper and is concerned about it. The Authority has used his expertise many times. Mayor Coles brings a perspective of the Township here. Mrs. Fish brings the woman touch. This is very important. The Secretary of the Board is a local young lady. We try to keep hiring the best professionals. Senator Singer went through other employees and described how their expertise contributes to the Authority, Mr. Colin Farrell, Mr. Adam Ponsi, Ms. Robyn Gaynor and Mr. Daniel Rappoccio. The IT Department has grown from nothing to four people and continues to grow. Everyone

here on Board has a stake here in to betterment of Lakewood. Senator Singer said he will err on the side of helping someone from Lakewood. As Mrs. Smith said we are a big family. The proof is in the pudding as they say. Take a look at how the Authority is run and ask people that had problems and how things are worked out and take a look at the low water and sewer rates. Tremendous credit is given to Mr. Waxman is always making sure that the Authority is getting the best price and the best deal. Everyone has a right to question and have a right to say what they want to. This is America. Thank goodness we have that right. We can learn from Mr. Klein also. Thank you for bringing the sidewalks to our attention. We are Lakewood oriented. If you look at other Authorities in Ocean County, our Authority is so far ahead of them. We are very progressive. All the money the Authority has is invested back into the system. The Authority went to the Township requesting the Authority sign off on CO's. That's how we keep on top of things. We have tax sales. There are no delinquencies. We do not turn people off because of the tax sales. Senator Singer said he considers everyone around the table his friends but they were hired because of their expertise and the great job they do. Maybe because we are all friends, we do the best for the public. Lakewood MUA has employees from every race and religion. We make sure we deliver the best product to our clients. The best criteria to judge the Authority is what type of service record we have, our customer service that we give and how to we treat people that come for a meeting. When the Authority was under construction, the Township allowed the Authority to move into their Public Works building for a year. That saved the Authority thousands of dollars. The Authority has an outside plowing company because we do not want to strain the Township and we need to be plowed out right away in case of a bad storm. All Authority facilities have generators. The Authority's fleet is up to date. When the Authority retires a truck it is donated to the Township. It is crucial that the attorney understands planning and development. The Authority is here to work with the developers. The Authority cannot build wells. Lakewood is a growth area. Where will we get water? The Authority has interconnections with Brick MUA, New Jersey American Water Company and we are in the process of looking to interconnect with Suez, the water company of Toms River. We want to buy water at the cheapest rate. The Authority has remote capture for the meter. This is a tremendous help for the Authority. There are no more meter readers. We can see everyone's consumption and help with leaks etc. The Authority has licensed purchasing agents. This is important, this saves money. It was very hard to get licensed operator. The Authority has an incentive for its own employees to become licensed operators. By law you need a licensed operator to go into the facilities. The Executive Director is Vice Chairman of the County MUA Association and will soon be president of the Local County MUA Association. He is also very involved in the State. The commissioners get a lesson on safety etc. for that the Authority gets a \$250 credit per commissioner towards the insurance rate.

XIV. ADJOURNMENT

A motion was made by Mr. Waxman, seconded by Mrs. Fish to adjourn meeting. On a **voice vote**, all members present voted, "**Aye**". The meeting was adjourned at 4:00 P.M.

Respectfully submitted,

Nechama Lapa,
Secretary, LTMUA