



#### **Board of Commissioners**

*Senator Robert Singer, Chairman*

*P. G. Waxman, Vice Chairman*

*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**

**October 3, 2017**

- I. Senator Singer opened the meeting at 10:00 A.M. in the Conference Room of the Lakewood Township Municipal Utilities Authority, 390 New Hampshire Avenue, Lakewood, New Jersey.
- II. It was announced that in accordance with Chapter 231, Public Law, adequate notice of this meeting was given and that a notice of this scheduled meeting was filed with the Township Clerk and posted in the Municipal Building in a place accessible to the public and by means of public notices in the Asbury Park Press on February 10, 2017 and The Tri Town News on February 15, 2017.
- III. **Salute to the Flag**  
Senator Singer asked for moment of silence for those that lost their lives and those that were injured in Las Vegas, Nevada.
- IV. **Roll Call of Commissioners**  
On a roll call the following Commissioners were present: Mr. Lichtenstein, Mr. S. Flancbaum, Mr. Theibault, Mrs. Fish and Senator Singer. Mr. Lichtenstein and Mr. S. Flancbaum were seated as alternates. The following professionals and key personnel were present: Mr. Norman Smith, Esq., Auditor, Mr. Justin Flancbaum, Executive Director, Mr. Daniel Rappoccio, CFO, Mr. Colin Farrell, CEng MIEI, Director of Engineering, Mr. Adam Ponsi, P. E., Mr. Robert Farina, Instrumentation Department Supervisor and Mrs. Nechama Lapa, Secretary.
- V. **Minutes**  
A motion to approve the minutes of the Regular Meeting held on September 6, 2017, was made by Mr. Theibault and seconded by Mrs. Fish. On **roll call**, all members present voted, **"Yes"**. **Motion carried.**

#### **Chief Financial Officer Report**

##### **1. Financial Results Review For September 30, 2017**

The Authorities net position for the period ending September 30, 2017 is approximately \$2.6 Million which is ahead of the budget by approximately \$1.2 Million. The Authority's operating revenues as of September 30, 2017 is \$9.4 Million which is approximately \$1

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## **LAKEWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY**

390 NEW HAMPSHIRE AVENUE, LAKEWOOD, NEW JERSEY 08701

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

Million ahead of budget. The increase continues to be driven by the non-recurring connection fees of \$632,000.00 over budget. The water and sewer service charges are still ahead of budget as well by approximately \$382,000.00. There are five additional connections this month. Four are in the Tuscany II Development and one is in the New Hampshire Heights Development. The New Hampshire Heights Development is close to completion, there are less than ten units remaining. The Authority's expenses through September 30, 2017 are \$6.8 Million. The Authority continues to run favorable to the expense budget by approximately \$154,000.00. This is mainly because of lower repair maintenance cost and lower water purchases throughout the year. Senator Singer asked what percentage is the Authority ahead in sewer and water based on the additional connections and the new metering system. Mr. Rappoccio responded that the water is approximately 68% for the connection fees and the sewer is about 40%. If you break it out, the sewer is slightly more favorable than the water. October is a big billing month because of the irrigation usage. Next month there will be higher service fees than budget. Senator Singer asked Mr. Rappoccio to provide analysis of the revenue for the year without new connection fees that are attributed to the new metering system.

**2. Motion to Approve Operating Voucher**

Mr. Rappoccio provided the commissioners and Mr. J. Flancbaum with a list of abstentions. The operating vouchers to be approved are \$426,585.49. The construction account amount to be disbursed is \$64,794.74. The escrow account will be disbursing \$24,615.95. The operating account amount to be disbursed is \$337,174.80. A **motion** to approve operating vouchers in the amount of \$426,585.49 was made by Mr. Lichtenstein, seconded by Mr. Theibault. On **roll call**, all members present voted, **"Yes" with noted abstentions. Motion Carried.**

**3. Resolution to Submit 2018 Budget to NJ State**

This is a two-step process. The budget is submitted to the State. Then the State reviews it and sends it back and then hopefully at the next meeting, approval for the budget will be requested. The budget was reviewed with the Finance Committee earlier this month. The budget more than adequately covers the Authority's debt issuance cost for 2018. The budget also includes a one percent rate increase on the sewer side. This is a pass through from OCUA to the rate payers. The one percent increase translates into an increase of \$.81 per quarter for a normal residential rate payer. The increase translates into \$3.24 annually. It is not a significant amount. Senator Singer explained that the Authority does not make any money on the sewer, it is a pass through. This is the first increase in a number of years from the OCUA. This increase is for everyone in Lakewood, including New Jersey American Water Company. They do not have to go to the BPU for this pass through increase. Mrs. Lapa read **Resolution #17-87 2018 Authority Budget**. Motion was made by Mr. Lichtenstein, seconded by Mrs. Fish. On **roll call**, all members present voted, **"Yes". Adopted.**

Added item on agenda:

**4. Resolution for Incentive to Subscribers of SHBP**

The Authority is currently having Open Enrollment for the Health Benefits. A new plan came out last year. It is called the Omnia Plan. The employees that opt into this plan will receive an incentive from the Authority. The incentive is \$1,000.00 for a single policy and \$2,000.00 for a family policy. None of the employees have opted into the program last year. But we would like to make it available again to the employees again this year. Senator Singer said the State is offering this incentive to State employees. Senator Singer said this incentive needs to be explained thoroughly to the employees. Mr.

Rappoccio said that last year it was explained to them. Senator Singer explained that out of state emergencies are covered. The savings to the State is substantial, thirty two percent of the premium. This plan allows participating hospitals in the Omnia Plan. All the hospitals in Ocean County are allowed in the Omnia Plan and all the hospitals in Monmouth County are allowed with the exception of Centra State. All the Meridian Hospitals, Barnabas Hospitals, Robert Wood Johnson Hospital and Cooper Hospital as well as many of the larger hospitals in the State are allowed in this plan. It is substantial savings for someone that will most likely go there anyways. Senator Singer said he understands that students that are out of state are covered, but Mr. Rappoccio should check into it. It might make some sense for some of the employees.

Mr. Waxman arrived at 10:12 A.M. Mr. Lichtenstein is no longer seated as an alternate.

Mrs. Lapa read **Resolution #17-88 Resolution For Local Employers To Offer An Incentive Under The State Health Benefits Program**. Motion was made by Mr. S. Flancbaum, seconded by Mrs. Fish. On **roll call**, all members present voted, "**Yes**". **Adopted**.

## VI. **Engineer's Report** **Mr. Ponsi's Report**

### 1. **RFQ's for Engineering Services Calendar Year 2018**

- Motion Authorizing Issuance of Request for Qualifications

A motion authorizing issuance of Request for Qualifications for Professional Engineering Services for Year 2018 was made by Mr. Waxman and seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Motion carried**.

### 2. **Competitive Contracting for Water Testing Services for Calendar Year 2018**

- Motion Authorizing Issuance of Request for Proposals

A motion authorizing issuance of Request for Proposals for Water Testing Services for calendar year 2018 was made by Mr. Theibault and seconded by Mr. S. Flancbaum. On a **voice vote**, all members present voted, "**Aye**". **Motion carried**.

### 3. **216 Joe Parker Road 28 Lot**

- Resolution Releasing Performance Guarantees

This project is Eli Schwab's. On September 28, 2017 the Authority issued a letter indicating the requirements for the Performance Guarantees to be released. At this time the Authority may release the Performance Guarantees conditioned upon that letter.

Mrs. Lapa read **Resolution #17-89 Release of Performance Guarantees Joe Parker Road 28 Lot Subdivision**. Motion was made by Mr. S. Flancbaum, seconded by Mrs. Fish. On **roll call**, Mr. S. Flancbaum, Mr. Waxman, Mrs. Fish and Senator Singer voted, "**Yes**". Mr. Theibault abstained. **Adopted**.

### 4. **Locust Grove**

- Resolution Releasing Performance Guarantees

The developer for Locust Grove is Somerset Development. On September 28, 2017 the Authority issued a letter indicating the requirements for the Performance Guarantees to be released. At this time the Authority may release the Performance Guarantees conditioned upon that letter. Senator Singer passed the gavel over to Mr. Waxman.

Mrs. Lapa read **Resolution #17-90 Release of Performance Guarantees Locust Grove**. Motion was made by Mr. S. Flancbaum, seconded by Mrs. Fish. On **roll call**,

Mr. S. Flancbaum, Mr. Waxman and Mrs. Fish voted, "**Yes**". Mr. Theibault and Senator Singer abstained. **Adopted.** Mr. Waxman returned the gavel to Senator Singer.

**5. New Hampshire Avenue Mikvah (Sewer Extension)**

- Resolution Releasing Maintenance Guarantees

The developer is Congregation Mikvah Tahara. On September 28, 2017 the Authority issued a letter indicating the requirements for the Maintenance Guarantees to be released. At this time the Authority may release the Performance Guarantees conditioned upon that letter. Mrs. Lapa read **Resolution #17-91 Release of Maintenance Guarantees New Hampshire Avenue Mikvah.** Motion was made by Mr. Waxman, seconded by Mrs. Fish. On **roll call**, all members present voted, "**Yes**". **Adopted.**

**Mr. Farrell's Report**

**6. Decommissioning of the Woodlake Pump Station**

- Resolution Awarding Change Order #1
- Resolution Releasing Performance Guarantees, Accepting Maintenance Guarantees and Releasing Retainage

On September 27, 2017 Maser Consulting issued a letter recommending the Authority award Change Order #1 to DSC Construction for a net credit of \$3,992.35 for the unused portions of the bid. The letter also recommends release of retainage upon review and approval of a submitted Maintenance Bond. At this time the Authority may award Change Order #1 to DSC Construction for a net credit of \$3,992.35 for unused portions of the bid. Also at this time the Authority may release the performance guarantees, accept maintenance guarantees and release retainage conditioned on the review and approval of the required maintenance bond for the project. Mrs. Lapa read **Resolution #17-92 Authorizing Change Order No. 1 Decommissioning of the Woodlake Pump Station.** Motion was made by Mr. Waxman, seconded by Mrs. Fish. On **roll call**, all members present voted, "**Yes**". **Adopted.** Mrs. Lapa read **Resolution #17-93 Release of Performance Guarantees, Accepting Maintenance Guarantees And Releasing Retainage Decommissioning Of The Woodlake Pump Station.** Motion was made by Mr. S. Flancbaum, seconded by Mrs. Fish. On **roll call**, all members present voted, "**Yes**". **Adopted.**

**7. Admin Building Renovation and Expansion (Addition)**

- Resolution Awarding Professional Services Contract

Due to continued growth within the Authority's system and subsequently within the Authority's operations the Authority is currently working on plans for a 5,000 square foot administration building expansion. On September 15, 2017 the Authority received a proposal from Remington Vernick for design and construction management services for the 5,000 square foot administration building expansion in the cost not to exceed amount of \$28,700.00. At this time the Authority may award a professional services contract to Remington Vernick for design and construction management services for the 5,000 square foot administration building expansion in the cost not to exceed amount of \$28,700.00. Mr. J. Flancbaum said that this is for civil engineering work, site work. Mrs. Lapa read **Resolution #17-94 Awarding Professional Services Contract Without Public Bidding Pursuant To N.J.S.A. 40A:11-4.1 et seq.** Motion was made by Mr. S. Flancbaum, seconded by Mr. Theibault. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

## 8. Pine Street Vassar Avenue Gravity Sewer Line

### Resolution Awarding Change Order #3

On September 6, 2017 the Authority received change order request #3 from CME Associates for additional work due to four additional laterals discovered during the closed circuit televising of the existing sanitary sewer main in the amount of \$1,200.00. At this time the Authority may award change order #3 to CME Associates for the additional work necessary due to the additional four laterals being discovered during closed circuit televising of the existing sewer main in the amount of \$1,200.00. Mrs. Lapa read **Resolution #17-95 Authorizing Change Order No. 3 Pine Street Vassar Avenue Gravity Sewer Line**. Motion was made by Mr. Theibault, seconded by Mr. Waxman. On a **voice vote**, all members present voted, "**Aye**". **Adopted**.

## VII. Attorney's Report

Mr. Smith said he has nothing additional to report.

## VIII. Executive Director's Report

### 1. Tax Sale Update

Mr. J. Flancbaum said that the first report was generated in July for the upcoming tax sale there were 596 delinquent accounts as of December 31, 2016. The total amount owed was \$267,539.04. As of yesterday, there were 269 delinquent accounts total owed \$127,686.14. Approximately \$140,000.00 was collected over the last two and one half months. The tax sale is scheduled for October 26, 2017. At that time the Authority will be paid in full. Mr. J. Flancbaum said that the Authority staff has been doing an excellent job corresponding with the customers and with the Township Tax Department. The Township Department is doing a good job and cooperating with the Authority. Senator Singer asked when the final day of payment is. Mr. J. Flancbaum said the day before the tax sale, October 25, 2017 is the final day for payment. Customers are not allowed to pay on the day of the tax sale. The vast majority will be collected before and the rest at the tax sale. This is an excellent tool.

## IX. Technical Operations Report

### Field Operations Report:

#### 1. Status of Treatment Processes

All water treatment and sewage collection processes are status quo and normal. The raw water supply assets are in good shape.

#### 2. Storage Building Repair

The staff has internally accomplished a roof replacement on one of our storage buildings that also required major repairs prior to shingling.

#### 3. Shorrock Street Filter Tank Maintenance

The department staff has also taken on the job of sandblasting, priming and repainting our four external pressure filter tanks at the Shorrock Street Water Treatment Plant. Seeing that they were in need of this critical maintenance, bids were solicited from contractors. The bids ranged from \$27,000.00 to over \$35,000.00. When material and our labor are factored in, we do not expect our cost to exceed that of \$5,000.00 to \$6000.00. The job is going very well and it is expected to be completed in approximately three weeks, weather permitting. It was decided to change the tank color to match the Backwash tank and Ground tank. This will enable the leftover paint to be utilized for touch up on all of the tanks at that site.

**Technical Operations Report:**

**4. SCADA System Status**

The SCADA and all other electronic systems are running well. All slated projects having to do with them are on target for completion. One of the projects, the new HP Brand switch replacement, was completed late last week. It was decided to keep the original Cisco switches. Mr. Farina said the reason for keeping them is that the Authority will not be able to resell them and get any money for them and the Authority does not want to dispose them. Therefore, they will be kept as spares, not connected. If the current switches will malfunction in any way, the old systems can be hooked up. This will enable to have as little or no down time as possible of the radio system.

**5. Wells 1, 2, & 3 Status Update**

The work load priority of Technical Operations has been shifted to Well Nos. 1, 2 and 3 to make them an automatic operation in anticipation for the radio communications to be installed at those sites.

**IT Department Report:**

**6. Authority Firewall Update**

The firewall upgrade and license renewal project is completed. The Authority is up to date with its defense for cyber security.

**7. Edmunds System Update**

Preparations are being made for the Edmunds Application upgrade to the latest version.

**8. Authority's Cybersecurity Status**

The cyber incidence response plan is still in progress.

**GIS Report:**

**9. GIS Hard Drives Report**

The Authority's GIS hard drives have been shipped to the NJ Office of GIS in order to get aerial photography and LiDAR data. This service is of no charge to the Authority. The imagery will be used as a base map in our mapping and the LiDAR data is a 3D data set that is used to derive buildings, ground elevations, line of sight, etc. Initially this will be utilized by our engineering department to generate reference contours.

**10. GIS Field Equipment Update**

We have received our GIS external antenna and satellite positioning pole. Now we can begin our in house data collection activities. We no longer have to depend on consultants to do the work at quite a substantial price. We will start to take data acquisition on our own starting beginning to mid-November.

**11. GIS Involvement with the "Water Accountability Act"**

We are working with the Field Operations and Engineering Departments in order to comply with the requirements of the Water Accountability Act. We are working to generate a plan and a process from which we can collect GPS positions on hydrants and valves that currently have unknown sources.

**X. Commissioners' Report**

Mr. Lichtenstein wanted to inform the Commissioners about Lakewood water allocation. He said that he has conference calls with the DEP every Tuesday regarding the plan endorsement process in Lakewood. Mr. J. Flancbaum has joined the conference calls.

The DEP is keeping a close eye on the Authority's requests for allocations and the work being done through the Authority. The DEP is asking for the Township to work with New Jersey American Water Company. The Authority is working with them. It was explained to the DEP that the Township does not own New Jersey American Water Company. Once all the information comes together, the Township will need to put together this information and give the DEP a future water plan. Mr. J. Flancbaum is doing an excellent job. Mr. Lichtenstein said he wishes New Jersey American Water Company would get the information to them a little faster. Senator Singer said the Township will not have a problem with allocation with the Authority. The Authority is set.

**XI. Meeting Open To The Public**

**XII. Meeting Closed To The Public**

**XIII. Adjournment**

**A motion** was made by Mr. Waxman, seconded by Mr. S. Flancbaum to adjourn meeting. On a **voice vote**, all members present voted, "**Aye**". The meeting was adjourned at 10:29 A.M.

Respectfully submitted,

Nechama Lapa,  
Secretary, LTMUA