



Board of Commissioners

Senator Robert Singer, Chairman

Mayor Raymond Coles, Vice Chairman

Craig Theibault, Treasurer

Anne Fish, Assistant Secretary

P. G. Waxman, Commissioner

Samuel Flancbaum, Alt. Commissioner

Meir Lichtenstein, Alt. Commissioner

THE LAKEWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

Regular Meeting Minutes

August 7, 2018

- I. Senator Singer opened the meeting at 10:02 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 9, 2018 and The Tri Town News on February 14, 2018.
- III. **Salute to the Flag**
- IV. **Roll Call of Commissioners**

On roll call the following Commissioners were present: Mr. Lichtenstein, Mayor Coles, Mr. Waxman, Mrs. Fish and Senator Singer. Mr. Lichtenstein was seated as an alternate. 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., Mr. Robert Farina, Instrumentation Department Supervisor and Mrs. Nechama Lapa, Secretary.

Mr. J. Flancbaum announced that Ms. Ellen Stensgaard, Administrative Assistant of the Engineering Department, will be retiring and leaving the Authority. She has been with the Authority for 19 years. Ellen is a pleasure to work with and will be sorely missed by all. We are very happy for her to embark on her next phase in life and wish her a lot of luck. Senator Singer said he has two presentations for her, one from the Township and one from the State. Senator Singer said he is very proud of the work she has done and thanked her for her service to the Authority. He invited her to come back to visit when she comes back North from Florida. Pictures were taken. Ellen thanked all for a great group to work with.
- V. **Minutes**

A motion to approve the minutes of the Regular Meeting held on July 10, 2018, was made by Mayor Coles and seconded by Mrs. Fish. On a **voice vote**, all members present voted "**Aye**". **Motion carried.**

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VI. Chief Financial Officer Report

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

The Authorities net position for the period ending July 31, 2018 is approximately \$2.5 Million which is approximately \$679,000.00 ahead of the Budget. The Authority's operating revenue is approximately \$8.0 Million. This is \$629,000.00 ahead of the budget. Revenue continues to be driven by the increase in water services, efficiencies in the automated billing system and the non-recurring connection fees. The Authority's expenses through July 31, 2018 are approximately \$5.4 Million. This is slightly favorable to the budget. This is driven by favorable budget bulk water purchase and chemical supplies, offset by some higher expenses related to legal and repair and maintenance throughout the year. Senator Singer asked what the solar benefit was in July for the electric. Mr. Rappoccio said he looked at one full month and it was approximately \$3,000.00. Mr. Rappoccio discussed with Mr. J. Flancbaum that they would like to monitor it monthly for the next two months and find out hopefully that the favorability is ongoing. It looks promising from the first full month's bill compared to last years.

2. Motion to Approve Operating Vouchers

Mr. Rappoccio provided the commissioners with a list of abstentions. The amount for the Operating Expense Vouchers is \$394,798.52. A **motion** to approve operating vouchers in the amount of \$394,798.52 was made by Mr. Waxman, seconded by Mrs. Fish. On **roll call**, all members present voted, "Yes" with **noted abstentions. Motion Carried.**

Senator Singer asked regarding the NJEIT loan, does all the money have to be drawn down in one shot. Mr. Rappoccio said no. Mr. Bauer said as the Authority submits the bills to them, they reimburse the Authority. Mr. Bauer said he started on the budget. It is a little different this year, it is being done online. It is a learning experience.

VII. Engineer's Report

Mr. Ponsi's Report

1. Locust Street & Route 70 74 Unit Ramada (124 Locust Developers LLC – Jack Klugman)

- Resolution Granting Conceptual and Technical Approval

On August 2, 2018 T&M Associates issued conceptual review no. 3 and technical review no. 1. At this time the Authority may grant conceptual and technical approval conditioned on the T&M Associates review letter. Mrs. Lapa read **Resolution No. 18-60 Grant of Conceptual and Technical Approval Locust Street And Route 70 74 Unit Ramada.** Motion was made by Mayor Coles, seconded by Mrs. Fish. On **roll call**, Mr. Lichtenstein, Mayor Coles, Mrs. Fish and Senator Singer voted "**Yes**". Mr. Waxman abstained. **Adopted.**

2. Pine St & Blvd of the Americas Daycare & Office Building (Saul Mizrahi)

- Resolution Granting Conceptual and Technical Approval

On July 5, 2018 T&M Associates issued commercial/industrial review for the sanitary sewer system as well as conceptual and technical review for the water system. At this time the Authority may grant conceptual and technical approval conditioned on the T&M Associates review. Mrs. Lapa read **Resolution No. 18-61 Grant of Conceptual and Technical Approval Pine Street And Boulevard Of The Americas Daycare And Office Building.** Motion was made by Mayor Coles, seconded by Mrs. Fish. Senator Singer asked if this is being built now. Mr. J. Flancbaum said that nothing has happened

yet. On **roll call**, Mayor Coles, Mrs. Fish and Senator Singer voted “**Yes**”. Mr. Lichtenstein and Mr. Waxman abstained. **Adopted.**

3. 440 Oberlin Avenue School Conversion (Bnos Orchos Chaim, Inc. – Eliyahu Stern & Jack Mandelbaum)

Resolution Authorizing Executive Director to Endorse Applications

On July 6, 2018 Grant Engineering issued commercial/industrial review of the project due to the proposed development generating over 2,000 gallons per day in projected sewer flow. The project requires approval from OCUA. At this time the Authority may pass a resolution for the 440 Oberlin Avenue School project conditioned on the Grant Engineering review letter in order for the Executive Director to endorse the applicant’s OCUA application. Mrs. Lapa read **Resolution No. 18-62 Authorizing the Executive Director to Sign All Applications 440 Oberlin Avenue School Conversion.** Motion was made by Mr. Waxman, seconded by Mrs. Fish. Senator Singer said he thought there will be no more school conversions. Mr. J. Flancbaum said this is an existing building in Industrial Park and he is not sure if this is in the ABCD zone. On **roll call**, Mayor Coles, Mr. Waxman, Mrs. Fish and Senator Singer voted “**Yes**”. Mr. Lichtenstein abstained. **Adopted.**

4. Lanes Mill Road School (Torah Temimah of Lakewood Inc. – Benjamin Margulies & Mordechai Shayovich)

Resolution Accepting Terms of Developer’s Agreement

On July 25, 2018 a Developer’s Agreement meeting was held at the Authority. The following are the unique terms agreed to at the meeting. The Developer agrees to pay their fair share contribution towards the construction of a sanitary sewer main extension across the frontage of the school’s property instead of building it themselves, which would normally be required. The contribution amount is \$106,327.00. The second condition is that the Authority is being granted permission to inspect the interior of the building to verify classrooms and dormitory rooms usages to make sure the flows match the agreement. At this time the Authority may accept the terms of the Developer’s Agreement. Mrs. Lapa read **Resolution No. 18-63 Authorizing the Execution of the Developer’s Agreement Lanes Mill Road School.** Motion was made by Mr. Lichtenstein seconded by Mr. Waxman. On **roll call** all members present voted “**Yes**”. **Adopted.** Senator Singer asked why they are not putting in the sewer main. Mr. Ponsi said that at this time there is no need for it at the end of their property, like the next person down the road. So essentially when the next person needs it, the Authority has the money to give them to build it all in one shot. The school did not want to go through approval process at this time. Mr. J. Flancbaum said he thinks it was more the timing. Senator Singer wanted to confirm that there is an understanding that the next person will put it in because they can have it done cheaper than the Authority. Mr. J. Flancbaum said yes, and the Authority has the money to give them. Senator Singer said he does not want the next person to say that the Authority has to put it in. Mr. Pfeffer said it will be part of the next Developer’s Agreement. Mr. Waxman asked what happens if the price goes up, who will pay the difference. Senator Singer said it is forty percent cheaper for a developer to do it than the Authority. Mr. Ponsi said the Authority received the full amount it would cost the Authority to put in. Mr. Waxman asked why the school would want to do it this way, would it not be cheaper for them to do it themselves. Mr. J. Flancbaum said it is a timing issue for them.

5. Magnolia I (319 Cedarbridge, LLC – Menachem Gutfreund)

Resolution Reducing Performance Guarantees

On June 25, 2018 the Authority received a request from Neka Solutions to reduce the performance guarantees held by the Authority. On August 2, 2018 the Authority issued

a reduction letter detailing the amounts the performance guarantees may be reduced. At this time the Authority may reduce the performance guarantees for the Magnolia I development based on the Authority's August 2, 2018 letter. Mrs. Lapa read **Resolution No. 18-64 Reduce Performance Guarantees Magnolia I**. Motion was made by Mr. Waxman, seconded by Mr. Lichtenstein. On a **voice vote** all members present voted "**Aye**". **Adopted**.

6. Magnolia II (319 Cedarbridge, LLC – Menachem Gutfreund)

- Resolution Reducing Performance Guarantees

On June 25, 2018 the Authority received a request from Neka Solutions to reduce the performance guarantees. On August 2, 2018 the Authority issued a performance guarantee reduction letter detailing the amounts the performance guarantees may be reduced. At this time the Authority may reduce the performance guarantees for the Magnolia II development in the amounts as detailed in the Authority's August 2, 2018 letter. Mrs. Lapa read **Resolution No. 18-65 Reduce Performance Guarantees Magnolia II**. Motion was made by Mr. Waxman, seconded by Mayor Coles. On a **voice vote** all members present voted "**Aye**". **Adopted**.

7. Pine Belt Chrysler (Pine Belt Enterprises – David Sickel)

- Resolution Releasing Performance Guarantees

In July 2017 the Authority received a request to modify the conditions of release of the performance guarantees from the applicant's engineer. On August 2, 2018 the Authority issued a revised version of the Authority's letters of March 2, 2017 and November 3, 2017 indicating the updated requirements for the performance guarantees to be released. At this time the Authority may release the performance guarantees and revise certain requirements of Resolution No. 17-118 conditioned on the Authority's letter of August 2, 2018. Mrs. Lapa read **Resolution No. 18-66 Releasing Performance Guarantees Pine Belt Chrysler**. Motion was made by Mr. Waxman, seconded by Mayor Coles. On a **voice vote** all members present voted "**Aye**". **Adopted**.

8. Route 88 33 Unit Development and Community Building (Ocean Ave Development, LLC. – Mordechai Sternstein)

- Resolution Releasing Performance Guarantees

On August 2, 2018 the Authority received a request from Neka Solutions to modify the conditions of the performance guarantee release to not require the submission of maintenance bonds. The reason they requested that is that the maintenance bonds would expire in two months. On August 2, 2018 the Authority issued a revised version of the Authority's December 22, 2016 letter indicating the updated requirements for the performance guarantees to be released. At this time the Authority may release the performance guarantees and revise certain requirements of Resolution No. 17-07 conditioned on the Authority's letter of August 2, 2018. Mrs. Lapa read **Resolution No. 18-67 Releasing Performance Guarantees Route 88 33 Unit Development and Community Building**. Motion was made by Mayor Coles, seconded by Mrs. Fish. On **roll call**, Mayor Coles, Mrs. Fish and Senator Singer voted "**Yes**". Mr. Lichtenstein and Mr. Waxman abstained. **Adopted**.

9. Chestnut Street Development (Stamford Hill 54, LLC – Noah Gordon & Yehuda Dachs)

- Resolution Releasing Maintenance Guarantees

On August 2, 2018 the Authority issued a letter detailing the conditions required for the maintenance guarantees to be released. At this time the Authority may release the maintenance guarantees for Chestnut Street Development conditioned on the Authority's letter of August 2, 2018. Mrs. Lapa read **Resolution No. 18-68 Releasing Maintenance Guarantees Chestnut Street Development**. Motion was made by Mayor

Coles, seconded by Mr. Lichtenstein. On **roll call**, Mr. Lichtenstein, Mayor Coles, Mrs. Fish and Senator Singer voted “Yes”. Mr. Waxman abstained. **Adopted.**

Mr. Farrell’s Report

10. Pine Street Vassar Avenue Gravity Sewer Line

- Resolution Awarding Change Order #5

On July 25, 2018 the Authority received a proposal from CME Associates for bid services, construction administration and inspection services in the cost not to exceed the amount of \$262,894.00. At this time the Authority may award Change Order No. 5 for CME Associates to provide bid services, construction administration and inspection services for the cost not to exceed \$262,894.00. Mr. Waxman asked how come the change order is so high. Mr. J. Flancbaum explained when the initial contract was awarded for the design they included bid services and construction inspection. The Authority decided at the time just to design the project and get permits. So this is really the next phase. Their original proposal was actually much higher and this price was the result of negotiations. Mr. J. Flancbaum said the Authority feels this is a fair reasonable price compared to what was submitted initially. Mrs. Lapa read **Resolution No. 18-69 Authorizing Change Order No. 5 Pine Street Vassar Avenue Gravity Sewer Line.** Motion was made by Mayor Coles seconded by Mrs. Fish. On **roll call** all members present voted “Yes”. **Adopted.**

11. Wells 1 & 3 Change in Chlorination System

- Resolution Awarding Professional Services Contract

On August 1, 2018 the Authority received a proposal from Remington Vernick to modify the chlorination systems at Wells No. 1 and No. 3 from the dry calcium hypochlorite briquettes to sodium hypochlorite on both temporary and permanent basis in the lump sum amount of \$4,950.00. The Authority operations department requested this change due to higher ammonium levels in the water at Wells No. 1 and No. 3 which the sodium hypochlorite treats better than the calcium hypochlorite. At this time the Authority may award a professional services contract to Remington Vernick in the amount of \$4,950.00. Mrs. Lapa read **Resolution No. 18-70 Awarding Professional Services Contract Without Public Bidding Pursuant to N.J.S.A. 40A:11-4.1, et seq.** Motion was made by Mayor Coles seconded by Mrs. Fish. On **roll call** all members present voted “Yes”. **Adopted.**

VIII. Attorney's Report

Mr. Pfeffer said he has two items for closed session

IX. Executive Director's Report

1. Capital Project Update

- Vassar Avenue Sewer Line
- Ridge Avenue Sewer Line

The biggest obstacle was receiving a CAFRA Permit for both projects. CAFRA permits were received but the Authority is appealing several conditions of the permits. The main condition that is being appealed is that CAFRA is asking for any project that wants to connect to the sewer line, even if the projects individually do not merit CAFRA applications and permits, need to apply to CAFRA. The condition was very vague in terms exactly what they need to apply for, whether it was for a full blown CAFRA Permit or partial. The Authority feels that the conditions are not reasonable based on the work that is being done. A mediation meeting with CAFRA is scheduled for August 23rd. Mr. Waxman asked why they are doing this. Mr. J. Flancbaum said he does not know. An initial conversation was had with the Attorney General’s office. Mr. Mike Gross is representing the Authority. Hopefully by next month’s board meeting he will have an

update and know which direction it is moving towards. Mr. Pfeffer, the Authority attorney, is overseeing everything.

- Administration Building Addition

NJEIT approval and SED approval were received. On September 10th the advertisement for the Notice of Bid will appear in the newspaper. The bid opening will be held on October 10th. Hopefully, the award of contract will take place at the November 7th board meeting. This is good news.

Mr. Lichtenstein asked about the Vassar Avenue and Ridge Avenue Sewer Lines, are roads being taken up and sewer lines are being put in? Mr. J. Flancbaum said the Vassar Avenue sewer line begins on Towbin Avenue goes up Vassar Avenue, crosses New Hampshire Avenue then hits south on New Hampshire across Pine Street to East Spruce Street. The entire sewer line will be in an existing right of way so there will be no clearing. Originally the design of the sewer line was going to be off the street on New Hampshire Avenue. When the Authority met with the DEP and CAFRA they said if it is off the street a T&E Study will have to be done. Mr. J. Flancbaum said forget about it the Authority will just put it in the street to avoid the Study. Everything will be in an existing right of way, which is one of the reasons that the Authority feels that the condition is unreasonable because we would not be going into any wooded areas or anything like that. There are projects that are approved that will get built regardless of whether the sewer line is installed. If we do not have the sewer lines, they will be built on pump stations. All the Authority is saying that it is better for these projects to be connected to a gravity sewer line than a pump station. On Ridge Avenue, the sewer lines will be installed in areas that are unimproved. They are existing Township Municipal right of ways but unimproved. They have the same condition and the Authority is still appealing it because the Authority wants to see exactly what the new development is going to have to apply for and not leave it open ended. Mr. Lichtenstein said that if the Authority is putting in the lines in the roadway where there are current rights of way, does it have a larger impact on traffic. The T&E Study is being avoided but will the construction have a larger impact on the traffic flow. Mr. J. Flancbaum said that if he remembers correctly, some of the construction on New Hampshire Avenue will be done in the night time. There will be lane closures. Mr. Lichtenstein asked will these lane closures not be needed if the T&E Study is done. Mr. J. Flancbaum responded in some areas. The only area where the Authority proposed to put the sewer line off the road was on New Hampshire Avenue thinking that the Authority will save the cost of County road restoration, which is a big cost. It was a section of several hundred feet out of approximately 2,600 linear feet. It was not a large area that the Authority is proposing off the road. That was the only area that made sense to avoid the County road restoration. Mr. Lichtenstein asked that even though it is a little harder for the Authority and more expensive, obviously it should be decided by the professionals, and the DEP and T&E Study are difficult to deal with. The Authority is avoiding the DEP issues but roadways are being closed. To him, he prefers that the two can be balanced. Doing it this way will get it done faster and less frustrating but a lot more frustrating because some of the roadways that will be affected are major roadways in Town. Also, when bidding the projects leave room for night time work and weekday work that starts after 10:00 A.M. Closing down the road between 7:00 A.M. and 10:00 A.M. will make it impossible. Mr. J. Flancbaum said he understands that. Senator Singer disagreed with Mr. Lichtenstein and did not think going back to the DEP is a good idea as the area in question is so small and lane closures would have to occur for the vast majority of the project regardless. However, the Authority will obviously do its best to minimize impact to the traffic patterns.

X. Technical Operations Report

Field Operations Report:

1. JIF Inspection

We recently had our JIF inspection in which we did very well having just a few minor items that were brought to our attention that are being addressed. The inspection was partial and they will return to complete it later this month or early September.

2. Hydrant Maintenance

Hydrant maintenance and painting is moving right along and on a solid track to completion.

3. Shorrock Water Treatment Plant Hypo Rehabilitation

The Shorrock Street CL2 disinfection system rehabilitation was completed resulting in a system that will deliver high dependability for years to come.

Technical Operations:

4. SCADA – Well No. 2

We had our outside SCADA support contractor come in to complete the automatic operation portion of the Well No. 2 programming in anticipation for when our microwave radios are installed later this month. This is the first time the well will be able to be monitored and operated remotely around the clock.

5. Routine Instrument Calibrations

Routine calibrations of all our water quality instrumentation field devices are in progress. Our in house calibration program goes above and beyond what the NJDEP requires. This is to insure that we should never be susceptible to any non-compliance issues regarding field instrumentation accuracies and operations.

IT Department:

6. VPN Lines

The Authority is now administering its own VPN lines, and no longer uses an outside vendor to do it. Mr. McBride has notified the old VPN vendor that we will be terminating our accounts with them and he is also in the process of sending a written request for termination as well. Their equipment will be returned to them and we will seek any prorated monies due to the Authority.

7. Cyber Security Measures

The Authority's cyber security efforts will now be complemented by implementing a Security Awareness Program by a company called KnowBe4 which is one of the largest integrated platforms for security awareness training. We will have access to all of their cloud based resources such as interactive modules, videos training campaigns, cyber threat bulletins and much more. This tool will eventually lead to having the capabilities of putting routine mandatory security training right onto all employees' desk top computers.

GIS Department:

8. Lakewood Fire Department Assistance

The Authority provided Fire District No. 1 with updated hydrant locations.

9. Hydrant Identification

The Authority assisted in the identifying of hydrants in need of servicing in addition to the painting effort.

10. GPS Training Status

The Authority's GIS Specialist is continuing to teach and assist our new and existing field employees in the use of GPS field equipment in order to triangulate locations and equipment with satellites. This will improve accuracies of existing features.

XI. Commissioners' Report

XII. MEETING OPEN TO THE PUBLIC

XIII. MEETING CLOSED TO THE PUBLIC

XIV. CLOSED SESSION

Senator Singer asked for a closed session for contract negotiation and pending litigation. The meeting went into closed session at 10:35 A.M. Mrs. Lapa read **Resolution No. 18-71 To Go Into Closed Session**. Motion was made by Mr. Waxman, seconded by Mr. Lichtenstein. On a **voice vote** all members present voted "**Aye**". **Adopted**.

XV. OPEN SESSION

Open session started at 10:46 A.M. Senator Singer said that pending litigation and contract negotiation were discussed. The Authority has a contract in hand for New Jersey American Water Company to buy water. A **motion** was made by Mr. Waxman, seconded by Mayor Coles to authorize Senator Singer, Mr. J. Flanbaum and Mr. Pfeffer to move ahead and sign off on the contract when complete. There are two minor things that need to be looked at. When it is complete it will be submitted to the DEP for approval. Mr. Pfeffer said at the next month's meeting there will be a resolution memorializing it. On **roll call**, all members present voted, "**Yes**". **Motion Carried**.

XVI. ADJOURNMENT

A **motion** was made by Mr. Waxman, seconded by Mrs. Fish to adjourn meeting. On a **voice vote**, all members present voted, "**Aye**". The meeting was adjourned at 10:48 A.M.

Respectfully submitted,

Nechama Lapa,
Secretary, LTMUA