

LAKEWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

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THE LAKEWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

Regular Meeting Minutes

March 29, 2012

- 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 March 26, 2012 and the Tri Town News on March 23, 2012.
- 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. 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. Mr. Justin Flancbaum, Executive Director, Mr. Paul Morrill, Engineer, Mrs. Nancy Lapa, Secretary and Mr. Robert Farina, Instrumentation/IT Department Supervisor were in attendance.
- V. **Minutes**
A motion to approve the minutes of the Regular Meeting on March 6, 2012, was made by Mr. Waxman and seconded by Mr. Sernotti. On a **voice vote**, all members present voted "**Aye**". **Motion carried.**
- VI. **Accountant's Report**

Mr. Bauer said the audit for year ending October 2011 is finished. Copies of the audit were given out. Prior to this meeting, Mr. Bauer met with the Finance Committee to go over the audit. Mr. Bauer explained the financial highlights of the audit. Affidavits have to be signed by the commissioners. Mrs. Lapa read **Resolution # 12-48 Acceptance of 2011 Audit**. Motion was made by Mr. Sernotti, seconded by Mrs. Fish. On a **Roll Call**, all members present voted, "**Yes**". **Adopted**.

VII. Engineer's Report

1. Repair and Replacement of Sanitary Sewer on Redondo Lane

Resolution Awarding Contract

The original bids were rejected and it was put out to bid again. The previous lowest bidder came in second time again as the lowest bidder at \$204,000. This bid is higher than their original bid of \$188,000. They are still well under the other original bidders. Mr. Morrill recommends awarding the contract to Mazzara Trucking and Excavating for \$204,328. This is well under what the Authority originally figured it would be. Mrs. Lapa read **Resolution # 12-49 Awarding Contract for Redondo Lane Sanitary Sewer Improvements**. Motion was made by Mr. Sernotti, seconded by Mr. Waxman. On **voice vote**, all members present voted, "**Aye**". **Adopted**.

2. Brick Township Municipal Utilities Authority Interconnections

Resolution Awarding Change Order #1

This is a change order for Leon Avakian for \$47,500. This is an increase scope of work for professional services. They say that the interconnections will require booster pumps. A booster station will have to be designed to raise the pressure from Brick to bring it to Lakewood. This also includes the construction observation which was not in the original scope of work. The original scope of work was just for investigation and design of a simple interconnection. Mr. Theibault asked where the line is originating from and where is it going to. Mr. Morrill said that the Authority is investigating four locations – 1. Lanes Mills at the Metedeconk River. This looks like it will be cost prohibitive and it will probably be eliminated 2. Route 88 at the Brick border 3. Chambers Bridge Road at the Brick border and 4. Shorrock Street. At Shorrock Street there already is an interconnection. If it is done at that location it will only be an upgrade. A booster pump will be needed at all locations. The Brick system is not much higher than ours. The only time a booster pump would not be needed is if the Authority has a total failure and all the pressure was lost. Mr. Sernotti questioned why the Authority has to pay for the booster pump. Mr. Flancbaum explained that originally the Brick Authority wanted us to purchase a set amount of water per day whether needed or not. We agreed that we will build and pay for the interconnection and we will only pay for the water that we need. Mrs. Lapa read **Resolution # 12-50 Authorizing Change Order No. 1 and Extend Contract**

Interconnection Between LTMUA and BTMUA. Motion was made by Mr. Sernotti, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

3. Vermont and Salvatore School and Dormitory

Resolution Granting Approval for Authority to endorse OCUA application
Mr. Waxman and Mr. Sernotti did not participate in this discussion. Mr. Theibault was seated as an alternate.

An application was received for a school and dormitory on Vermont Avenue at the intersection of Salvatore Drive. The application changes on a daily basis. In the packet is a letter dated March 22, 2012 and there are handout letters dated March 27, 2012 and March 29, 2012. Mr. Theibault questioned who the builder is. Mr. Flancbaum said the applicant is Bais Medrash of Asbury Park. The registered agent is Rabbi Zev Mintz. The builder is Regency Developer, Abe Auerbach. Mr. Theibault said that he **cannot** participate either in this discussion. Mr. Theibault **rescinds** his seat as alternate. Mrs. Lapa read **Resolution # 12-51 Grant of Commercial/Industrial Approval Bais Medrash of Asbury Park, Inc.** Motion was made by Mrs. Fish, seconded by Mr. S. Flancbaum. On a **voice vote**, all members present, Mr. S. Flancbaum, Mrs. Fish and Senator Singer voted, "**Aye**". **Adopted.**

Mr. Theibault, Mr. Sernotti and Mr. Waxman will now participate again in the discussion.

4. New Hampshire Avenue Treatment Plant

Resolution Awarding Change Order #2 for Professional Services Contract

This item will be discussed in the Executive Director's agenda.

5. Cedar Bridge Raw Water Mains – Project Status

Mr. Morrill is happy to announce that the pipe work has been completed past the ball park. All the water mains are in place except for the two directional drills. They are now working on connecting the pipes together, so he assumes that the directional drills will be following very shortly. All the pipe work should be done way before the opening game of the Blue Claws on April 12, 2012. Mr. Morrill is pushing to have the restoration and the area reseeded before the opening game.

6. Installation of Blow-off Hydrants and the Repair of Valves and Boxes – Project Status

This will be taken care of by Ernst Ernst and Lissenden. It will not be done now because the Authority is too busy to provide the staff that is required. It will be held off till fall time.

7. Adjustments to Manhole Frames and Covers within Original Leisure Village – Project Status

This is being taken care of by Ernst Ernst and Lissenden. This will be done now since the Village is now doing a paving job and we would like to have the manhole covers done before.

8. Leisure Village East Lift Station Repairs – Project Status

A meeting was held on March 23, 2012 to go over the plans with the engineer. The Authority is ready to issue the plans for bidding; however, the Authority needs input from the designer of the booster pump station of the interconnection since they are so close. If possible we would like to incorporate the requirements for electricity. Hopefully it will be ready for bid for next month.

VIII. Attorney's Report

Mr. Smith has a resolution authorizing the Authority to obtain the easements across from Calvary Lighthouse either by purchase or condemnation. Mrs. Lapa read **Resolution # 12-52 Authorizing the Acquisition of Property by Condemnation or Purchase**. Motion was made by Mr. Sernotti, seconded by Mr. S. Flancbaum. On a **voice vote**, all members present voted, "**Aye**". **Adopted**.

Mr. Smith has a draft of the Brick Township MUA Interconnect Service Agreement that Mr. Jerry D'Asti drew up. Mr. Smith would like to meet today with Mr. Morrill and Mr. Flancbaum to go over the clauses and it will be ready for next meeting.

Mr. Waxman questioned the status of the Toyota agreement. Mr. Smith said he wrote a letter two weeks ago to Mr. Shea with copies to all parties. No one had contacted him and Mr. Smith has not heard back from the attorney for Toyota. The letter explained the situation. A complex reimbursement schedule was negotiated and Mr. Smith was not about to renegotiate unless Mr. Shea participated. Mr. Smith still has not heard from Mr. Shea. Mr. Shea had been in contact with Mr. Flancbaum. Mr. Flancbaum said that the Authority has a fully executed Developer's Agreement based on the Authority's terms and conditions. Mr. Waxman suggested that a letter should be sent to all parties stating that the Developer's Agreement is done. Mr. Smith said he will send the letter.

Senator Singer suggested that the Authority have a hearing to have the non-profit reduction in connection fees be further reduced from fifty percent reduction to a seventy five percent reduction. At this time there is an applicant before the Authority for a dormitory with a hook up fee of \$53,000. This seems high for a dormitory for fifty students. Senator Singer asked if there were any objections to the hearing for further

reduction for non-profits. There were none. Senator Singer asked Mr. Smith to prepare for the hearing.

Senator Singer said the Authority is requiring observation manholes. Their purpose is legitimate. It allows the Authority to monitor for chemical dumping in the system. It is essential for all commercial properties and all properties in Industrial Park. Commercial properties include shopping centers. The observation manhole is not necessary for a church, synagogue, school or dormitory. They do not have pollutants. Senator Singer said that every property in Industrial Park, even a school, needs an observation manhole. The reason being that if the school sells and the property reverts back to industrial usage, they do not need to come to the Authority for permission or application. The only exception is if the school is a vocational school it should be required to have an observation manhole. Senator Singer questioned how much an observation manhole costs. Mr. Morrill responded the cost is about \$5,000. Senator Singer said that he would like to have a hearing next month on the Authority's policy of observation manholes.

IX. Executive Director's Report

1. Resolution awarding contract to Van Cleef Engineering Associates to develop conceptual sewer alignments for elimination of the Woodlake Pump Station

The scope of work is broken out in three phases. Phase one will be the development of different alignments for discussion with the Authority. This will be for gravity sewer. After discussions we will indicate which alignments are worth of further consideration. Total amount for phase one is not to exceed \$5,600. Phase two entail discussions with every entity and property owner that this will affect. During this time potential easement acquisitions, required permitting, and general overall cost estimates will be developed as well. Cost for phase two is not to exceed \$14,000. At that point Van Cleef will collaborate with our Attorney to determine the most reasonable, implementable, and cost effective routes. Upon conclusion of that effort a final decision should be able to be reached by the Authority as to which sewer alignment should be utilized for the project.

Phase three will be an assessment of the potential payback period required for the elimination of the pump station based on the alternative under consideration as determined by phase two. Cost for this phase is not to exceed \$5,000. The total cost amount of contract to Van Cleef Associates not to exceed \$24,600. Senator Singer said this pump station had a major explosion and the Authority is looking forward to having this gravity sanitary sewer. Mr. Morrill said the cost of the explosion at first was \$36,000 before it was over, the cost was \$52,000. Then it had to be rebuilt and that was over \$100,000. The Authority received some money back from insurance. The last time this was investigated it was projected

that by paying for the sewer line, the Authority would save \$10,000 per year in maintenance, labor etc. Mrs. Lapa read **Resolution # 12-53 Awarding Professional Services Contract Without Public Bidding Pursuant to N.J.S.A. 40A:11- 4.1, et seq.** Motion was made by Mr. Sernotti, seconded by Mr. S. Flancbaum. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

2. Cell antenna lease purchase agreement

Mr. Flancbaum negotiated with the potential purchaser for the cell antenna lease a final price of \$725,000. The contract is currently under the Authority's attorney review. Senator Singer asked if it can be accepted and does not need to go out to bid. Mr. Smith responded that he has to discuss this with Mr. Flancbaum.

3. New Jersey Business and Industry Association

This is a state wide organization. The cost of membership is \$185.00 per year. They are a business advocate. One of the benefits of membership include the opportunity for the Authority employees to receive auto insurance through NJ Manufacturers whose rates are usually on an average twenty percent less than other insurers. The Authority can save on Fed Ex shipping around twenty to thirty percent. The commissioners agreed to join.

4. Summer Intern- Operations

Mr. Flancbaum said the Authority would like to hire a summer intern. The intern would help with mowing the lawn, locating curb stops, digging and operating curb stops. The pay would be around ten to eleven dollars per hour. Mr. Flancbaum would prefer to hire a high school senior or a local college student. Senator Singer said that the intern should be at least eighteen years old and also a Lakewood resident. Mr. Flancbaum said he plans on contacting Lakewood High School.

5. New Hampshire Avenue Treatment Plant - Hatch Mott MacDonald Change Order

Hatch Mott MacDonald put in a request for an increase in the inspection budget for \$250,000. The request is based on several factors that changed throughout the project. Mr. Flancbaum said he does not have a formal presentation from them. He met with them last week. Mr. Flancbaum said he sent them a letter stating that he is rejecting this increase request unless it can be backed up and show justification. Mr. Waxman said to tell them that this gives them bad credibility with regard to future projects. Senator Singer said they are claiming a tremendous amount of additional work hours based on the delay in the construction of the project. Senator Singer said his problem is who authorized them to put in the additional hours. They should have come back to the Authority saying that a lot of more hours are needed weekly, how should we

proceed. Mr. Flancbaum said they are claiming from 800 to 1200 additional hours. Mr. Smith said the Authority met with Hatch Mott MacDonald for one and one half hours. Mr. Smith said he presented all these issues to them and informed them that they have to come up with much better documentation and justification than they had. They said they will go back to the drawing board to get it done. Senator Singer said he is concerned why this happened. Mr. Waxman said it is time to find other companies, this is happening way too often. Senator Singer said that he is not defending them but in large jobs like this, it does happen. Although, they should have sent a letter to the Authority when they saw the additional hours started being needed to discuss how to go about it. Mr. Smith said that this was not a bid contract. The amount of the contract was merely an estimate to begin with. It was not a fixed amount.

6. Closed Session – Personnel and Contract Negotiations – will take place later

X. Instrumentation/IT Department Report

Mr. Farina gave a brief overview of department activities over the last month.

The department has been concentrating on the New Hampshire Avenue SCADA system. We have also been addressing any emergencies that occur elsewhere out of that scope of work facility wide.

The work plan lies solely with programming and implementation of the New Hampshire Avenue SCADA project. The Operations Building programming has been completed and some start up testing with the exceptions of the Chlorinator and the Aeration Tower. This is due to the equipment having not been installed and/or wired yet. We are now pushing our efforts towards the Filter Building and are working closely with the contractors in trying to find and correct any equipment problems while it is relatively easy to do so during the installation phase.

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. Sernotti and seconded by Mrs. Fish to approve the Operating Vouchers in the amended amount of \$1,424,186.74. On a **Roll Call**, all members present voted, "**Yes**".
Motion passed.

XV. CLOSED SESSION

A **motion** was made by Mrs. Fish and seconded by Mr. Waxman to go into closed session at 10:45 A.M. On a **voice vote**, all members present voted, "**Aye**".

XVI. OPEN SESSION

Open session started at 10:50 A.M. Contract negotiations were discussed. The Authority will be going out to bid for the purchase of leases on the towers. It will be advertised. Mr. Smith will prepare the bid documents. A personnel item was discussed and the Executive Director will take action.

XVII. 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 10:51 A.M.

Respectfully submitted,

Nancy Lapa,
Secretary, LTMUA