

# LAKWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

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## THE LAKEWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

### Regular Meeting Minutes

October 1, 2013

- 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 11, 2013 and The Tri Town News on February 13, 2013.
- 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 and key personnel were present: Mr. Norman Smith, Esq., Mr. Gerwin Bauer, Auditor, Mr. Justin Flancbaum, Executive Director, Mr. Paul Morrill, Engineer, Mrs. Nancy Lapa, Secretary and Mr. Robert Farina, Instrumentation Department Supervisor.
- V. **Minutes**  
A motion to approve the minutes of the Regular Meeting held on September 3, 2013, was made by Mr. Sernotti and seconded by Mrs. Fish. On a **voice vote**, Mr. Sernotti, Mr. Waxman Mrs. Fish and Senator Singer voted "**Aye**". Mr. Coles abstained since he did not attend the meeting. **Motion carried.**
- VI. **Accountant's Report**  
Mr. Bauer gave out a draft copy of the proposed 2013-2014 Operating Budget. All the projections, increases for health insurance, possible employee additions for plant and CFO and other various changes were included. The principal and debt service requirements were updated. The most significant item is the increase in water revenue due to the new meter installations. The minimum usage billed for sewer is 18,000

gallons and for water is 10,500 gallons. There is an increase of around \$200,000 due to the new meters. Mr. Waxman asked what the charge is for 10,500 gallons of water usage. Mr. Flancbaum said the charge is \$43.45 per quarter for the minimum amount for a 5/8 inch meter. Majority of the accounts are 5/8 inch meters. Most of Raintree and both Villages have 5/8 inch meters. Mr. Bauer said there is an automatic rate increase going into effect on November 1<sup>st</sup>. This is the last increase that was passed with the new bonds. With that increase the Authority is safe with covering the debt service this coming year.

Mr. S. Flancbaum arrived at 10:02 A.M

With the help of the engineering department, calculations of bills were done for Paco Way. The result of the calculations is that they owe the Authority a considerable amount of money. This is as a result of billing problems. The total balance due as of July 1, 2013 is approximately \$146,000. Mr. Flancbaum said the company at 1200 Paco Way is called DPT. Mr. Flancbaum explained that they have to report their sewage consumption to the OCUA on an annual basis. They ask the Authority for their water usage. DPT told the Authority that they found their sewer usage was higher than what they were billed for water by the Authority. In 2011 when the meters were replaced, the two inch meter was charged like a four inch meter and the four inch meter was charged like a two inch meter. The charge for the four inch meter is higher than the two inch meter. Mr. Bauer and Mr. Ponsi reviewed the calculations and confirmed that the figures are accurate. Mr. Flancbaum will write them a letter explaining what happened. They are expecting this letter and expecting that they will have a significant bill. A payment arrangement will be worked out with them. Mr. Bauer said that every quarter that they are billed for this he will check the calculations before the bills are sent out.

Senator Singer asked Mr. Bauer if there are plans for a rate increase this year. Mr. Bauer replied beyond the November 1, 2013 increase there are no anticipated increases. He feels confident with the increase in revenues that the Authority is having because of the new metering system plus the November 1, 2013 increase, water rates three percent increase and sewer rates one and one half percent increase, the Authority should be fine this year.

## **VII. Engineer's Report**

### **1. Meter Replacement Phase 2**

#### Resolution Awarding Change Order #4

The Authority was already reimbursed for all the costs of this change order. This is for repairs to plumbing in individual units. They reimbursed the Authority ahead of time and then the change order was authorized. They went in to make repairs. The amount is for \$1,650.00. Mrs. Lapa read **Resolution # 13-109 Authorizing Change Order No. 4 And Extend Contract Meter Replacement Phase II**. Mr. Smith explained that at a previous meeting a resolution for Change Order No. 4 on this contract was adopted. However, it was subject to his subsequent approval of the language. Mr. Smith was in middle of negotiating the legal reimbursement language and hold harmless language with their attorney, Mike Renda. In the end, their attorney refused to come to terms with what Mr. Smith and Mike Avalone, the Authority's insurance consultant, considered necessary. At the end it was dropped. This is a revised Change Order No. 4. The language of the resolution specifically states that the prior Change Order No. 4 is null

void and this replaces it. Motion was made by Mr. Waxman, seconded by Mr. Coles. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

**2. Repair and Replacement of Sanitary Sewer on Redondo Lane**

- Resolution Awarding Change Order #1

The purpose of this change order is to remove the repaving out of the original contract so that the contract can be closed completely. Then it can be placed into this contract. The amount is for \$8,005.00. It is taking the same money from one contract to another. Mrs. Lapa read **Resolution # 13-110 Authorizing Change Order No. 1 And Extend Contract Redondo Lane Sanitary Sewer Improvements.** Motion was made by Mr. Coles, seconded by Mr. Waxman. On a **voice vote**, all members present voted, "**Aye**". **Adopted.** Senator Singer mentioned that he got some calls from residents in Redondo Lane area.

**3. Woodlake Village Locate and As-Built Underground Utilities**

- Resolution Awarding Professional Services Contract

GTS has new technology that is called ground penetrating radar. The Authority would like to have this tried out in the Woodlake Village area. It is supposed to be able to locate pipes with a radar unit. If it works, it will be very helpful to the Authority locating utilities. Mr. Waxman asked if Leisure Village will be next. Mr. Morrill said that they do not plan on doing it in the Villages because hopefully there will not be any more work in the Villages. Mr. Waxman asked what the amount of the contract is. Mr. Morrill said the amount of the contract is for \$6,807.00. Mr. Morrill said that in regard to the previous question of the Villages and using the radar technology there, if there are mark outs that need to be done and this equipment is helpful when there are questions on areas, the Authority will probably utilize this also in the older areas for mark outs. Mr. Waxman asked how it will work with plastic. Mr. Morrill said that this technology will find everything including plastic and metal. Senator Singer said that a lot of Authorities have an entire crew for mark outs. Anything that is done that will save our Authority from going that route is worth it. Mrs. Lapa read **Resolution # 13-111 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 Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

**4. RFQs for Engineering Services for Calendar Year 2014**

- Authorization to issue Request for Qualifications

Senator Singer asked Mr. Morrill to make sure that all the engineering firms submit all that they have to submit. Mr. Morrill said he will. Mrs. Lapa read **Resolution 13-112 Authorization To Issue Request For Qualifications For Consulting Engineers For The Year 2014.** Motion was made by Mr. Coles, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted.**

**5. Bid for Water Testing Services for Calendar Year 2014**

- Authorization to Bid

Mrs. Lapa read **Resolution 13-113 Authorizing The Advertisement Of A Request For Proposals For Water Testing Services For The Year 2014.** Motion was made by Mr. Waxman, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted.** Senator Singer asked who has the bid now. Mr. Flancbaum said that last year it was under the threshold so it was not put out to bid. The Authority uses

Henderson Labs. Mr. Flancbaum said that the Authority will put out a Request For Proposal under the competitive contracting guidelines which is similar to a Request For Qualifications. There will be criteria. Everyone can put in their qualifications. Senator Singer asked how much did the Authority spend on Henderson. Mr. Flancbaum said this year, as of the beginning of September, the Authority spent approximately \$25,000.

#### **6. Brick Township Municipal Utilities Authority Interconnections – Project Status**

The Brick Township Municipal Utilities Authority interconnection has actually started. It is going slowly but they are doing an excellent job. There are still a few minor issues with items that were approved with the previous engineer. But we are working through them. The contractor is doing a very good job and getting things done.

Senator Singer said that he hopes the Redondo Lane project will start going smoothly also. Mr. Morrill said that the dewatering with the well points are not doing well. They are actually drilling deep wells right now to pull the water down further. Senator Singer said we knew that this was going to happen.

### **VIII. Attorney's Report**

**New Jersey Business Systems** - Mr. Smith said he put together material necessary to file a claim against New Jersey Business Systems. What makes this claim a little more complicated is that the Authority went in under a State Contract. He is ready to file the claim. Senator Singer said the claim should not just be the amount the Authority paid them, but whatever the Authority had to pay for this. Mr. Smith said he will make a claim to make the Authority whole. Senator Singer asked if they are a big enough company to absorb this. Mr. Smith said he thinks so. Senator Singer said he imagines that they have liability insurance. He is also surprised that they did not offer a settlement. Mr. Smith said he will try to do that but first there has to be some action before they offer anything.

### **IX. Executive Director's Report**

#### **1. Resolution Awarding contract to Phil's Tree Service for various tree work system wide**

There was a proposal opening on September 17, 2013. One proposal was received from Phil's Tree Service in the amount of \$10,300. Prior to the proposal opening, the Authority solicited several companies and they submitted proposals. Phil's was the lowest with the amount of \$10,300. The range was from \$10,000 to \$22,000. When the Authority had the proposal opening only Phil's Tree Service submitted a proposal. Mrs. Lapa read **Resolution # 13-114 Awarding Contract For Various Tree Work**. Motion was made by Mr. Coles, seconded by Senator Singer. On a **voice vote**, all members present voted, "**Aye**". **Adopted**.

#### **2. Resolution Authorizing RFP for snowplowing service for winter season 2013-2014**

A Request for Proposals will be put on the website. Mrs. Lapa read **Resolution 13-115 Authorizing The Advertisement Of A Request For Proposals For Snowplowing Services For Winter Season 2013-2014**. Motion was made by Mr. Waxman, seconded by Mrs. Fish. On a **voice vote**, all members present voted, "**Aye**". **Adopted**.

3. **Resolution Authorizing Execution of lease agreement with Lakewood Department of Emergency Medical Service for installation of radio antenna on the Airport Road Water Storage Tank**

The Authority was approached by the Lakewood Emergency Medical Services. They would like to install an antenna on top of the Airport Road Water Storage Tank. We mirrored their lease upon the Chaverim lease. Mrs. Lapa read **Resolution 13-116 Authorizing The Execution Of A Lease Agreement With The Lakewood Department of Emergency Medical Service Airport Road Water Storage Tank**. Motion was made by Mr. Waxman, seconded by Mr. Sernotti. On a **voice vote**, Mr. Sernotti, Mr. Waxman, Mrs. Fish and Senator Singer voted, "**Aye**". Mr. Coles abstained. **Adopted**.

4. **Safety Update- CPR, First Aid, & First Response team**

The MEL and JIF encourage their members to train their employees in basic CPR and First Aid skills, especially the Operations Staff. They further encourage members whose employees contend with confined spaces such as manholes to have employees trained to actually respond to employee need or under duress. The Authority will be having CPR and First Aid training for entire operations staff and also for the office staff. Senator Singer said that some companies give to their employees that qualify and get certified, a gift card to Wawa. Perhaps the Authority should give a \$25 Wawa or Quick Check gift card. Mr. Flanbaum said okay.

5. **Underground Utilities Corporation Punch List Update**

The Authority has been tracking their progress in-house as opposed to requiring further assistance from Hatch Mott MacDonald. A meeting was held yesterday, September 30, 2013, with Underground Utilities Corporation. They completed 123 out of 175 work related items. The balance of the items is minor in nature but tedious and requires time. The tougher items to complete are done. Senator Singer asked if everything that is affected by the weather is done. Mr. Flanbaum said yes.

6. **Customer comment- 495C Thornbury Court**

The Authority received two customer compliments this month and Mr. Flanbaum said he thought the Commissioners should know about it. They involved Danny Briody and one of the new employees, Sal Signorelli. Both compliments came from Original Leisure Village. Mr. Flanbaum quoted the first customer, "they were kind respectful and nice". The employees were digging up a curb stop in the front yard which sometimes can be a little pretentious. The second customer said "he was a gentlemen and very professional". Mr. Flanbaum said that he thinks this a reflection of the management. Senator Singer said that a note should be put in their personnel files. Mr. Flanbaum said it was put in already.

Mr. Flanbaum said he has two items not on the agenda that he would to bring to the Commissioners attention. There will be a bid opening for fire and security alarms for the buildings back here on October 9, 2013. A phone poll will be conducted after the bid opening. The second item is that the Authority would like to have a Request For Proposals for purchasing a new telephone system for the office. The Authority is capped out on phone lines with the existing phone system. We cannot add more phone lines. It is an old system and is becoming more difficult to maintain and get spare parts. Senator Singer said he wants the Authority to look at the options of purchasing or

leasing. Mr. Flancbaum said that they already did look at both options. The Authority received a proposal from an Avaya authorized reseller. The quote for a phone system purchase that will meet our needs for the next ten years or so is just over \$17,700. The quote for a three year lease was more than \$17,000. It seems that purchasing the system is the way to go. This system has Voice Over IP, can be integrated to Microsoft Outlook and is expandable. Senator Singer asked if the IT Department was asked for a recommendation. Mr. Flancbaum said yes. Mr. Flancbaum would like a resolution to authorize a formal Request For Proposals for the purchasing of a phone system. Senator Singer said that it is under the bid threshold. Mr. Flancbaum agreed but since the proposal is for \$17,700 the Authority will have a Request For Proposals to satisfy the Pay To Play requirements. Mr. Smith added that it should be a fair and open bid. Mrs. Lapa read **Resolution 13-117 Authorizing The Advertisement Of A Request For Proposals For A New Telephone System.** Motion was made by Mr. Waxman, seconded by Mr. Coles. On a **voice vote**, all members present voted, "**Aye**". **Adopted.** Senator Singer suggested that when the Authority is done with the old system to ask any non-profit group if they would like the system. Mr. Morrill said that there is a trade in credit for \$3,300. Senator Singer said then it should be traded in.

#### **X. Instrumentation/IT Department Report**

Mr. Farina reported that the design work and preparations are complete for the last two equipment structures to be installed at Beacon Hill Tank Site and Well No. 15 Tank Site. Like the structures at our other remote sites, they will house electrical, SCADA, radio equipment and back up generated power units.

We have received our first of six SCADA panes from the panel builder and will begin to implement them at the Shorrock Street Well Sites. At the same time we are also working on the Shorrock Street Water Treatment Plant SCADA equipment change over.

As we have been looking to modernize and upgrade some of our operations procedures, we drafted an e-mail to about 50 MUA's across the state asking about their field procedures. We heard back from over a dozen, most of whom are still using pencil and paper to record things such as field maintenance, generator reads and so forth. However, we did hear back from two MUA's who have more advanced computerized systems. The Mount Holly MUA uses a custom database for recording, and the Hamilton MUA uses a third-party CMMS system. The Directors of both of the MUA's are happy with their systems. We have been invited to the Mt. Holly MUA this Thursday to take a look at their system, and a trip to the Hamilton MUA will likely occur later this month. Senator Singer said he likes the idea of investigating what other Authorities have proven to work. The Authority should really be paperless down the road. Mr. Flancbaum agreed. Senator Singer said regarding the monthly meeting booklets, in the future when iPads become relatively cheap, the Authority should purchase I Pads. Many Authorities today have I Pads. Everything is on the screen. Mr. Coles said that we can look into the time and money that is put into preparing the monthly booklets. You might notice a savings there that would justify the purchase. Senator Singer told Mr. Flancbaum to take a look at this when he has time to look at making the monthly booklets obsolete. Mr. Coles suggested Mr. Flancbaum should speak with Steven Reinman. He is looking into I Pads for the Township. It might be something that could be shared. Senator Singer said if it will not save the Authority money, do not do it.

**XI. Commissioners' Report**

Mr. Waxman questioned regarding the contract with the company that is supposed to do the shut off of the water service. Mr. Flancbaum said that the company does not want to do the shut offs. The Authority will do the shut offs ourselves, but In Line will do the turn-ons. Today, the Authority is delivering 140 door hangers as final notice informing that if an appointment is not made immediately the service will be terminated. Next Monday, In Line will give the Authority a list of whoever made an appointment. They will replace the meter and restore the service. There is no additional cost to the Authority. It will be done under the contract. Senator Singer said that in the future, the Authority will not do shut offs, in general. It is not necessary because the Authority has the annual Tax Sale. If they are not paid up, a lien is put against the property. If you look at MUA's they do not do shut offs. Every year they are made whole with the Tax Sales. New Jersey American Water Company does not have that power to put a lien against the property, therefore they have an entire crew that takes care of the shut offs. Senator Singer said the way of the Tax Sale is an easier way and probably a safer way to collect what is owed. Mr. Waxman said that if the customer owes over a certain amount, \$500 or \$1,000, they should be shut off. Senator Singer said that every year there is a Tax Sale and the money is paid. The problem of unpaid accounts are mostly residential and not the Industrial Park. Approximately seventy five percent of the unpaid accounts are tenant occupied properties and the landlord has not cared about the unpaid balance. It is a small percentage of legitimate homeowners. They will get a lien against them. If there is a mortgage on the house, the bank does not like it. It is directly against their mortgage factor. The tax lien comes before them. There are a lot of safeguards in that save time and headaches. Senator Singer said that other MUA's were asked and they do not shut off water. Mr. Flancbaum discussed this with him and Senator Singer thought it was a great recommendation. Mr. McGregor is happy with this also. Mr. Flancbaum said that the Authority gets paid in full at the Tax Sale. When customers are shut off they usually do not come in the full amount to pay off. Then a decision has to be made how much to accept in order to turn on the water. Senator Singer suggested that in one year to look at it and see how successful this is, were there any problems. If there are any glitches, then we can make modifications. Mr. Flancbaum said that next year we will look to see how the year went without any shut offs.

Senator Singer also wanted to bring the Commissioners up to date on the offer that was made from the Commissioners to the operations staff regarding additional money for additional licenses. It was very successful. Mr. Flancbaum said three operations employees are now in class. Also, Bob Farina is in class to get Operator's Licenses. It has been extremely successful. Senator Singer said it is a great idea and is working out well. It is encouraging the employees to be better trained.

Senator Singer said this is the first year that employee evaluations were done and it went well. Now we have a benchmark.

**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 \$500,697.68. On a **Voice Vote**, all members present voted, "**Aye**". **Motion passed.**

**XV. CLOSED SESSION**

A **motion** was made by Mr. Waxman and seconded by Mr. Coles to go into closed session at 10:32 A.M to discuss personnel. On a **voice vote**, all members present voted, "**Aye**".

**XVI. OPEN SESSION**

At 10:48 A.M. the meeting went back to open session. Senator Singer said that a decision was made to convene the Personnel Committee to review salaries.

**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 10:48 A.M.

Respectfully submitted,

Nancy Lapa,  
Secretary, LTMUA